

ROCKLAND COUNTY  
SOLID WASTE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE  
COUNTY OF ROCKLAND, NEW YORK)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE  
COUNTY OF ROCKLAND, NEW YORK)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

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INDEPENDENT AUDITORS' REPORT

To the Members of the Rockland County  
Solid Waste Management Authority, New York

We have audited the accompanying statements of net assets of ~~the~~ Rockland County Solid Waste Management Authority (a component unit of the County of Rockland, New York) as of December 31, 2009 and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year comparative information has been derived from the Authority's 2008 financial statements and, in our report dated May 8, 2009, we expressed unqualified opinions on the respective financial statements of the Statement of Activities and cash flows.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Rockland County Solid Waste Management Authority (a component unit of the County of Rockland, New York) as of December 31, 2009 and the results of its activities and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information listed as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Rockland County Solid Waste Management Authority (a component unit of the County of Rockland, New York). Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

*O'Connor Davies Munns & Dobbins, LLP*

**O'Connor Davies Munns & Dobbins, LLP**  
June 21, 2010

**Rockland County Solid Waste Management Authority  
Management's Discussion and Analysis (MD&A)  
December 31, 2009**

**Introduction**

The discussion and analysis of the Rockland County Solid Waste Management Authority's financial statements provides an overview of the Authority's financial activities for the year ended December 31, 2009. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis.

**Financial Highlights**

Comparative revenues, expenses and changes in net assets are summarized below. Refer to the Authority's basic financial statements for the complete Statement of Activities.

	December 31,	
	2009	2008
Operating Revenues	\$ 38,602,009	\$ 27,248,228
Non-operating Revenues	940,571	2,053,210
Total Revenues	39,542,580	29,301,438
Operating Expense	38,646,951	26,999,389
Non-Operating Expense, net	3,223,040	1,679,924
Total Expenses	41,869,991	28,679,313
Increase (Decrease) in Net Assets	\$ (2,327,411)	\$ 622,125

As of December 31, 2009, total assets reported by the Authority were \$84.4 million and total liabilities were \$68.4 million. Net Assets, which represent the equity of the Authority, decreased by \$2,327,411. The decrease in net assets was due to several factors. The prices of commodities sold at the Materials Recovery Facility (MRF) hitting rock bottom in October of 2008 that lasted for the major part of 2009. Comparatively, pricing in 2008 was at an all time high. Contractually, the Authority has the benefit of receiving floor pricing for the fiber market which made the loss of market pricing less than it could have been, but the dramatic decrease in all commodity prices and the recession that followed left budget to actual revenue projections short by approximately \$1,156,475. Corresponding expenditures produced a budget surplus of \$932,606 leaving approximately a \$223,000 net shortfall. The market crash was not anticipated but the Authority was able to absorb

the loss because of a large positive fund balance. In addition interest revenue was \$309,165 less than anticipated due to the economic downturn during 2009. Fees for services, such as legal and engineering, of non-employees was approximately \$187,000 over budget due to work done in conjunction with acquisition of the Clarkstown transfers station, yard waste facility and concrete crushing facility and Department of Environmental Conservation (DEC) Order on Consent regarding that facility. In addition, the concrete crushing facility expenditures were in excess of \$900,000 due to compliance of DEC Order on Consent for the processing of concrete and the corresponding tip fee revenue offset was approximately \$220,000, resulting in a net expenditure of \$680,000. Equipment rental related to DEC compliance was in excess of \$121,000 and building repair for same was approximately \$187,000. Co-composting operating and maintenance fees were approximately \$244,000 in excess of budget due to a change in processing at one of the County's waste water treatment plants that resulted in more side stream materials than anticipated.

### **Overview of the Financial Statements**

The financial statements of Authority have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The objective of these standards is to enhance the understandability and usefulness of the external financial reports issued by Public Authorities.

The financial statement presentation consists of a *Statement of Net Assets*, a *Statement of Activities*, a *Statement of Cash Flows* and accompanying *Notes to Financial Statements*. These statements provide information on the financial position of the Authority and the financial activity and results of its operations during the year. A description of these statements follows:

The Statement of Net Assets presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Activities presents information showing the change in the Authority's net assets during the most recent fiscal year. All changes in net assets 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 reported in this statement include items that will result in cash received or disbursed in future fiscal periods (e.g., the receipt of amounts due from other governments or the payment accrued for compensated absences).

The Statement of Cash Flows provides information on the major sources and uses of cash during the year. The cash flow statement portrays net cash provided or used from operating, investing, capital and non-capital financing activities.

## Statement of Net Assets (Condensed)

The statement of net assets presents the financial position of Authority at the end of its fiscal year. A more detailed Statement of Net Assets appears in the Authority's basic financial statements.

	December 31,	
	2009	2008
Current Assets	\$ 16,141,484	\$ 48,153,627
Capital Assets, Net	40,628,734	35,223,188
Other Non-Current Assets	27,648,500	4,869,555
 Total Assets	 84,418,718	 88,246,370
Current Liabilities	8,687,330	8,347,630
Non-Current Liabilities	59,757,100	61,597,041
 Total Liabilities	 68,444,430	 69,944,671
 Net Assets	 \$ 15,974,288	 \$ 18,301,699

### Current Assets

Current assets as of December 31, 2009 are primarily composed of cash and cash equivalents and deposits totaling \$13.2 million. The remaining \$2.9 million consists of receivables from various sources such as customers (haulers, other governments), state grants and prepaid expenses.

### Current Liabilities

Currently liabilities consist mainly of accounts payable and accrued liabilities totaling \$5.8 million. The current portion of bonds payable is \$2.3 million. The increase in current portion of bonds payable versus the prior year was due to an additional bond issued during 2008 for the acquisition of two facilities and provide for facility improvements.

### Non-Current Liabilities

There are primarily two components of non-current liabilities. As of December 31, 2009, the non-current portion of bonds payable was \$57.3 million. December 15, 2008, the Authority issued bonds of \$27,535,000 to purchase two facilities and provide for facility improvements. The Authority acquired the Haverstraw transfer station located in the northern portion of Rockland County on June 16, 2008. In addition, the Authority entered

into an operating agreement with the Town of Clarkstown as of November 17, 2008 and closed on the property on October 7, 2009. In addition, the Authority's post employment benefit obligation payable as per Governmental Accounting Standards Board (GASB) 45 is \$2,170,435, an increase of \$697,877.

### Capital Assets, Net

The Authority began to depreciate its capital assets in July 1998. The capitalization threshold was established at \$5,000 per unit. This resulted in a depreciation expense for the year ended December 31, 2009 of \$3,285,098.

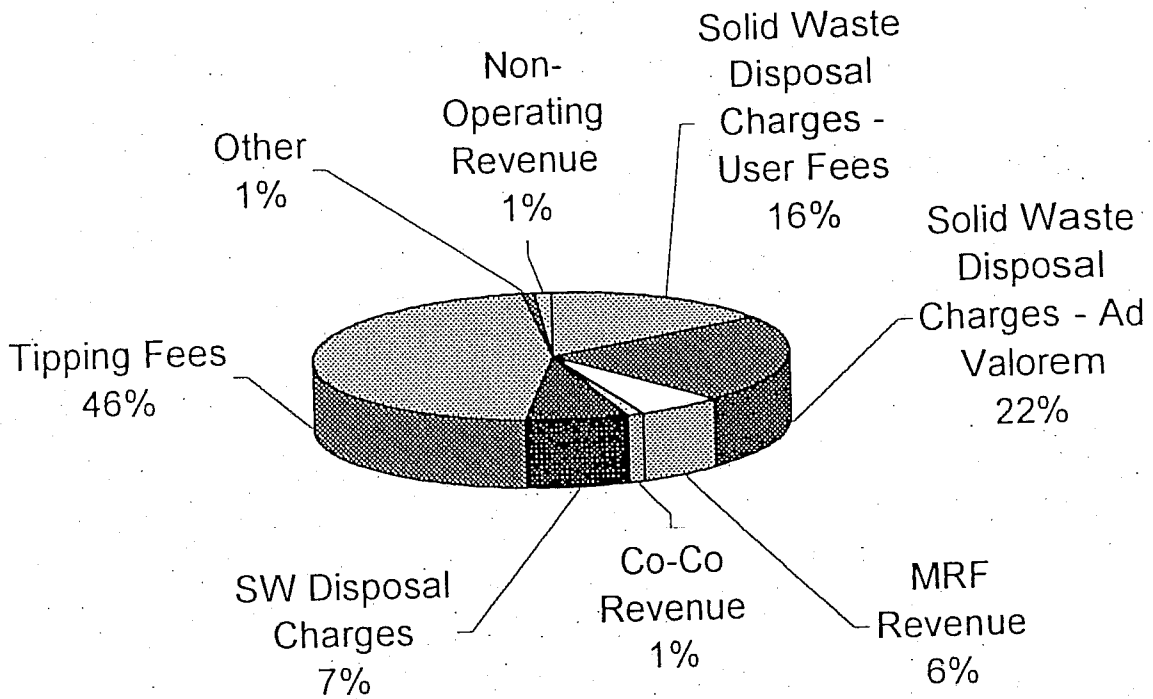
A comparative summary of capital assets is as follows:

	December 31,	
	2009	2008
Capital Assets:		
Land	\$ 6,200,325	\$ 2,133,312
Construction-in-Progress	1,373,420	-
Buildings and Land Improvements	44,198,878	42,911,260
Machinery and Equipment	15,745,389	13,812,796
<b>Total Capital Assets</b>	<b>67,518,012</b>	<b>58,857,368</b>
Less Accumulated Depreciation:		
Buildings and Land Improvements	19,045,352	16,754,762
Machinery and Equipment	7,843,926	6,879,418
<b>Total Accumulated Depreciation</b>	<b>26,889,278</b>	<b>23,634,180</b>
<b>Net Capital Assets</b>	<b>\$ 40,628,734</b>	<b>\$ 35,223,188</b>

### Statement of Activities

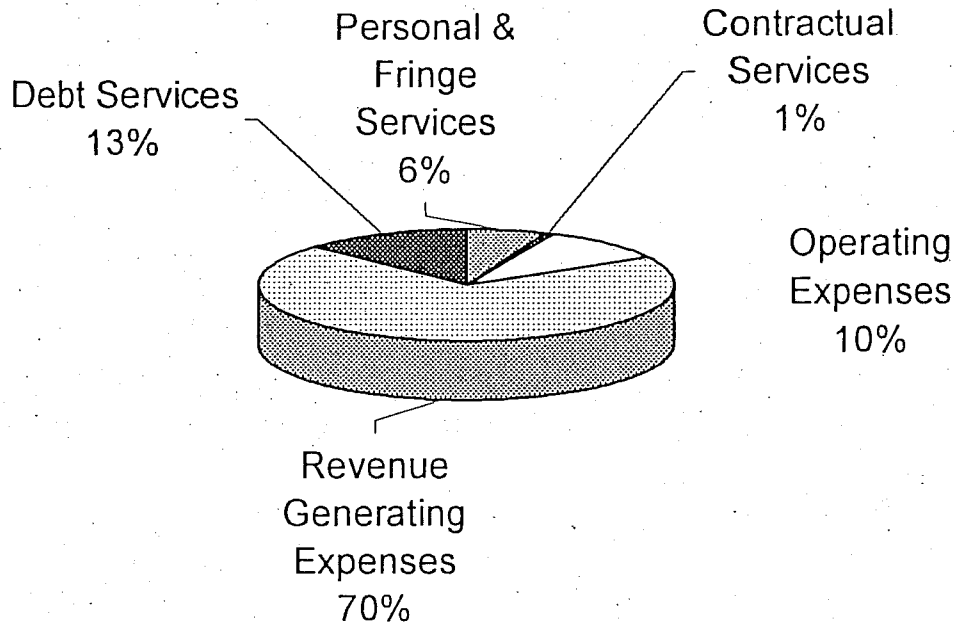
The statement of activities presents the Authority's results of operations. The Authority also includes supplemental information regarding detail of revenues and expenses as it relates to the adopted Authority budget. Refer to the Authority's basic financial statements for the complete listing. Total operating revenues of the Authority for year ended December 31, 2009 were \$38.6 million. Non operating revenues totaled approximately \$940,000.

REVENUE 2009



Solid Waste Disposal Charges (both user fees and ad valorem) represented 38% of total revenues. Revenues from the Materials Recovery Facility, Co-composting Facility and collection agreements administered by the Authority represented 14% of total revenues. Tipping fees represented 46% of total revenues. Non-operating revenues (bank interest, restricted funds interest and interest subsidy) represented 1% of total revenues. Other revenues such as grants represent 1% of total revenues.

### EXPENSES 2009



Total expenses for the year were \$41.8 million. Operating expenses represented 10% of expenses. Personnel and fringe benefit costs represented 6% of expenses. Revenue generating expenses (those related to the operation of the Authority's facilities) represented 70% of expenses. Debt Service represented 13% of total expenses.

### Economic Factors that will Affect the Future

#### *Transfer Station:*

On May 20, 2008, the County Legislature, pursuant to language proposed by the Authority, enacted county-wide flow control (the "Flow Control Act"). On June 19, 2008, the County Executive signed the Flow Control Act and caused it to be filed pursuant to State law upon which it was designated as Local Law No. 2 of 2008 of the County. County-wide flow control will increase the volume of solid waste managed by the Authority so that alternative waste processing technologies can be implemented in the County with the goal of reducing waste disposed in landfills. Under the Flow Control Act, the County Department of Health has been designated as the agency charged with enforcement of the Flow Control Act. The Authority has entered into an inter-municipal agreement with the County for reimbursement of personnel and operating expenses in conjunction with Flow Control. Pursuant to the Flow Control Act, the Authority prepared an implementation schedule or schedules which shall list all portions of the Flow Control Act which remain to be implemented. The Authority has implemented flow control related to municipal solid waste (MSW), yard waste and recyclables. Although the Authority believes that the Flow Control Act will improve its ability to manage the County's solid waste, the Authority's

operations and financial model is not dependent on the Flow Control Act. The Authority has operated historically without the benefit of any flow control laws.

The Authority currently has three strategically located transfer stations.

#### *Materials Recovery Facility:*

There are several factors that impact the revenue generated by the Material Recovery Facility (MRF). The commodity pricing of the various products sold by our long term operator and the contracts they have agreed to with their buyers impact our revenue sharing agreement. This agreement stipulates fiber floor pricing and the Authority had historically had pricing benefits far greater than the minimum levels required under contract until the economic downturn during the last quarter of 2008. During that period of time the commodity prices were far below the floor pricing allowed under our agreement but the Authority received the agreed floor pricing. Legislative changes, such as the NYS enhanced bottle bill, has impacted recycling revenue by impacting the Authority's residential-curb-side recycling initiative. The new flow control legislation and increased outreach efforts have had a positive impact on the flow of material into the MRF by commercial businesses.

#### *Co-composting Facility:*

In its contract with the current long term operator, the Authority was able to obtain a sludge processing guarantee without making any physical plant expansions but with capital improvements/enhancements. This in turn allows the Authority to create capacity both for future growth in its current service area and to increase merchant tonnage at favorable rates. As capacity for disposal may become a premium for out-of-county users, this increase in capacity creates a more competitive environment for the Authority. The Authority will continue to pursue out-of-county opportunities to maximize revenues.

#### *Household Hazardous Waste Facility:*

Based on trending analysis, the quantity of material received at the Household-Hazardous Waste Facility (HHW) is expected to continue to grow due to several factors, including the increase in e-waste. On going evolution in the television market and the modification to digital television accelerates the obsolescence of existing television units, therefore further accelerating the quantity of e-waste removal. Similar forces are affecting smaller personal items such as calculators, digital video discs (DVDs), cell phones and electronic organizers. Newly introduced legislation regarding product stewardship may change the funding mechanism for the HHW facility in that NYS may decrease funding while there may be funding opportunity with large corporations that will partner with the Authority as a disposal site for e-waste. The Authority will continue to follow the legislation and begin to pursue product stewardship partnerships with large corporations independently of the legislation.

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF ROCKLAND, NEW YORK)

STATEMENT OF NET ASSETS  
DECEMBER 31, 2009  
(With Comparative Amounts at December 31, 2008)

	2009	2008
<u>ASSETS</u>		
Current	\$ 13,171,886	\$ 17,364,418
Cash and cash equivalents		
Accounts receivable, net of allowance for uncollectible accounts of \$719,164 and \$500,553	2,242,165	1,530,126
Grants receivable from other governments	379,939	440,100
Deposits on purchase of transfer station	-	1,500,000
Prepaid expenses and other receivables	347,494	2,034,171
Total Current Assets	16,141,484	22,868,815
Cash and cash equivalents - restricted	7,186,528	22,503,196
Investments - restricted	3,987,236	2,781,616
Land	6,200,325	2,133,312
Intangible assets	15,506,746	3,848,089
Capital Assets, net	33,054,989	33,089,876
Construction-in-Progress	1,373,420	-
Deferred Bond Fees, net	967,990	1,021,466
Total Assets	\$ 84,418,718	\$ 88,246,370
<u>LIABILITIES</u>		
Current Liabilities	\$ 5,271,528	\$ 5,239,692
Accounts payable	538,218	1,227,938
Accrued liabilities	57,584	-
Capital Lease payable, current portion	2,332,862	1,880,000
Bonds payable, current portion	487,138	-
Bonds payable, non-capital, current portion		
Total Current Liabilities	8,687,330	8,347,630
Non-current Liabilities	235,047	-
Capital lease payable		
Bonds Payable, net of premium and discount of \$1,003,382 in 2009 and \$1,050,517 in 2008	42,332,010	52,857,735
Bonds Payable, non-capital portion	15,019,608	7,266,748
Other post employment benefit obligations payable	2,170,435	1,472,558
Total Non-Current Liabilities	59,757,100	61,597,041
Total Liabilities	68,444,430	69,944,671
<u>NET ASSETS</u>		
Invested in Capital Assets, net of related debt Unrestricted	7,812,985	6,862,439
	8,161,303	11,439,260
Total Net Assets	15,974,288	18,301,699
Total Liabilities and Net Assets	\$ 84,418,718	\$ 88,246,370

See notes to financial statements.

**ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF ROCKLAND, NEW YORK)**

**STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2009  
(With Comparative Amounts for 2008)**

	2009	2008
Operating Revenues - Solid waste disposal charges	\$ 38,602,009	\$ 27,248,228
Operating Expenses		
Personal services	1,914,008	1,376,633
Employee benefits	608,625	461,088
Other post employment benefit obligation	697,877	703,888
Contractual services	32,040,732	21,578,655
Depreciation and amortization	3,385,709	2,879,125
Total Operating Expenses	38,646,951	26,999,389
Operating Income (loss)	(44,942)	248,839
Non-Operating Revenues (Expenses)		
Interest income	233,594	536,078
Interest expense	(3,028,040)	(1,679,924)
State aid	428,901	507,132
Loss on disposal of capital asset	(195,000)	-
Insurance proceeds	278,076	-
Settlement with operator	-	1,010,000
Total Non-Operating Revenues (Expenses), Net	(2,282,469)	373,286
Change in Net Assets	(2,327,411)	622,125
Net Assets - Beginning of Year	18,301,699	17,679,574
Net Assets - End of Year	\$ 15,974,288	\$ 18,301,699

See notes to financial statements.

**ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY**  
**(A COMPONENT UNIT OF THE COUNTY OF ROCKLAND, NEW YORK)**

**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2009**  
**(With Comparative Amounts for 2008)**

	2009	2008
Cash Flows from Operating Activities	\$ 37,889,970	\$ 26,535,559
Collections for solid waste disposal	(33,027,035)	(18,531,874)
Payments to vendors	(2,423,663)	(1,760,878)
Payments for salaries and benefits		
Net Cash from Operating Activities	2,439,272	6,242,807
Cash Flows from Non-Capital Financing Activities		
State aid	489,062	403,917
Settlement with operator	-	1,010,000
Net Cash from Non-Capital Financing Activities	489,062	1,413,917
Cash Flows from Capital and Related Financing Activities		
Repayments of bonds	(1,880,000)	(1,810,000)
Bonds issued, net of discount and issuance costs	-	26,163,711
Capital lease issued	320,000	-
Repayments of capital lease	(27,369)	-
Restricted cash and equivalents	15,316,668	(18,044,714)
Restricted investments	(1,205,620)	-
Capital assets	(7,512,224)	(2,762,036)
Construction-in-progress	(1,373,420)	349,094
Intangible assets	(11,658,657)	(3,848,089)
Deposit on purchase of transfer station	1,500,000	(1,500,000)
Prepaid expenses	1,918,659	(1,918,659)
Retainages payable	-	(93,536)
Insurance proceeds	278,076	-
Interest expense	(3,030,573)	(1,622,675)
Net Cash from Capital and Related Financing Activities	(7,354,460)	(5,086,904)
Cash Flows from Investing Activities		
Interest income	233,594	536,078
Net Increase in Cash and Cash Equivalents	(4,192,532)	3,105,898
Cash and Cash Equivalents - Beginning of Year	17,364,418	14,258,520
Cash and Cash Equivalents - End of Year	\$ 13,171,886	\$ 17,364,418
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities	\$ (44,942)	\$ 248,839
Operating income		
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	3,385,709	2,879,125
Changes in operating assets and liabilities		
Accounts receivable	(712,039)	(712,669)
Prepaid expenses and other receivables	(231,982)	50,327
Accounts payable	31,836	3,257,211
Accrued liabilities	(687,187)	(183,914)
Other post employment benefit obligations payable	697,877	703,888
	\$ 2,439,272	\$ 6,242,807

See notes to financial statements.

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF ROCKLAND, NEW YORK)

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

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Note 1 - Summary of Significant Accounting Policies

**Organization and Purpose**

The Rockland County Solid Waste Management Authority (the "Authority") is a public benefit corporation established pursuant to Title 13-M of the New York State Public Authorities Law. The Authority was established in 1993 and became operational in 1995. 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 appointed by the County Legislature, and two members are appointed by the County Executive. The Authority provides solid waste management services to residents of the County of Rockland, New York.

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

**A. Financial Reporting Entity**

A majority of the Authority's governing board consists of members of the County Legislature and members appointed by the County Legislature, and therefore the County is considered able to impose its will on the Authority. The ability to impose will is considered sufficient criteria to establish the Authority as a component unit of the County of Rockland, New York. Since the Authority does not provide services entirely or almost entirely to the County of Rockland, the financial statements have been reflected in the County's financial statements as a discretely presented component unit.

**B. Basis of Presentation**

The activities of the Authority are reported in accordance with generally accepted accounting principles as applicable to enterprise funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business 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. The Authority applies all applicable Financial Accounting Standards Board (FASB) guidance, unless they conflict with or contradict GASB pronouncements, in accounting and reporting for its operations.

**C. Measurement Focus/Basis of Accounting**

The accounting and financial reporting treatment is determined by an entity's measurement focus. Enterprise funds are accounted for on the flow of economic resources measurement focus. This measurement focus emphasizes the determination of net income. With this measurement focus, all assets and liabilities (whether current or non-current) associated with the operation of the entity are included on the statement of net assets. Enterprise fund statements of activities present increases (revenues) and decreases (expenses) in net total assets. The accrual basis of accounting is followed by the Authority. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred.

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF ROCKLAND, NEW YORK)

NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2009

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Note 1 - Summary of Significant Accounting Policies (Continued)

**D. Assets, Liabilities and Net Assets**

**Cash and Cash Equivalents**

Cash and cash equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with maturities of three months or less at the time of purchase.

**Receivables**

Receivables consist of amounts due from corporations and other governments. Receivables are recorded as earned or as specific program expenditures are incurred.

**Restricted Cash and Cash Equivalents and Investments**

Restricted cash and cash equivalents and investments 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.

**Property and Equipment**

Property and equipment are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets as follows:

Buildings and improvements	20 years
Machinery and equipment	5-20 years

Expenditures for maintenance and repairs are charged to expense, and renewals and betterments are capitalized. Upon sale or retirement, the cost of the asset and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in the results of operations.

**Land and Construction-in-Progress**

Land and construction-in-progress are stated at cost. Interest paid on applicable debt, net of interest earned on available funds, is capitalized during the period of construction. Depreciation is not computed on construction-in-progress. When the related project is completed, depreciation will be provided for in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service life.

**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. Goodwill is tested for impairment annually in the fourth quarter, and will be tested for impairment between annual tests if an event occurs or circumstances change that more likely than not would indicate the carrying amount may be impaired. Impairment testing for goodwill

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF ROCKLAND, NEW YORK)

NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2009

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Note 1 - Summary of Significant Accounting Policies (Continued)

is done at a reporting unit level. An impairment loss generally **would** be recognized when the carrying amount of the unit's net assets exceeds the estimated **fair** value of the reporting unit. The estimated fair value of a reporting unit is determined using a **discounted** cash flow analysis.

**Deferred Bond Fees**

Deferred charges represent the unamortized portion of **the** costs of issuance of bonds. These costs are being amortized over the term of the respective **bond** issue.

**Capital Lease Payable**

The Authority records Capital Leases payable at the **present** value of their future minimum lease payments as of the inception date.

**Bonds Payable**

The Authority records bonds payable at face value **net of** unamortized original issue premium and discount.

**Compensated Absences**

Vested or accumulated vacation or compensatory time **is** recorded as an expense and liability of the Authority as the benefit accrues to employees.

**Net Assets**

Net assets represent the equity generated from the operation of the Authority.

**E. Use of Estimates**

The preparation of financial statements in conformity with **generally** accepted accounting principles requires management to make estimates and **assumptions** that affect the reported amounts of assets and liabilities and disclosures of contingent **assets** and liabilities at the date of the financial statements. Estimates also affect the **reported** amounts of revenues and expenses during the reporting period. Actual results could differ **from** those estimates.

**F. Comparative Financial Information**

The financial statements include certain prior-year **comparative** information, but does not include all required note disclosures. Accordingly, such **information** does not constitute a presentation in conformity with **generally** accepted accounting principles. Such information should be read in conjunction with the Authority's financial **statements** for the year ended December 31, 2008, from which the comparative information was derived.

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF ROCKLAND, NEW YORK)

NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 21, 2010.

Note 2 - Cash and Equivalents

Restricted

The carrying amounts of the Authority's restricted deposits at December 31, 2009 and 2008 were \$7,186,528 and \$22,503,196, respectively. These amounts are held in trust by a custodial agent on behalf of the Authority. These amounts are not subject to risk collateralization requirements.

Note 3 - Restricted Investments

Restricted investments at December 31, 2009 consisted of the following:

	<u>Maturity Date</u>	<u>Interest Rate</u>	
Collateralized Investment Agreements - AIG Matched Funding Corp.	12/15/2025	4.59 %	\$ 1,651,017
Repurchase Agreement - Westdeutsche Landesbank	12/15/2016	6.43	<u>1,130,599</u>
Certificates of Deposit:			
Amboy Bank	05/12/2011	2.35	98,000
Anchor Bank	05/09/2011	2.30	98,000
Barnes Banking Co.	11/21/2011	2.70	98,000
Capmark Bank	05/13/2014	3.50	98,000
Citi Bank	05/06/2014	3.50	98,000
Community South Bank	11/05/2010	2.05	98,000
Discover Bank	11/06/2013	3.40	98,000
First South Bank	05/14/2012	2.70	98,000
GE Capital Financial Inc.	05/13/2013	3.30	98,000
Sallie Mae Bank	05/07/2012	3.05	98,000
Far East National Bank	05/07/2010	1.15	<u>80,000</u>
			<u>1,060,000</u>
U.S. Treasury Bond SLUG	06/15/2025	-	<u>145,620</u>
			<u>\$ 3,987,236</u>

The investment agreements are fully insured in accordance with the investment agreements with securities guaranteed by the U.S. government. The certificates of deposit are covered by FDIC insurance.

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2009

**Note 4 - Capital Assets**

Capital asset activity for the year ended December 31, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,133,312	\$ 4,067,013	\$ -	\$ 6,200,325
Construction in progress	-	1,373,420	-	1,373,420
Total capital assets not being depreciated	2,133,312	5,440,433	-	7,573,745
Capital assets being depreciated:				
Buildings	40,537,006	1,241,818	-	41,778,824
Land improvements	2,420,054	-	-	2,420,054
Machinery and equipment	13,766,996	2,203,393	(225,000)	15,745,389
Total capital assets being depreciated	56,724,056	3,445,211	(225,000)	59,944,267
Less accumulated depreciation for Capital assets being depreciated:				
Buildings	16,606,866	2,148,080	-	18,754,946
Land improvements	193,604	96,802	-	290,406
Machinery and equipment	6,833,710	1,040,216	(30,000)	7,843,926
Total accumulated depreciation	23,634,180	3,285,098	(30,000)	26,889,278
Total capital assets being depreciated, net	33,089,876	160,113	(195,000)	33,054,989
Capital assets, net	\$ 35,223,188	\$ 5,600,546	\$ (195,000)	\$ 40,628,734

**Note 5 - Acquisition of Transfer Station**

On November 13, 2008, the Authority entered into an agreement to acquire 100 percent of the assets of the Clarkstown Transfer Station and a separate agreement to operate the transfer station and a separate agreement to operate the transfer station. Income and expenses since that date have been included in the Authority's financial statements. Actual closing on the sale took place on October 7, 2009. The aggregate purchase price was \$18,301,945, which was financed entirely with serial bonds. The following table summarizes the estimated fair values of the assets acquired at the date of acquisition:

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2009

Note 5 - Acquisition of Transfer Station (Continued)

Land	\$ 4,067,013
Building	1,232,987
Equipment	1,343,288
Goodwill	<u>11,658,657</u>
	<u>\$ 18,301,945</u>

The value of the Land and Building was assigned based on a **third** party appraisal. The equipment value was determined by the Authority based on estimated fair values at the time of acquisition. The portion of the purchase price not specifically allocated to assets was assigned to goodwill.

Note 6 - Deferred Bond Fees

The Authority incurred fees in relation to the issuance of general **obligation** bonds (Note 5). These amounts have been capitalized and are being amortized over the life of **the** bonds. Amortization expense for the years ended December 31, 2009 and 2008 totaled \$53,476 and **53,475**, respectively.

Note 7 - Bonds Payable

Bonds Payable at December 31 consisted of the following issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2009
Serial Bonds	1996	\$ 11,620,000	December, 2014	5.625 %	\$ 2,935,000
Serial Bonds	1999	4,000,000	December, 2018	5.25 - 5.750	2,370,000
Serial Bonds	2003	15,273,468	December, 2025	4.629 - 6.189	11,935,000
Serial Bonds	2003	8,720,000	December, 2028	3.75 - 5.125	7,525,000
Serial Bonds	2006	10,080,000	December, 2021	4.25 - 5.000	8,875,000
Serial Bonds	2008	27,535,000	December, 2023	3.25 - 5.75	27,535,000
					<u>\$ 61,175,000</u>

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

<u>Redemption Period (Dates Inclusive)</u>	<u>Redemption Price (as a % of Par)</u>
December 15, 2008 and thereafter	100%

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NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2009

Note 7 - Bonds Payable (Continued)

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

<u>Redemption Period (Dates Inclusive)</u>	<u>Redemption Price (as a % of Par)</u>
December 15, 2009 to December 14, 2010	101.0%
December 15, 2010 to December 14, 2011	100.5%
December 15, 2011 and thereafter	100.0%

At the option of the Authority, the serial bonds included in the \$10,080,000 issue will be subject to redemption prior to maturity on or after December 15, 2016 at par value. These bonds may be redeemed either in whole at any time or in part on any interest payment date at par plus accrued interest, if any, through the date of maturity.

At the option of the Authority, the serial bonds included in the \$27,535,000 issue will be subject to redemption prior to maturity on or after December 15, 2019 at par value. These bonds may be redeemed either in whole at any time or in part on any interest payment date at par plus accrued interest, if any, through the date of maturity.

The annual requirements to amortize all bonds outstanding at December 31, 2009, including interest of \$30,718,213 are due as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 2,820,000	\$ 3,232,644	\$ 6,052,644
2011	2,940,000	3,110,955	6,050,955
2012	3,075,000	2,979,626	6,054,626
2013	3,215,000	2,836,762	6,051,762
2014	3,370,000	2,685,581	6,055,581
2015-2019	19,650,000	10,617,603	30,267,603
2020-2024	21,160,000	4,668,598	25,828,598
2025-2029	4,795,000	547,444	5,342,444
2030-2033	150,000	39,000	189,000
	61,175,000	<u>\$ 30,718,213</u>	<u>\$ 91,893,213</u>
Less: Unamortized original Issue premium and discount	<u>(1,003,382)</u>		
	<u>\$ 60,171,618</u>		

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**NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2009**

**Note 8 - Defeasance of Debt**

On September 15, 1999, the Authority advance refunded \$2,330,000 of its 1996A serial bonds and \$2,195,000 of its 1996B serial bonds using grants of \$4,000,000 from New York State and \$525,000 of funds released from restricted cash. These funds were used to purchase U. S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for portions of future debt service on the 1996A and 1996B serial bonds. As a result, portions of these serial bonds are considered to be defeased and the liability for those bonds have been removed from bonds payable. Defeased bonds totaling \$2,175,000 and \$2,445,000 were outstanding at December 31, 2009 and 2008, respectively.

**Note 9 - Pension Plan**

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

Funding Policy - The System is non-contributory except for employees who joined after July 27, 1976 and have less than 10 years of service, who contribute 3% of their salary. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion (GTLI) and a regular pension contribution. Contribution rates for the plan year's ended March 31, 2010 and 2009 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
2010	4 A15	7.0%
2009	4 A15	7.9

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

2009	\$ 97,107
2008	109,076
2007	136,121

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

**Note 10 - Post Employment Healthcare Plan**

**Other Post Employment Benefit Obligations**

In addition to providing pension benefits, the Authority provides certain health care benefits for retired employees through a single employer defined benefit plan. The employee handbook stipulates the employees covered and the percentage of contribution. The cost of providing post employment health care benefits is shared between the Authority and the retired employee. Substantially all of the

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS (Continued)  
 DECEMBER 31, 2009

Note 10 - Post Employment Healthcare Plan (Continued)

Authority's employees may become eligible for those benefits if they have a minimum of five years of service and reach normal retirement age while working for the Authority. There are currently no retirees of the Authority therefore no amounts have been paid on behalf of retirees.

The Authority's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be 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.

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

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

Year Ended December 31,	Health Insurance	Medicare Part B
2010	8.50 %	8.00 %
2011	7.50	7.00
2012	6.50	6.00
2013	5.50	5.00
2014	5.25	5.00
2015+	5.00	5.00

The amortization basis is the level dollar amortization method with an open amortization approach with 27 years remaining in the amortization period. The actuarial assumptions included a 6.0% investment rate of return. The Authority currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the unit credit cost method. Payroll growth is not considered when using this method. The inflation rate is implicit in the trend rate and cannot be separately identified.

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS (Continued)  
 DECEMBER 31, 2009

Note 10 - Post Employment Healthcare Plan (Continued)

The number of participants as of December 31, 2009 was as follows:

Active Employees	26
Retired Employees	-
Total	<u>26</u>
Amortization Component:	
Actuarial Accrued Liability as of 1/1/09	\$ 1,759,571
Assets at Market Value	-
Unfunded Actuarial Accrued Liability	<u>\$ 1,759,571</u>
Funded ratio	<u>0.00%</u>
Covered payroll (active plan members)	\$ 1,909,083
UAAL as a percentage of covered payroll	92%
Annual Required Contribution	710,453
Interest on Net OPEB Obligation	88,353
Adjustment to Annual Required Contribution	<u>(100,929)</u>
Annual OPEB Cost	697,877
Contributions Made	-
Increase in Net OPEB Obligation	697,877
Net OPEB Obligation - beginning of year	<u>1,472,558</u>
Net OPEB Obligation - end of year	<u>\$ 2,170,435</u>

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

<u>Fiscal Year Ended December 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$ 697,877	- %	\$ 2,170,435
2008	768,670	-	1,472,558
2007	703,888	-	703,888

The Authority first implemented the provisions of GASB Statement No. 45 for the fiscal year ended December 31, 2007.

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2009

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**Note 11 - Compensated Absences**

Unused vacation time or compensatory time may be carried forward to subsequent years. Unused personal time is added to sick leave. The Authority has determined that the potential liability for accumulated vacation and compensatory time at December 31, 2009 and 2008 was \$254,213 and \$184,454, respectively. These amounts are included in accrued liabilities of the Authority.

**Note 12 - Summary of Significant Contingencies**

**Risk Management**

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 \$2 million. The auto policy provides coverage up to \$1 million and the pollution liability policy provides coverage up to \$5 million. The Authority also maintains an umbrella policy with coverage up to \$5 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.

**Litigation**

The Authority, in common with other Authorities, receives numerous notices of claims for money damages occurring, property damage or personal injury. All the claims currently pending have been referred to the insurance carrier and none are expected to have a material effect on the Authority's financial position if adversely settled.

**Cash and Investment Restrictions**

Upon issuance of the serial bonds, the indentures required the establishment of a restricted cash balance of \$4,784,581 in 2009 and \$4,851,855 in 2008, which is maintained with the trustee of the bonds. In addition, at December 31, 2009 and 2008, the trustee held \$6,389,183 and \$20,202,341, respectively, for the purchase and construction of facilities. At December 31, 2009 and 2008 the trustee held \$- and \$230,616, respectively for the payment of the cost of issuance of bonds. These amounts, totaling \$11,173,764 for 2009 and \$25,284,812 for 2008, have been reflected as restricted cash and investments on the statement of net assets.

**Debt Covenants**

The Authority at December 31, 2009 was in compliance with the debt and revenue ratios required under the covenants of the six bonds outstanding at that date.

A debt service reserve fund is required to exceed the lesser of: (a) the maximum debt service for any one year, (b) 125% of the average remaining debt service, or (c) ten percent of the principal outstanding. The debt service reserve fund totaled \$4,784,581, which equaled the requirement.

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF ROCKLAND, NEW YORK)

NOTES TO FINANCIAL STATEMENTS (Concluded)  
DECEMBER 31, 2009

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Note 12 - Summary of Significant Contingencies (Continued)

In addition solid waste disposal rates must be adjusted to provide the amount necessary to meet the debt service reserve fund requirement, pay operating expenses and replacement and renewal requirements plus 110% of the debt service for the year. Operating revenues plus state and other grants, interest income, and appropriation of fund balance exceeded the requirements by \$7,565,478 for the year ended December 31, 2009.

Finally, solid waste disposal rates must be adjusted so that in each fiscal year the revenues less operating expenses and any amounts necessary to fund the debt service reserve and renewal and replacement funds is at least equal to the debt service payments for the year. Revenues exceeded the requirements by \$71,175 for the year ended December 31, 2009.

**Restricted Net Assets**

The net asset restrictions are detailed below:

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

*Restricted for Renewal and Replacement* - the component of net assets with restraints placed on their use by bond resolutions for purposes of major non-recurring repairs, renewals and replacements.

*Restricted for Operating Reserve* - the component of net assets with restraints placed on their use by bond covenants for purposes of funding expenses during the first two months of the succeeding year.

*Unrestricted* - the difference between the assets and liabilities that is not reported in the investment in capital assets, net of related debt, or debt service and not restricted by bond covenants or resolutions.

**Unreserved - Designated for Subsequent Year's Expenditures**

Designations of net assets are not legally required segregations but represent intended use for a specific purpose. At December 31, 2009, the Authority has not designated that any net assets be appropriated for the ensuing year's budget.

**ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY**  
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**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2009**

	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Operating Revenues</u>				
Solid waste disposal charges				
User fees	\$ 6,313,940	\$ 6,313,940	\$ 6,354,928	\$ 40,988
Ad valorem	8,670,720	8,670,720	8,636,996	(33,724)
Recycling facility materials	3,392,015	3,392,015	2,235,540	(1,156,475)
Co-Compost facility materials	50,000	50,000	60,668	10,668
Co-Compost facility user charges				
Septage	2,300	2,300	3,834	1,534
Out-of-County users	375,000	375,000	464,749	89,749
Solid waste collection and disposal charges				
Spring Valley	821,309	821,309	821,307	(2)
Village of Haverstraw	712,072	712,072	677,874	(34,198)
Village of Sloatsburg	346,161	346,161	346,157	(4)
Village of New Hempstead	523,521	523,521	523,527	6
Rockland County	329,800	329,800	300,168	(29,632)
Wood waste and metal	16,000	16,000	10,205	(5,795)
Transfer station tipping fees	23,017,497	23,017,497	17,955,844	(5,061,653)
Preprocessing facility	-	-	155,253	155,253
Other unclassified	-	-	54,959	54,959
Total Operating Revenues	<u>44,570,335</u>	<u>44,570,335</u>	<u>38,602,009</u>	<u>(5,968,326)</u>
<u>Non-Operating Revenues</u>				
Interest:				
Bank	400,000	400,000	138,865	(261,135)
Restricted funds	130,000	130,000	94,729	(35,271)
Interest subsidy	295,507	295,507	282,748	(12,759)
Environmental Protection Facility grants	395,000	395,000	428,901	33,901
Insurance proceeds	-	-	278,076	278,076
Total Non-Operating Revenues	<u>1,220,507</u>	<u>1,220,507</u>	<u>1,223,319</u>	<u>2,812</u>
<u>Appropriation of Net Assets</u>				
Total Revenues	<u>\$ 45,790,842</u>	<u>\$ 45,790,842</u>	<u>\$ 39,825,328</u>	<u>\$ (5,965,514)</u>

See Independent Auditors' Report.

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**SUPPLEMENTARY INFORMATION (Continued)**  
**YEAR ENDED DECEMBER 31, 2009**

	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Operating Expenses</u>				
<u>Personal Services</u>				
Salaries	\$ 1,989,811	\$ 1,989,811	\$ 1,909,079	\$ 80,732
<u>Fringe Benefits</u>				
Health and dental	366,667	366,667	353,285	13,382
Retirement	137,500	137,500	97,107	40,393
Social security	150,000	150,000	133,015	16,985
Workers' compensation	31,300	31,300	25,218	6,082
Metropolitan commuter transportation mobility tax	-	-	4,929	(4,929)
	<u>685,467</u>	<u>685,467</u>	<u>613,554</u>	<u>76,842</u>
<u>Contractual Services</u>				
<u>Office Equipment</u>				
Office furniture and fixtures	2,500	2,500	6,055	(3,555)
Data processing equipment	-	-	12,901	(12,901)
	<u>2,500</u>	<u>2,500</u>	<u>18,956</u>	<u>(16,456)</u>
<u>Supplies expense</u>				
Uniforms	2,500	2,500	4,155	(1,655)
Motor fuel	25,000	25,000	10,672	14,328
Office supplies and printing	22,000	22,000	55,690	(33,690)
Equipment	9,000	9,000	25,670	(16,670)
Books and publications	4,500	4,500	3,600	900
Operational supplies (leaf bags, recycling bins, etc.)	425,000	425,000	407,982	17,018
	<u>488,000</u>	<u>488,000</u>	<u>507,769</u>	<u>(19,769)</u>
<u>Other Operating Expenses</u>				
Rental of equipment	10,000	10,000	131,337	(121,337)
Travel	5,000	5,000	9,151	(4,151)
Advertising	30,000	30,000	55,350	(25,350)
Equipment repair	45,000	45,000	135,226	(90,226)
Painting and building repair	10,000	10,000	133,166	(123,166)
Cleaning contractor	21,000	21,000	30,430	(9,430)
Fees for services - non-employees	1,517,150	1,517,150	1,704,141	(186,991)
Postage	31,500	31,500	20,923	10,577
Conferences and schools	10,000	10,000	3,518	6,482
Repairs to vehicles	25,000	25,000	33,334	(8,334)
Association dues	2,000	2,000	2,384	(384)
Bid advertising	2,000	2,000	1,730	270
Maintenance agreements	12,000	12,000	11,112	888
Telephone	30,000	30,000	67,532	(37,532)
Utilities	652,000	652,000	583,437	68,563
Water and sewer	45,000	45,000	41,440	3,560
Meals	-	-	1,319	(1,319)
Household hazardous waste	790,000	790,000	841,781	(51,781)
Certiorari payments	50,000	50,000	39,438	10,562
	<u>3,287,650</u>	<u>3,287,650</u>	<u>3,846,749</u>	<u>(559,099)</u>

(Continued)

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF ROCKLAND, NEW YORK)

SUPPLEMENTARY INFORMATION (Continued)  
YEAR ENDED DECEMBER 31, 2009

	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenue-generating Other Operating Expenses</u>				
MRF operating and maintenance fee	\$ 2,435,636	\$ 2,435,636	\$ 1,503,030	\$ 932,606
Co-composting operating and maintenance fee	1,735,864	1,735,864	1,980,040	(244,176)
Yard waste composting fee	1,443,365	1,443,365	1,370,747	72,618
Host community fee	1,666,637	1,666,637	1,284,075	382,562
Solid waste collection and disposal				
Spring Valley	797,388	797,388	720,096	77,292
Village of Haverstraw	691,332	691,332	666,110	25,222
Village of Sloatsburg	336,079	336,079	318,744	17,335
Village of New Hempstead	320,200	320,200	305,499	14,701
Rockland County	508,273	508,273	506,708	1,565
Recycling rebates	891,187	891,187	676,721	214,466
Transfer station rebates	180,000	180,000	113,533	66,467
Transfer station fees	22,443,043	22,443,043	17,165,187	5,277,856
Concrete crushing facility fee	-	-	903,353	(903,353)
Out-of-county recycling payments	294,000	294,000	-	294,000
	<u>33,743,004</u>	<u>33,743,004</u>	<u>27,513,843</u>	<u>6,229,161</u>
<u>Other Costs</u>				
Tax related costs	35,000	35,000	12,001	22,999
Insurance premiums	132,193	132,193	111,144	21,049
Miscellaneous	-	-	30,270	(30,270)
Contingency	225,000	225,000	-	225,000
	<u>392,193</u>	<u>392,193</u>	<u>153,415</u>	<u>238,778</u>
	<u>40,588,625</u>	<u>40,588,625</u>	<u>34,563,365</u>	<u>6,030,189</u>
<u>Debt Service</u>				
Principal	1,880,000	1,880,000	1,880,000	-
Interest	3,322,217	3,322,217	3,310,788	11,429
	<u>5,202,217</u>	<u>5,202,217</u>	<u>5,190,788</u>	<u>11,429</u>
 Total Expenses	 <u>\$ 45,790,842</u>	 <u>\$ 45,790,842</u>	 <u>\$ 39,754,153</u>	 <u>\$ 6,041,618</u>

**ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF ROCKLAND, NEW YORK)**

**SUPPLEMENTARY INFORMATION (Continued)  
YEAR ENDED DECEMBER 31, 2008**

	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Operating Revenues</u>				
Solid waste disposal charges				
User fees	\$ 5,904,244	\$ 5,904,244	\$ 5,904,244	\$ -
Ad valorem	6,770,635	6,770,635	6,789,698	19,063
Recycling facility materials	2,952,000	2,952,000	4,038,757	1,086,757
Co-Compost facility materials	50,000	50,000	46,482	(3,518)
Co-Compost facility user charges				
Septage	2,300	2,300	2,035	(265)
Out-of-County users	330,000	330,000	445,114	115,114
Solid waste collection and disposal charges				
Spring Valley	741,699	741,699	741,699	-
Village of Haverstraw	675,051	675,051	695,226	20,175
Village of Sloatsburg	321,336	321,336	323,159	1,823
Village of New Hempstead	511,990	511,990	511,990	-
Rockland County	307,000	307,000	315,225	8,225
Wood waste and metal	10,000	10,000	13,606	3,606
Transfer station tipping fees	7,201,000	7,201,000	7,292,649	91,649
Preprocessing facility	-	-	37,276	37,276
NYS archive grant	-	-	59,550	59,550
Other unclassified	-	-	31,518	31,518
<b>Total Operating Revenues</b>	<b>25,777,255</b>	<b>25,777,255</b>	<b>27,248,228</b>	<b>1,470,973</b>
<u>Non-Operating Revenues</u>				
Interest				
Bank	600,000	600,000	398,757	(201,243)
Restricted funds	300,000	300,000	137,321	(162,679)
Interest subsidy	300,000	300,000	296,612	(3,388)
Settlement with operator	-	-	1,010,000	1,010,000
Environmental Protection Facility grants	375,000	375,000	440,100	65,100
NYSERDA grant	-	-	67,032	67,032
<b>Total Non-Operating Revenues</b>	<b>1,575,000</b>	<b>1,575,000</b>	<b>2,349,822</b>	<b>774,822</b>
<u>Appropriation of Net Assets</u>	-	-	-	-
<b>Total Revenues</b>	<b>\$ 27,352,255</b>	<b>\$ 27,352,255</b>	<b>\$ 29,598,050</b>	<b>\$ 2,245,795</b>

See Independent Auditors' Report.

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF ROCKLAND, NEW YORK)

SUPPLEMENTARY INFORMATION (Continued)  
YEAR ENDED DECEMBER 31, 2008

	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Operating Expenses</u>				
<u>Personal Services</u>				
Salaries	\$ 1,437,167	\$ 1,437,167	\$ 1,376,633	\$ 60,534
<u>Fringe Benefits</u>				
Health and dental	214,400	214,400	220,002	(5,602)
Retirement	137,500	137,500	109,076	28,424
Social security	110,000	110,000	104,979	5,021
Workers' compensation	31,300	31,300	27,031	4,269
	<u>493,200</u>	<u>493,200</u>	<u>461,088</u>	<u>32,112</u>
<u>Contractual Services</u>				
<u>Office Equipment</u>				
Office furniture and fixtures	2,500	2,500	7,926	(5,426)
Data processing equipment			32,430	(32,430)
	<u>2,500</u>	<u>2,500</u>	<u>40,356</u>	<u>(37,856)</u>
<u>Supplies expense</u>				
Uniforms	2,500	2,500	-	2,500
Motor fuel	45,000	45,000	777	44,223
Office supplies and printing	20,500	20,500	26,855	(6,355)
Equipment	9,000	9,000	3,050	5,950
Books and publications	5,500	5,500	3,373	2,127
Operational supplies (leaf bags, recycling bins, etc.)	459,000	459,000	509,263	(50,263)
	<u>541,500</u>	<u>541,500</u>	<u>543,318</u>	<u>(1,818)</u>
<u>Other Operating Expenses</u>				
Rental of equipment	10,000	10,000	13,932	(3,932)
Travel	5,000	5,000	5,072	(72)
Advertising	30,000	30,000	31,010	(1,010)
Equipment repair	150,000	150,000	80,487	69,513
Painting and building repair	15,000	15,000	88,444	(73,444)
Cleaning contractor	18,000	18,000	20,211	(2,211)
Fees for services - non-employees	1,167,100	1,167,100	1,384,388	(217,288)
Postage	31,500	31,500	18,769	12,731
Conferences and schools	6,000	6,000	7,127	(1,127)
Repairs to vehicles	50,000	50,000	28,234	21,766
Association dues	1,500	1,500	2,172	(672)
Bid advertising	4,000	4,000	725	3,275
Maintenance agreements	12,000	12,000	8,334	3,666
Telephone	25,000	25,000	29,872	(4,872)
Utilities	582,685	582,685	550,990	31,695
Water and sewer	35,000	35,000	29,517	5,483
Meals			2,172	(2,172)
Household hazardous waste	750,000	750,000	752,683	(2,683)
Certiorari payments	50,000	50,000	39,191	10,809
	<u>2,942,785</u>	<u>2,942,785</u>	<u>3,093,330</u>	<u>(150,545)</u>

(Continued)

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF ROCKLAND, NEW YORK)

SUPPLEMENTARY INFORMATION (Continued)  
YEAR ENDED DECEMBER 31, 2008

	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenue-generating Other Operating Expenses</u>				
MRF operating and maintenance fee	\$ 1,904,517	\$ 1,904,517	\$ 1,566,063	\$ 338,454
Co-composting operating and maintenance fee	1,865,199	1,865,199	1,774,838	90,361
Yard waste composting fee	1,466,348	1,466,348	2,247,407	(781,059)
Host community fee	804,200	804,200	1,066,431	(262,231)
Solid waste collection and disposal				
Spring Valley	720,096	720,096	720,096	-
Village of Haverstraw	657,275	657,275	684,810	(27,535)
Village of Sloatsburg	312,000	312,000	318,744	(6,744)
Village of New Hempstead	316,000	316,000	306,625	9,375
Rockland County	497,078	497,078	496,734	344
Recycling rebates	787,200	787,200	749,593	37,607
Transfer station rebates	180,000	180,000	135,145	44,855
Transfer station fees	7,184,784	7,184,784	7,425,130	(240,346)
Out-of-county recycling payments	294,000	294,000	215,857	78,143
	<u>16,988,697</u>	<u>16,988,697</u>	<u>17,707,473</u>	<u>(718,776)</u>
<u>Other Costs</u>				
Tax related costs	5,720	5,720	24,882	(19,162)
Insurance premiums	132,193	132,193	158,634	(26,441)
Miscellaneous	-	-	10,662	(10,662)
Contingency	225,000	225,000	-	225,000
	<u>362,913</u>	<u>362,913</u>	<u>194,178</u>	<u>168,735</u>
	<u>22,768,762</u>	<u>22,768,762</u>	<u>23,416,376</u>	<u>(647,614)</u>
<u>Debt Service</u>				
Principal	1,810,000	1,810,000	1,810,000	-
Interest	2,773,493	2,773,493	1,976,536	796,957
	<u>4,583,493</u>	<u>4,583,493</u>	<u>3,786,536</u>	<u>796,957</u>
<b>Total Expenses</b>	<b><u>\$ 27,352,255</u></b>	<b><u>\$ 27,352,255</u></b>	<b><u>\$ 27,202,912</u></b>	<b><u>\$ 149,343</u></b>

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF ROCKLAND, NEW YORK)

SUPPLEMENTARY INFORMATION (Concluded)  
YEARS ENDED DECEMBER 31, 2009 AND 2008

Reconciliation of Supplementary Schedules to Financial Statements

<u>Revenues</u>	<u>2009</u>	<u>2008</u>
Revenues per Supplementary Schedule	\$ 39,825,328	\$ 29,598,050
Adjustment to reconcile supplementary schedule to Statement of Activities		
Interest Subsidy	(282,748)	(296,612)
Interest income	(233,594)	(536,078)
State aid	(428,901)	(507,132)
Insurance proceeds	(278,076)	-
Settlement with operator	-	(1,010,000)
Operating Revenues per Statement of Activities	<u>\$ 38,602,009</u>	<u>\$ 27,248,228</u>
<u>Expenses</u>		
Expenses per Supplementary Schedule	\$ 39,754,153	\$ 27,202,912
Adjustment to reconcile supplementary schedule to Statement of Activities		
Bond principal	(1,880,000)	(1,810,000)
Interest subsidy	(282,748)	(296,612)
Interest expense	(3,028,040)	(1,679,924)
Other post employment benefit obligation	697,877	703,888
Depreciation and amortization	3,385,709	2,879,125
Operating Expenses per Statement of Activities	<u>\$ 38,646,951</u>	<u>\$ 26,999,389</u>