

**ROCKLAND COUNTY HEALTH  
FACILITIES CORPORATION**  
**(A component unit of the County of Rockland, NY)**

**Financial Statements**  
**As of December 31, 2015 and 2014**  
**Together with**  
**Independent Auditor's Report**

**ROCKLAND COUNTY HEALTH FACILITIES CORPORATION**  
**(A component unit of the County of Rockland, NY)**

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## **INDEPENDENT AUDITOR'S REPORT**

June 7, 2016

To the Board of Directors of  
The Rockland County Health Facilities Corporation:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Rockland County Health Facilities Corporation (the Corporation), (a New York State not-for-profit local development corporation which is a component unit of the County of Rockland, NY), as of and for the year ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Corporation'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 misstatements.

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 respective financial position of the business-type activities of the Rockland County Health Facilities Corporation, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year 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 the management's discussion and analysis on pages 3 – 4 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 audit 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.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2016 on our consideration of the Rockland County Health Facilities Corporation'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 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 internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Rockland County Health Facilities Corporation's internal control over financial reporting and compliance.

Sincerely,



Neil T. O'Sullivan, CPA, PLLC  
June 7, 2016

**ROCKLAND COUNTY HEALTH FACILITIES CORPORATION**  
**(A component unit of the County of Rockland, NY)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**DECEMBER 31, 2015**

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**THE ORGANIZATION**

The Rockland County Health Facilities Corporation (the Corporation) was created on April 25, 2013 pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State of New York, exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, to relieve and reduce unemployment, promote and provide for additional maximum employment, improve and maintain job opportunities, and lessen the burden of government and act in the public interest. The Corporation is a component unit of the County of Rockland NY. The Corporation's mission is to balance the fiscal concerns of the County of Rockland (the County) with the quality of care for residents while facilitating the transfer of facilities of the Summit Park Nursing Care Center and Summit Park Hospital to the highest and most qualified buyer. In doing so, the Corporation shall examine and consider, where applicable, the bidders' operational competency and character and history of operational competence, financial history and stability, provisions for continued quality resident care, satisfactory transition plan, willingness to continue to care for all exiting residents at the time of acquisition (unless otherwise indicated by the New York State Department of Health criteria), willingness to consider existing staff as potential employees, satisfactory history of employee and resident, track record of facility retention subsequent to acquisition, and sale price. The facilities have been operating at a deficit for the past few years and have put undue fiscal burden on the residents of the County, which prompted the creation of the Corporation.

The County provides operating support to the Corporation by paying the invoices on the Corporation's behalf and keeping track of the Corporation's expenses. Accordingly, the Corporation's expenses are being paid by the County and are shown as administrative expenses and revenue from appropriations from the County in its financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements. The financial statements of the Corporation include management's discussion and analysis (MD&A) (this section), the statement of net position, statements of revenues, expenses, and change in net position, statement of cash flows, and related notes to the financial statements. The statement of net position presents information on all of the Corporation's assets and liabilities with the difference between the two 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 Corporation is improving or deteriorating. The statement of revenues, expenses, and change in net position presents information showing how the Corporation's net

**ROCKLAND COUNTY HEALTH FACILITIES CORPORATION**  
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position changed during the most recent 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. The notes to the financial statements contain information that is essential to the understanding of the financial statements, such as the Corporation's accounting methods and policies.

**BASIS OF ACCOUNTING**

The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America and Government Accounting Standards. (GAAP). The Governmental Accounting Standards board (GASB) is responsible for establishing GAAP for state and local governments.

The financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of when the related cash transactions take place. All of the Corporation's activities are classified as business-type activities.

**FINANCIAL HIGHLIGHTS**

The Corporation had \$3,758,483 held in an escrow account with the Corporation's legal counsel at December 31, 2015. Legal counsel also held an additional \$150,000 as of December 31, 2015. The \$150,000 represents a deposit from a past bid and will be returned during the year ended December 31, 2016.

**REVENUES AND EXPENSES**

Generally the County pays for expenses of the Corporation in support of the Corporation's mission. However during the year ended December 31, 2014, the LDC was able to retain \$150,000 from the supposed purchaser when the bid deposit became non-refundable. Therefore, these funds were used to pay expenses.

**REQUEST FOR INFORMATION**

This financial report is designed to provide financial statement users with a general overview of the Corporation's finances and to show the accountability for the money received. Questions concerning any information within this report or requests for additional information should be addressed to the Rockland County Health Facilities Corporation, c/o Chief Executive Officer, P.O. Box 307, 50 Sanitorium Road, Building L, Pomona, New York 10970.

**ROCKLAND COUNTY HEALTH FACILITIES CORPORATION**  
**(A component unit of the County of Rockland, NY)**

**STATEMENT OF NET POSITION**  
AS OF DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<b>ASSETS:</b>		
Cash	\$ 17,921	\$ 150,000
Funds held in escrow	3,908,483	2,852,144
Due from the County	<u>63,997</u>	<u>6,702</u>
Total Assets	<u>3,990,401</u>	<u>3,008,846</u>
<b>LIABILITIES:</b>		
Accounts payable	64,211	86,753
Accrued Liabilities	3,750,000	-
Purchaser down payment	-	2,850,000
Bid Deposit	<u>150,000</u>	<u>-</u>
Total Liabilities	<u>3,964,211</u>	<u>2,936,753</u>
<b>NET POSITION:</b>		
Cumulative result of operations	<u>26,190</u>	<u>72,093</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ <u>3,990,401</u></b>	<b>\$ <u>3,008,846</u></b>

\*See Independent Auditor's Report and accompanying notes to financial statements

**ROCKLAND COUNTY HEALTH FACILITIES CORPORATION**  
**(A component unit of the County of Rockland, NY)**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
REVENUES:		
Appropriations from the County	\$ 411,601	\$ 434,745
Interest earned	6,339	2,144
Forfeited Deposits	<u>-</u>	<u>150,000</u>
Total Revenues	<u>417,940</u>	<u>586,889</u>
EXPENSES:		
Administrative (Note A)	407,890	434,745
Administrative (Note B)	<u>55,953</u>	<u>80,051</u>
Total	<u>463,843</u>	<u>514,796</u>
CHANGE IN NET POSITION	<u>(45,903)</u>	<u>72,093</u>
NET POSITION – Beginning of year	72,093	-
NET POSITION – end of year	<u>26,190</u>	<u>72,093</u>
A.) Reconciliation of Appropriations from the County:		
1. Appropriations received from the County of Rockland prior to December 31, 2015	343,893	428,043
2. Amount approved to be appropriated by the County prior to December 31, 2015	<u>63,997</u>	<u>6,702</u>
Total Appropriations from the County	407,890	434,745
B.) Administration expense paid by the LDC	\$ 55,953	\$ 80,051

\*See Independent Auditor's Report and accompanying notes to financial statements

**ROCKLAND COUNTY HEALTH FACILITIES CORPORATION**  
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**STATEMENT OF CASH FLOWS**

FOR THE PERIOD ENDING DECEMBER 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Cash received from County	\$ 354,306	\$ 152,144
Cash paid for expenditures	(486,385)	-
Net Cash used in Operating Activities	(132,079)	152,144
CASH – beginning of year	150,000	-
CASH – end of year	17,921	152,144
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Change in Net Position	\$ (45,903)	72,093
Adjustments to reconcile change in net position to net cash used in operating activities		
Transfer to escrow account	(1,056,339)	(2,252,144)
Interest Income	-	2,144
Return of Bid Deposit	150,000	-
Changes in:		
Due from County	(57,295)	35,966
Accounts payable	(22,542)	44,085
Accrued Liability	3,750,000	-
Purchaser down payment	(2,850,000)	2,250,000
Net cash used in Operating Activities	\$ (132,079)	\$ 152,144

\*See Independent Auditor's Report and accompanying notes to financial statements

**ROCKLAND COUNTY HEALTH FACILITIES CORPORATION**  
**(A component unit of the County of Rockland, NY)**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**1. ORGANIZATION**

The Rockland County Health Facilities Corporation (the Corporation) was created on April 25, 2013 pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State of New York, exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, to relieve and reduce unemployment, promote and provide for additional and maximum employment, improve and maintain job opportunities, and lessen the burden of government and act in the public interest.

The Corporation has a Board of Directors comprised of seven (7) members, which are appointed by its sole member, the County, acting by and through the County Executive, ex officio. The Corporation is a component unit of the County of Rockland.

The Corporation's mission is to assist The Summit Park Hospital and Nursing Care Center (the Hospital), an enterprise fund of the County Rockland, New York (the County), in order to facilitate the sale of the Hospital to a qualified buyer. In doing so, the Corporation shall examine and consider, where applicable, the bidders' operational competency and character and history of operational competence, financial history and stability, provisions for continued quality resident care, satisfactory transition plan, willingness to continue to care for all exiting residents at the time of acquisition (unless otherwise indicated by the New York State Department of Health criteria), willingness to consider existing staff as potential employees, satisfactory history of employee and resident, track record of facility retention subsequent to acquisition, and sale price.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The Corporation's financial statements are prepared in conformity with accounting principles generally accepted in the United States as prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard setting body for establishing governmental accounting and financial reporting principles.

**ROCKLAND COUNTY HEALTH FACILITIES CORPORATION**  
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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus and Basis of Accounting**

The financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the cash is received or paid.

**Net Position**

GASB requires the classification of net position into three categories defined as follows:

- **Net Investment in capital assets**  
This net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted Net Position**  
This net position consists of resources with constraints placed on their use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position**  
This net position consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

**Income Taxes**

The Board of Directors met to restore the "no cause" for the removal of directors. By doing this, the corporation qualifies under IRS Section 115 for tax exemptions.

**Appropriation from the County**

The County provides operating support to the Corporation to support the Corporation's overall mission. For the period of year ending December 31, 2015, the Corporation had revenue of \$411,601. Of that amount \$63,997 was accounts payable approved to be paid prior to December 31, 2015 and was therefore include in revenue.

**Purchase Deposits**

The Corporation's legal counsel is holding \$3,750,000 plus interest from certain cumulative deposits from a deposit in trust on the Corporations behalf during the years ending December 31, 2014 and 2015. Please see litigation concerning this amount.

**ROCKLAND COUNTY HEALTH FACILITIES CORPORATION**  
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**Cash**

Cash consists of demand deposit accounts held at major financial institutions and may at times exceed the insurable amount. Management believes it mitigates its risk by investing in major financial institution and in funds that are currently U.S. federal government insured. Recoverability of investments is dependent upon the performance of the issuer.

**Forfeited Deposits**

It is important to note that once the potential purchaser signed the Purchase and Sale agreement in July of 2014 their \$150,000 bid deposit became nonrefundable and was therefore included in revenue for the LDC in the year ended December 31,2014.

**Lease/Leaseback**

The Corporation currently leases the land, buildings, and equipment of the Hospital from the County. The County subsequently leases back the land, buildings, and equipment from the Corporation. The County was continuing to operate the Hospital until the sale of the facility was terminated and the operation of the facility as a Hospital ended as of the year ended December 31, 2015. The Corporation agreed to pay, as additional rent, any net proceeds from any non-refundable deposit received from a selected operator pursuant to a purchase and sale agreement, such net payment of selected operator deposit to be adjusted for any outstanding operating costs of the Corporation upon the date of receipt.

**Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

### **3. SUBSEQUENT EVENTS**

#### **Subsequent Events**

The corporation has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 7, 2016, the date the financial statements were available to be issued.

#### **Litigation**

Currently there is only one legal action that may have a monetary result. It is in the matter of Shalom Braunstein, individually and as principal of the remaining Plaintiffs, Sympaticare LLC, Sympaticare Health LLC and Summit Park Acquisition Group. The plaintiffs seek the return of the \$3.9 million in deposits as well as approximately \$122,000 of miscellaneous contract damages and damages for other unspecified claims that bring the total claim to \$5.87 million. The LDC is seeking to keep the deposit funds as liquidated damages. As of December 31, 2015, \$3,750,000 has been held as an accrued liability. The difference of \$2,120,000 between the claim amount and the accrued liability amount was not included as an accrued liability because it is deemed to be not probable.

**INDEPENDENT AUDITOR'S 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***

June 7, 2016

To the Board of Directors of the Rockland County Health Facilities Corporation:

We have audited, in accordance with the 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 business-type activities of Rockland County Health Facilities Corporation (the Corporation) for the year ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated June 7, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the 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 Rockland County Health Facilities Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Rockland County Health Facilities Corporation'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 Rockland County Health Facilities Corporation'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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.

From:



Neil T. O'Sullivan, CPA/PLLC  
38 South Main Street  
Pearl River, NY 10965

Ray Sheridan, Treasurer  
Rockland County Health Facilities  
PO Box 307  
Pomona, NY 10970

June 7, 2016

Neil T. O'Sullivan CPA PLLC

38 South Main St.

Pearl River, NY 10965

This representation letter is provided in connection with your audit of the financial statements of The Rockland County Health Facilities, which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows for the December 31, 2015 then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of June 7, 2016, the following representations made to you during your audit.

**Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 25, 2016, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

- 10) Guarantees, whether written or oral, under which the Rockland County Health Facilities is contingently liable, if any, have been properly recorded or disclosed.

### **Information Provided**

- 11) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the Rockland County Health Facilities from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of Rockland County Health Facilities or summaries of actions of recent meetings for which minutes have not yet been prepared.

- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- 14) We have no knowledge of any fraud or suspected fraud that affects the Rockland County Health Facilities and involves:

- o Management,
- o Employees who have significant roles in internal control, or
- o Others where the fraud could have a material effect on the financial statements.

- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting Rockland County Health Facilities financial statements communicated by employees, former employees, regulators, or others.

- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

- 18) We have disclosed to you the identity of the Rockland County Health Facilities related parties and all the related party relationships and transactions of which we are aware.

### **Government—specific**

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

- 20) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.

- 21) We have a process to track the status of audit findings and recommendations.

- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

- 24) The Rockland County Health Facilities has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

- 26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the

financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

- 27) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 28) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 29) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 30) As part of your audit, you assisted with preparation of the financial statements and related. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possess suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 31) The Rockland County Health Facilities has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 32) The Rockland County Health Facilities has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 33) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 34) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34 .
- 35) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 36) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (non-spendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 37) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 38) Provisions for uncollectible receivables have been properly identified and recorded.
- 39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 40) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 41) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 42) Special and extraordinary items are appropriately classified and reported.
- 43) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 44) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 45) We have appropriately disclosed the Rockland County Health Facilities' policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 46) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource

classification is available. That policy determines the fund balance classifications for financial reporting purposes.

47) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature: \_\_\_\_\_  
Title: Chairman

Signature: \_\_\_\_\_  
Title: Treasurer

Neil O'Sullivan CPA PLLC

38 South Main St  
NY 10965



# Invoice

Date	Invoice #
6/15/2016	1225

<b>Bill To</b>
ROCKLAND COUNTY HEALTH FACILITIES C/O RAY SHERIDAN PO BOX 960 PEARL RIVER, NY 10965

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	Audit of the combined balance sheet of Rockland County Health Facilities Inc. as of December 31, 2015, and the related statements of revenues and expenses and changes in fund balances.	5,250.00	5,250.00
<b>Total</b>			\$5,250.00

Neil T. O'Sullivan, CPA / PLLC

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