



**Rockland County Solid Waste
Management Authority**

(A Component Unit of the County of Rockland, New York)

Financial Report

December 31, 2020 and 2019

**Rockland County Solid Waste
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(A Component Unit of the County of Rockland, New York)

Financial Report

December 31, 2020 and 2019

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Independent Auditor's Report

Board of Directors
Rockland County Solid Waste Management Authority
Nanuet, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the Rockland County Solid Waste Management Authority (Authority), a component unit of the County of Rockland, New York, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 9 and the schedules of proportionate share of the net pension liability, local government pension contributions, and other postemployment benefits liability on pages 33 through 35, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedules of budget to actual for the years ended December 31, 2020 and 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BST+Co.CPAs, LLP

Albany, New York
March 12, 2021



Rockland County Solid Waste Management Authority

Management's Discussion and Analysis December 31, 2020

Introduction

The discussion and analysis of the Rockland County Solid Waste Management Authority's (Authority) financial statements provides an overview of the Authority's activities for the year ended December 31, 2020. 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 position are summarized below. Refer to the Authority's basic financial statements for the complete statements of revenues, expenses, and changes in net position.

	December 31,	
	2020	2019
Operating revenues	\$ 62,216,195	\$ 55,095,060
Non-operating revenues	367,806	1,945,256
Total revenues	<u>62,584,001</u>	<u>57,040,316</u>
Operating expenses	58,219,603	55,712,487
Non-operating expenses	970,064	1,052,669
Total expenses	<u>59,189,667</u>	<u>56,765,156</u>
Increase in net position	<u>\$ 3,394,334</u>	<u>\$ 275,160</u>

Net position, which represents the equity of the Authority, increased by \$3,394,334 during 2020.

Overview of the Financial Statements

The financial statements of the 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 GASB is the accepted standard-setting body for establishing governmental accounting and reporting principles.

The financial statement presentation consists of the statement of net position, statement of revenues, expenses, and changes in net position, statement of cash flows, and 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 Position* presents information on all of the Authority's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information showing the change in the Authority's net position during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses 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 of accrued compensated absences).

Rockland County Solid Waste Management Authority

Management's Discussion and Analysis December 31, 2020

Overview of the Financial Statements - Continued

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 related financing activities.

Statement of Net Position

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

	December 31,	
	2020	2019
Current assets	\$ 30,503,375	\$ 31,249,898
Restricted assets	4,013,444	5,150,073
Capital assets, net	35,653,635	32,605,954
Total assets	<u>70,170,454</u>	<u>69,005,925</u>
Deferred outflows	<u>17,291,675</u>	<u>17,533,213</u>
Current liabilities	11,073,933	11,031,997
Non-current liabilities	35,546,101	38,043,874
Total liabilities	<u>46,620,034</u>	<u>49,075,871</u>
Deferred inflows	<u>162,519</u>	<u>178,025</u>
Net position	<u>\$ 40,679,576</u>	<u>\$ 37,285,242</u>

Current Assets

Current assets as of December 31, 2020 are primarily comprised of cash and cash equivalents (unrestricted) totaling approximately \$27.9 million. The remaining approximately \$2.6 million consists of receivables from various sources such as haulers and other governments, state grants, and prepaid expenses.

Restricted Assets

Restricted assets totaling approximately \$4.0 million as of December 31, 2020 are comprised of investments. The decrease of approximately \$1.1M from December 31, 2019 relates to the transfer out of construction funds for completed projects.

Deferred Outflows of Resources

Deferred outflows of resources as of December 31, 2020 consist of approximately \$1.7 million related to the net pension liability recorded in accordance with GASB Statement No. 68, approximately \$1.9 million related to accrued postemployment benefits in accordance with GASB Statement No. 75, and approximately \$446,000 of deferred outflows related to the 2008 Bond Series refunding, which took place in 2018.

Rockland County Solid Waste Management Authority

Management's Discussion and Analysis December 31, 2020

Deferred Outflows of Resources - Continued

Additionally, deferred outflows of resources includes approximately \$13.2 million related to the excess of the purchase price of certain assets over the fair value of the assets acquired, which, in accordance with GASB Statement No. 85, is being recognized into expense over an attribution period which considers the capital assets acquired and other factors.

Current Liabilities

Current liabilities as of December 31, 2020 consist of accounts payable and accrued liabilities totaling approximately \$6.9 million and the current portion of bonds payable of approximately \$4.2 million.

Non-Current Liabilities

As of December 31, 2020, the long-term portion of bonds payable was approximately \$23.0 million. The Authority's postemployment benefit obligation calculated in accordance with GASB Statement No. 75 was approximately \$10.3 million, an increase of approximately \$409,000 over 2019.

Capital Assets, Net

Depreciation expense for the year ended December 31, 2020 was approximately \$2.7 million. Total accumulated depreciation at December 31, 2020 was approximately \$57.1 million.

A comparative summary of capital assets is as follows:

	December 31,	
	2020	2019
Capital assets		
Land	\$ 8,920,406	\$ 8,764,191
Construction-in-progress	1,360,689	1,991,644
Buildings and land improvements	64,134,873	60,124,893
Machinery and equipment	18,308,900	16,065,721
Total capital assets	<u>92,724,868</u>	<u>86,946,449</u>
Less accumulated depreciation		
Buildings and land improvements	43,666,606	41,775,288
Machinery and equipment	13,404,627	12,565,207
Total accumulated depreciation	<u>57,071,233</u>	<u>54,340,495</u>
Net capital assets	<u>\$ 35,653,635</u>	<u>\$ 32,605,954</u>

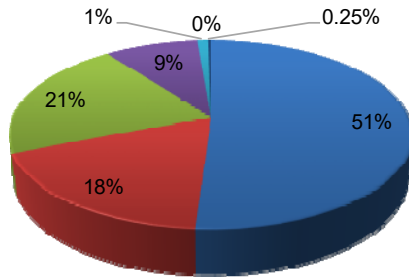
Rockland County Solid Waste Management Authority

Management's Discussion and Analysis December 31, 2020

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position represents the Authority's results of operations. The Authority also includes supplemental information that details revenues and expenses as it relates to the Authority's adopted budget. Refer to the Authority's basic financial statements for the complete listing. Total operating revenues of the Authority for the year ended December 31, 2020 were approximately \$62.2 million. Non-operating revenues were approximately \$368,000.

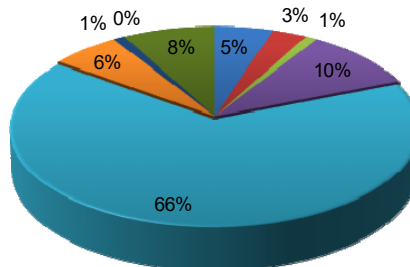
2020 Revenues



- Tipping Fees (51%)
- Solid Waste Disposal Charges, User Fees (18%)
- Solid Waste Disposal Charges, Ad Valorem (21%)
- SW Disposal Charges (9%)
- Co-Composting Revenue (1%)
- MRF Revenue (0%)
- Other (.25%)

Solid Waste Disposal Charges (both user fees and ad valorem) represented 39% of total revenues. Revenues from the Co-Composting Facility, collection agreements administered by the Authority and other revenues represented 10% of total revenues. Tipping fees represented the remaining 51% of total revenues.

2020 Expenses



- Personal Services (5%)
- Fringe Benefits (3%)
- Contractual Services (1%)
- Other Operating Expenses (10%)
- Revenue Generating Expenses (66%)
- Depreciation and Amortization (6%)
- Other Postemployment Benefits (1%)
- Other Costs (0%)
- Debt Service (8%)

Rockland County Solid Waste Management Authority

Management's Discussion and Analysis December 31, 2020

Statement of Revenues, Expenses, and Changes in Net Position - Continued

Total operating expenses for 2020 were approximately \$58.2 million. Non-operating expenses for the year were approximately \$1.0 million. Revenue generating expenses (those related to the operation of the Authority's facilities) represented 66% of expenses. Personnel and fringe benefit costs represented 8% of expenses. Contractual services, depreciation and amortization, other postemployment benefits, debt service, other costs, and other operating expenses represented 26% of expenses.

Economic Factors That Will Affect the Future

Transfer Stations

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. The Authority has implemented flow control related to municipal solid waste (MSW), yard waste, and recyclables.

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. In 2020, the Authority's transfer stations accepted 332,518 tons of waste, reflecting a 6% decrease over the prior year, likely attributable to decreases in commercial waste due to restrictions related to the COVID-19 pandemic.

While the Authority recognizes that industry trends related to hauling and disposal expenses may affect the future of the Authority's financial position, management continues to explore commercially demonstrated alternative waste processing technologies to limit the Authority's exposure to risk factors within the industry. In response, the Authority has released a Request for Expressions of Interest (REFI) to Provide Long-Term Solid Waste Treatment and/or Disposal Including Production of Energy, Fuels and Other Marketable Product Offtake. In 2020, the Authority received 15 expressions of interest from respondents worldwide and is currently evaluating both commercially demonstrated and emerging technologies from qualified organizations interested in providing long term (20-plus years) treatment and/or disposal of post recycled MSW.

In 2020, the Authority expended approximately \$770K from its reserves on this effort, continuing to evaluate and research alternate waste processing technologies. This continues to reinforce the Authority's commitment and investment in evolving away from a traditional landfill disposal model to continue to promote its mission statement.

Materials Recovery Facility

There are several factors which remained constant with materials processed by the Material Recovery Facility (MRF). The economy, legislation, consumer habits, and the fluctuation in commodity pricing are factors that impact revenue generated at the MRF. The New York State legislation that resulted in the enhanced bottle bill has historically negatively impacted our local recycling revenue by diverting a significant number of water and juice bottles from the Authority's robust residential curbside recycling initiative. In addition, New York State legislative efforts with respect to product stewardship have changed company packaging which translates into lighter plastic bottles, decreased plastic in the recycling stream, increase in non-recyclable plastic packaging and higher utilization by companies of plastic with minimal value. Many consumers have exchanged their daily reading of newspaper and magazines for a digital format. Such changes in consumer habits impact tonnage and thus revenue. However, the decreased tonnage in certain commodities due to the factors delineated above 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, schools, and outreach efforts with community partners.

Rockland County Solid Waste Management Authority

Management's Discussion and Analysis December 31, 2020

Economic Factors That Will Affect the Future - Continued

Materials Recovery Facility - Continued

While China's National Sword Initiative continues to be a concern for MRF operators with respect to the export of recovered materials, the Authority has commenced capital improvements at the MRF. During the construction period, which is expected to be approximately 2 years, the Authority will be processing recyclables at one of three alternate processing facilities via a public private partnership. Once the improvements/updates are completed in 2022, the Authority expects domestic and international capacity for recovered materials to improve.

In 2019 and 2020, successful paper shredding events were held twice in each of the County's five towns.

Co-Composting Facility

Through its contract with the current long-term operator, the Authority was able to obtain a sludge processing guarantee without making any physical plant expansions, but with capital improvements/enhancements. This in turn, allows the Authority to create capacity both for future growth in its current service area and to increase merchant tonnage at favorable rates. 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. The Authority's co-composting facility is able to receive food waste in addition to sludge. This will allow the Authority to be in an advantageous position should food waste be banned from landfills which has been a topic of discussion as well as proposed legislation at the State level. The Authority continues to explore new food waste generators.

Household Hazardous Waste Facility

The Household Hazardous Waste Facility (HHW) collected 843,802 pounds of e-waste in 2020, representing a decrease of 7% from the prior year. E-waste was banned from landfills as of April 1, 2012, and 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 integrated this State initiative into the Authority's residential program. The Authority will continue to follow any additional legislation regarding product stewardship.

In 2020, the Authority continued its partnership with the Rockland County Sheriff's Department to properly dispose of unwanted pharmaceuticals including controlled substances. In addition to the facility being available daily from 8:00 a.m. to 1:00 p.m., the Authority holds weekend collection events during the months of March through December. During the weekend collection events, Rockland County Sheriff personnel were on site to oversee the collection of unwanted pharmaceuticals, including controlled substances. These events were very popular and successful and will be replicated in 2021.

Yard Waste, Mulching and Concrete Crushing Facilities

The Authority operates two 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 the spring, 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 contractors. In addition, any yard waste brought to the Clarkstown facility from residents or brush that is delivered by municipal entities is also processed into mulch and the municipalities participate in a similar "give-back" program. Subsequently, remaining 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.

Rockland County Solid Waste Management Authority

Management's Discussion and Analysis December 31, 2020

Economic Factors That Will Affect the Future - Continued

Yard Waste, Mulching and Concrete Crushing Facilities - Continued

The Authority's use of the French Farms Leaf Composting Facility, which was purchased in late 2019 and operated by the Authority since 2009, allows the Authority to better manage the inbound volumes received during leaf composting season to maximize capacity at both permitted facilities, while also limiting Authority liability exposure and increasing Authority oversight of the permitting process.

The Authority operates a concrete crushing facility through a public-private partnership. The crushing of concrete is impacted by economic conditions and construction and demolition projects.

Food Recovery Initiative

In order to conserve landfill space and protect the environment, the Authority has been addressing the need for increased composting of food and yard waste organics that, combined, comprise approximately 28% of the waste stream. Our composting initiatives include a partnership with Cornell Cooperative Extension to promote backyard and on-site composting of organics. This partnership includes at-cost compost bin sales for residents, schools, and small businesses, as well as composting education presentations throughout the County. We have successfully composited organics from a select number of generators in our Biosolids Composting Facilities (Co-composting Facility).

Since waste reduction is a priority, the Authority has also been working with local, state, and federal agencies to not only minimize wasted food, but to increase diversion of usable food to agencies whose mission is to feed hungry people.

The Authority's Solid Waste Management Plan reflects the Authority's commitment to research end use options for food waste. In researching end use options, it is incumbent on the Authority to first determine what can be done to rescue food. End use options for food waste can be costly and are on the lower end of the EPA food hierarchy "rung." However, enhancing food pantries/food rescue agencies infrastructure - from additional shelving to additional walk-in freezers - will be less costly and divert food to those in the community who would benefit most. The Authority will review the efficacy of the grant each year by requesting information from the agencies who received equipment. In 2020, preliminary information suggests that 352,168 pounds of recovered food was redistributed to local food pantries.

In addition, the Authority participated in a New York State Energy Research and Development Authority (NYSERDA) study to determine if anaerobic digestion of food waste is an economically viable alternative to composting, potential generators, and potential sites for anaerobic digesters and is actively pursuing an aggressive schedule to develop anaerobic digestion with Rockland County. The Authority is also exploring a partnership with an in-county wastewater treatment plant to construct digestors that will further reduce source-separated organics that have been traditionally landfilled.

Contacting the Rockland County Solid Waste Management Authority's Financial Management

This financial report is designed to provide our bondholders, customers, and other interested parties with a general overview of the Authority's finances and to demonstrate its accountability for the money it receives. If you have questions about this report, or need additional information, contact the Authority at 172 Main Street, Nanuet New York 10954 phone: 845-753-2200 or visit our website at www.rocklandrecycles.com.

Rockland County
Solid Waste Management Authority
(A Component Unit of the County of Rockland, New York)

Statements of Net Position

	December 31,	
	2020	2019
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 27,881,187	\$ 27,995,192
Accounts receivable, net	1,245,684	1,769,985
Grants receivable	1,036,346	1,180,486
Prepaid expenses	340,158	304,235
Total current assets	30,503,375	31,249,898
RESTRICTED ASSETS		
Investments	4,013,444	5,150,073
NON-CURRENT ASSETS		
Capital assets, net	35,653,635	32,605,954
DEFERRED OUTFLOWS		
Pension	1,742,693	657,269
Postemployment benefits	1,922,419	2,323,341
Bond refunding, net	445,828	596,531
Other, net	13,180,735	13,956,072
	17,291,675	17,533,213
	\$ 87,462,129	\$ 86,539,138
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 6,566,710	\$ 6,483,120
Accrued liabilities	297,223	533,877
Current portion of bonds payable	4,210,000	4,015,000
Total current liabilities	11,073,933	11,031,997
LONG-TERM LIABILITIES		
Bonds payable, net, less current installments	23,012,471	27,568,251
Accrued postemployment benefits	10,339,134	9,930,076
Net pension liability	2,194,496	545,547
Total long-term liabilities	35,546,101	38,043,874
Total liabilities	46,620,034	49,075,871
DEFERRED INFLOWS		
Pension	38,155	178,025
Postemployment benefits	124,364	-
	162,519	178,025
NET POSITION		
Net investment in capital assets	17,955,177	13,082,810
Restricted	-	1,173,955
Unrestricted	22,724,399	23,028,477
Total net position	40,679,576	37,285,242
	\$ 87,462,129	\$ 86,539,138

See accompanying Notes to Financial Statements.

Rockland County
Solid Waste Management Authority
(A Component Unit of the County of Rockland, New York)

Statements of Revenues, Expenses, and Changes In Net Position

	Years Ended December 31,	
	2020	2019
OPERATING REVENUES		
Solid waste disposal charges	\$ 62,216,195	\$ 55,095,060
OPERATING EXPENSES		
Personal services	2,973,955	2,915,733
Employee benefits	1,927,869	1,455,362
Other postemployment benefit obligations	944,297	528,678
Contractual services	48,867,407	46,921,922
Depreciation	2,730,738	3,115,455
Amortization	775,337	775,337
	58,219,603	55,712,487
Operating income (loss)	3,996,592	(617,427)
NON-OPERATING REVENUES AND EXPENSES		
Interest income	127,436	470,786
Interest expense	(970,064)	(1,052,669)
Grants	-	1,505,064
Loss on disposal of capital assets	-	(30,594)
Insurance recoveries	240,370	-
	(602,258)	892,587
Change in net position	3,394,334	275,160
NET POSITION, <i>beginning of year</i>	37,285,242	37,010,082
NET POSITION, <i>end of year</i>	\$ 40,679,576	\$ 37,285,242

Rockland County
Solid Waste Management Authority
(A Component Unit of the County of Rockland, New York)

Statements of Cash Flows

	Years Ended December 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Collections of solid waste disposal charges	\$ 62,740,496	\$ 55,211,176
Payments to vendors	(48,819,740)	(47,009,270)
Payments for salaries and benefits	(4,724,776)	(4,577,375)
	9,195,980	3,624,531
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Repayments of bonds	(4,015,000)	(3,865,000)
Acquisition of capital assets	(5,778,419)	(5,005,286)
Interest and issuance costs paid on debt	(1,165,141)	(1,296,093)
Grants	144,140	431,099
Proceeds from insurance recoveries	240,370	-
	(10,574,050)	(9,735,280)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of investments	1,136,629	2,639,008
Interest income	127,436	470,786
	1,264,065	3,109,794
Net decrease in cash and cash equivalents	(114,005)	(3,000,955)
CASH AND CASH EQUIVALENTS, beginning of year	27,995,192	30,996,147
CASH AND CASH EQUIVALENTS, end of year	\$ 27,881,187	\$ 27,995,192
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 3,996,592	\$ (617,427)
Adjustments to reconcile operating income (loss) to cash flows from operating activities		
Depreciation	2,730,738	3,115,455
Amortization	775,337	775,337
Changes in operating assets and liabilities		
Accounts receivable	524,301	116,116
Prepaid expenses	(35,923)	(36,773)
Deferred outflows, pension	(1,085,424)	347,133
Deferred outflows, postemployment benefits	400,922	(2,323,341)
Accounts payable	83,590	(50,575)
Accrued liabilities	(236,654)	(243,716)
Accrued postemployment benefits	409,058	2,841,433
Net pension liability	1,648,949	300,474
Deferred inflows, pension	(139,870)	(599,585)
Deferred inflows, postemployment benefits	124,364	-
	\$ 9,195,980	\$ 3,624,531

See accompanying Notes to Financial Statements.

Rockland County
Solid Waste Management Authority
(A Component Unit of the County of Rockland, New York)

Notes to Financial Statements
December 31, 2020 and 2019

Note 1 - Organization and Summary of Significant Accounting Policies

a. Reporting Entity

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 to operate and maintain solid waste management facilities for the benefit of the residents of the County of Rockland, New York (County). The Authority was established in 1993 and became operational in 1995. The Authority is administered by seventeen members: Eight 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 is considered a component unit of Rockland County as the County appoints the majority of the Authority's Board and as such can impose its will on the Authority.

b. Basis of Accounting and Presentation of Financial Statements

The Authority's financial statements are prepared using the accrual basis in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are: (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred outflows and inflows of resources associated with the operations are included on the statements of net position.

Net position is classified as follows:

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation reduced by the net outstanding debt balances.
- *Restricted net position* has externally placed constraints on use.
- *Unrestricted net position* consists of assets, liabilities, and deferred outflows and inflows of resources that do not meet the definition of "restricted net position" or "net investment in capital assets."

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Notes to Financial Statements
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Note 1 - Organization and Summary of Significant Accounting Policies - Continued

b. Basis of Accounting and Presentation of Financial Statements - Continued

Revenues are recognized as services are provided, and expenses are recognized when incurred. The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the disposal of solid waste. Operating expenses include the cost of personal and contractual services, materials and supplies, utilities, administrative expenses, depreciation and amortization, and other post-employment benefit obligations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

c. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred outflows and inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

d. Fair Value Measurement

The Authority reports certain assets at fair value, which is defined as the price that would be received to sell an asset in an orderly transaction between market participants on the measurement date.

e. Cash, Cash Equivalents, and Investments

Cash and cash equivalents consist of funds deposited in demand deposit accounts, time deposit accounts, and other short-term investments, whether unrestricted or restricted, with an original maturity of three months or less.

Investments in securities include the following:

1. An investment contract.
2. U.S. Treasury Bond State and Local Government Series (SLUG) investments.
3. Government Money Markets.

The investment contract is recorded at cost pursuant to GASB 31. The SLUGs are recorded at fair value. The government money market is recorded at amortized cost.

Restricted investments consist of amounts held by trustees in reserve funds established in connection with various bond issues.

Cash is fully collateralized by either federal depository insurance or securities held by the pledging bank's trust department in the Authority's name.

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Note 1 - Organization and Summary of Significant Accounting Policies - Continued

f. Receivables, Net

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. The allowance for doubtful accounts was \$5,198 and \$269,835 at December 31, 2020 and 2019, respectively. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as a recovery of bad debt when received.

An account receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 15 days. Interest is not charged on past due receivables.

g. Capital Assets, Net

Capital assets, net, are recorded at cost, except for contributed property and equipment, which are recorded at fair value. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When equipment is retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation, and any resultant gain or loss is credited or charged to income.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives, using the straight-line method. The estimated useful lives used in determining depreciation are as follows:

Buildings	5 to 20 years
Land improvements	25 years
Machinery and equipment	3 to 20 years

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over its fair value.

Interest expenses incurred during construction of assets are capitalized. Constructed assets financed with the proceeds of tax-exempt debt (if those funds are externally restricted to finance the acquisitions of the asset or used to service the related debt) include capitalized interest to the extent that interest cost (including any related financing costs) over the asset construction period exceeds interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowing.

h. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. Likewise, deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

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Note 1 - Organization and Summary of Significant Accounting Policies - Continued

h. Deferred Outflows and Inflows of Resources - Continued

The Authority has reported deferred outflows and inflows of resources related to the consideration provided in excess of the net assets acquired relating to the acquisition of certain municipal assets (classified as other deferred outflows on the statement of net position), the net pension liability (Note 6), other post-employment benefits (Note 7), and refunding of revenue bonds (Note 5).

The gross amount of other deferred outflows, \$15,506,746, is net of accumulated amortization of \$2,326,011 at December 31, 2020. Other deferred outflows are amortized over periods considering the estimated useful lives of the assets acquired and other factors. Related amortization expense was \$775,337 during each of the years ended December 31, 2020 and 2019.

i. Bond Premiums and Discounts

Bond premiums and discounts are presented as components of bonds payable. The premiums and discounts are amortized over the life of the bonds on a method that approximates the effective interest method. Net amortization related to bond premiums and discounts was \$345,780 and \$394,126 for 2020 and 2019, respectively, and is included as an offset to interest expense.

j. Subsequent Events

The Authority has evaluated subsequent events for potential recognition or disclosure through March 12, 2021 the date the financial statements were available to be issued.

Note 2 - Restricted Assets

In accordance with the terms of the Authority's bond resolution, certain proceeds of the Authority's bonds are restricted for specific purposes as summarized below:

	December 31,	
	2020	2019
<i>Debt Service Reserve Fund</i>		
Contingency fund to be utilized in case of default	\$ 3,793,453	\$ 3,760,041
<i>Construction Projects Fund and Improvement Fund</i>		
Additional capital expenditures which may be incurred by the Authority	-	1,173,955
<i>Other Funds</i>		
Restricted assets required for debt service	219,991	216,077
	\$ 4,013,444	\$ 5,150,073

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Note 3 - Investments

The Authority had the following investments and maturities:

	December 31, 2020				
	Amount	Investment Maturities (In Years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. Treasury Bond State and Local Government Series	\$ 841,020	\$ -	\$ 841,020	\$ -	\$ -
Investment contract	555,651	-	555,651	-	-
Government money markets	<u>2,616,773</u>	<u>2,616,773</u>	-	-	-
Total investments	<u>\$ 4,013,444</u>	<u>\$ 2,616,773</u>	<u>\$ 1,396,671</u>	<u>\$ -</u>	<u>\$ -</u>

	December 31, 2019				
	Amount	Investment Maturities (In Years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. Treasury Bond State and Local Government Series	\$ 841,020	\$ -	\$ -	\$ 841,020	\$ -
Investment contract	555,651	-	-	555,651	-
Government money markets	<u>3,753,402</u>	<u>3,753,402</u>	-	-	-
Total investments	<u>\$ 5,150,073</u>	<u>\$ 3,753,402</u>	<u>\$ -</u>	<u>\$ 1,396,671</u>	<u>\$ -</u>

a. Credit Risk

The Authority's investment policy limits investments to obligations of the United States of America or any state of the United State of America; bonds, debentures, or notes issued by certain federal agencies; certificates of deposit; savings accounts; deposit accounts; depository receipts of banks; public housing bonds; repurchase agreements or investment agreements; money market funds, commercial paper; advance-refunded municipal bonds; or tax-exempt obligations. All of the Authority's investments had a credit rating of AA or higher by major rating agencies.

b. Custodial Credit Risk

Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held either by: (a) the counterparty; or (b) the counterparty's trust department or agent but not in the government's name. All of the Authority's investments are held under its name with the trustee.

c. Interest Rate Risk

The fair value of the Authority's fixed maturity investments fluctuates in response to changes in market interest rates. Fair values of interest rate-sensitive instruments may be affected by the creditworthiness of the issuer, prepayment options, the liquidity of the instrument, and other general market conditions. The Authority plans to hold its restricted investments to maturity, which minimizes the occurrence of loss on investments.

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Notes to Financial Statements
December 31, 2020 and 2019

Note 3 - Investments - Continued

d. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the Authority's investment in single issues. The Authority's holdings are as follows:

	December 31,	
	2020	2019
U.S. Treasury Bond State and Local Government Series	21%	16%
Investment contract	14%	11%
Government money markets	65%	73%

e. Fair Value Measurements

The framework for measuring fair value includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of inputs used to measure fair value are as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Authority has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3 Inputs to the valuation methodology are unobservable inputs and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for the investment measured at fair value on a recurring basis:

U.S. Treasury Bond State and Local Government Series: The fair value is determined by the bond trustee and cost approximates fair value.

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Note 3 - Investments - Continued

e. Fair Value Measurements - Continued

The method described above may produce a fair value calculation that may not be reflective of future fair values. Furthermore, while the Authority believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
U.S. Treasury Bond State and Local Government Series	\$ -	\$ 841,020	\$ -	\$ 841,020
	December 31, 2019			
	Level 1	Level 2	Level 3	Total
U.S. Treasury Bond State and Local Government Series	\$ -	\$ 841,020	\$ -	\$ 841,020

Note 4 - Capital Asset, Net

A summary of changes in the Authority's capital assets is as follows:

	December 31, 2020			
	Balance January 1, 2020	Additions	Retirements/ Disposals and Transfers	Balance December 31, 2020
Capital assets not being depreciated				
Land	\$ 8,764,191	\$ -	\$ 156,215	\$ 8,920,406
Construction in progress	1,991,644	1,633,039	(2,263,994)	1,360,689
Capital assets not being depreciated	10,755,835	1,633,039	(2,107,779)	10,281,095
Capital assets being depreciated				
Buildings	57,559,558	1,905,253	2,104,727	61,569,538
Land Improvement	2,565,335	-	-	2,565,335
Machinery and equipment	16,065,721	2,243,179	-	18,308,900
Capital assets being depreciated	76,190,614	4,148,432	2,104,727	82,443,773
Less accumulated depreciation				
Buildings	40,505,994	1,794,515	-	42,300,509
Land improvements	1,269,294	96,803	-	1,366,097
Machinery and equipment	12,565,207	839,420	-	13,404,627
Total accumulated depreciation	54,340,495	2,730,738	-	57,071,233
Capital assets being depreciated, net	21,850,119	1,417,694	2,104,727	25,372,540
Capital assets, net	\$ 32,605,954	\$ 3,050,733	\$ (3,052)	\$ 35,653,635

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December 31, 2020 and 2019

Note 4 - Capital Asset, Net - Continued

	December 31, 2019			Balance December 31, 2019
	Balance January 1, 2019	Additions	Retirements/ Disposals and Transfers	
Capital assets not being depreciated				
Land	\$ 6,718,705	\$ 2,045,486	\$ -	\$ 8,764,191
Construction in progress	2,301,233	1,867,515	(2,177,104)	1,991,644
Capital assets not being depreciated	<u>9,019,938</u>	<u>3,913,001</u>	<u>(2,177,104)</u>	<u>10,755,835</u>
Capital assets being depreciated				
Buildings	55,536,204	-	2,023,354	57,559,558
Land Improvement	2,565,335	-	-	2,565,335
Machinery and equipment	21,393,048	1,092,283	(6,419,610)	16,065,721
Capital assets being depreciated	<u>79,494,587</u>	<u>1,092,283</u>	<u>(4,396,256)</u>	<u>76,190,614</u>
Less accumulated depreciation				
Buildings	38,486,803	2,019,191	-	40,505,994
Land improvements	1,161,625	107,669	-	1,269,294
Machinery and equipment	18,119,380	988,595	(6,542,768)	12,565,207
Total accumulated depreciation	<u>57,767,808</u>	<u>3,115,455</u>	<u>(6,542,768)</u>	<u>54,340,495</u>
Capital assets being depreciated, net	<u>21,726,779</u>	<u>(2,023,172)</u>	<u>2,146,512</u>	<u>21,850,119</u>
Capital assets, net	<u>\$ 30,746,717</u>	<u>\$ 1,889,829</u>	<u>\$ (30,592)</u>	<u>\$ 32,605,954</u>

Note 5 - Bonds Payable

A summary of the Authority's bonds payable is as follows:

	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020
General Obligation Bonds				
2010 Series	\$ 5,795,000	\$ -	\$ (250,000)	\$ 5,545,000
2014 Series	4,425,000	-	(390,000)	4,035,000
2018 Series	12,270,000	-	(2,485,000)	9,785,000
EFC Revenue Bonds				
2012 Series	6,100,000	-	(700,000)	5,400,000
2013 Series	2,085,000	-	(190,000)	1,895,000
	<u>30,675,000</u>	<u>-</u>	<u>(4,015,000)</u>	<u>26,660,000</u>
Unamortized bond premiums	933,028	-	(351,287)	581,741
Unamortized bond discounts	(24,777)	-	5,507	(19,270)
	<u>\$ 31,583,251</u>	<u>\$ -</u>	<u>\$ (4,360,780)</u>	<u>\$ 27,222,471</u>

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Note 5 - Bonds Payable - Continued

	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019
General Obligation Bonds				
2010 Series	\$ 6,045,000	\$ -	\$ (250,000)	\$ 5,795,000
2014 Series	4,805,000	-	(380,000)	4,425,000
2018 Series	14,645,000	-	(2,375,000)	12,270,000
EFC Revenue Bonds				
2012 Series	6,775,000	-	(675,000)	6,100,000
2013 Series	2,270,000	-	(185,000)	2,085,000
	<u>34,540,000</u>	<u>-</u>	<u>(3,865,000)</u>	<u>30,675,000</u>
Unamortized bond premiums	1,332,661	-	(399,633)	933,028
Unamortized bond discounts	<u>(30,284)</u>	<u>-</u>	<u>5,507</u>	<u>(24,777)</u>
	<u>\$ 35,842,377</u>	<u>\$ -</u>	<u>\$ (4,259,126)</u>	<u>\$ 31,583,251</u>

Bonds payable of the Authority are summarized as follows:

2010 General Obligation Bonds

The 2010 general obligation bonds were originally issued at \$10,150,000 principally to refinance outstanding bonds and to finance certain upgrades and repairs to the Clarkstown transfer station. Interest is payable semi-annually at interest rates ranging from 3.375% to 4.000%. Remaining principal payments range from \$265,000 to \$4,710,000, payable annually each December 15 through 2024.

2012 EFC Revenue Bonds

The New York State Environmental Facilities Corporation (EFC) State Clean Water and Drinking Water Revolving Funds Revenue Bonds were originally issued in 2012 at \$10,910,000 principally to refinance outstanding bonds. Interest is payable semi-annually at interest rates ranging from 5.939% to 6.189%. The Authority receives a subsidy credit toward its annual debt service cost from, and is charged an annual administrative fee by, the EFC. Remaining principal installments range from \$725,000 to \$2,315,000 and are payable annually each December 15 through 2025.

2013 EFC Revenue Bonds

The EFC State Clean Water and Drinking Water Revolving Funds Revenue Bonds were originally issued in 2013 at \$3,270,434 principally to refinance a short-term obligation. Interest is payable semi-annually at interest rates ranging from 2.753% to 4.083%. The Authority receives a subsidy credit and a refunding benefit toward its annual debt service cost from, and is charged an annual administrative fee by, the EFC. Remaining principal installments range from \$195,000 to \$230,000 and are payable annually each November 1 through 2029.

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Notes to Financial Statements
December 31, 2020 and 2019

Note 5 - Bonds Payable - Continued

2014 General Obligation Bonds

The 2014 general obligation bonds were originally issued at \$6,495,000 principally to refinance outstanding bonds. Interest is payable semi-annually at an interest rate of 3.180%. Remaining principal payments range from \$405,000 to \$905,000, payable annually each December 15 through 2028.

2018 General Obligation Bonds

The 2018 general obligation bonds were originally issued at \$14,950,000 principally to refinance the 2008 general obligation bonds. Interest is payable semi-annually at interest rates ranging from 3% to 5%. Remaining principal payments range from \$2,620,000 to \$3,665,000, payable annually each December 15 through 2023.

The difference between the reacquisition price of the new debt and the net carrying amount of the refunded debt is reported as a deferred outflow and is being amortized into interest expense using the effective interest method over the life of the new debt. Amortization expense related to the deferred outflow was \$150,702 for the years ended December 31, 2020 and 2019.

All assets and revenues of the Authority are pledged as collateral for the bonds.

Future debt service payments required on bonds payable are as follows:

	Principal	Interest *	Total
For the year ending December 31,			
2021	\$ 4,210,000	\$ 1,019,201	\$ 5,229,201
2022	5,140,000	843,275	5,983,275
2023	5,380,000	620,758	6,000,758
2024	6,185,000	396,411	6,581,411
2025	2,985,000	(472,994)	2,512,006
2026 through 2029	2,760,000	182,695	2,942,695
	26,660,000	\$ 2,589,346	\$ 29,249,346
Less current installments	4,210,000		
Notes payable, less current installments	\$ 22,450,000		

* Future interest payments are reported net of EFC interest subsidies and refunding benefits.

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Note 6 - New York State and Local Employees' Retirement System

Plan Description and Benefits Provided

The Authority participates in the New York State and Local Employees' Retirement System (System), a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute.

The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

Contributions

The System is noncontributory except for employees who joined the System after July 2, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3-6 percent of their salary for their entire length of service. Under the authority of the System, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. The Authority's contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2020	\$	391,777
2019		375,252
2018		356,472

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2020 and 2019, the Authority reported a liability of \$2,194,496 and \$545,547 for its proportionate share of the net pension liability, respectively. The net pension liability was measured as of March 31, 2020 and 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2020 and 2019, the Authority's proportion was 0.0082872% and 0.0076997%, respectively.

For the years ended December 31, 2020 and 2019, the Authority recognized pension expense of \$811,301 and \$420,932, respectively.

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Notes to Financial Statements
December 31, 2020 and 2019

Note 6 - New York State and Local Employees' Retirement System - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued

At December 31, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	December 31, 2020		December 31, 2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 129,155	\$ -	\$ 107,430	\$ 36,622
Changes of assumptions	44,187	38,155	137,128	-
Net difference between projected and actual investment earnings on pension plan investments	1,125,005	-	-	140,018
Changes in proportion and differences between employer contributions and proportionate share of contributions	150,513	-	131,272	1,385
Employer contributions subsequent to the measurement date	<u>293,833</u>	<u>-</u>	<u>281,439</u>	<u>-</u>
Total	<u>\$ 1,742,693</u>	<u>\$ 38,155</u>	<u>\$ 657,269</u>	<u>\$ 178,025</u>

Deferred outflows of resources related to pensions of \$293,833 and \$281,439 resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ending December 31,	
2021	\$ 268,463
2022	361,429
2023	436,264
2024	<u>344,549</u>
	<u>\$ 1,410,705</u>

Actuarial Assumptions

The pension liability at March 31, 2020 and 2019 was determined by using actuarial valuations as of April 1, 2019 and 2018, respectively, with update procedures used to roll forward the total pension liability to March 31, 2020 and 2019. The actuarial valuations used the following actuarial assumptions. The assumptions are consistent year to year, except as noted:

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Notes to Financial Statements
December 31, 2020 and 2019

Note 6 - New York State and Local Employees' Retirement System - Continued

Actuarial Assumptions - Continued

Actuarial Cost Method	Entry age normal
Inflation Rate	2.5%
Salary Scale	4.2%, indexed by service
Investment rate of return, including inflation	
2021	6.8% compounded annually, net of expenses
2020	7.0% compounded annually, net of expenses
Decrement	Based on FY 2010-2015 experience
Mortality improvement	Society of Actuaries Scale MP-2018

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2020 are summarized below:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	36.0%	4.05%
International equity	14.0%	6.15%
Private equity	10.0%	6.75%
Real estate	10.0%	4.95%
Absolute return strategies	2.0%	3.25%
Opportunistic portfolio	3.0%	4.65%
Real assets	3.0%	5.95%
Bonds and mortgages	17.0%	75.00%
Cash	1.0%	0.00%
Inflation-Indexed bonds	4.0%	0.50%
	100.0%	

Discount Rate

The discount rate used to calculate the total pension liability as of December 31, 2020 and 2019 was 6.80% and 7.00%, respectively. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Note 6 - New York State and Local Employees' Retirement System - Continued

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension liability as of December 31, 2020 calculated using the discount rate of 6.8%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current rate:

	1% Decrease (5.80%)	Current Discount (6.80%)	1% Increase (7.80%)
Authority's proportionate share of the net pension liability	\$ 4,027,519	\$ 2,194,496	\$ 506,273

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the Employee's Retirement System as of March 31 were as follows (amounts in thousands):

	2021	2020
Employers' total pension liability	\$ 194,596,261	\$ 189,803,429
Plan net position	(168,115,682)	(182,718,124)
Employers' net pension liability	\$ 26,480,579	\$ 7,085,305
Ratio of plan net position to the employers' total pension liability	86.39%	96.27%

Note 7 - Other Postemployment Benefits (OPEB)

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 postemployment 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.

A summary of active employees and retired employees covered under this benefit plan as of December 31, 2020 is as follows:

Actives	33
Retirees	3
Total	36

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Notes to Financial Statements
December 31, 2020 and 2019

Note 7 - Other Postemployment Benefits (OPEB) - Continued

The contribution requirements of benefit plan members and the Authority are established pursuant to applicable collective bargaining and employment agreements. The required rates of the employer and the members may vary depending on the applicable agreement. The Authority is not required to fund the benefit plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the years ended December 31, 2020 and 2019, the Authority paid \$69,716 and \$25,250 on behalf of the plan members, respectively. The benefit plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the benefit plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2020 and 2019, the Authority reported a liability of \$10,339,134 and \$9,930,076 for its OPEB liability, respectively. The OPEB liability was measured as of December 31, 2019 by an actuarial valuation as of that date. For the years ended December 31, 2020 and 2019, the Authority recognized OPEB expense of \$937,814 and \$520,638, respectively. At December 31, 2020 and 2019, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	December 31, 2020		December 31, 2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 1,922,419	\$ 124,364	\$ 2,323,341	\$ -

Amounts reported as deferred outflows of resources related to OPEBs will be recognized in OPEB expense as follows:

For the year ending December 31,	
2021	\$ 210,460
2022	188,718
2023	188,718
2024	188,718
2025	188,718
Thereafter	832,723
	\$ 1,798,055

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December 31, 2020 and 2019

Note 7 - Other Postemployment Benefits (OPEB) - Continued

Actuarial Assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumption, which are consistent from year to year, except as noted:

Assumptions	Factor
Valuation Date	January 1, 2020
Measurement Date	January 1, 2020
Reporting Date	December 31, 2020
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Health Care Cost Trend Rates	Society of Actuaries Long Run Medical Cost Trend Model
Discount Rate	
2020	2.02%
2019	2.90%
Salary Scale	3.00%
Mortality	Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2019

The discount rate used to measure the liability was 2.02% and 2.90% for 2020 and 2019, respectively, based on the Bond Buyer 20-year general obligation bond index.

Schedule of Changes in Net OPEB Liability

	December 31,	
	2020	2019
Beginning of the year	\$ 9,930,076	\$ 7,088,643
Charges for the year		
Service cost	414,998	270,761
Interest	199,883	272,581
Changes in assumption and other inputs	(136,107)	2,323,341
Benefit payments	(69,716)	(25,250)
Net changes	409,058	2,841,433
End of year	\$ 10,339,134	\$ 9,930,076

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Notes to Financial Statements
December 31, 2020 and 2019

Note 7 - Other Postemployment Benefits (OPEB) - Continued

Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Trend Rate and Discount Rate

The following presents the OPEB liability of the plan as of December 31, 2020 using current health care cost trend rates as well as what the OPEB liability would be if it were calculated using health care cost trend rates that are 1% lower and 1% higher than the current rate:

	1% Decrease	Current Trend Rates	1% Increase
Authority's proportionate share of the OPEB liability	\$ 7,892,452	\$ 10,339,134	\$ 13,765,463

The following presents the OPEB liability of the plan as of December 31, 2020 calculated using the discount rate of 2.02%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.02%) or 1-percentage-point higher (3.02%) than the current rate:

	1% Decrease (1.02%)	Current Discount Rate (2.02%)	1% Increase (3.02%)
Authority's proportionate share of the OPEB liability	\$ 13,534,517	\$ 10,339,134	\$ 8,053,629

Note 8 - Commitments and Contingencies

a. Litigation

From time to time in the ordinary course of operations, the Authority is involved in various suits and claims arising from a variety of sources. It is the opinion of management and counsel that the liabilities that may arise from such actions would not result in losses that would materially affect the financial position of the Authority or the results of its operations.

b. Host Community Benefit Agreements

In connection with the operation of various facilities, the Authority has entered into several long-term agreements with certain municipalities impacted by the Authority's solid waste operations. The agreements generally provide for payments to the municipalities for a period of 25 to 30 years and expire at various times through October 2039. The payments are based on agreed rates and annual accepted tonnage. Host community benefit expense approximated \$4,142,000 and \$4,433,000 for the years ended December 31, 2020 and 2019, respectively.

c. Lease Agreements

The Authority leases property from the Town of Clarkstown for solid waste operations located within the Town. The lease expires in 2095 and requires a nominal annual payment. In January 2020, the Authority entered into a two-year lease for office space requiring monthly payments of approximately \$7,000. The Authority purchased the office space in October 2020.

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Notes to Financial Statements
December 31, 2020 and 2019

Note 9 - Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and the recognition of inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about government's leasing activities. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of the Construction Period*. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 91, *Conduit Debt Obligations*. This statement will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: (1) commitments extended by issuers; (2) arrangements associated with conduit debt obligations, and; (3) related note disclosures. The statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The statement also addresses arrangements, often characterized as leases, that are associated with conduit debt obligations, noting that issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2021.

GASB Statement No. 92, *Omnibus 2020*. This statement addressed a variety of topics including leases, intra-entity transfers, fiduciary activities, public entity risk pools/reinsurance recoveries, fair value measurements, and derivative instrument terminology. Guidance related to leases, reinsurance recoveries, and derivative instrument terminology was effective upon the standards issuance in January 2020. The remaining components of this standard, as delayed by GASB 95, are effective for periods beginning after June 15, 2021.

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Notes to Financial Statements
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Note 9 - Accounting Standards Issued But Not Yet Implemented - Continued

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. This statement addresses governments that have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions to the reference rate. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of IBOR, such as providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, and clarifying the definition of reference rate. The removal of the LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. The requirements relating to lease modifications, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2020.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPP). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as an infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which GASB defines in this statement as a PPP in which: (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users. This statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Under this statement, a government generally should recognize a right-to-use subscription asset and a corresponding subscription liability. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

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Notes to Financial Statements
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Note 9 - Accounting Standards Issued But Not Yet Implemented - Continued

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Service Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this statement are to: (1) increase consistency and comparability relating to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution other postemployment benefit plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performed the duties that a governing board would typically perform. The requirements of this statement that: (1) exempt primary governments that perform duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution other postemployment benefit plans, or other employee benefit plans; and (2) limit the applicability of the financial burden criteria, are effective immediately. The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this statement that provide for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

Management has not estimated the extent of the potential impact of these statements on the Authority's financial statements.

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Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Authority's proportion of the net pension liability	\$ 2,194,496	\$ 545,547	\$ 245,073	\$ 655,666	\$ 1,077,890	\$ 235,590
Authority's proportionate share of the net pension liability	0.0082872%	0.0076997%	0.007593%	0.0069780%	0.0067157%	0.0069737%
Authority's covered-employee payroll	\$ 2,750,824	\$ 2,640,104	\$ 2,488,501	\$ 2,309,259	\$ 2,108,204	\$ 1,993,476
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	79.78%	20.66%	9.85%	28.39%	51.13%	11.82%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	94.70%	97.65%

Data not available prior to the fiscal year 2015 implementation of GASB No 68, *Accounting and Financial Reporting for Pensions*.

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Required Supplementary Information
Schedule of Local Government Pension Contributions

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 391,777	\$ 375,252	\$ 356,472	\$ 341,880	\$ 322,880	\$ 344,675
Contributions in relation to the contractually required contribution	\$ 391,777	\$ 375,252	\$ 356,472	\$ 341,880	\$ 322,880	\$ 344,675
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 2,750,824	\$ 2,640,104	\$ 2,488,501	\$ 2,309,259	\$ 2,108,204	\$ 1,993,476
Contribution as a percentage of covered-employee payroll	14.24%	14.21%	14.32%	14.80%	15.32%	17.29%

Data not available prior to the fiscal year 2015 implementation of GASB No 68, *Accounting and Financial Reporting for Pensions*.

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Required Supplementary Information
Schedule of Other Postemployment Benefits Liability

	December 31,		
	2020	2019	2018
Beginning of the year	\$ 9,930,076	\$ 7,088,643	\$ 6,639,551
Charges for the year			
Service cost	414,998	270,761	224,255
Interest	199,883	272,581	251,791
Changes in assumption and other inputs	(136,107)	2,323,341	-
Benefit payments	(69,716)	(25,250)	(26,954)
Net changes	409,058	2,841,433	449,092
End of year	\$ 10,339,134	\$ 9,930,076	\$ 7,088,643
Covered payroll	\$ 2,606,031	\$ 2,535,739	2,535,739
OPEB liability as a percentage of covered payroll	396.74%	391.60%	279.55%

Data not available prior to the 2018 implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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Supplementary Information – Schedule of Budget to Actual

	<u>Final Budget 2020</u>	<u>Actual 2020</u>	<u>Variance</u>
OPERATING REVENUES			
Solid waste disposal charges			
User fees	\$ 11,413,068	\$ 11,413,068	\$ -
Ad valorem	13,188,171	13,225,773	37,602
Recycling facility materials	-	-	-
Co-compost facility user charges	451,988	617,417	165,429
Solid waste collection and disposal charges			
Town of Stony Point	404,547	404,537	(10)
Village of Spring Valley	1,714,208	1,618,133	(96,075)
Village of Haverstraw	916,171	932,119	15,948
Village of Slootsburg	373,544	373,544	-
Village of New Hempstead	546,656	546,656	-
Village of Wesley Hills	900,809	900,602	(207)
River Villages	262,324	269,090	6,766
Rockland County	426,011	353,929	(72,082)
Transfer station tipping fees/sales	32,417,539	31,403,413	(1,014,126)
Other unclassified	110,818	157,914	47,096
Total operating revenues	<u>63,125,854</u>	<u>62,216,195</u>	<u>(909,659)</u>
NON-OPERATING REVENUES			
Interest			
Bank	869,720	86,185	(783,535)
Restricted funds	130,000	41,251	(88,749)
Insurance recoveries	-	240,370	240,370
Total non-operating revenues	<u>999,720</u>	<u>367,806</u>	<u>(872,284)</u>
Total revenues	<u>\$ 64,125,574</u>	<u>\$ 62,584,001</u>	<u>\$ (1,781,943)</u>
OPERATING EXPENSES			
Personal services			
Salaries	<u>\$ 2,836,080</u>	<u>\$ 2,973,955</u>	<u>\$ (137,875)</u>
Fringe benefits			
Health and dental	845,438	827,682	17,756
Retirement	387,438	811,301	(423,863)
Other postemployment benefit obligations	10,216	944,297	(934,081)
Social security	212,521	223,415	(10,894)
Worker's compensation benefits	99,476	54,573	44,903
Metropolitan commuter transportation mobility tax	9,133	9,931	(798)
Employee testing	2,500	967	1,533
Total fringe benefits	<u>1,566,722</u>	<u>2,872,166</u>	<u>(1,305,444)</u>
Contractual services			
Supplies expense			
Books and publications	7,500	622	6,878
Motor fuel	6,000	3,483	2,517
Office supplies and printing	86,000	58,924	27,076
Operational supplies (leaf bags, recycling bins, etc.)	626,300	619,537	6,763
Uniforms	4,000	8,437	(4,437)
	<u>729,800</u>	<u>691,003</u>	<u>38,797</u>

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Supplementary Information – Schedule of Budget to Actual - Continued

	<u>Budget 2020</u>	<u>Actual 2020</u>	<u>Variance</u>
Other operating expenses			
Advertising	54,646	63,763	(9,117)
Association dues	3,000	2,712	288
Bid advertising	3,000	1,454	1,546
Certiorari payments	50,000	19,052	30,948
Cleaning contractor	20,000	36,001	(16,001)
Community partnerships	42,000	38,982	3,018
Conferences and schools	10,000	990	9,010
Data processing equipment	58,805	68,203	(9,398)
Engineering and other professional fees	731,320	564,276	167,044
Equipment repair	117,000	230,295	(113,295)
Fees for services- non employees	1,289,593	1,353,223	(63,630)
Household hazardous waste	1,318,068	1,400,188	(82,120)
Legal fees	1,750,000	1,739,914	10,086
Maintenance agreements	49,209	20,248	28,961
Meals	2,000	950	1,050
Office furniture and fixtures	1,000	6,564	(5,564)
Painting and building repair	200,000	140,012	59,988
Postage	25,500	22,148	3,352
Rental of equipment	20,000	228,099	(208,099)
Repairs to vehicle	20,000	9,907	10,093
Telephone	69,300	56,381	12,919
Travel	10,000	2,035	7,965
Utilities	632,500	416,070	216,430
Water and sewer	127,000	49,933	77,067
	<u>6,603,941</u>	<u>6,471,400</u>	<u>132,541</u>
Revenue generating operating expenses			
Co-composting operating and maintenance fee	2,006,508	2,020,243	(13,735)
Host community fee	4,278,645	4,141,788	136,857
MRF operating and maintenance fee	2,611,806	1,914,778	697,028
Recycling rebates	725,900	790,651	(64,751)
Solid waste collection and disposal:			
Town of Stony Point	392,764	374,978	17,786
Village of Spring Valley	1,664,280	1,607,950	56,330
Village of Haverstraw	889,486	865,045	24,441
Village of Sloatsburg	362,664	362,664	-
Village of New Hempstead	530,734	530,734	-
Village of Wesley Hills	874,572	872,916	1,656
River Villages	254,684	254,684	-
Rockland County	413,603	372,251	41,352
Transfer station rebates	130,000	231,812	(101,812)
Transfer station fees	29,643,110	25,292,195	4,350,915
Yard waste composting fee	1,944,064	1,731,951	212,113
	<u>46,722,820</u>	<u>41,364,640</u>	<u>5,358,180</u>
Other costs			
Tax related costs	18,000	36,788	(18,788)
Insurance premiums	235,850	255,378	(19,528)
Miscellaneous	-	48,198	(48,198)
Contingency	225,000	-	225,000
	<u>478,850</u>	<u>340,364</u>	<u>138,486</u>
Total contractual services	<u>\$ 54,535,411</u>	<u>\$ 48,867,407</u>	<u>\$ 5,668,004</u>
DEBT SERVICE			
Principal	4,015,000	\$ 4,015,000	\$ -
Interest	1,410,928	1,208,631	202,297
Interest subsidy	(238,567)	(238,567)	-
	<u>5,187,361</u>	<u>\$ 4,985,064</u>	<u>\$ 202,297</u>

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Supplementary Information – Schedule of Budget to Actual

	<u>Final Budget 2019</u>	<u>Actual 2019</u>	<u>Variance</u>
OPERATING REVENUES			
Solid waste disposal charges			
User fees	\$ 8,411,992	\$ 8,408,448	\$ (3,544)
Ad valorem	12,672,350	12,698,505	26,155
Recycling facility materials	1,584,874	1,300,953	(283,921)
Co-compost facility user charges	390,468	493,261	102,793
Solid waste collection and disposal charges			
Town of Stony Point	263,639	263,638	(1)
Village of Spring Valley	1,515,250	1,559,548	44,298
Village of Haverstraw	897,868	897,868	-
Village of Sloatsburg	373,915	372,518	(1,397)
Village of New Hempstead	535,477	538,625	3,148
Village of Wesley Hills	-	-	-
River Villages	-	-	-
Rockland County	320,000	334,943	14,943
Transfer station tipping fees/sales	25,469,133	28,073,279	2,604,146
Other unclassified	114,746	153,474	38,728
Total operating revenues	<u>52,549,712</u>	<u>55,095,060</u>	<u>2,545,348</u>
NON-OPERATING REVENUES			
Interest			
Bank	200,000	328,852	128,852
Restricted funds	110,000	141,934	31,934
Environmental protection facility grants	553,653	1,505,064	951,411
Loss on disposal of capital assets	-	(30,594)	(30,594)
Total non-operating revenues	<u>863,653</u>	<u>1,945,256</u>	<u>1,081,603</u>
Total revenues	<u>\$ 53,413,365</u>	<u>\$ 57,040,316</u>	<u>\$ 3,626,951</u>
OPERATING EXPENSES			
Personal services			
Salaries	\$ 2,794,469	\$ 2,915,733	\$ (121,264)
Fringe benefits			
Health and dental	867,737	715,260	152,477
Retirement	356,472	420,932	(64,460)
Other postemployment benefit obligations	2,500	528,678	(526,178)
Social security	206,279	195,991	10,288
Worker's compensation benefits	111,096	114,294	(3,198)
Metropolitan commuter transportation mobility tax	8,991	7,747	1,244
Employee testing	2,500	1,138	1,362
Total fringe benefits	<u>1,555,575</u>	<u>1,984,040</u>	<u>(428,465)</u>
Contractual services			
Supplies expense			
Books and publications	5,000	3,739	1,261
Equipment	-	9,330	(9,330)
Motor fuel	6,000	5,691	309
Office supplies and printing	86,000	63,690	22,310
Operational supplies (leaf bags, recycling bins, etc.)	591,300	495,309	95,991
Uniforms	3,500	6,491	(2,991)
	<u>691,800</u>	<u>584,250</u>	<u>107,550</u>

**Rockland County Solid
Waste Management Authority**
(A Component Unit of the County of Rockland, New York)

Supplementary Information – Schedule of Budget to Actual - Continued

	Final <u>Budget 2019</u>	<u>Actual 2019</u>	<u>Variance</u>
Other operating expenses			
Advertising	76,598	53,805	22,793
Association dues	3,000	2,693	307
Bid advertising	3,000	3,380	(380)
Certiorari payments	50,000	40,222	9,778
Cleaning contractor	20,000	20,877	(877)
Community partnerships	42,000	22,514	19,486
Conferences and schools	10,000	5,214	4,786
Data processing equipment	56,287	45,794	10,493
Engineering and other professional fees	804,845	530,275	274,570
Equipment repair	117,000	147,138	(30,138)
Fees for services- non employees	1,150,091	1,452,535	(302,444)
Household hazardous waste	1,191,791	1,248,469	(56,678)
Legal fees	1,750,000	2,231,478	(481,478)
Maintenance agreements	54,606	48,506	6,100
Meals	-	1,911	(1,911)
Office furniture and fixtures	999	300	699
Painting and building repair	40,000	307,850	(267,850)
Postage	25,500	20,366	5,134
Rental of equipment	10,000	292,725	(282,725)
Repairs to vehicle	20,000	5,077	14,923
Telephone	69,300	56,810	12,490
Travel	10,000	9,011	989
Utilities	632,500	591,240	41,260
Water and sewer	127,000	74,263	52,737
	<u>6,264,517</u>	<u>7,212,453</u>	<u>(947,936)</u>
Revenue generating operating expenses			
Co-composting operating and maintenance fee	1,945,400	1,869,156	76,244
Host community fee	3,789,750	4,433,186	(643,436)
MRF operating and maintenance fee	1,964,094	2,088,178	(124,084)
Recycling rebates	934,400	845,737	88,663
Solid waste collection and disposal:			
Town of Stony Point	255,960	262,614	(6,654)
Village of Spring Valley	1,471,117	1,545,260	(74,143)
Village of Haverstraw	871,717	848,213	23,504
Village of Sloatsburg	363,024	363,036	(12)
Village of New Hempstead	519,881	521,099	(1,218)
Village of Wesley Hills	-	-	-
River Villages	-	-	-
Rockland County	320,000	360,205	(40,205)
Transfer station rebates	130,000	202,874	(72,874)
Transfer station fees	22,604,379	23,958,725	(1,354,346)
Yard waste composting fee	1,297,331	1,539,208	(241,877)
	<u>36,467,053</u>	<u>38,837,491</u>	<u>(2,370,438)</u>
Other costs			
Tax related costs	18,000	42,006	(24,006)
Insurance premiums	224,535	243,768	(19,233)
Miscellaneous	-	1,954	(1,954)
Contingency	225,000	-	225,000
	<u>467,535</u>	<u>287,728</u>	<u>179,807</u>
Total contractual services	<u>\$ 43,890,905</u>	<u>\$ 46,921,922</u>	<u>\$ (3,031,017)</u>
DEBT SERVICE			
Principal	3,865,000	3,865,000	\$ -
Interest	1,567,963	1,313,216	254,747
Interest subsidy	(260,547)	(260,547)	-
	<u>5,172,416</u>	<u>\$ 4,917,669</u>	<u>\$ 254,747</u>

See Independent Auditor's Report.



**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**

Board of Directors
Rockland County Solid Waste Management Authority
Nanuet, New York

We have audited, 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, the financial statements of the Rockland County Solid Waste Management Authority (Authority), a component unit of the County of Rockland, New York, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 12, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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 financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BST+Co.CPAs, LLP

Albany, New York
March 12, 2021

