

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

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2003 and 2002**

**WITH INDEPENDENT AUDITORS' REPORT**

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

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2003 and 2002

WITH INDEPENDENT AUDITORS' REPORT

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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, 2003 and 2002 and the related statements of activities and cash flows for the years 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.

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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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, 2003 and 2002 and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the Rockland County Solid Waste Management Authority adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements For State and Local Governments*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

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.

**The Government Services Division of ODMD, LLP**  
February 27, 2004

**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. Adoption of New Accounting Standards**

During 2002, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements For State and Local Governments*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

**C. 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) pronouncements, issued after November 30, 1989, in accounting and reporting for its operations.

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

**D. 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.

**E. Assets, Liabilities and Net Assets**

**Cash and Equivalents**

Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

**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 Equivalents**

Restricted cash and equivalents consist of bond proceeds held by a State agency. 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	20 years
Major equipment	20 years
Office and other equipment	5 years
Data processing equipment	5 years
Motor vehicles	5 years
Museum display	5 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.

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

**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 its estimated service life.

**Bonds Payable**

The Authority records bonds payable at face value net of unamortized original issue 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 represents the equity generated from the operation of the Authority.

**F. Reclassifications**

Certain reclassifications of prior year financial data have been made to conform with the current year presentation.

**G. 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.

**Note 2 - Cash and Equivalents**

**Unrestricted**

The carrying amount of the Authority's unrestricted deposits at December 31, 2003 was \$4,613,133, net of petty cash of \$200 and the bank balance was \$4,622,513. Of the bank balance, \$298,304 was covered by Federal deposit insurance, and \$4,324,209 was covered by collateral held by the Authority's agent, a third party financial institution, in the Authority's name.

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NOTES TO FINANCIAL STATEMENTS (Continued)  
 DECEMBER 31, 2003 AND 2002

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**Note 2 - Cash and Equivalents (Continued)**

The carrying amount of the Authority's unrestricted deposits at December 31, 2002 was \$476,507, net of petty cash of \$200 and the bank balance was \$1,242,462. Of the bank balance, \$322,662 was covered by Federal deposit insurance, and \$1,030,800 was covered by collateral held by the Authority's agent, a third party financial institution, in the Authority's name.

**Restricted**

The carrying amounts of the Authority's restricted deposits at December 31, 2003 and 2002 were \$10,024,428 and \$7,681,896, respectively. These amounts are held in trust by a State agency on behalf of the Authority. These amounts are not subject to risk collateralization requirements.

**Note 3 - Capital Assets**

Capital asset activity for the year ended December 31, 2003 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 1,423,312	\$ -	\$ -	\$ 1,423,312
Construction in progress	<u>109,185</u>	<u>54,776</u>	<u>58,775</u>	<u>105,186</u>
 Total capital assets not being depreciated	 <u>1,532,497</u>	 <u>54,776</u>	 <u>58,775</u>	 <u>1,528,498</u>
Capital assets being depreciated:				
Buildings	35,849,712	15,966	-	35,865,678
Major equipment	5,515,458	-	-	5,515,458
Other equipment	2,377,169	-	-	2,377,169
Motor vehicles	566,230	279,000	-	845,230
Office equipment	29,547	-	-	29,547
Data processing equipment	58,699	-	-	58,699
Museum display	<u>45,800</u>	<u>-</u>	<u>-</u>	<u>45,800</u>
 Total capital assets being depreciated	 <u>44,442,615</u>	 <u>294,966</u>	 <u>-</u>	 <u>44,737,581</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2003 AND 2002

**Note 6 - Bonds Payable (Continued)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Less accumulated depreciation for Capital assets being depreciated:				
Buildings	\$ 5,427,706	\$ 1,777,647	\$ -	\$ 7,205,353
Major equipment	1,164,928	275,773	-	1,440,701
Other equipment	1,664,018	475,434	-	2,139,452
Motor vehicles	146,487	105,344	-	251,831
Office equipment	25,677	5,909	-	31,586
Data processing equipment	43,401	11,740	-	55,141
Museum display	<u>29,200</u>	<u>9,160</u>	<u>-</u>	<u>38,360</u>
 Total accumulated depreciation	 <u>8,501,417</u>	 <u>2,661,007</u>	 <u>-</u>	 <u>11,162,424</u>
 Total capital assets being depreciated, net	 <u>35,941,198</u>	 <u>(2,366,041)</u>	 <u>-</u>	 <u>33,575,157</u>
 Capital activities, net	 <u>\$ 37,473,695</u>	 <u>\$ (2,311,265)</u>	 <u>\$ 58,775</u>	 <u>\$ 35,103,655</u>

**Note 4 - Deferred Bond Fees**

The Authority incurred fees in relation to the issuance of general obligation bonds (Note 6). These amounts have been capitalized and are being amortized over the life of the bonds. Amortization expense for the years ended December 31, 2003 and 2002 totaled \$21,064 and \$10,392, respectively.

**Note 5 - Bond Anticipated Notes Payable**

During 2002, the Authority issued a bond anticipation note for the rehabilitation and equipping of the transfer station in the amount of \$2,500,000, maturing September 1, 2003 and bearing interest at 3.50%. This note was redeemed during 2003 from the proceeds of the 2003A bonds.

**Note 6 - Bonds Payable**

Bonds Payable at December 31 consisted of the following issues:

	<u>2003</u>	<u>2002</u>
\$22,936,600 - 1996 serial bonds, repaid partially during 1999 with State grants and other funds, and fully repaid with refunding bonds of 2003.	\$ -	\$ 15,800,000

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NOTES TO FINANCIAL STATEMENTS (Continued)  
 DECEMBER 31, 2003 AND 2002

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**Note 6 - Bonds Payable (Continued)**

\$11,620,000 - 1996 serial bonds net of unamortized discount of \$67,192 and \$83,428 in 2003 and 2002, respectively, repaid partially during 1999 with State grants and other funds; due in annual principal installments of \$410,000 in 2004, \$430,000 in 2005, \$455,000 in 2006, \$480,000 in 2007, \$505,000 in 2008, \$530,000 in 2009, \$560,000 in 2010, \$590,000 in 2011, \$630,000 in 2012, \$670,000 in 2013, \$700,000 in 2014, \$965,000 in 2015 and \$1,015,000 in 2016; interest at stated rates between 4.75% and 5.625%, depending on maturity.

\$ 7,872,808 \$ 8,251,572

\$4,000,000 - 1999 serial bonds net of unamortized discount of \$28,629 and \$30,604 in 2003 and 2002, respectively, due in annual principal installments of \$155,000 in 2004, \$165,000 in 2005, \$170,000 in 2006, \$180,000 in 2007, \$190,000 in 2008, \$200,000 in 2009, \$210,000 in 2010, \$220,000 in 2011, \$235,000 in 2012, \$245,000 in 2013, \$260,000 in 2014, \$275,000 in 2015, \$290,000 in 2016, \$310,000 in 2017 and \$325,000 in 2018; interest at stated rates between 4.50% and 5.75%, depending on maturity.

3,401,371 3,549,396

\$15,273,468 - 2003 serial bonds due in annual principal installments of \$465,000 in 2004, \$470,000 in 2005, \$475,000 in 2006, \$480,000 in 2007, \$485,000 in 2008, \$495,000 in 2009, \$505,000 in 2010, \$520,000 in 2011, \$535,000 in 2012, \$550,000 in 2013, \$570,000 in 2014, \$590,000 in 2015, \$610,000 in 2016, \$630,000 in 2017, \$650,000 in 2018, \$675,000 in 2019, \$700,000 in 2020, \$725,000 in 2021, \$755,000 in 2022, \$785,000 in 2023, \$820,000 in 2024, \$2,315,000 in 2025; interest at stated rates between 2.539% and 6.189%, depending on maturity.

14,805,000 -

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NOTES TO FINANCIAL STATEMENTS (Continued)  
 DECEMBER 31, 2003 AND 2002

**Note 6 - Bonds Payable (Continued)**

\$8,720,000 - 2003 serial bonds net of unamortized discount of \$154,399 in 2003, due in annual principal installments of \$85,000 in 2004, \$210,000 in 2005, \$215,000 in 2006, \$220,000 in 2007, \$230,000 in 2008, \$235,000 in 2009, \$245,000 in 2010, \$250,000 in 2011, \$260,000 in 2012, \$275,000 in 2013, \$285,000 in 2014, \$300,000 in 2015, \$315,000 in 2016, \$330,000 in 2017, \$345,000 in 2018, \$360,000 in 2019, \$375,000 in 2020, \$395,000 in 2021, \$415,000 in 2022, \$435,000 in 2023, \$460,000 in 2024, \$480,000 in 2025, \$505,000 in 2026, \$535,000 in 2027, \$960,000 in 2028; interest at stated rates between 2.5% and 5.125%, depending on maturity.

	<u>\$ 8,565,601</u>	<u>\$ -</u>
	34,644,780	27,600,968
Less: Current maturities	<u>(1,115,000)</u>	<u>(1,380,000)</u>
	<u>\$ 33,529,780</u>	<u>\$ 26,220,968</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 as a whole or in part at any time at the following redemption prices plus accrued interest, if any, to the date of redemption.

Redemption Period (Dates Inclusive)	Redemption Price (as a % of Par)
December 15, 2006 to December 14, 2007	102%
December 15, 2007 to December 14, 2008	101%
December 15, 2008 and thereafter	100%

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

Redemption Period (Dates Inclusive)	Redemption Price (as a % of Par)
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%

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NOTES TO FINANCIAL STATEMENTS (Continued)  
 DECEMBER 31, 2003 AND 2002

**Note 6 - Bonds Payable (Continued)**

The annual requirements to amortize all bonds outstanding at December 31, 2003, including interest of \$23,766,590 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 1,115,000	\$ 1,925,575	\$ 3,040,575
2005	1,275,000	1,764,088	3,039,088
2006	1,315,000	1,714,817	3,029,817
2007	1,360,000	1,661,296	3,021,296
2008	1,410,000	1,601,709	3,011,709
2009 - 2013	7,960,000	6,935,565	14,895,565
2014 - 2018	8,765,000	4,619,744	13,384,744
2019 - 2023	5,620,000	2,700,402	8,320,402
2024 - 2028	<u>6,075,000</u>	<u>843,394</u>	<u>6,918,394</u>
	34,895,000	<u>\$ 23,766,590</u>	<u>\$ 58,661,590</u>
Less: Unamortized original issue discount	<u>(250,220)</u>		
	<u>\$ 34,644,780</u>		

**Note 7 - 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 \$3,645,000 and \$3,855,000 were outstanding at December 31, 2003 and 2002, respectively.

**Note 8 - Refunding of Debt**

On March 20, 2003, the Authority advance refunded the remainder, \$15,800,000, of its 1996A serial bonds through the use of \$590,634 of funds released from restricted cash and the issuance of \$15,273,468 of series 2003A refunding bonds. These funds were used to call the outstanding bonds in accordance with the redemption provisions of the bonds.

**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

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NOTES TO FINANCIAL STATEMENTS (Continued)  
 DECEMBER 31, 2003 AND 2002

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**Note 9 - Pension Plan (Continued)**

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, 2004 and 2003, are as follows:

	<u>Tier</u>	<u>GTLI</u>	<u>Regular</u>
<u>2004</u>	2	.4 %	4.5 %
	3	.4	4.5
	4	.4	4.5
<u>2003</u>	2	.3	.9
	3	.3	.8
	4	.3	.8

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

2003	\$	40,449
2002		11,709
2001		7,178

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

**Note 10 - 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, 2003 and 2002 was \$33,077 and \$34,404, respectively. These amounts are included in accrued liabilities of the Authority.

**Note 11 - Post-Employment Health Care Benefits**

The Authority had no obligation for post-employment health care benefits at December 31, 2003 or December 31, 2002.

**Note 12 - Summary of Significant Contingencies**

**Risk Management**

The Authority purchases various conventional insurance policies to reduce its exposure to loss. The Authority maintains a general liability policy with coverage of up to \$8.795 million, property and pollution policies of \$3 million each, and automobile, and directors and officers liability policies with coverage up to \$2 million each. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. The Authority purchases conventional insurance coverage for health, workers' compensation and unemployment benefits.

**Litigation**

The Authority is a defendant in a lawsuit brought over the value of land it acquired through condemnation proceedings. The parties are in settlement discussions, but it is not possible to estimate the cost, if any, of this litigation to the Authority.

**Cash Restrictions**

Upon issuance of the serial bonds, the indentures required a restricted cash balance of \$2,933,080 in 2003 and \$2,771,500 in 2002, which is maintained with the trustee of the bonds. At December 31, 2003 and 2002, the Authority also had remitted to the trustee \$13,883 and \$786,531, respectively, which was restricted for the payment of principal and interest on the serial bonds. In addition, at December 31, 2003 and 2002, the trustee held \$6,988,703 and \$4,123,865, respectively, for the purchase and construction of facilities. At December 31, 2003 the trustee held \$88,762 for the payment of the cost of issuance of bonds. These amounts, totaling \$10,024,428 for 2003 and \$7,681,896 for 2002, have been reflected as restricted cash on the statement of net assets.

**Debt Covenants**

The Authority at December 31, 2003 was in compliance with the debt and revenue ratios required under the covenants of the three 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 \$2,946,964, which exceeded the requirement by \$13,884. 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 \$775,309 for the year ended December 31, 2003.

**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.

**Note 12 - Summary of Significant Contingencies (Continued)**

*Restricted for Debt Service* - the components of net assets with restraints placed on their use by bond covenants and by the transmission to the bond trustee for the payment of debt service.

*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 System Improvement* - the component of net assets with restraints placed on their use by bond resolutions for capital costs of system improvements.

*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, 2003, the Authority has not designated that any net assets be appropriated for the ensuing year's budget.

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STATEMENTS OF NET ASSETS  
December 31, 2003 and 2002

	2003	2002
<b><u>ASSETS</u></b>		
Current:		
Unrestricted:		
Cash and equivalents	\$ 4,613,333	\$ 476,707
Accounts receivable (net of allowance for uncollectible accounts of \$740,000 in 2003 and \$570,000 in 2002)	1,731,313	1,986,411
Grants receivable from other governments	861,799	778,677
Employee loans receivable	124	-
Prepaid expenses and other receivables	71,200	397,557
Total Unrestricted	7,277,769	3,639,352
Restricted -		
Cash and equivalents	10,024,428	7,681,896
Total Current Assets	17,302,197	11,321,248
Land	1,423,312	1,423,312
Fixed Assets, net	33,575,158	35,941,198
Construction-in-Progress	105,187	109,185
Deferred Bond Fees, net	412,006	166,275
Total Assets	\$ 52,817,860	\$ 48,961,218

**LIABILITIES**

Current Liabilities:		
Accounts payable	\$ 2,688,548	\$ 2,476,716
Construction costs payable	109,761	758,323
Accrued liabilities	159,595	68,467
Retainages payable	9,914	276,305
Deferred revenues	-	1,375
Bond anticipation notes payable	-	2,500,000
Bonds payable, current portion	1,115,000	1,380,000
Total Current Liabilities	4,082,818	7,461,186
Bonds Payable, net of discount of \$250,220 in 2003 and \$114,032 in 2002	33,529,780	26,220,968
Total Liabilities	37,612,598	33,682,154

Commitments and Contingencies

**NET ASSETS**

Invested in capital assets, net of related debt	9,488,366	13,676,044
Restricted for debt service	13,883	786,531
Restricted for renewal and replacement	230,000	230,000
Restricted for system improvement	827,732	160,000
Restricted for operating reserve	1,546,000	-
Unrestricted	3,099,281	426,489
Total Net Assets	\$ 15,205,262	\$ 15,279,064

See notes to financial statements.

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STATEMENTS OF ACTIVITIES  
Years Ended December 31, 2003 and 2002

	2003	2002
Operating Revenues - Solid waste disposal charges	\$ 20,509,569	\$ 16,278,150
Operating Expenses:		
Personal services	809,851	570,019
Employee benefits	194,849	120,410
Contractual services	15,888,662	13,803,449
Depreciation and amortization	2,706,715	2,488,663
Provisions for bad debts	182,064	54,972
Total Operating Expenses	19,782,141	17,037,513
Operating Income (Loss)	727,428	(759,363)
Non-Operating Revenues (Expenses):		
Interest income	171,972	306,608
Interest expense	(1,062,634)	(1,213,841)
State aid	89,432	1,175,458
Other grants	-	6,000
Total Non-Operating Revenues (Expenses)	(801,230)	274,225
Change in Net Assets	(73,802)	(485,138)
Net Assets - Beginning of Year	15,279,064	15,764,202
Net Assets - End of Year	\$ 15,205,262	\$ 15,279,064

See notes to financial statements.

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

STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2003 and 2002

	2003	2002
Cash Flows from Operating Activities:		
Charges for solid waste disposal	\$ 21,089,649	\$ 15,367,314
Payments to vendors	(15,904,602)	(13,548,435)
Payments for salaries and benefits	(913,572)	(740,836)
	4,271,475	1,078,043
Net Cash Provided by Operating Activities		
Cash Flows from Non-Capital Financing Activities:		
State aid	6,310	944,576
Other grants	-	6,000
Loans to employees	(124)	-
	6,186	950,576
Net Cash Provided by Non-Capital Financing Activities		
Cash Flows from Capital and Related Financing Activities:		
Proceeds of bonds	23,993,468	-
Repayments of bonds	(19,313,468)	(1,340,000)
Proceeds of bond anticipation notes	-	2,500,000
Restricted cash and equivalents	(2,342,532)	(1,913,255)
Construction-in-progress and fixed assets	(1,321,450)	(1,222,911)
Retainages payable	(266,391)	10,688
Interest expense	(1,062,634)	(1,213,841)
	(313,007)	(3,179,319)
Net Cash Used in Capital and Related Financing Activities		
Cash Flows from Investing Activities -		
Interest income	171,972	306,608
	171,972	306,608
Net Increase (Decrease) in Cash and Equivalents	4,136,626	(844,092)
Cash and Equivalents - Beginning of Year	476,707	1,320,799
	476,707	1,320,799
Cash and Equivalents - End of Year	\$ 4,613,333	\$ 476,707
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ 727,428	\$ (759,363)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	2,661,007	2,488,662
Provision for bad debts	170,000	54,972
Changes in operating assets and liabilities		
Accounts receivable	411,455	(967,183)
Accounts payable	211,832	309,987
Accrued liabilities	91,128	(50,407)
Deferred revenues	(1,375)	1,375
	(1,375)	1,375
	\$ 4,271,475	\$ 1,078,043

See notes to financial statements.

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

SUPPLEMENTARY INFORMATION  
Year Ended December 31, 2003

	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Operating Revenues</u>				
Solid waste disposal charges				
User fees	\$ 3,229,741	\$ 3,229,741	\$ 3,234,583	\$ 4,842
Ad valorem	3,456,459	3,456,459	3,456,643	184
Recycling facility materials	1,300,000	1,300,000	1,968,314	668,314
Merchant tonnage fee	250,000	250,000	250,000	-
Co-Compost facility materials	25,000	25,000	22,530	(2,470)
Co-Compost facility user charges				
Septage	2,000	2,000	1,985	(15)
Out-of-County users	420,000	420,000	376,277	(43,723)
Solid waste collection and disposal charges				
Spring Valley	620,917	620,917	620,236	(681)
Village of Haverstraw	444,769	444,769	447,569	2,800
Village of Sloatsburg	275,444	275,444	275,444	-
Rockland County	253,425	253,425	250,591	(2,834)
State-owned lands	8,002	8,002	88,680	80,678
Minor sales	-	-	2,270	2,270
Utility reimbursement - facility operators	30,000	30,000	20,610	(9,390)
Employee health insurance contributions	20,000	20,000	13,658	(6,342)
Wood waste and metal	24,000	24,000	14,790	(9,210)
Transfer station tipping fees	6,650,000	6,650,000	8,116,986	1,466,986
Scalehouse registration fees	1,000	1,000	3,750	2,750
Environmental Protection Facility grants	662,714	662,714	289,241	(373,473)
Preprocessing facility	1,150,000	1,150,000	116,946	(1,033,054)
Settlements with operators	-	-	937,367	937,367
Other unclassified	-	-	1,099	1,099
<b>Total Operating Revenues</b>	<b>18,823,471</b>	<b>18,823,471</b>	<b>20,509,569</b>	<b>1,686,098</b>
<u>Non-Operating Revenues</u>				
Interest				
Bank	60,000	60,000	49,331	(10,669)
Restricted funds	-	-	122,641	122,641
Interest subsidy	-	-	340,387	340,387
New York State grants				
Archive	1,500	1,500	2,125	625
Recycling bins	-	-	87,306	87,306
<b>Total Non-Operating Revenues</b>	<b>61,500</b>	<b>61,500</b>	<b>601,790</b>	<b>540,290</b>
<u>Appropriation of Net Assets</u>	402,752	402,752	-	(402,752)
<b>Total Revenues</b>	<b>\$ 19,287,723</b>	<b>\$ 19,287,723</b>	<b>\$ 21,111,359</b>	<b>\$ 1,823,636</b>

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

SUPPLEMENTARY INFORMATION  
Year Ended December 31, 2002

	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Operating Revenues</u>				
Solid waste disposal charges				
User fees	\$ 2,602,812	\$ 2,602,812	\$ 2,602,813	\$ 1
Ad valorem	3,005,617	3,005,617	2,978,054	(27,563)
Recycling facility materials	1,500,000	1,500,000	1,401,890	(98,110)
Merchant tonnage fee	250,000	250,000	250,000	-
Co-Compost facility materials	50,000	50,000	30,604	(19,396)
Co-Compost facility user charges				
Septage	2,000	2,000	1,164	(836)
Out-of-County users	406,000	406,000	473,586	67,586
Solid waste collection and disposal charges				
Spring Valley	619,272	619,272	619,272	-
Village of Haverstraw	446,780	446,780	455,647	8,867
Sloatsburg	286,000	286,000	284,232	(1,768)
Rockland County	246,655	246,655	234,690	(11,965)
State-owned lands	-	-	100,075	100,075
Minor sales	-	-	2,387	2,387
Utility reimbursement - facility operators	20,000	20,000	53,589	33,589
Employee health insurance contributions	3,000	3,000	7,612	4,612
Wood waste and metal	13,500	13,500	18,713	5,213
Transfer station tipping fees	5,040,000	5,040,000	6,500,345	1,460,345
Scalehouse registration fees	1,000	1,000	3,500	2,500
Environmental Protection Facility grants	188,358	188,358	247,372	59,014
Preprocessing facility	1,050,000	1,050,000	453	(1,049,547)
Other unclassified	-	-	12,152	12,152
	<u>15,730,994</u>	<u>15,730,994</u>	<u>16,278,150</u>	<u>547,156</u>
<u>Non-Operating Revenues</u>				
Interest				
Bank	200,000	200,000	56,773	(143,227)
Restricted funds	254,511	254,511	249,835	(4,676)
Interest subsidy	-	-	265,806	265,806
New York State grants				
Environmental Protection Facility grants	457,500	457,500	1,093,171	635,671
Recycling bins	-	-	39,787	39,787
Global Action Plan	85,000	85,000	42,500	(42,500)
Other grants				
NY Institute of Technology	-	-	6,000	6,000
	<u>997,011</u>	<u>997,011</u>	<u>1,753,872</u>	<u>756,861</u>
<u>Appropriation of net assets</u>	<u>2,729,909</u>	<u>3,004,909</u>	<u>-</u>	<u>(3,004,909)</u>
<b>Total Revenues</b>	<b><u>\$ 19,457,914</u></b>	<b><u>\$ 19,732,914</u></b>	<b><u>\$ 18,032,022</u></b>	<b><u>\$ (1,700,892)</u></b>

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

**SUPPLEMENTARY INFORMATION  
Year Ended December 31, 2003**

	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Operating Expenses</u>				
<u>Personal Services</u>				
Salaries	\$ 911,929	\$ 911,929	\$ 809,852	\$ 102,077
<u>Fringe Benefits</u>				
Health and dental	150,000	150,000	90,819	59,181
Retirement	79,000	79,000	40,449	38,551
Social security	75,500	75,500	63,581	11,919
Workers' compensation	15,000	15,000	-	15,000
	<u>319,500</u>	<u>319,500</u>	<u>194,849</u>	<u>124,651</u>
<u>Contractual Services</u>				
<i>Office Equipment</i>				
Office furniture and fixtures	2,500	2,500	109	2,391
Motor vehicles	575,000	575,000	279,000	296,000
Data processing equipment	7,500	7,500	-	7,500
	<u>585,000</u>	<u>585,000</u>	<u>279,109</u>	<u>305,891</u>
<i>Office Supplies</i>				
Uniforms	1,500	1,500	-	1,500
Motor fuel	12,000	12,000	9,709	2,291
Office supplies and printing	10,000	10,000	9,120	880
Equipment	12,000	12,000	210	11,790
Books and publications	2,500	2,500	1,266	1,234
Operational supplies (leaf bags, recycling bins, etc.)	445,000	445,000	235,515	209,485
Photographic and microfilm supplies	500	500	-	500
	<u>483,500</u>	<u>483,500</u>	<u>255,820</u>	<u>227,680</u>
<u>Other Operating Expenses</u>				
Rental of equipment	10,000	10,000	8,341	1,659
Travel	3,500	3,500	6,370	(2,870)
Advertising	35,000	35,000	36,323	(1,323)
Equipment repair	15,000	15,000	2,866	12,134
Painting and building repair	20,000	20,000	10,367	9,633
Cleaning contractor	10,000	10,000	10,662	(662)
Fees for services - non-employees	535,000	535,000	814,606	(279,606)
Postage	25,000	25,000	15,592	9,408
Conferences and schools	4,000	4,000	2,362	1,638
Repairs to vehicles	15,000	15,000	13,266	1,734
Association dues	1,500	1,500	2,024	(524)
Bid advertising	1,500	1,500	323	1,177
Maintenance agreements	3,000	3,000	3,200	(200)
Telephone	20,000	20,000	21,526	(1,526)
Utilities	452,000	452,000	417,441	34,559
Water and sewer	68,175	68,175	50,135	18,040
Meals	1,000	1,000	717	283
Household hazardous waste	337,500	337,500	553,155	(215,655)
Certiorari payments	50,000	50,000	23,666	26,334
Bank charges	-	-	-	-
	<u>1,607,175</u>	<u>1,607,175</u>	<u>1,992,942</u>	<u>(385,767)</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, 2003**

	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenue-generating Other Operating Expenses</u>				
MRF operating and maintenance fee	\$ 851,112	\$ 851,112	\$ 899,231	\$ (48,119)
Co-composting operating and maintenance fee	1,164,000	1,164,000	1,230,975	(66,975)
Yard waste composting fee	978,871	978,871	886,777	92,094
Host community fee	351,000	351,000	309,837	41,163
Solid waste collection and disposal				
Spring Valley	600,825	600,825	569,592	31,233
Village of Haverstraw	431,905	431,905	403,236	28,669
Village of Sloatsburg	275,340	275,340	264,420	10,920
Rockland County	246,044	246,044	234,860	11,184
Recycling rebates	800,000	800,000	904,825	(104,825)
Transfer station fees	6,200,000	6,200,000	7,859,416	(1,659,416)
Preprocessing facility costs	584,000	584,000	-	584,000
Out-of-county recycling payments	25,000	25,000	-	25,000
	<u>12,508,097</u>	<u>12,508,097</u>	<u>13,563,169</u>	<u>(1,055,072)</u>
<u>Other Costs</u>				
Tax related costs	2,500	2,500	3,403	(903)
Insurance premiums	61,000	61,000	73,218	(12,218)
Contingency	150,000	150,000	-	150,000
	<u>213,500</u>	<u>213,500</u>	<u>76,621</u>	<u>136,879</u>
	<u>16,628,701</u>	<u>16,628,701</u>	<u>17,172,362</u>	<u>(543,661)</u>
<u>Debt Service</u>				
Principal	1,380,000	1,380,000	1,013,468	366,532
Interest	1,279,022	1,279,022	1,403,021	(123,999)
	<u>2,659,022</u>	<u>2,659,022</u>	<u>2,416,489</u>	<u>242,533</u>
<u>Bad Debts</u>				
	-	-	182,064	(182,064)
<b>TOTAL EXPENSES</b>	<u><u>\$ 19,287,723</u></u>	<u><u>\$ 19,287,723</u></u>	<u><u>\$ 19,770,915</u></u>	<u><u>\$ (256,464)</u></u>

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

**SUPPLEMENTARY INFORMATION  
Year Ended December 31, 2003**

	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Operating Expenses</u>				
<u>Personal Services</u>				
Salaries	\$ 567,362	\$ 656,453	\$ 570,019	\$ 86,434
<u>Fringe Benefits</u>				
Health and dental	40,000	56,800	53,487	3,313
Retirement	50,000	50,000	11,709	38,291
Social security	43,100	49,509	43,313	6,196
Workers' compensation	3,000	7,000	11,901	(4,901)
	<u>136,100</u>	<u>163,309</u>	<u>120,410</u>	<u>42,899</u>
<u>Contractual Services</u>				
<i>Office Equipment</i>				
Office furniture and fixtures	5,000	5,000	2,032	2,968
Motor vehicles	23,500	298,500	22,030	276,470
Data processing equipment	5,000	5,000	2,668	2,332
	<u>33,500</u>	<u>308,500</u>	<u>26,730</u>	<u>281,770</u>
<i>Office Supplies</i>				
Uniforms	1,500	1,500	-	1,500
Motor fuel	8,000	8,000	5,051	2,949
Office supplies and printing	10,000	10,000	9,455	545
Equipment	2,500	2,500	-	2,500
Books and publications	2,500	2,500	2,708	(208)
Operational supplies (leaf bags, recycling bins, etc.)	845,000	845,000	360,982	484,018
Photographic and microfilm supplies	500	500	-	500
	<u>870,000</u>	<u>870,000</u>	<u>378,196</u>	<u>491,804</u>
<u>Other Operating Expenses</u>				
Rental of equipment	10,000	10,000	8,310	1,690
Travel	3,500	3,500	3,641	(141)
Advertising	40,000	40,000	43,425	(3,425)
Equipment repair	7,500	7,500	13,900	(6,400)
Painting and building repair	132,500	132,500	3,699	128,801
Cleaning contractor	10,000	10,000	9,876	124
Fees for services - non-employees	650,000	650,000	939,627	(289,627)
Postage	30,000	30,000	19,134	10,866
Conferences and schools	2,500	2,500	3,354	(854)
Repairs to vehicles	15,000	15,000	6,559	8,441
Association dues	1,500	1,500	1,428	72
Bid advertising	1,500	1,500	911	589
Maintenance agreements	3,000	3,000	3,000	-
Telephone	12,000	12,000	21,041	(9,041)

(Continued)

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

**SUPPLEMENTARY INFORMATION (Continued)  
Year Ended December 31, 2002**

	Adopted Budget	Revised Budget	Actual	Favorable (Unfavorable)
<u>Other Operating Expenses (Continued)</u>				
Utilities	\$ 540,000	\$ 540,000	\$ 378,632	\$ 161,368
Water and sewer	70,000	70,000	62,443	7,557
Meals	500	500	884	(384)
Household hazardous waste	362,500	362,500	365,212	(2,712)
Certiorari payments	50,000	50,000	51,578	(1,578)
	<u>1,942,000</u>	<u>1,942,000</u>	<u>1,936,654</u>	<u>5,346</u>
<u>Revenue-generating Other Operating Expenses</u>				
Operating reserve account	1,370,000	1,370,000	-	1,370,000
Debt service coverage account	253,775	253,775	-	253,775
MRF operating and maintenance fee	915,112	915,112	915,660	(548)
Co-composting operating and maintenance fee	1,140,000	1,140,000	1,140,310	(310)
Yard waste composting fee	792,478	792,478	864,336	(71,858)
Host community fee	374,000	374,000	307,473	66,527
Renewal replacement fund	100,000	100,000	-	100,000
Solid waste collection and disposal				
Spring Valley	600,826	600,826	569,592	31,234
Village of Haverstraw	424,374	424,374	397,436	26,938
Rockland County	239,470	239,470	230,185	9,285
Sloatsburg	273,672	273,672	276,792	(3,120)
Recycling rebates	800,000	800,000	748,634	51,366
Transfer station fees	4,800,000	4,800,000	5,980,786	(1,180,786)
Preprocessing facility costs	1,050,000	933,700	131,260	802,440
Out-of-county recycling payments	50,000	50,000	-	50,000
	<u>13,183,707</u>	<u>13,067,407</u>	<u>11,562,464</u>	<u>1,504,943</u>
<u>Other Costs</u>				
Tax related costs	2,500	2,500	1,501	999
Insurance premiums	35,000	35,000	40,922	(5,922)
Contingency	150,000	150,000	-	150,000
	<u>187,500</u>	<u>187,500</u>	<u>42,423</u>	<u>145,077</u>
	<u>16,920,169</u>	<u>17,195,169</u>	<u>14,636,896</u>	<u>2,558,273</u>
<u>Debt Service</u>				
Principal	1,340,000	1,340,000	1,340,000	-
Interest	1,197,745	1,197,745	1,479,647	(281,902)
	<u>2,537,745</u>	<u>2,537,745</u>	<u>2,819,647</u>	<u>(281,902)</u>
<u>Bad Debts</u>				
	-	-	54,972	(54,972)
<b>TOTAL EXPENSES</b>	<u><u>\$ 19,457,914</u></u>	<u><u>\$ 19,732,914</u></u>	<u><u>\$ 17,511,515</u></u>	<u><u>\$ 2,221,399</u></u>

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

SUPPLEMENTARY INFORMATION  
Years Ended December 31, 2003 and 2002

Reconciliation of Supplementary Schedules to Financial Statements

<u>Revenues</u>	<u>2003</u>	<u>2002</u>
Revenues per Supplementary Schedule	\$ 21,111,359	\$ 18,032,022
Interest Subsidy	<u>(340,387)</u>	<u>(265,806)</u>
	<u>\$ 20,770,972</u>	<u>\$ 17,766,216</u>
 Revenues per Financial Statements		
Operating revenues	\$ 20,509,569	\$ 16,030,788
Interest income	171,972	306,608
State aid	89,432	1,422,830
Other grants	<u>-</u>	<u>6,000</u>
	<u>\$ 20,770,973</u>	<u>\$ 17,766,226</u>
 <u>Expenses</u>		
Expenses per Supplementary Schedule	\$ 19,770,915	\$ 17,511,515
Bond Principal	(1,013,468)	(1,340,000)
Purchase of Motor Vehicles	(279,000)	(143,018)
Interest Subsidy	(340,387)	(265,806)
Depreciation and Amortization	<u>2,706,715</u>	<u>2,488,663</u>
	<u>\$ 20,844,775</u>	<u>\$ 18,251,354</u>
 Expenses per Financial Statements		
Operating expenses	\$ 19,782,141	\$ 17,037,513
Interest expense	<u>1,062,634</u>	<u>1,213,841</u>
	<u>\$ 20,844,775</u>	<u>\$ 18,251,354</u>