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

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

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O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS

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) ("Authority") as of December 31, 2011 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 audit. The prior year comparative information has been derived from the Authority's 2010 financial statements and, in our report dated April 4, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Authority as of December 31, 2011 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.

In accordance with Government Auditing Standards, we have also issued our report dated March 19, 2012 on our consideration of the Authority's internal control over financial reporting. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and the results of that testing, and not to provide an opinion on the internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Funding Progress – Other Post Employment Benefits be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements. The accompanying financial information listed as supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP
Harrison, New York
March 19, 2012

Rockland County Solid Waste Management Authority
Management's Discussion and Analysis (MD&A)
December 31, 2011

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, 2011. 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, 2011	December 31, 2010
Operating Revenues	$ 43,985,211	$ 41,476,983
Non-operating Revenues	1,157,192	1,387,877
Total Revenues	45,142,403	42,864,860
Operating Expense	40,421,022	39,272,942
Non-Operating Expense, net	3,193,208	3,065,892
Total Expenses	43,614,230	42,338,834
Increase (Decrease) in Net Assets	$ 1,528,173	$ 526,026

As of December 31, 2011, total assets reported by the Authority were $91.5 million and total liabilities were $73.5 million. Net Assets, which represent the equity of the Authority, increased by $1,528,173. The increase in net assets was due to several factors. During 2011, there was continued recovery in prices of commodities sold at the Materials recovery Facility (MRF) after prices hit rock bottom in October of 2008 and which lasted for the major part of 2009. This resulted in revenues greater than anticipated of approximately $1.7million. Corresponding MRF expenditures was less than anticipated due to less than anticipated tonnage processed. In addition, approximately $312,900 in grants was received in excess of budget. These funds represent several years of funding requests that were received by New York State funded by the Dept. of Environmental Conservation and FEMA. Fees for services, such as legal and engineering, of non-employees was approximately $1.2 million over budget due to various unanticipated legal projects and unanticipated engineering work in response to New York State Department of Environmental Control inquiries. Co-composting operating and maintenance fees were approximately $138,000 less than budget due to slightly less than anticipated tonnage.

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,	
	2011	2010
Current Assets	$ 16,945,428	$ 16,533,547
Capital Assets, Net	40,097,078	41,020,224
Other Non-Current Assets	34,445,088	33,558,618
Total Assets	91,487,594	91,112,389
Current Liabilities	9,021,864	9,192,576
Non-Current Liabilities	64,437,243	65,419,499
Total Liabilities	73,459,107	74,612,075
Net Assets	$ 18,028,487	$ 16,500,314

Current Assets

Current assets as of December 31, 2011 are primarily composed of cash and cash equivalents (restricted and unrestricted) and investments totaling $14.1 million. The remaining $2.8 million consists of receivables from various sources such as customers (haulers, other governments), state grants and prepaid expenses.

Other Non-current Assets

Other non-current assets as of December 31, 2011 are composed of restricted cash and cash equivalents totaling $17.9 million; intangible assets totaling $15.5 million and deferred bonds fees of $1 million.

Current Liabilities

Currently liabilities consist mainly of accounts payable and accrued liabilities totaling $5.4 million. The current portion of bonds payable is $3.3 million.

Non-Current Liabilities

There are primarily two components of non-current liabilities. As of December 31, 2011, the non-current portion of bonds payable was $59 million. There were no serial bonds issued in 2011. In addition, the Authority's post employment benefit obligation payable as per Governmental Accounting Standards Board (GASB) 45 is $3,638,276; an increase of $730,773.

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, 2011 of $3,481,310 and a total accumulated depreciation of $33,616,234.

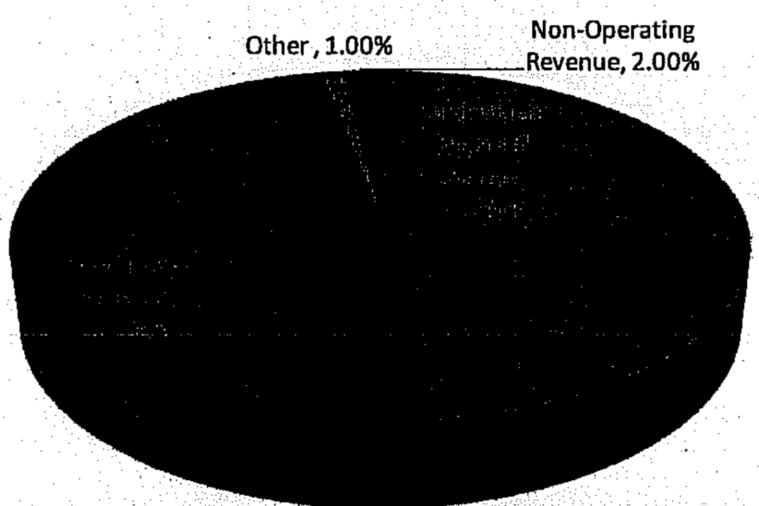
A comparative summary of capital assets is as follows:

	December 31, 2011	December 31, 2010
Capital Assets:		
Land	$ 6,200,325	$ 6,200,325
Construction-in-Progress	2,920,211	3,295,844
Buildings and Land Improvements	47,264,211	44,770,531
Machinery and Equipment	17,328,565	16,888,448
Total Capital Assets	73,713,312	71,155,148
Less Accumulated Depreciation:		
Buildings and Land Improvemets	23,425,622	21,150,623
Machinery and Equipment	10,190,612	8,984,301
Total Accumulated Depreciation	33,616,234	30,134,924
Net Capital Assets	$ 40,097,078	$ 41,020,224

Statement of Activities

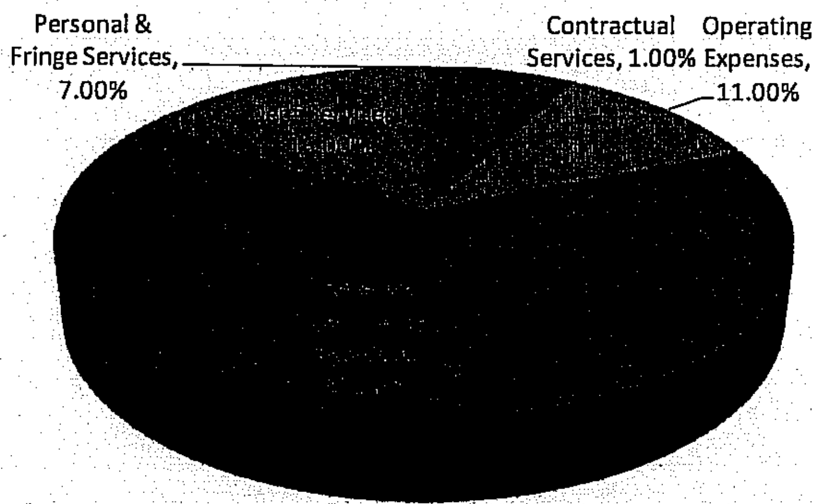
The statement of activities presents the Authority's results of operations. The Authority also includes supplemental information regarding detail of revenues and expenses as it relates to the adopted Authority budget. Refer to the Authority's basic financial statements for the complete listing. Total operating revenues of the Authority for year ended December 31, 2011 were $44 million. Non operating revenues totaled approximately $1.4 million.

REVENUE 2011



Solid Waste Disposal Charges (both user fees and ad valorem) represented 41% 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 42% of total revenues. Non-operating revenues (bank interest, restricted funds interest and interest subsidy) represented approximately 2% of total revenues. Other revenues, such as grants, represent approximately 1% of total revenues.

EXPENSES 2011



Total expenses for the year were $42.7 million. Operating expenses represented 12% of expenses. Personnel and fringe benefit costs represented 7% of expenses Revenue generating expenses (those related to the operation of the Authority's facilities) represented 65% of expenses. Debt Service represented 16% 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 allows the Authority to manage all waste generated in the County 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 list those portions of the Flow Control Act 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. They are located in the northern portion of the County in the town of Haverstraw; the southern portion of the County in the town of Clarkstown and the western portion of the County in the town of Ramapo. The Authority has seen a slight increase in waste tonnage in 2011 as compared to 2010. The Authority will monitor waste trends and economic indicators but the Authority's revenue is not contingent upon any minimum waste tonnage delivered to the facilities and is not impacted by the fluctuation in MSW delivered.

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 Contractor, 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. During 2010, the Authority has benefited from commodities market pricing similar to that of the pre-2008 downturn. The 2011 commodity pricing remained strong throughout the first three quarters of the year with prices declining marginally in the fourth quarter. The NYS legislation that resulted in the enhanced bottle bill has negatively impacted our local recycling revenue by diverting a significant number of water and juice bottles from the Authority's residential curbside recycling initiative. However, the downturn in the plastic bottle commodity has been offset by an increase in outreach efforts that have had a positive increase in the flow of material into the MRF from commercial businesses - primarily cardboard.

Co-composting Facility:

In its contract with the current long term Contractor, 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 of December 31, 2010, the Authority ended its contractual relationship with a neighboring county for sludge processing which resulted in a budget deficit of approximately $500,000 for 2011. The recycling of sludge (beneficial reuse) is an attractive alternative to many municipal entities that are currently sending sludge to a landfill. 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. The ongoing 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. New legislation regarding product stewardship as related to e-waste will impact the facility by significantly increasing the e-waste tonnage collected at the facility. The facility collected 266.3 tons of e-waste in 2011. E-waste will be banned from landfills as of April 1, 2012 and as of April 1, 2011 all manufacturers were required to have a program in place that allows for consumers to bring back their e-waste to a drop off center. Our contractor has taken the initiative and pursued the partnerships necessary with large corporations for take back programs at no additional cost to the Authority. The Authority will continue to follow the any additional legislation regarding product stewardship and have become members of the Product Stewardship Council in order to make sure our facilities are utilized to the maximum extent.

Yard Waste, Mulching and Concrete Crushing Facilities:

The Authority operates three leaf composting facilities and one mulching facility through a public-private partnership. The leaf composting facilities are primarily for leaf drop off from municipal highway departments and landscapers during the fall season. During spring time, each municipal entity participates in a give back program that represents the compost that is processed from the previous season. Subsequent to the municipal participation the compost is sold in bulk to the Contractor. In addition, any yard waste brought to the Clarkstown facility from residents or brush that is delivered by municipal entities are also processed into mulch and the municipalities participate in a similar "give back" program. Subsequently, any remainder of mulch is sold to the Contractor in a bulk sale. Operations do not seem to be contingent upon economic times but rather windstorms, droughts, floods and other natural circumstances. The Authority operates a concrete crushing facility through a public-private partnership. The crushing of concrete is impacted by the economy and construction and demolition associated with a robust economy. The Authority will continue to pursue out of County opportunities for concrete recycling and sales of crushed concrete.

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

STATEMENT OF NET ASSETS
DECEMBER 31, 2011
(With Comparative Amounts for December 31, 2010)

	2011	2010
ASSETS		
Current:		
Cash and cash equivalents	$ 14,094,859	$ 13,950,836
Accounts receivable, net of allowance for uncollectible accounts of $600,553 in 2011 and 2010	1,881,327	1,694,856
Grants receivable from other governments	528,518	460,889
Prepaid expenses and other receivables	440,724	426,966
Total Current Assets	16,945,428	16,533,547
Cash and Cash Equivalents - Restricted	14,972,423	14,010,456
Investments - Restricted	2,927,236	2,927,236
Intangible Assets	15,506,746	15,506,746
Capital Assets not being depreciated	9,120,536	9,496,169
Capital Assets being depreciated, net	30,976,542	31,524,055
Deferred Bond Fees, net of accumulated amortization of $521,402 in 2011 and $445,905 in 2010	1,038,683	1,114,180
Total Assets	$ 91,487,594	$ 91,112,389
LIABILITIES		
Current Liabilities:		
Accounts payable	$ 4,436,699	$ 4,737,431
Accrued liabilities	934,848	1,072,129
Non-Current Liabilities - Due within one year	3,650,317	3,383,016
Total Current Liabilities	9,021,864	9,192,576
Non-Current Liabilities - Due in more than one year	64,437,243	65,419,499
Total Liabilities	73,459,107	74,612,075
NET ASSETS		
Invested in Capital Assets, net of related debt	9,098,896	8,196,692
Unrestricted	8,929,591	8,303,622
Total Net Assets	18,028,487	16,500,314
Total Liabilities and Net Assets	$ 91,487,594	$ 91,112,389

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, 2011
(With Comparative Amounts for Year Ended December 31, 2010)

	2011	2010
Operating Revenues - Solid waste disposal charges	$ 43,985,211	$ 41,476,983
Operating Expenses:		
Personal services	2,230,249	2,118,728
Employee benefits	873,174	762,567
Other post employment benefit obligations	730,773	737,068
Contractual services	33,030,021	32,287,773
Depreciation and amortization	3,556,805	3,309,179
Total Operating Expenses	40,421,022	39,215,315
Operating Income	3,564,189	2,261,668
Non-Operating Revenues (Expenses):		
Interest income	554,303	197,522
Interest expense	(3,193,208)	(3,123,519)
State aid	507,391	1,190,355
Federal aid	95,498	-
Total Non-Operating Expenses, Net	(2,036,016)	(1,735,642)
Change in Net Assets	1,528,173	526,026
Net Assets - Beginning of Year	16,500,314	15,974,288
Net Assets - End of Year	$ 18,028,487	$ 16,500,314

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, 2011
(With Comparative Amounts for Year Ended December 31, 2010)

	2011	2010
Cash Flows from Operating Activities:		
Collections of solid waste disposal charges	$ 43,798,740	$ 42,024,292
Payments to vendors	(34,430,920)	(32,377,843)
Payments for salaries and benefits	(2,148,784)	(2,875,377)
Net Cash from Operating Activities	7,219,036	6,771,072
Cash Flows from Non-Capital Financing Activities -		
State aid	535,260	1,109,405
Cash Flows from Capital and Related Financing Activities:		
Repayments of bonds	(3,180,000)	(2,820,000)
Bonds issued	-	7,900,000
Issuance discount	-	(170,622)
Issuance costs	-	(164,811)
Capital lease issued	392,840	511,080
Repayments of capital lease	(255,275)	(92,234)
Loan issued	1,526,553	-
Restricted cash and equivalents	(961,967)	(6,823,928)
Restricted investments	-	1,060,000
Capital assets	(2,558,162)	(3,637,136)
Interest expense	(3,128,565)	(3,061,398)
Net Cash from Capital and Related Financing Activities	(8,164,576)	(7,299,049)
Cash Flows from Investing Activities -		
Interest income	554,303	197,522
Net Increase in Cash and Cash Equivalents	144,023	778,950
Cash and Cash Equivalents - Beginning of Year	13,950,836	13,171,886
Cash and Cash Equivalents - End of Year	$ 14,094,859	$ 13,950,836
Reconciliation of Operating Income to Net Cash from Operating Activities:		
Operating income	$ 3,564,189	$ 2,204,041
Adjustments to reconcile operating income to net cash from operating activities -		
Depreciation and amortization	3,556,805	3,366,806
Changes in operating assets and liabilities:		
Accounts receivable	(186,471)	547,309
Prepaid expenses and other receivables	(13,758)	(79,472)
Accounts payable	(300,732)	(534,097)
Accrued liabilities	(131,770)	529,417
Other post employment benefit obligations payable	730,773	737,068
Net Cash from Operating Activities	$ 7,219,036	$ 6,771,072
Noncash financing activities		
Refunding bonds issued	-	2,250,000
Issuance premium	-	7,891
Payment to refunded bond escrow agent	-	(2,212,979)
Issuance costs	-	(44,912)

See notes to financial statements.

Note 1 - Summary of Significant Accounting Policies

Organization and Purpose

The Rockland County Solid Waste Management Authority ("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 ("County").

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. Since the Authority does not provide services entirely or almost entirely to the County 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.

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.

The Authority's deposit and investment policies are governed by State statutes. The Authority has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies. The Authority is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements, obligations of other municipal entities or its political subdivisions and investment agreements, and accordingly, the Authority's policy provides for no credit or interest rate risk on investments.

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

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Authority's name. The Authority's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2011.

Receivables

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

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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.

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 land 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 not depreciated and are stated at cost. Interest paid on applicable debt, net of interest earned on available funds, is capitalized during the period of construction.

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.

Loan Payable

The Authority records this loan payable as it is drawn down from Environmental Facilities Corporation.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 and is included in accrued liabilities.

Other Post Employment Benefit Obligations Payable

The Authority's annual other post employment benefit ("OPEB") obligation payable is determined in accordance with the parameters of GASB Statement No. 45.

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, 2010, from which the comparative information was derived.

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 March 19, 2012.

Note 2 - Cash and Equivalents

Restricted

The carrying amounts of the Authority's restricted deposits at December 31, 2011 was $14,972,423. This amount is held in trust by a custodial agent on behalf of the Authority. The amount is not subject to risk collateralization requirements.

Note 3 - Restricted Investments

Restricted investments at December 31, 2011 consisted of the following:

	Maturity Date	Interest Rate	Amount
Collateralized Investment Agreements - AIG Matched Funding Corp.	12/15/2025	4.59 %	$ 1,651,017
Repurchase Agreement - Westdeutsche Landesbank	12/15/2016	6.43	1,130,599
U.S. Treasury Bond SLUG	06/15/2025	-	145,620
			$ 2,927,236

The investment agreements are fully collateralized with securities guaranteed by the U.S. Government.

Note 4 - Capital Assets

Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
apital assets not being depreciated:				
Land	$ 6,200,325	$ -	$ -	$ 6,200,325
Construction in progress	3,295,844	2,003,673	(2,379,306)	2,920,211
Total capital assets not being depreciated	9,496,169	2,003,673	(2,379,306)	9,120,536
apital assets being depreciated:				
Buildings	42,350,477	2,493,680	-	44,844,157
Land improvements	2,420,054	-	-	2,420,054
Machinery and equipment	16,888,448	440,117	-	17,328,565
Total capital assets being depreciated	61,658,979	2,933,797	-	64,592,776
ess accumulated depreciation for Capital assets being depreciated:				
Buildings	20,763,415	2,178,197	-	22,941,612
Land improvements	387,208	96,802	-	484,010
Machinery and equipment	8,984,301	1,206,311	-	10,190,612
Total accumulated depreciation	30,134,924	3,481,310	-	33,616,234
Total capital assets being depreciated, net	31,524,055	(547,513)	-	30,976,542
apital assets, net	$ 41,020,224	$ 1,456,160	$ (2,379,306)	$ 40,097,078

Note 5 - Deferred Bond Fees

The Authority incurred fees in relation to the issuance of general obligation bonds. These amounts have been capitalized and are being amortized over the life of the bonds. Amortization expense for the year ended December 31, 2011 totaled $75,497.

Note 6 - Long-Term Liabilities

	Balance January 1, 2011	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2011	Due Within One Year
Bonds Payable:					
Capital Construction	$ 51,325,392	$ -	$ 2,673,152	$ 48,652,240	$ 2,783,441
Other	15,019,608	-	506,848	14,512,760	526,559
	66,345,000	-	3,180,000	63,165,000	3,310,000
Add: Bond premium and discount	(1,161,465)	-	(70,154)	(1,091,311)	-
	65,183,535	-	3,109,846	62,073,689	3,310,000
Capital lease Payable	711,477	392,840	255,275	849,042	340,317
Loan Payable	-	1,526,553	-	1,526,553	-
Other Post Employment Benefit Obligations Payable	2,907,503	730,773	-	3,638,276	-
Total Other Noncurrent Liabilities	3,618,980	2,650,166	255,275	6,013,871	340,317
Governmental Activities Long-Term Liabilities	$ 68,802,515	$ 2,650,166	$ 3,365,121	$ 68,087,560	$ 3,650,317

Capital Lease Payable

The Authority has entered into various agreements to lease certain equipment. The terms of the agreements provide options to purchase the equipment at any time during the lease period. The lease meets the criteria of a capital lease as defined by FASB guidance. The annual payments include interest with rates ranging from 3.09% to 6.759% and mature in various months through 2014. The balance due at December 31, 2011 was $849,042.

The annual requirements to amortize all capital leases outstanding at December 31, 2011, including interest of $44,311 are as follows:

Year	Principal	Interest	Total
2012	$ 340,317	$ 27,755	$ 368,072
2013	334,669	14,140	348,809
2014	174,056	2,416	176,472
	$ 849,042	$ 44,311	$ 893,353

Note 6 - Long-Term Liabilities (Continued)

Bonds Payable

Bonds Payable consisted of the following issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2011
Public Improvements	1996	$ 11,620,000	December, 2014	5.625 %	$ 1,785,000
Public Improvements	2003	15,273,468	December, 2025	4.629 - 6.189	10,910,000
Public Improvements	2003	8,720,000	December, 2028	3.750 - 5.125	7,030,000
Public Improvements	2006	10,080,000	December, 2021	4.250 - 5.000	7,980,000
Public Improvements	2008	27,535,000	December, 2033	3.250 - 5.750	25,770,000
Public Improvements	2010	7,900,000	December, 2024	2.500 - 4.000	7,690,000
Public Improvements	2010	2,250,000	December, 2018	3.000 - 3.500	2,000,000
					$ 63,165,000

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

The $2,250,000 serial bonds are not subject to redemption prior to their stated dates of maturity.

The annual requirements to amortize all bonds outstanding at December 31, 2011, including interest of $28,736,033 are as follows:

Year	Principal	Interest	Total
2012	$ 3,310,000	$ 3,208,045	$ 6,518,045
2013	3,460,000	3,064,518	6,524,518
2014	3,610,000	2,912,725	6,522,725
2015	3,785,000	2,740,746	6,525,746
2016	3,970,000	2,556,345	6,526,345
2017-2021	23,055,000	9,562,749	32,617,749
2022-2026	20,330,000	2,925,706	23,255,706
2027-2031	1,495,000	1,745,699	3,240,699
2032-2033	150,000	19,500	169,500
	63,165,000	$ 28,736,033	$ 91,901,033
Less: Unamortized original issue premium and discount	(1,091,311)		
	$ 62,073,689		

Note 6 - Long-Term Liabilities (Continued)

Amortization expense for the original issue premium and discount for the year ended December 31, 2011 totaled $70,154.

Pension Plan

The Authority participates in the New York State and Local Employees' Retirement System ("System"). The System is a cost-sharing multiple-employer defined benefit pension plan. The System provides retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The System is non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary and employees in tier 5 who also contribute 3% of their salary without regard to their years of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and a regular pension contribution. Contribution rates for the plan year ended March 31, 2011 is as follows:

Tier/Plan	Rate
3 A14	15.6 %
4 A15	15.6
5 A15	12.6

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

2011	$	247,718
2010		243,742
2009		97,107

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

Other Post Employment Benefit Obligations

In addition to providing pension benefits, the Authority provides certain health care benefits for retired employees through a single employer defined benefit plan. The employee handbook stipulates the employees covered and the percentage of contribution. The cost of providing post employment health care benefits is shared between the Authority and the retired employee. Substantially all of the Authority's employees may become eligible for those benefits if they have a minimum of five years of service and reach normal retirement age while working for the Authority. There are currently no retirees of the Authority.

Note 6 - Long-Term Liabilities (Continued)

The Authority's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

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

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

Year Ended December 31,	Health Insurance	Medicare Part B
2012	10.50 %	8.50 %
2013	10.00	8.00
2014	9.50	7.50
2015	9.00	7.00
2016	8.50	6.50
2017	8.00	6.00
2018	7.50	5.50
2019	7.00	5.00
2020	6.50	5.00
2021	6.00	5.00
2022	5.50	5.00
2023+	5.00	5.00

The amortization basis is the level dollar amortization method with an open amortization approach with 26 years remaining in the amortization period. The Authority's assumptions included a 6.0% investment rate of return. The Authority currently has no assets set aside for the purpose of paying post employment 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.

Note 6 - Long-Term Liabilities (Continued)

The number of participants as of December 31, 2011 was as follows:

Active Employees	28
Retired Employees	-
Total	28

Amortization Component:	
Actuarial Accrued Liability as of 1/1/11	$ 2,117,542
Assets at Market Value	-
Unfunded Actuarial Accrued Liability	$ 2,117,542
Funded Ratio	0.00%
Covered Payroll (active plan members)	$ 2,223,909
UAAL as a Percentage of Covered Payroll	95%
Annual Required Contribution	755,604
Interest on Net OPEB Obligation	174,450
Adjustment to Annual Required Contribution	(199,281)
Annual OPEB Cost	730,773
Contributions Made	-
Increase in Net OPEB Obligation	730,773
Net OPEB Obligation - Beginning of Year	2,907,503
Net OPEB Obligation - End of Year	$ 3,638,276

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

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	$ 730,773	- %	$ 3,638,276
2010	737,068	-	2,907,503
2009	697,877	-	2,170,435

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, 2011 was $458,986. This amount is included in accrued liabilities of the Authority.

Note 6 - Long-Term Liabilities (Continued)

Loan Payable

The Authority entered into two revolving loan agreements in the amount of $1,859,580 each with the Environmental Facilities Corporation ("EFC") in 2010. These agreements allow the Authority to draw down on these loans up to a maximum amount of $3,719,160 for eligible project costs. During 2011 the Authority drew down $1,526,553 for various repairs to the Clarkstown Transfer Station. The first $1,859,580 is interest free and the second $1,859,580 bears interest at .69%. The first principal payments are due on August 1, 2012, which will be based on the loan outstanding at that time. The agreements also stipulate that the Authority will refinance the loans with EFC through long term financing within 60 days of the completion of the project, or no later than September 30, 2013.

Note 7 - 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 $3 million. The auto policy provides coverage up to $1 million and the pollution liability policy provides coverage up to $10 million. The Authority also maintains an umbrella policy with coverage up to $10 million. The Authority purchases conventional workers' compensation insurance with coverage at statutory limits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Authority also purchases conventional health insurance.

Litigation

The Authority is a defendant in a complaint that alleges that the County's Flow Control Law is unconstitutional and was enacted in violation of New York State law. Plaintiffs request injunctive and declaratory relief, as well as damages, plus interest, costs and attorney's fees. On September 30, 2010, the Court issued a Decision and Order with respect to a Motion to Dismiss. The Decision and Order resolved certain issues in the case; discovery is pending with respect to the remaining unresolved issues. The Authority is vigorously defending the matter. Counsel has indicated that it is not possible to predict the outcome of this case at this time.

The Authority is a defendant in a complaint that is challenging the determinations and findings of the Authority in regards to the taking of the plaintiff's property. This matter is currently pending in the Court and is being defended by the Authority's counsel. Counsel has indicated that it is not possible to predict the outcome of this case at this time.

Cash and Investment Restrictions

Upon issuance of the serial bonds, the indentures required the establishment of a restricted cash balance of $5,944,238 in 2011, which is maintained with the trustee of the bonds. In addition, at December 31, 2011, the trustee held $11,778,433 for the purchase and construction of facilities. At December 31, 2011 the trustee also held $176,988 for the payment of the cost of issuance of bonds. These amounts, totaling $17,899,877 for 2011, have been reflected as restricted cash and investments on the statement of net assets.

Note 7 - Summary of Significant Contingencies (Continued)

Debt Covenants

The Authority at December 31, 2011 was in compliance with the debt and revenue ratios required under the covenants of the seven bonds outstanding at that date.

Net Assets

The components of net assets 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.

Unrestricted - the difference between the assets and liabilities that is not reported in the investment in capital assets, net of related debt.

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFITS LAST THREE FISCAL YEARS

	Actuarial					
Fiscal Year Ended December 31,	Value of Assets	Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
2009	$ -	$ 1,759,571	$ 1,759,571	- %	$ 1,909,083	92.17 %
2010	-	2,117,542	2,117,542	-	2,111,987	100.26
2011	-	2,117,542	2,117,542	-	2,223,909	95.22

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

SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2011

	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
perating Revenues				
Solid waste disposal charges:				
User fees	$ 6,881,156	$ 6,881,156	$ 6,881,156	$ -
Ad valorem	11,828,720	11,828,720	11,833,293	4,573
Recycling facility materials	1,819,000	1,819,000	3,604,764	1,785,764
Co-Compost facility materials	50,000	50,000	275,778	225,778
Co-Compost facility user charges:				
Septage	3,000	3,000	3,465	465
Out-of-County users	577,500	577,500	70,728	(506,772)
Solid waste collection and disposal charges:				
Spring Valley	790,232	790,232	790,231	(1)
Village of Haverstraw	546,283	546,283	546,334	51
Village of Sloatsburg	349,416	349,416	349,421	5
Village of New Hempstead	419,300	419,300	419,321	21
Rockland County	322,129	322,129	345,463	23,334
Wood waste and metal	-	-	13,905	13,905
Transfer station tipping fees	20,632,990	20,632,990	18,794,802	(1,838,188)
Utility reimbursements	11,000	11,000	-	(11,000)
Other unclassified	-	-	56,550	56,550
Total Operating Revenues	44,230,726	44,230,726	43,985,211	(245,515)
on-Operating Revenues				
Interest:				
Bank	95,000	95,000	56,427	(38,573)
Restricted funds	75,000	75,000	497,876	422,876
Interest subsidy	268,557	268,557	256,953	(11,604)
Environmental Protection Facility grants	290,000	290,000	507,391	217,391
Federal Emergency Management Agency	-	-	95,498	95,498
Total Non-Operating Revenues	728,557	728,557	1,414,145	685,588
ppropriation of Net Assets	-	-	-	-
Total Revenues	$ 44,959,283	$ 44,959,283	$ 45,399,356	$ 440,073

ee Independent Auditors' Report.

SUPPLEMENTARY INFORMATION (Continued)
YEAR ENDED DECEMBER 31, 2011

Operating Expenses	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Personal Services				
Salaries	$ 2,104,845	$ 2,104,845	$ 2,223,909	$ (119,064)
Fringe Benefits				
Health and dental	417,704	417,704	424,362	(6,658)
Retirement	360,826	360,826	247,718	113,108
Social security	161,174	161,174	150,511	10,663
Workers' compensation benefits	50,386	50,386	50,583	(197)
Metropolitan commuter transportation mobility tax	7,164	7,164	6,340	824
	997,254	997,254	879,514	117,740
Contractual Services				
Office Equipment				
Data processing equipment	3,500	3,500	19,661	(16,161)
Supplies expense				
Uniforms	1,200	1,200	5,586	(4,386)
Motor fuel	10,000	10,000	42,914	(32,914)
Office supplies and printing	35,000	35,000	39,712	(4,712)
Equipment	3,000	3,000	9,241	(6,241)
Books and publications	4,500	4,500	7,031	(2,531)
Operational supplies (leaf bags, recycling bins, etc.)	488,000	488,000	346,503	141,497
	541,700	541,700	450,987	90,713
Other Operating Expenses				
Rental of equipment	163,324	163,324	51,586	111,738
Travel	7,000	7,000	11,749	(4,749)
Advertising	35,000	35,000	36,334	(1,334)
Equipment repair	60,000	60,000	121,463	(61,463)
Painting and building repair	75,000	75,000	53,391	21,609
Cleaning contractor	30,480	30,480	35,182	(4,702)
Fees for services - non-employees	523,140	523,140	635,999	(112,859)
Professional fees	820,600	820,600	1,907,960	(1,087,360)
Postage	-	-	19,763	(19,763)
Conferences and schools	7,500	7,500	6,865	635
Repairs to vehicles	5,000	5,000	4,839	161
Association dues	2,000	2,000	2,386	(386)
Bid advertising	2,000	2,000	3,008	(1,008)
Maintenance agreements	-	-	6,826	(6,826)
Telephone	43,800	43,800	68,413	(24,613)
Utilities	621,024	621,024	637,599	(16,575)
Water and sewer	47,000	47,000	66,561	(19,561)
Meals	-	-	2,686	(2,686)
Household hazardous waste	789,000	789,000	840,928	(51,928)
Certiorari payments	50,000	50,000	127,119	(77,119)
	3,281,868	3,281,868	4,640,657	(1,358,789)

(Continued)

SUPPLEMENTARY INFORMATION (Continued)
YEAR ENDED DECEMBER 31, 2011

	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenue-Generating Other Operating Expenses				
MRF operating and maintenance fee	$ 1,720,966	$ 1,720,966	$ 1,383,421	$ 337,545
Co-composting operating and maintenance fee	1,943,824	1,943,824	1,805,951	137,873
Yard waste composting fee	1,207,835	1,207,835	1,070,475	137,360
Host community fee	1,289,000	1,289,000	1,154,470	134,530
Solid waste collection and disposal:				
Spring Valley	767,215	767,215	736,344	30,871
Village of Haverstraw	610,372	610,372	535,014	75,358
Village of Sloatsburg	339,239	339,239	325,476	13,763
Village of New Hempstead	306,746	306,746	325,002	(18,256)
Rockland County	407,088	407,088	407,088	-
Recycling rebates	788,800	788,800	748,953	39,847
Transfer station rebates	180,000	180,000	38,078	141,922
Transfer station fees	21,509,272	21,509,272	19,127,508	2,381,764
	31,070,357	31,070,357	27,657,780	3,412,577
Other Costs				
Tax related costs	15,000	15,000	14,999	1
Insurance premiums	170,057	170,057	193,045	(22,988)
Miscellaneous	4,000	4,000	52,892	(48,892)
Contingency	225,000	225,000	-	225,000
	414,057	414,057	260,936	153,121
	38,413,581	38,413,581	36,133,444	2,280,137
Debt Service				
Principal	3,180,000	3,180,000	3,180,000	-
Interest	3,365,702	3,365,702	3,450,161	(84,459)
	6,545,702	6,545,702	6,630,161	(84,459)
Total Expenses	$ 44,959,283	$ 44,959,283	$ 42,763,605	$ 2,195,678

See Independent Auditors' Report.

SUPPLEMENTARY INFORMATION (Continued)
YEAR ENDED DECEMBER 31, 2010

	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues				
Solid waste disposal charges:				
User fees	$ 6,746,216	$ 6,746,216	$ 6,746,333	$ 117
Ad valorem	10,019,338	10,019,338	10,023,843	4,505
Recycling facility materials	2,538,140	2,538,140	2,729,070	190,930
Co-Compost facility materials	50,000	50,000	51,168	1,168
Co-Compost facility user charges:				
Septage	3,000	3,000	4,499	1,499
Out-of-County users	375,000	375,000	427,807	52,807
Solid waste collection and disposal charges:				
Spring Valley	809,380	809,380	809,839	459
Village of Haverstraw	712,072	712,072	576,547	(135,525)
Village of Sloatsburg	337,330	337,330	337,652	322
Village of New Hempstead	455,712	455,712	428,976	(26,736)
Rockland County	303,850	303,850	314,354	10,504
Wood waste and metal	11,000	11,000	12,404	1,404
Transfer station tipping fees	20,810,000	20,810,000	18,941,601	(1,868,399)
Other unclassified	-	-	72,890	72,890
Total Operating Revenues	43,171,038	43,171,038	41,476,983	(1,694,055)
Non-Operating Revenues				
Interest:				
Bank	150,000	150,000	93,794	(56,206)
Restricted funds	75,000	75,000	103,728	28,728
Interest subsidy	282,166	282,166	269,972	(12,194)
Environmental Protection Facility grants	425,000	425,000	928,191	503,191
New York State recycling bins grant	-	-	262,164	262,164
Total Non-Operating Revenues	932,166	932,166	1,657,849	725,683
Appropriation of Net Assets	-	-	-	-
Total Revenues	$ 44,103,204	$ 44,103,204	$ 43,134,832	$ (968,372)

See Independent Auditors' Report.

SUPPLEMENTARY INFORMATION (Continued)
YEAR ENDED DECEMBER 31, 2010

perating Expenses	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
ersonal Services				
Salaries	$ 2,053,950	$ 2,053,950	$ 2,111,987	$ (58,037)
inge Benefits				
Health and dental	368,831	368,831	337,678	31,153
Retirement	175,852	175,852	243,742	(67,890)
Social security	157,510	157,510	148,248	9,262
Workers' compensation benefits	28,195	28,195	32,899	(4,704)
Metropolitan commuter transportation mobility tax	7,000	7,000	6,741	259
	737,388	737,388	769,308	(31,920)
ontractual Services				
-Office Equipment				
Office furniture and fixtures	2,500	2,500	163	2,337
Data processing equipment	2,500	2,500	10,111	(7,611)
	5,000	5,000	10,274	(5,274)
Supplies expense				
Uniforms	2,500	2,500	804	1,696
Motor fuel	25,000	25,000	13,749	11,251
Office supplies and printing	25,000	25,000	56,659	(31,659)
Equipment	7,000	7,000	22,079	(15,079)
Books and publications	5,000	5,000	5,342	(342)
Operational supplies (leaf bags, recycling bins, etc.)	443,504	443,504	398,893	44,611
	508,004	508,004	497,526	10,478
ther Operating Expenses				
Rental of equipment	70,000	70,000	156,513	(86,513)
Travel	7,000	7,000	12,493	(5,493)
Advertising	30,000	30,000	28,871	1,129
Equipment repair	-	-	104,279	(104,279)
Painting and building repair	30,000	30,000	155,375	(125,375)
Cleaning contractor	30,480	30,480	26,801	3,679
Fees for services - non-employees	450,000	450,000	739,134	(289,134)
Professional fees	807,200	807,200	1,566,738	(759,538)
Postage	31,500	31,500	20,449	11,051
Conferences and schools	10,000	10,000	6,795	3,205
Repairs to vehicles	10,000	10,000	14,604	(4,604)
Association dues	2,000	2,000	3,023	(1,023)
Bid advertising	2,000	2,000	1,817	183
Maintenance agreements	24,000	24,000	10,151	13,849
Telephone	52,600	52,600	61,244	(8,644)
Utilities	611,254	611,254	575,550	35,704
Water and sewer	74,750	74,750	57,283	17,467
Meals	-	-	3,044	(3,044)
Household hazardous waste	891,500	891,500	902,755	(11,255)
Certiorari payments	50,000	50,000	-	50,000
	3,184,284	3,184,284	4,446,919	(1,262,635)

(Continued)

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

SUPPLEMENTARY INFORMATION (Continued)
YEAR ENDED DECEMBER 31, 2010

	Adopted Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenue-Generating Other Operating Expenses				
MRF operating and maintenance fee	$ 2,154,482	$ 2,154,482	$ 1,391,586	$ 762,896
Co-composting operating and maintenance fee	1,782,808	1,782,808	1,943,518	(160,710)
Yard waste composting fee	1,469,539	1,469,539	1,107,260	362,279
Host community fee	1,281,261	1,281,261	1,043,689	237,572
Solid waste collection and disposal:				
Spring Valley	785,809	785,809	736,144	49,665
Village of Haverstraw	691,332	691,332	534,645	156,687
Village of Sloatsburg	327,512	327,512	325,476	2,036
Village of New Hempstead	295,000	295,000	291,492	3,508
Rockland County	442,439	442,439	415,390	27,049
Recycling rebates	1,083,030	1,083,030	700,222	382,808
Transfer station rebates	180,000	180,000	107,366	72,634
Transfer station fees	20,649,401	20,649,401	18,509,594	2,139,807
	31,142,613	31,142,613	27,106,382	4,036,231
Other Costs				
Tax related costs	20,000	20,000	14,201	5,799
Insurance premiums	132,193	132,193	172,597	(40,404)
Miscellaneous	4,000	4,000	39,874	(35,874)
Contingency	250,000	250,000	-	250,000
	406,193	406,193	226,672	179,521
	38,037,432	38,037,432	35,169,068	2,868,364
Debt Service				
Principal	2,820,000	2,820,000	2,820,000	-
Interest	3,245,772	3,245,772	3,393,491	(147,719)
	6,065,772	6,065,772	6,213,491	(147,719)
Total Expenses	$ 44,103,204	$ 44,103,204	$ 41,382,559	$ 2,720,645

See Independent Auditors' Report.

SUPPLEMENTARY INFORMATION (Concluded)
YEARS ENDED DECEMBER 31, 2011 AND 2010

Reconciliation of Supplementary Schedules to Financial Statements

Revenues	2011	2010
Revenues per Supplementary Schedule	$ 45,399,356	$ 43,134,832
Adjustment to reconcile supplementary schedule to Statement of Activities		
Interest subsidy	(256,953)	(269,972)
Interest income	(554,303)	(197,522)
State aid	(507,391)	(1,190,355)
Federal aid	(95,498)	-
Operating Revenues per Statement of Activities	$ 43,985,211	$ 41,476,983

Expenses	2011	2010
Expenses per Supplementary Schedule	$ 42,763,605	$ 41,382,559
Adjustment to reconcile supplementary schedule to Statement of Activities		
Bond principal	(3,180,000)	(2,820,000)
Interest subsidy	(256,953)	(269,972)
Interest expense	(3,193,208)	(3,123,519)
Other post employment benefit obligations	730,773	737,068
Depreciation and amortization	3,556,805	3,309,179
Operating Expenses per Statement of Activities	$ 40,421,022	$ 39,215,315

See Independent Auditors' Report.

O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS

Independent Auditors' Report on Compliance with Section 2925(3)(1) Of the New York State Public Authorities Law

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

We have examined the Rockland County Solid Waste Management Authority (the "Authority") compliance with Section 2925(3)(1) of the New York State Public Authorities Law and Part 201 of Title Two of the New York Code of Rules and Regulations during the year ended December 31, 2011. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining on a test basis evidence supporting the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements during the year ended December 31, 2011.

This report is intended solely for the information and use of management, the Members of the Board and the Office of the State Comptroller of the State of New York. It is not intended to be and should not be used by anyone other than these specified parties.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP
Harrison, New York
March 19, 2012

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O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the basic financial statements of the Rockland County Solid Waste Management Authority ("Authority") as of and for the year ended December 31, 2011 and have issued our report thereon dated March 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting
In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

We noted certain matters that we reported to the management of the Authority in a separate letter.

This report is intended solely for the information and use of the Members of the Board and Management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP
Harrison, New York
March 19, 2012