

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

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2005 and 2004**

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

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2005 and 2004

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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, 2005 and 2004 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 audit 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, 2005 and 2004 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.

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  
O'Connor Davies Munns & Dobbins, LLP**  
March 10, 2006

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004**

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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. 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.

**ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
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**NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2005 AND 2004**

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**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 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**

Restricted cash and cash 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.

**ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
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**NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2005 AND 2004**

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**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**

**Restricted**

The carrying amounts of the Authority's restricted deposits at December 31, 2005 and 2004 were \$7,461,674 and \$9,769,991, 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 indicate why they are restricted.

**ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
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**NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2005 AND 2004**

**Note 3 - Capital Assets**

Capital asset activity for the year ended December 31, 2005 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>1,322,663</u>	<u>2,008,764</u>	<u>2,618,127</u>	<u>713,300</u>
Total capital assets not being depreciated	<u>2,745,975</u>	<u>2,008,764</u>	<u>2,618,127</u>	<u>2,136,612</u>
Capital assets being depreciated:				
Buildings	35,865,678	28,430	-	35,894,108
Major equipment	5,641,715	2,589,697	-	8,231,412
Other equipment	2,377,169	-	-	2,377,169
Motor vehicles	845,230	-	-	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>44,863,838</u>	<u>2,618,127</u>	<u>-</u>	<u>47,481,965</u>
Less accumulated depreciation for				
Capital assets being depreciated:				
Buildings	8,999,393	1,794,707	-	10,794,100
Major equipment	1,717,523	453,768	-	2,171,291
Other equipment	2,377,169	-	-	2,377,169
Motor vehicles	417,588	144,935	-	562,523
Office equipment	29,547	-	-	29,547
Data processing equipment	54,378	4,321	-	58,699
Museum display	<u>44,370</u>	<u>1,428</u>	<u>-</u>	<u>45,798</u>
Total accumulated depreciation	<u>13,639,968</u>	<u>2,399,159</u>	<u>-</u>	<u>16,039,127</u>
Total capital assets being depreciated, net	<u>31,223,870</u>	<u>218,968</u>	<u>-</u>	<u>31,442,838</u>
Capital activities, net	<u>\$ 33,969,845</u>	<u>\$ 2,228,732</u>	<u>\$ 2,618,127</u>	<u>\$ 33,579,450</u>

**ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
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**NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2005 AND 2004**

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**Note 4 - 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 each of the years ended December 31, 2005 and 2004 totaled \$21,064.

**Note 5 - Bonds Payable**

Bonds Payable at December 31 consisted of the following issues:

	<u>2005</u>	<u>2004</u>
\$11,620,000 - 1996 serial bonds net of unamortized discount of \$44,272 and \$54,234 in 2005 and 2004, respectively, repaid partially during 1999 with State grants and other funds; due in annual principal installments of \$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.	\$ 7,055,728	\$ 7,475,766
\$4,000,000 - 1991 serial bonds net of unamortized discount of \$24,683 and \$26,655 in 2005 and 2004, respectively, due in annual principal installments of \$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.	3,085,317	3,248,345
\$15,273,468 - 2004 serial bonds due in annual principal installments of \$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.	13,870,000	14,340,000

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**NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2005 AND 2004**

**Note 5 - Bonds Payable (Continued)**

	2005	2004
<p>\$8,720,000 - 2004 serial bonds net of unamortized discount of \$141,533 and \$147,966 in 2005 and 2004, respectively, due in annual principal installments of \$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.</p>	<p><u>\$ 8,283,467</u></p>	<p><u>\$ 8,487,034</u></p>
	32,294,512	33,551,145
Less: Current maturities	<p><u>(1,315,000)</u></p>	<p><u>(1,275,000)</u></p>
	<p><u>\$ 30,979,512</u></p>	<p><u>\$ 32,276,145</u></p>

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.

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 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.

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, 2005 AND 2004**

**Note 5 - Bonds Payable (Continued)**

The annual requirements to amortize all bonds outstanding at December 31, 2005, including interest of \$20,068,701 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,460,000	1,529,239	2,989,239
2010	1,520,000	1,467,548	2,987,548
2011-2015	8,925,000	6,100,174	15,025,174
2015-2020	6,930,000	3,711,960	10,641,961
2021-2025	7,585,000	2,053,639	9,638,639
2026-2028	<u>2,000,000</u>	<u>228,319</u>	<u>2,228,318</u>
	32,505,000	<u>\$ 20,068,701</u>	<u>\$ 52,573,701</u>
Less: Unamortized original issue discount	<u>(210,488)</u>		
		<u>\$ 32,294,512</u>	

**Note 6 - 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 \$3,190,000 and \$3,420,000 were outstanding at December 31, 2005 and 2004, respectively.

**Note 7 - Refunding of Debt**

On March 20, 2004, 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 2004A refunding bonds. These funds were used to call the outstanding bonds in accordance with the redemption provisions of the bonds.

**Note 8 - 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

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**NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2005 AND 2004**

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**Note 8 - Pension Plan (Continued)**

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, 2005 and 2004 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
<u>2005</u>	1 75I	15.0
	4 A15	10.2
<u>2004</u>	1 75I	17.2
	4 A15	11.4

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

2005	\$	97,346
2004		108,254
2003		40,449

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

**Note 9 - 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, 2005 and 2004 was \$121,485 and \$65,584, respectively. These amounts are included in accrued liabilities of the Authority.

**ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
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**NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2005 AND 2004**

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**Note 10 - Post-Employment Health Care Benefits**

In addition to providing pension benefits, the Authority provides certain health care benefits for retired employees. The Board of Trustees has passed a resolution providing health care benefits for all retirees that reach normal retirement age and have five years of service and are eligible to receive a retirement allowance from a retirement system administered by the State of New York or one of its civil divisions. Currently four of the Authority's employees would be eligible for the benefits if they reach normal retirement age while working for the Authority. During the year, no such benefits were paid and the Authority had no obligation for post-employment health care benefits at December 31, 2005 and 2004.

**Note 11 - 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 public officials liability and auto policies provide coverage up to \$1 million, each and the pollution liability policy provides coverage up to \$3 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 Restrictions**

Upon issuance of the serial bonds, the indentures required the establishment of a restricted cash balance of \$2,857,266 in 2005 and \$2,896,499 in 2004, which is maintained with the trustee of the bonds. At December 31, 2005 and 2004, the Authority also had remitted to the trustee \$354,373 and \$163,590, respectively, which was restricted for the payment of principal and interest on the serial bonds. In addition, at December 31, 2005 and 2004, the trustee held \$4,250,035 and \$6,620,175, respectively, for the purchase and construction of facilities. At December 31, 2005 and 2004 the trustee held \$-0- and \$89,727, respectively for the payment of the cost of issuance of bonds. These amounts, totaling \$7,461,674 for 2005 and \$9,769,991 for 2004, have been reflected as restricted cash on the statement of net assets.

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

**NOTES TO FINANCIAL STATEMENTS (Concluded)  
DECEMBER 31, 2005 AND 2004**

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**Note 11 - Summary of Significant Contingencies (Continued)**

**Debt Covenants**

The Authority at December 31, 2005 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 \$3,211,640, which exceeded the requirement by \$354,373. 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 \$1,094,361 for the year ended December 31, 2005.

**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 Debt Service* - the components of nets 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, 2005, 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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**STATEMENTS OF NET ASSETS  
December 31, 2005 and 2004**

	<b>2005</b>	<b>2004</b>
<b><u>ASSETS</u></b>		
Current		
Cash and equivalents	\$ 8,203,935	\$ 6,871,172
Accounts receivable (net of allowance for uncollectible accounts of \$826,743 in 2005 and \$850,000 in 2004)	1,465,946	925,557
Grants receivable from other governments	771,416	1,346,951
Prepaid expenses and other receivables	341,302	80,508
Cash and equivalents - restricted	7,461,674	9,769,991
Total Current Assets	18,244,273	18,994,179
Land	1,423,312	1,423,312
Fixed Assets, net	31,442,838	31,223,870
Construction-in-Progress	713,300	1,322,663
Deferred Bond Fees, net	369,879	390,943
Total Assets	\$ 52,193,602	\$ 53,354,967
<b><u>LIABILITIES</u></b>		
Current Liabilities		
Accounts payable	\$ 2,974,234	\$ 2,698,077
Construction costs payable	-	517,393
Accrued liabilities	273,222	396,842
Retainages payable	-	44,574
Bonds payable, current portion	1,315,000	1,275,000
Total Current Liabilities	4,562,456	4,931,886
Bonds Payable, net of discount of \$210,488 in 2005 and \$228,855 in 2004	30,979,512	32,276,145
Total Liabilities	35,541,968	37,208,031
<b><u>NET ASSETS</u></b>		
Invested in Capital Assets, net of related debt	8,878,774	10,017,667
Restricted for Debt Service	-	163,590
Restricted for Renewal and Replacement	310,000	310,000
Restricted for System Improvement	1,006,598	1,160,000
Restricted for Operating Reserve	1,681,000	1,546,000
Unrestricted	4,775,262	2,949,679
Total Net Assets	16,651,634	16,146,936
Total Liabilities and Net Assets	\$ 52,193,602	\$ 53,354,967

See notes to financial statements.

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

**STATEMENTS OF ACTIVITIES  
Years Ended December 31, 2005 and 2004**

	<b>2005</b>	<b>2004</b>
Operating Revenues - Solid waste disposal charges	<u>\$ 22,249,688</u>	<u>\$ 19,863,878</u>
Operating Expenses		
Personal services	1,172,142	902,235
Employee benefits	325,687	283,730
Contractual services	16,928,506	14,219,764
Depreciation and amortization	2,438,591	2,519,973
Provisions for bad debts	-	110,000
	<u>20,864,926</u>	<u>18,035,702</u>
Total Operating Expenses		
Operating Income	<u>1,384,762</u>	<u>1,828,176</u>
Non-Operating Revenues (Expenses)		
Interest income	591,389	296,152
Interest expense	(1,441,276)	(1,329,946)
State aid	(30,177)	147,292
	<u>(880,064)</u>	<u>(886,502)</u>
Total Non-Operating Expenses, Net		
Change in Net Assets	504,698	941,674
Net Assets - Beginning of Year	<u>16,146,936</u>	<u>15,205,262</u>
Net Assets - End of Year	<u><u>\$ 16,651,634</u></u>	<u><u>\$ 16,146,936</u></u>

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, 2005 and 2004**

	<b>2005</b>	<b>2004</b>
Cash Flows from Operating Activities		
Charges for solid waste disposal	\$ 22,255,414	\$ 20,255,626
Payments to vendors	(16,957,382)	(14,320,235)
Payments for salaries and benefits	(1,581,991)	(948,718)
	<u>3,716,041</u>	<u>4,986,673</u>
Net Cash Provided by Operating Activities		
Cash Flows from Non-Capital Financing Activities		
State aid	-	66,840
Loans to employees	-	124
	<u>-</u>	<u>66,964</u>
Net Cash Provided by Non-Capital Financing Activities		
Cash Flows from Capital and Related Financing Activities		
Repayments of bonds	(1,275,000)	(1,115,000)
Restricted cash and equivalents	2,308,317	254,437
Construction-in-progress and fixed assets	(2,009,522)	(901,441)
Construction costs payable	(517,393)	-
Retainages payable	(44,574)	-
Interest expense	(1,436,495)	(1,329,946)
	<u>(2,974,667)</u>	<u>(3,091,950)</u>
Net Cash Used in Capital and Related Financing Activities		
Cash Flows from Investing Activities		
Interest income	591,389	296,152
	<u>591,389</u>	<u>296,152</u>
Net Increase in Cash and Cash Equivalents	1,332,763	2,257,839
Cash and Cash Equivalents - Beginning of Year	6,871,172	4,613,333
	<u>6,871,172</u>	<u>4,613,333</u>
Cash and Cash Equivalents - End of Year	<u>\$ 8,203,935</u>	<u>\$ 6,871,172</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 1,384,762	\$ 1,828,176
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	2,438,591	2,519,973
Provision for bad debts	-	110,000
Changes in operating assets and liabilities		
Accounts receivable	(540,389)	695,756
Grants receivable from other governments	546,115	(404,700)
Prepaid expenses and other receivables	(260,794)	(9,308)
Accounts payable	276,157	9,529
Accrued liabilities	(128,401)	237,247
	<u>\$ 3,716,041</u>	<u>\$ 4,986,673</u>

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, 2005**

	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Operating Revenues</u>				
Solid waste disposal charges				
User fees	\$ 4,739,712	\$ 4,739,712	\$ 4,740,207	\$ 495
Ad valorem	4,658,062	4,658,062	4,660,895	2,833
Recycling facility materials	2,501,000	2,501,000	3,391,865	890,865
Merchant tonnage fee	-	-	16,790	16,790
Co-Compost facility materials	20,000	20,000	37,923	17,923
Co-Compost facility user charges				
Septage	2,000	2,000	2,157	157
Out-of-County users	375,000	375,000	369,281	(5,719)
Solid waste collection and disposal charges				
Spring Valley	653,883	653,883	656,614	2,731
Village of Haverstraw	629,366	629,366	646,704	17,338
Village of Slootsburg	281,002	281,002	281,000	(2)
Village of New Hempstead	472,290	472,290	472,292	2
Rockland County	399,622	399,622	348,379	(51,243)
State-owned lands	8,000	8,000	-	(8,000)
Minor sales	-	-	792	792
Employee health insurance contributions	-	-	19,653	19,653
Wood waste and metal	15,000	15,000	17,003	2,003
Transfer station tipping fees	5,532,265	5,532,265	5,705,628	173,363
Scalehouse registration fees	1,000	1,000	1,850	850
Environmental Protection Facility grants	370,000	370,000	9,916	(360,084)
Preprocessing facility	-	-	16,024	16,024
Settlements with operators	-	-	850,000	850,000
Other unclassified	-	-	4,715	4,715
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Revenues	20,658,202	20,658,202	22,249,688	1,591,486
<u>Non-Operating Revenues</u>				
Interest				
Bank	45,000	45,000	286,295	241,295
Restricted funds	197,500	197,500	305,094	107,594
Interest subsidy	340,000	340,000	318,030	(21,970)
New York State grants				
Recycling bins	-	-	(30,177)	(30,177)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Non-Operating Revenues	582,500	582,500	879,242	296,742
<u>Appropriation of Net Assets</u>	(173,205)	(173,205)	-	173,205
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 21,067,497	\$ 21,067,497	\$ 23,128,930	\$ 2,061,433

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

**SUPPLEMENTARY INFORMATION  
Year Ended December 31, 2005**

<u>Operating Expenses</u>	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Personal Services</u>				
Salaries	\$ 1,202,530	\$ 1,202,530	\$ 1,172,142	\$ 30,388
<u>Fringe Benefits</u>				
Health and dental	130,000	130,000	140,158	(10,158)
Retirement	100,000	100,000	97,346	2,654
Social security	96,202	96,202	82,592	13,610
Workers' compensation	16,000	16,000	5,591	10,409
	<u>342,202</u>	<u>342,202</u>	<u>325,687</u>	<u>16,515</u>
<u>Contractual Services</u>				
<u>Office Equipment</u>				
Office furniture and fixtures	25,000	25,000	43,234	(18,234)
Data processing equipment	76,500	76,500	31,376	45,124
	<u>101,500</u>	<u>101,500</u>	<u>74,610</u>	<u>26,890</u>
<u>Supplies expense</u>				
Uniforms	5,000	5,000	1,845	3,155
Motor fuel	40,000	40,000	107,589	(67,589)
Office supplies and printing	15,000	15,000	16,282	(1,282)
Equipment	4,000	4,000	(1,707)	5,707
Books and publications	2,500	2,500	2,505	(5)
Operational supplies (leaf bags recycling bins, etc.)	345,400	345,400	237,621	107,779
	<u>411,900</u>	<u>411,900</u>	<u>364,135</u>	<u>47,765</u>
<u>Other Operating Expenses</u>				
Rental of equipment	15,000	15,000	11,149	3,851
Travel	8,000	8,000	3,176	4,824
Advertising	30,000	30,000	29,556	444
Equipment repair	75,000	75,000	30,186	44,814
Painting and building repair	40,000	40,000	45,519	(5,519)
Cleaning contractor	18,000	18,000	13,125	4,875
Fees for services - non-employees	866,814	866,814	966,327	(99,513)
Postage	25,000	25,000	17,347	7,653
Conferences and schools	4,000	4,000	3,802	198
Repairs to vehicles	80,000	80,000	12,833	67,167
Association dues	2,000	2,000	1,880	120
Bid advertising	1,500	1,500	2,589	(1,089)
Maintenance agreements	16,800	16,800	5,300	11,500
Telephone	22,000	22,000	31,399	(9,399)
Utilities	531,150	531,150	579,531	(48,381)
Water and sewer	69,875	69,875	55,485	14,390
Meals	2,000	2,000	1,472	528
Household hazardous waste	759,000	759,000	806,976	(47,976)
Certiorari payments	50,000	50,000	15,640	34,360
	<u>2,616,139</u>	<u>2,616,139</u>	<u>2,633,292</u>	<u>(17,153)</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, 2005**

	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenue-generating Other Operating Expenses</u>				
MRF operating and maintenance fee	\$ 1,649,696	\$ 1,649,696	\$ 1,649,263	\$ 433
Co-composting operating and maintenance fee	1,560,000	1,560,000	1,771,265	(211,265)
Yard waste composting fee	1,050,184	1,050,184	1,201,470	(151,286)
Host community fee	492,400	492,400	505,369	(12,969)
Solid waste collection and disposa				
Spring Valley	635,352	635,352	593,664	41,688
Village of Haverstraw	610,194	610,194	626,887	(16,693)
Village of Sloatsburg	272,551	272,551	272,551	-
Village of New Hempstead	458,018	458,018	454,433	3,585
Rockland County	387,983	387,983	289,815	98,168
Recycling rebates	800,000	800,000	746,285	53,715
Transfer station rebates	120,000	120,000	98,507	21,493
Transfer station fees	4,800,000	4,800,000	5,270,404	(470,404)
Out-of-county recycling payments	168,760	168,760	267,583	(98,823)
	<u>13,005,138</u>	<u>13,005,138</u>	<u>13,747,496</u>	<u>(742,358)</u>
<u>Other Costs</u>				
Tax related costs	4,000	4,000	4,235	(235)
Insurance premiums	95,000	95,000	104,737	(9,737)
Contingency	250,000	250,000	-	250,000
	<u>349,000</u>	<u>349,000</u>	<u>108,972</u>	<u>240,028</u>
	<u>18,028,409</u>	<u>18,028,409</u>	<u>18,426,334</u>	<u>(397,925)</u>
<u>Debt Service</u>				
Principal	1,275,000	1,275,000	1,275,000	-
Interest	1,764,088	1,764,088	1,759,307	4,781
	<u>3,039,088</u>	<u>3,039,088</u>	<u>3,034,307</u>	<u>4,781</u>
 Total Expenses	 <u>\$ 21,067,497</u>	 <u>\$ 21,067,497</u>	 <u>\$ 21,460,641</u>	 <u>\$ (393,144)</u>

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

**SUPPLEMENTARY INFORMATION  
Year Ended December 31, 2004**

	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Operating Revenues</u>				
Solid waste disposal charges				
User fees	\$ 3,786,931	\$ 3,786,931	\$ 3,793,116	\$ 6,185
Ad valorem	4,156,719	4,156,719	4,156,565	(154)
Recycling facility materials	1,500,000	2,500,000	3,121,923	621,923
Merchant tonnage fee	125,000	125,000	125,000	-
Co-Compost facility materials	20,000	20,000	18,743	(1,257)
Co-Compost facility user charges				
Septage	2,000	2,000	4,128	2,128
Out-of-County users	395,000	395,000	391,024	(3,976)
Solid waste collection and disposal charges				
Spring Valley	620,706	620,706	620,706	-
Village of Haverstraw	450,616	450,616	451,228	612
Village of Sloatsburg	274,664	274,664	274,664	-
Rockland County	352,739	352,739	247,810	(104,929)
State-owned lands	8,000	8,000	473	(7,527)
Minor sales	-	-	792	792
Utility reimbursement - facility operators	30,000	30,000	32,073	2,073
Employee health insurance contributions	14,000	14,000	15,625	1,625
Wood waste and metal	15,000	15,000	28,550	13,550
Transfer station tipping fees	7,944,000	7,944,000	4,556,410	(3,387,590)
Scalehouse registration fees	1,000	1,000	2,200	1,200
Environmental Protection Facility grants	290,487	290,487	602,815	312,328
Preprocessing facility	500,000	500,000	84,697	(415,303)
Settlements with operators	-	-	1,202,099	1,202,099
Other unclassified	-	-	133,238	133,238
	<u>20,486,862</u>	<u>21,486,862</u>	<u>19,863,879</u>	<u>(1,622,983)</u>
<u>Total Operating Revenues</u>				
<u>Non-Operating Revenues</u>				
Interest				
Bank	45,000	45,000	103,218	58,218
Restricted funds	279,000	279,000	192,933	(86,067)
Interest subsidy	-	-	595,629	595,629
New York State grants				
Archive	7,500	7,500	-	(7,500)
Recycling bins	142,000	142,000	147,292	5,292
	<u>473,500</u>	<u>473,500</u>	<u>1,039,072</u>	<u>565,572</u>
<u>Total Non-Operating Revenues</u>				
<u>Appropriation of Net Assets</u>	<u>(292,068)</u>	<u>(292,068)</u>	<u>-</u>	<u>292,068</u>
<u>Total Revenues</u>	<u>\$ 20,668,294</u>	<u>\$ 21,668,294</u>	<u>\$ 20,902,951</u>	<u>\$ (765,343)</u>

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

**SUPPLEMENTARY INFORMATION  
Year Ended December 31, 2004**

<u>Operating Expenses</u>	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Personal Services</u>				
Salaries	\$ 936,775	\$ 936,775	\$ 902,235	\$ 34,540
<u>Fringe Benefits</u>				
Health and dental	120,000	120,000	99,959	20,041
Retirement	87,000	87,000	108,254	(21,254)
Social security	76,300	76,300	67,997	8,303
Workers' compensation	14,000	14,000	7,520	6,480
	<u>297,300</u>	<u>297,300</u>	<u>283,730</u>	<u>13,570</u>
<u>Contractual Services</u>				
<u>Office Equipment</u>				
Office furniture and fixtures	17,500	17,500	10,681	6,819
Motor vehicles and other equipment	-	-	126,257	(126,257)
Data processing equipment	7,500	7,500	14,745	(7,245)
	<u>25,000</u>	<u>25,000</u>	<u>151,683</u>	<u>(126,683)</u>
<u>Supplies expense</u>				
Uniforms	1,500	1,500	3,068	(1,568)
Motor fuel	12,000	12,000	34,346	(22,346)
Office supplies and printing	15,000	15,000	12,332	2,668
Equipment	2,500	2,500	6,040	(3,540)
Books and publications	2,500	2,500	2,482	18
Operational supplies (leaf bags recycling bins, etc.)	274,000	274,000	267,402	6,598
Photographic and microfilm supplies	500	500	-	500
	<u>308,000</u>	<u>308,000</u>	<u>325,670</u>	<u>(17,670)</u>
<u>Other Operating Expenses</u>				
Rental of equipment	10,000	10,000	7,733	2,267
Travel	5,000	5,000	7,615	(2,615)
Advertising	30,000	30,000	29,026	974
Equipment repair	10,000	10,000	14,712	(4,712)
Painting and building repair	10,000	10,000	8,329	1,671
Cleaning contractor	10,000	10,000	8,682	1,318
Fees for services - non-employees	601,500	601,500	1,027,255	(425,755)
Postage	25,000	25,000	19,356	5,644
Conferences and schools	4,000	4,000	3,554	446
Repairs to vehicles	15,000	15,000	16,356	(1,356)
Association dues	2,000	2,000	3,205	(1,205)
Bid advertising	1,000	1,000	3,008	(2,008)
Maintenance agreements	-	-	5,000	(5,000)
Telephone	21,000	21,000	24,479	(3,479)
Utilities	532,000	532,000	380,244	151,756
Water and sewer	68,175	68,175	49,018	19,157
Meals	1,000	1,000	1,153	(153)
Household hazardous waste	617,000	617,000	763,165	(146,165)
Certiorari payments	50,000	50,000	35,326	14,674
	<u>2,012,675</u>	<u>2,012,675</u>	<u>2,407,216</u>	<u>(394,541)</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, 2004**

	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenue-generating Other Operating Expenses</u>				
MRF operating and maintenance fee	\$ 1,188,000	\$ 1,188,000	\$ 1,775,703	\$ (587,703)
Co-composting operating and maintenance fee	1,200,000	1,200,000	1,410,765	(210,765)
Yard waste composting fee	1,066,583	1,066,583	1,086,435	(19,852)
Host community fee	359,000	359,000	325,099	33,901
Solid waste collection and disposa				
Spring Valley	602,216	602,216	569,592	32,624
Village of Haverstraw	438,644	438,644	619,669	(181,025)
Village of Sloatsburg	266,213	266,213	276,792	(10,579)
Rockland County	342,465	342,465	264,310	78,155
Recycling rebates	800,000	800,000	782,936	17,064
Transfer station rebates			101,985	(101,985)
Transfer station fees	7,440,000	7,440,000	3,895,132	3,544,868
Preprocessing facility costs	398,000	398,000	15,800	382,200
Out-of-county recycling payments	70,000	70,000	250,422	(180,422)
	<u>14,171,121</u>	<u>14,171,121</u>	<u>11,374,640</u>	<u>2,796,481</u>
<u>Other Costs</u>				
Tax related costs	4,000	4,000	3,560	440
Insurance premiums	77,000	77,000	83,252	(6,252)
Contingency	150,000	150,000	-	150,000
	<u>231,000</u>	<u>231,000</u>	<u>86,812</u>	<u>144,188</u>
	<u>17,981,871</u>	<u>17,981,871</u>	<u>15,531,986</u>	<u>2,449,885</u>
<u>Debt Service</u>				
Principal	1,115,000	1,115,000	1,115,000	-
Interest	1,571,423	1,571,423	1,925,575	(354,152)
	<u>2,686,423</u>	<u>2,686,423</u>	<u>3,040,575</u>	<u>(354,152)</u>
<u>Bad Debts</u>				
	<u>-</u>	<u>-</u>	<u>110,000</u>	<u>(110,000)</u>
Total Expenses	<u>\$ 20,668,294</u>	<u>\$ 20,668,294</u>	<u>\$ 18,682,561</u>	<u>\$ 1,985,733</u>

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

SUPPLEMENTARY INFORMATION  
Years Ended December 31, 2005 and 2004

Reconciliation of Supplementary Schedules to Financial Statements

<u>Revenues</u>	<u>2005</u>	<u>2004</u>
Revenues per Supplementary Schedule	\$ 23,128,930	\$ 20,902,951
Adjustment to reconcile supplementary schedule to Statement of Activities		
Interest Subsidy	(318,030)	(595,629)
Interest income	(591,389)	(296,152)
State aid	<u>30,177</u>	<u>(147,292)</u>
Operating Revenues per Statement of Activities	<u>\$ 22,249,688</u>	<u>\$ 19,863,878</u>
<u>Expenses</u>		
Expenses per Supplementary Schedule	\$ 21,460,641	\$ 18,682,561
Adjustment to reconcile supplementary schedule to Statement of Activities		
Bond principal	(1,275,000)	(1,115,000)
Purchase of capital assets	-	(126,257)
Interest subsidy	(318,030)	(595,629)
Interest expense	(1,441,276)	(1,329,946)
Depreciation and amortization	<u>2,438,591</u>	<u>2,519,973</u>
Operating Expenses per Statement of Activities	<u>\$ 20,864,926</u>	<u>\$ 18,035,702</u>