

Moody's: Aaa
Standard & Poor's: AAA
Fitch: AA+

(See "Ratings" herein)

NEW ISSUE

SERIAL BONDS

In the opinion of Hawkins, Delafield & Wood, Bond Counsel, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds, if and when delivered, is excludable from gross income for Federal income tax purposes pursuant to Section 103 of the Code, except that no opinion is expressed as to such exclusion of interest on any Bond for any period during which the Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the Bonds or a "related person," and (ii) interest on the Bonds is treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code. In addition, in the opinion of Bond Counsel, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including the cities of New York and Yonkers. See also "Tax Matters" herein.

\$4,280,000

COUNTY OF WESTCHESTER, NEW YORK

GENERAL OBLIGATION DELAYED DELIVERY AMT REFUNDING BONDS — 2004 SERIES B

Dated: August 17, 2004

Due: November 15, as shown below

The Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000, or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal and interest on the Bonds will be paid by the County to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

Interest on the Bonds will be payable November 15, 2004, and semi-annually thereafter on May 15 and November 15 in each year until maturity. The Bonds will not be subject to redemption prior to maturity.

AMOUNTS, MATURITIES, INTEREST RATES AND YIELDS

		Interest				Interest	
Amount	Maturity	Rate	Yield	Amount	Maturity	Rate	Yield
\$ 335,000	2005	5.000%	2.400%	\$ 490,000	2010	5.250%	3.670%
340,000	2006	5.000%	2.600%	480,000	2011	5.500%	3.950%
345,000	2007	5.000%	2.900%	475,000	2012	5.500%	4.190%
385,000	2008	5.250%	3.200%	470,000	2013	5.500%	4.300%
495,000	2009	5.250%	3.420%	465,000	2014	5.500%	4.410%

For a description of the County's agreements to provide continuing disclosure as described in Securities and Exchange Commission Rule 15c2-12, see "Disclosure Undertaking" herein.

The Bonds are offered subject to the receipt of the final approving opinion of Hawkins Delafield & Wood, New York, New York, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by their counsel, Hiscock & Barclay, LLP, Albany, New York. It is expected that delivery of the Bonds in definitive form will be made on or about August 17, 2004 in New York, New York.

CITIGROUP

MERRILL LYNCH & CO.

MORGAN STANLEY

STERNE, AGEE & LEACH, INC.

UBS FINANCIAL SERVICES INC.

WACHOVIA BANK, NATIONAL ASSOCIATION

Dated: August 6, 2004

WESTCHESTER COUNTY, NEW YORK

OFFICIAL ROSTER

COUNTY EXECUTIVE

Andrew J. Spano

COUNTY BOARD OF LEGISLATORS

William J. Ryan, Chairman

Richard G. Wishnie, Vice Chairman

Thomas J. Abinanti

Jose I. Alvarado

Robert Astorino

Lois T. Bronz

Michael B. Kaplowitz

Ursula G. LaMotte

George Latimer

James Maisano

Louis A. Mosiello

George Oros

Vito J. Pinto

Martin L. Rogowsky

Bernice Spreckman

Andrea Stewart-Cousins

Clinton I. Young, Jr.

APPOINTED OFFICIALS

DEPUTY COUNTY EXECUTIVE

Lawrence S. Schwartz

COMMISSIONER OF FINANCE

Peter P. Pucillo

COUNTY ATTORNEY

Charlene M. Indelicato

BUDGET DIRECTOR

Kathleen M. Carrano

BOND COUNSEL

Hawkins Delafield & Wood

New York, New York

AUDITORS

Bennett Kielson Storch DeSantis, the Government
Services Division of O'Connor Davies Munns & Dobbins, LLP

No dealer, broker, salesman or other person has been authorized by the County of Westchester, New York, or any officer thereof, to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the County of Westchester, New York, from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County of Westchester, New York, since the date hereof. The Underwriters may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the Cover Page hereof. The offering prices may be changed from time to time by the Underwriters. No representations are made or implied by the County as to any offering by the Underwriters.

TABLE OF CONTENTS

DISCLOSURE UNDERTAKING	2	BUDGETARY PROCESS	26
THE BONDS	3	FINANCIAL CONTROLS	27
Nature of Obligation	3	HOSPITAL GOVERNANCE/WESTCHESTER COUNTY	
Description of the 2004 Bonds	3	HEALTH CARE CORPORATION	27
Optional Redemption of the Bonds	3	Transition Agreement	27
Refunding Financial Plan	4	Guaranty Agreements and Bonds	28
Verification of Mathematical Computations	4	Restated and Amended Lease Agreement	29
BOOK ENTRY ONLY SYSTEM	5	Financial Measures	29
COUNTY OF WESTCHESTER	6	FINANCIAL STATEMENTS AND ACCOUNTING	
General Information	6	PROCEDURES	29
Population Characteristics	6	RESULTS OF OPERATIONS FOR THE GENERAL FUND	
Personal Income	7	FOR THE 2003 BUDGET YEAR AND THE BUDGET FOR	
Economy	7	2004 AS AMENDED	30
Transportation	10	EMPLOYEES	30
Utility Services	10	Pension Systems	30
Recreational and Cultural Facilities	12	MARKET FACTORS	31
Governmental Organization	12	LITIGATION	31
COUNTY INDEBTEDNESS	13	Self Insurance	32
Nature of County Indebtedness and Procedure for		TAX MATTERS	33
Authorization	13	RATINGS	34
Remedies Upon Default	16	UNDERWRITING	34
Outstanding County Debt	16	LEGAL MATTERS	35
Debt Ratios	17	ADDITIONAL INFORMATION	35
Debt Service Schedule	18	Index to Appendix A	36
Trend of Outstanding Long-Term County Indebtedness	19	Index to Appendix B	36
Summary of Significant Contingencies and Commitments	19	Index to Appendix C	36
Future Issuance of General Obligation Indebtedness	19	Index to Appendix D	36
Temporary Borrowing	21	Index to Appendix E	36
Underlying Indebtedness of Political Subdivisions Within			
the County	22		
FINANCIAL FACTORS	22		
Revenues	22		
Real Property Tax	22		
Assessed and Full Valuation, County Tax Levy and Rates	23		
Tax Collection Record	24		
Sales Tax	24		
Other Revenues	24		
Expenditures	25		
County Deposits and Investments	25		

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

DISCLOSURE UNDERTAKING

At the time of the delivery of the Bonds, the County will provide an executed copy of its “Undertaking to Provide Continuing Disclosure” (the “Undertaking”). Said Undertaking will constitute a written agreement or contract of the County for the benefit of holders of and owners of beneficial interests in the Bonds, to provide, or cause to be provided:

A. to (i) each nationally recognized municipal securities information repository (“NRMSIR”) designated by the Commission in accordance with the Rule, or to the Municipal Securities Rulemaking Board (“MSRB”) and ii) to the New York State Information Depository, if created (“SID”), notice of the occurrence of any of the following events with respect to the Bonds, if such event is material: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (7) modifications to the rights of Bondholders; (8) bond calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds; and (11) rating changes. Not all of the foregoing eleven enumerated types of events, which are described in the Rule, are relevant to the Bonds, inasmuch as there will be no debt service reserves, credit enhancements, liquidity providers, or particular collateral identified as security for the repayment of the Bonds. The County, from time to time, may choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the County determines that any such other event is material with respect to the Bonds, but the County does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

B. to (i) each NRMSIR and (ii) the SID, during any succeeding fiscal year in which any of the Bonds are outstanding (1) the County’s financial statements for such year, which are prepared in accordance with provisions of Government Accounting Standards Board Statements No. 33, 34, 36, 37 and 38 applicable to Governmental Funds (though the County may elect to change the basis of accounting from time to time, provided information enabling interpretation of the changed basis of accounting is provided), the County’s annual financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained in the Official Statement, and referenced under the headings, “COUNTY OF WESTCHESTER”, “PERSONAL INCOME”, “COUNTY INDEBTEDNESS”, “FINANCIAL FACTORS”, “BUDGETARY PROCESS”, “FINANCIAL STATEMENTS AND ACCOUNTING PROCEDURES”, “RESULTS OF OPERATIONS”, “EMPLOYEES”, “MARKET FACTORS” AND “LITIGATION”.

The County shall provide the information in B, above, prior to the end of the ninth month of each such fiscal year, provided, however, that if audited financial statements are not available by such date, unaudited financial statements shall be provided pending their availability, and audited financial statements shall be provided when and if available.

The County shall also provide to (i) each NRMSIR or the MSRB and (ii) the SID, notice of its failure to provide the aforescribed annual financial information and operating data and such financial statement on or before the date specified.

The County may provide notice of the occurrence of certain other events, in addition to those listed in A, above, if it determines that any such other event is material with respect to the Bonds, but the County does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The County’s Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the County, and no person or entity, including a Holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the County to comply with the Undertaking will not constitute a default with respect to the Bonds. The County reserves the right to amend or modify the Undertaking under certain circumstances set forth therein, provided that any such amendment or modification will be done in a manner consistent with Rule 15c2-12, as amended.

The County is in compliance with prior disclosure undertakings.

OFFICIAL STATEMENT
of the
COUNTY OF WESTCHESTER, NEW YORK

This Official Statement, which includes the cover page and appendices hereto, presents information relating to the County of Westchester, in the State of New York (the "County" and "State," respectively) and was prepared by the County in connection with the sale of its \$4,280,000 General Obligation Delayed Delivery AMT Refunding Bonds—2004B (the Bonds”).

All quotations from as well as summaries and explanations of provisions of the Constitution, laws of the State and acts and proceedings of the County contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Bonds and the proceedings of the County relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

THE BONDS

Purpose of the the 2004 Bonds

\$ 4,280,000 Proceeds of the Bonds will be used to refund all or a portion of the County’s 1994 AMT Bonds as described hereinafter under “Refunding Financial Plan.”

Nature of Obligation

The Bonds when duly issued and paid for will constitute a contract between the County and the holder thereof.

The Bonds will be general obligations of the County and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the County has power and statutory authorization to levy ad valorem taxes on all taxable real property within the County without limitation as to rate or amount.

Under the Constitution of the State, the County is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the County to levy taxes on real property therefor.

The Bonds are issued pursuant to applicable provisions of the Local Finance Law of the State of New York, the County Charter and certain acts and proceedings of the County Board of Legislators adopted on their respective dates and thereafter approved by the County Executive. (See "County Indebtedness" for additional information.)

Description of the 2004 Bonds

The Bonds will be dated August 17, 2004, and will mature in the principal amounts on November 15 in each of the years as shown on the cover page hereof and will bear interest at the interest rates shown on the cover page hereof. The Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000, or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds.

Interest on the Bonds will be payable November 15, 2004, and semi-annually thereafter on May 15 and November 15 in each year until maturity. Principal of and interest on the Bonds will be paid by the County to DTC which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the County referred to therein.

Optional Redemption of the Bonds

The Bonds are not subject to prior redemption.

Refunding Financial Plan

The County Board of Legislators adopted on October 20, 2003 Act No. 216-2003 which authorized the advance refunding of a portion of the County's outstanding general obligation serial bonds. The bonds being refunded ("Refunded Bonds") are described in the table below. For further information regarding the refunding of the Refunded Bonds, see "Verification of Mathematical Computation" herein.

<u>Series</u>	<u>Refunded Principal</u>	<u>Refunded Maturity Date</u>	<u>Refunded Coupon</u>
Series 1994B	\$ 465,000	11/15/2005	6.200%
Series 1994B	465,000	11/15/2006	6.300%
Series 1994B	465,000	11/15/2007	6.400%
Series 1994B	465,000	11/15/2008	6.500%
Series 1994B	465,000	11/15/2009	6.600%
Series 1994B	465,000	11/15/2010	6.700%
Series 1994B	460,000	11/15/2011	6.750%
Series 1994B	460,000	11/15/2012	6.800%
Series 1994B	460,000	11/15/2013	6.850%
Series 1994B	460,000	11/15/2014	6.850%
TOTAL	<u>\$4,630,000</u>		

The County's refunding plan (the "Refunding Financial Plan") provides that a portion of the proceeds of the Bonds, after payment of underwriting and other costs related to the issuance of the Bonds, will be used to purchase non-callable Government Obligations which, together with cash, will be placed in irrevocable trust funds (the "Escrow Fund") with The Bank of New York (the "Escrow Holder"), pursuant to the terms of escrow contract by and between the County and the Escrow Holder, dated August 17, 2004 (the "Escrow Contract"). The Government Obligations deposited in the Escrow Fund will mature in amounts, together with any cash so deposited, that will be sufficient to pay the principal of, interest on and applicable redemption premiums of the Refunded Bonds on the dates of maturity or redemption dates. The owners of the Refunded Bonds will have a first lien on the Escrow Funds until such Refunded Bonds have been redeemed, whereupon the Escrow Contract shall terminate.

Under the Refunding Financial Plan, the Refunded Bonds will continue to be general obligations of the County and will continue to be payable from County sources legally available. However, inasmuch as the Government Obligations and cash held in the Escrow Funds will be sufficient to meet all required payments of principal of, interest on and applicable redemption premium on the Refunded Bonds, it is not anticipated that such County sources will be utilized.

Sources and Uses of Funds

	<u>The Bonds</u>
Sources:	
Refunding Bonds Par	\$ 4,280,000.00
Original Issue Premium	340,957.05
County Cash Payment	<u>236,780.48</u>
Total	<u>\$ 4,857,737.53</u>
Uses:	
Deposit to Escrow Fund	\$ 4,828,952.50
Costs of Issuance	6,577.53
Underwriters' Discount	<u>22,207.50</u>
Total	<u>\$ 4,857,737.53</u>

Verification of Mathematical Computations

McGladrey & Pullen LLP has verified the information provided to them the mathematical accuracy as of the date of closing on the Bonds of (1) the computations contained in the provided schedules to determine that the anticipated receipts from the securities and cash deposits listed in the Underwriters' schedules, to be held in escrow, will be sufficient to pay, when due, the principal, interest and call premium payments requirements, if any of the Refunded Bonds, and (2) the computations of yield on both the securities and the Bonds contained in the provided schedules used by Bond Counsel in

its determination that the interest on the Bonds is exempt from tax. McGladrey & Pullen LLP will express no opinion on the assumptions provided to them, nor as to the exemption from taxation of the interest on the Bonds.

BOOK ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, will be issued and deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee does not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds in an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory

requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

THE COUNTY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDOWNER.

COUNTY OF WESTCHESTER

There follows in this Official Statement a brief description of the County, together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and expenditures of the General and Special Revenue funds.

General Information

Westchester County, incorporated in 1683, is a suburban county located in the northern sector of the New York metropolitan area. It is bordered on the south by New York City, on the east by the State of Connecticut and Long Island Sound, on the north by Putnam County and on the west by the Hudson River. The County had a 2000 census population of 923,459 and has an area of 450 square miles.

The County has a large and varied economic base containing many corporate headquarters, research facilities, manufacturing firms and well developed trade and service sectors. Approximately thirty-five percent of employed County residents commute to work outside the County, primarily to New York City.

Population Characteristics

The 2000 Federal census recorded that the County had experienced a 5.6% population increase since the last completed census in 1990.

TABLE 1
Population (in 000's)

<u>Year</u>	<u>Westchester</u>	<u>New York City</u>	<u>New York State</u>	<u>United States</u>
1960	809	7,782	16,782	179,323
1970	894	7,895	18,237	203,212
1980	867	7,072	17,558	226,546
1990	875	7,323	17,990	248,710
2000	923	8,008	18,976	283,868

Source: United States Department of Commerce, Bureau of the Census.

The median age of the County's population in 2000 was 37.6, compared to the State's median of 35.9 and the national median of 35.4.

The County's 48 municipalities vary greatly in population size. Four cities: Yonkers, New Rochelle, Mount Vernon and White Plains (the County Seat), contain over 42% of Westchester's population. The southern portion of the County, with about 7,940 people per square mile, is almost ten times more densely populated than the northern area, which has about 825 people per square mile. Within the metropolitan area, Westchester's overall population density in 2000 of 2,061 people per square mile is much lower than is that of the central parts of the region and much higher than that of the more outlying exurban areas. Westchester is less than 9 percent as densely populated as New York City (24,039 per square mile) and less than one-half as densely populated as Nassau County (4,547 per square mile). However, it is more densely populated than Suffolk County (1,632 per square mile), Rockland County (1,519 per square mile), Putnam County (409 per square mile) or Dutchess County (335 per square mile).

Personal Income

Total personal income of Westchester residents was \$52.1 billion in 2002. The County's 2002 per capita personal income is among the highest in the nation. As reported by the U.S. Department of Commerce, Bureau of Economic Analysis, in the "Survey of Current Business," May, 2004, Westchester's per capita personal income of \$55,522 as of 2002 placed it 8th among the 3,107 counties nationwide. Among the 62 counties of New York State, Westchester ranked second only to New York County (Manhattan). Westchester County's 2002 per capita personal income of \$55,522 compared favorably to New York State and the U.S., which were \$35,805 and \$30,906, respectively.

Economy

From 1990 to the present, employment in the County has for the most part stabilized along with the County population. Although there have been periods of minor fluctuation, the County's rate of unemployment has been consistently lower than the national rate. From 1990 through 2003 the County's rate of unemployment has been substantially lower than the State and national rates as shown in Table 2.

TABLE 2
Employment and Unemployment, 1990-2004 (a)
(Employment Figures in Thousands)

	<u>Westchester</u> (b)		<u>New York State</u>		<u>United States</u>	
	<u>Employment</u>	<u>Unemploy- ment Rate</u>	<u>Employment</u>	<u>Unemploy- ment Rate</u>	<u>Employment</u>	<u>Unemploy- ment Rate</u>
1990.....	458.1	3.5%	8,375	5.3%	118,793	5.6%
1995.....	414.9	4.4	7,970	6.3	124,900	5.6
1998	433.0	3.3	8,391	5.6	131,463	4.5
1999.....	432.5	3.4	8,423	5.2	133,488	4.2
2000	439.6	3.0	8,776	4.6	136,891	4.0
2001.....	439.8	3.4	8,689	4.9	136,933	4.7
2002.....	448.0	4.2	8,790	6.1	136,485	5.8
2003.....	449.0	4.0	8,726	6.3	137,736	6.0
2004 (June).....	454.9	4.2	8,830	5.9	139,861	5.8

Sources: New York State Department of Labor and United States Labor Department, Bureau of Labor Statistics, *Employment and Earnings*.

(a) Annual averages (except 2004).

(b) Statistical data represents employment of the County's residents employed either within the County or outside the County.

TABLE 3
Percent of Non-Agricultural Employment
By Major Category 2003

	<u>Westchester</u>	<u>New York</u> <u>State</u>	<u>United States</u>
Manufacturing.....	4.8%	7.3%	11.2%
Transportation & Utilities	3.3	3.1	3.7
Trade	16.0	14.4	15.8
Finance, Ins. & Real Estate	6.7	8.3	6.1
Services and Miscellaneous	46.7	45.3	41.0
Government	16.3	17.7	16.6
Construction & Mining	6.2	3.9	5.6

Sources: Derived from data furnished by New York State Department of Labor and United States Department of Labor, Bureau of Labor Statistics.

The composition of non-agricultural employment by major sector in the County generally parallels that of the State and nation, as indicated in Table 4.

TABLE 4
Wage and Salary Non-Agricultural Employment in Westchester County
1990 - 2004 (a)
(Figures in 000's)

	<u>Total</u> <u>Non-</u> <u>Agricul. (b)</u>	<u>Manuf.</u>	<u>Trans.</u> <u>& Util.</u>	<u>Trade</u>	<u>Fin., Ins.,</u> <u>Real</u> <u>Estate</u>	<u>Svce.</u> <u>& Misc.</u>	<u>Govt.</u>	<u>Constr.</u> <u>and</u> <u>Mining</u>
1990	406.7	36.1	12.5	73.5	30.0	173.3	58.4	22.9
1995	379.3	27.7	12.7	66.4	26.1	171.0	58.6	16.7
1997	389.4	25.8	12.8	66.0	28.6	178.6	59.1	18.5
1998	395.9	25.2	12.8	67.5	28.7	181.8	59.8	20.1
1999	408.2	25.3	12.3	68.7	28.5	188.1	62.4	22.9
2000	418.1	24.5	12.5	70.0	28.7	192.9	64.8	24.7
2001	418.2	22.6	13.3	68.7	28.3	195.1	64.8	25.4
2002	416.2	21.0	13.3	68.0	28.1	193.6	67.3	24.8
2003	416.3	19.9	13.7	66.5	28.1	194.4	68.0	25.7
2004 (June)	425.5	19.4	14.4	67.3	28.7	199.5	69.3	26.9

Source: New York State Department of Labor.

(a) Annual averages (except 2004).

(b) Totals may not add because of rounding.

In 2003, fewer than half of the approximately 20,000 jobs in the manufacturing sector were production oriented, with most manufacturing employment at administrative or research facilities. For many years, the trend within the manufacturing sector in the County has been towards white collar employment and away from production operations.

Approximately 95 percent of the wage and salary jobs in the County in 2003 were with firms whose major activity was other than manufacturing. Non-manufacturing employment increased by 1,200 from the previous year to 396,400. During the period 1990-2003, employment in the manufacturing sector declined approximately 45 percent, while employment in most other sectors increased. The sectors realizing the most significant gains were service and miscellaneous, 12.2 percent, government, 16.4 percent, and construction and mining, 12.2%.

A relatively large proportion of the County's employed residents are in managerial and professional positions. In 2003, professional and technical workers, non-farm managers and administrators represented over one-third of the labor force, as compared with about one-fourth of the national and State labor forces.

There were a total of approximately 449,000 County residents employed in 2003. Approximately 28 percent of the County's professional, technical and managerial workers travel to work in New York City and are among the approximately 35 percent of County residents working outside the County.

The County continues to be a prime location for businesses of all sizes over the past several years. In the past two years, many major corporations have expanded in, or are relocating to, Westchester. Notable among these companies are: Morgan Stanley, Fuji Photo Film USA Headquarters, Pernod Ricard USA, Sanford Bernstein, Skadden Arps, MasterCard International, New York Life Insurance Co., Oracle, Davis Polk and Wardwell, MBIA, Progenics, Taro Pharmaceuticals USA, Allied Irish Bank, Commerzbank International, Pentegra Group and Boise and Schiller.

In 2004, economic development continues at a strong pace despite a weak economy. New construction is scheduled for several major retail, residential and entertainment projects. Construction of the White Plains City Center at Mamaroneck Avenue and Main Street is near completion. The \$320 million complex consists of 540,000 square feet of retail-entertainment space, 529 apartments and a 29-unit loft building. The first store, a 150,000 square-foot Target outlet store, opened in October, 2003. A 400-seat performing arts center opened in November, 2003. A 15-screen, 3,600-seat multiplex theater opened in December. A 27,400 square-foot Barnes & Noble as well as other retail stores opened in early 2004. Construction of The Jefferson, a \$75 million residential development consisting of 281 units, was recently begun on Mamaroneck Avenue in White Plains. The Bank Street Commons project, located next to the White Plains TransCenter, is nearing completion. The project includes two towers containing 500 units of residential housing. In New Rochelle, the first phase of the Avalon on the Sound Project, consisting of 412 residential rental units, has been completed on Huguenot Street; the second phase of construction, including 588 rental units and ground-floor retail shops, is currently in the design phase. Construction is expected for Fall 2004. Also in New Rochelle, the long-vacant Bloomingdale's department store on Main Street has been converted into a 72-unit condominium lofts building with 23,000 square feet of ground floor with basement retail and restaurants. The project includes another 12,000 square feet of adjacent retail space. In addition, another older commercial building across from the Bloomingdale's property has been demolished and will be replaced with 90 luxury condominiums. The project is currently under construction. The developer of the New Roc City complex in New Rochelle has proposed a 320,000 square-foot mixed-use building which would consist of 150,000 square feet of commercial retail space and 150 residential units.

TABLE 5
Major Private Sector Employers in Westchester County (2003)

<u>Firms</u>	<u>Business Activity</u>	<u>Full-Time Employees</u>
* IBM Corporation	Computer products and research services	8,200
* Verizon Communications	Telecommunications and information products	2,809
* Altria Group	Food products and research	1,781
* Entergy Nuclear Northeast	Generates and sells electricity wholesale	1,669
* Pepsico, Inc.	Soft drinks and snack foods	1,649
Consolidated Edison Company	Utility services	1,250
The Bank of New York	Commercial and retail banking	1,192
* MasterCard International	Financial services	992
* Liberty Lines	Bus transportation	878
A & P Food Stores.....	Retail grocery sales	825
* Reader's Digest Association	Book and magazine publishing	771
The Journal News	News publications	770
* Swiss Re America.....	Property/casualty reinsurance, financial services	726
* Bayer Corp.	Medical diagnostic equipment	700
Marriott Corporation	Lodging and food services	604
Home Depot.....	Home improvement retailer	594
* Nine West Footwear Corp.	Retail women's footwear and accessories	514
* Diversified Investment Advisors, Inc...	Investment management services	500

* Headquarters or major branch operations in Westchester.

Compilation by: Westchester County Department of Finance, September, 2003

Retail sales in the County increased 23.5% from \$7.44 billion in 1992 to \$9.19 billion in 1997. On a per capita basis, retail sales in the County were \$10,175 in 1997, which represents an increase of 21% from the County's 1992 per capita retail sales of \$8,401. This compares with 1997 per capita retail sales of \$7,670 in the State and \$9,191 nationally. In addition, when the more populous counties of New York City and of Long Island are excluded from consideration, the County ranks first in the State in total retail sales. The County's per household retail sales for 1997 of \$27,974 compares favorably with the State's and nation's per household retail sales of \$20,589 and \$24,355, respectively.

Major department stores in the County include Bloomingdale's, Fortunoff, Lord and Taylor, Macy's, Neiman Marcus, Nordstrom, and Sears.

The County is continuing to experience strong growth in retail activity. In White Plains, Fortunoff's retail center opened for business in September, 2003, at the former site of Saks Fifth Avenue. The \$95 million, 260,000 square-foot complex includes a Fortunoff store, The Cheesecake Factory, Morton's Steakhouse, Whole Foods Market, and other stores. In Mount Vernon, construction was completed this year on a 60,000 square-foot Best Buy electronics store on Sanford Boulevard. The second phase of the project, which will include a Target store and a Bed Bath and Beyond, is under construction.

These developments in retail activity will continue to support the growth in construction-related employment, creating a significant number of permanent retail jobs and providing additional sales tax revenues to the County and its municipalities.

Transportation

The County has three commuter train lines providing service into Manhattan. Approximately three-quarters of the County's population live within a 40-minute ride of Grand Central Terminal. Freight service is provided on some rail lines. The Metropolitan Transportation Authority has made investments in new rolling stock and improved station facilities for the County's three commuter lines, and is implementing a program to expand parking facilities at various stations on the three lines.

The County is served by the New York State Thruway, three interstate highways (I-95, I-287, and I-684), and a network of scenic parkways dating back to the 1920's. The parkway system includes the Bronx River Parkway, Saw Mill River Parkway, Hutchinson River Parkway, Sprain Brook Parkway, Cross County Parkway and Taconic State Parkway.

At the present time, all parkways are owned and operated by the New York State Department of Transportation with the exception of the Bronx River Parkway, which is owned by the County. Maintenance and improvement of these roads is paid for by the State. The County Police patrol the Saw Mill, Hutchinson and Cross County Parkways and the County is reimbursed for a portion of this service by the State.

The County is served by several private bus companies which operate over 900 route miles and carry approximately 29 million passengers annually. The County currently provides operating assistance to these companies under contract and has been instrumental in obtaining State and Federal aid for acquisition of new buses and other capital improvements in bus transportation.

The Westchester County Airport is owned by the County and is operated under contract by Macquarie Aviation North America 2, Inc. It is located close to the intersection of three interstate highways. The Airport provides direct commercial service to Albany, Atlanta, Baltimore, Boston, Burlington, Chicago, Cincinnati, Cleveland, Detroit, Martha's Vineyard, Minneapolis, Nantucket, Newark, Philadelphia, Pittsburgh, Rochester, Toronto and Washington D.C. and houses numerous corporate and privately owned aircraft. There were approximately 160,000 operations at the Airport in 2003.

Utility Services

Except for its northeastern portion, the County receives electrical service from Consolidated Edison of New York ("Con Ed"). The cost of electricity in the Con Edison service territory is the highest in the country. These high power costs may accelerate the current trend in the County away from manufacturing production. Con Edison also supplies natural gas service to the County. The northeastern portion of the County receives its electric power from New York State Gas and Electric at rates substantially below those of Con Edison. Since the latter part of 1976, both the County and certain municipalities within the County have received a portion of their electrical service from the Power Authority of the State of New York. The New York State Public Service Commission embarked on a program whereby the current utilities would continue to operate, under a regulatory scheme, the distribution system for electricity, but have divested themselves of most of their generation facilities. The generation facilities have been acquired by independent operators, with the electricity generated at these and other facilities sold under market conditions. However, to date, most residential customers continue to buy their electricity from the regulated utilities.

In 1982, the County created the County of Westchester Public Utility Service Agency ("the Agency") and authorized it to acquire lower cost electric power for resale to eligible customers located within territory previously served solely by Con Edison. On July 1, 1985, the Agency began service delivery to designated retail customers in accordance with the terms of a Lease and Operating Agreement between the Agency and Con Edison. Under these arrangements, the Agency is able to deliver varying amounts of power purchased from the Power Authority of the State of New York on a day-to-day basis, as well as under contractual allocations, over distribution lines leased from Con Edison. Concurrently, the Agency has

undertaken efforts to increase these power allocations, as the savings that result from the Agency's lower power purchase costs will ultimately accrue to the Agency's customers.

The County receives most of its public water from the Croton, Delaware and Catskill aqueduct systems of the City of New York (the "City"). These systems are fed partly by approximately 50 square miles of watershed lands and reservoirs in the County and, in addition, receive water by aqueduct from the upstate Catskill and Delaware systems. The County operates two water districts and there are a variety of private and municipal reservoir and well systems which supply the remainder of public water needs.

Effective January 1, 2002, Water District Number 2, which had previously been operated by the County, was leased to Northern Westchester Joint Water Works pursuant to state legislation and an Intermunicipal Agreement. Under this agreement, the Lessee will make lease payments to the County which will cover the County's remaining annual debt service for prior capital projects at Water District Number 2.

In January, 1997, the County entered into the New York City Watershed Memorandum of Agreement (the "Watershed MOA") with the City, State of New York, United States Environmental Protection Agency (the "USEPA"), Putnam County, the Coalition of Watershed Towns, the Catskill Watershed Corporation, certain municipal corporations located within the New York City Watershed and certain environmental organizations. The Watershed MOA provides for (i) a Land Acquisition Program pursuant to which the City will purchase land within the New York City Watershed (ii) the promulgation of new Watershed Regulations (iii) Watershed Protection and Partnership Programs pursuant to which the City will fund infrastructure and improvements within the Watershed and has paid 38 million dollars to the County to support the implementation of water quality investments in the East of Hudson Watershed and (iv) the creation of the Watershed Protection and Partnership Council. On May 6, 1997, the USEPA issued a 1997 Filtration Avoidance Determination for the Catskill and Delaware Water Supply Systems (the "1997 FAD"). The 1997 FAD remained in effect until April of 2002. In May of 2002, USEPA approved a new Filtration Avoidance Determination ("2002 FAD") and, therein, determined that New York City has an adequate long-term watershed protection program for its Catskill/Delaware water supply which meets the established standards for unfiltered water systems. The 2002 FAD will remain in effect until further determination is made, which determination is scheduled for April, 2007.

On August 17, 1998, the County entered into an order on consent ("Order on Consent") with NYSDEC whereby the County agreed to repair critical portions of deteriorating sewage collection systems in the thirty (30) municipalities served by County sewage treatment plants in Yonkers, New Rochelle, Blind Brook and Mamaroneck. Under the Order on Consent, the County has agreed to coordinate and manage the removal of inflow and infiltration sources on both County-owned sewage collection lines ("trunk lines") and other County property, and on sewage collection lines owned by individual municipalities ("lateral lines"). In addition, the County has agreed to construct two (2) Sanitary Sewer Overflow facilities ("SSOs"), one in the City of New Rochelle and one in the Village of Larchmont. The Order on Consent was ratified by the Westchester County Board of Legislators on September 28, 1998, by Act No. 163-1998, and design of the required rehabilitation is complete. The County has awarded the contracts for the required rehabilitation. Work under these contracts is expected to be completed by September 1, 2004 as required by the Order on Consent.

The inflow and infiltration repair and removal work, and the construction of the SSOs, will enhance the integrity of the County's sewer systems, and significantly reduce the potential for overflow of sewage treatment plants and consequently, the discharge of partially treated sewage to the Hudson River and the Long Island Sound. It will also protect the treatment plants from being damaged by conditions resulting from overflows, and avoid the immediate need to expand the plants. The total estimated cost of all inflow and infiltration removal work and the construction of the SSO facilities is fifty million dollars (\$50,000,000), all of which is expected to be funded by bond issues between 2001 and 2004. All costs associated with this work will ultimately be allocated to the County sewer district in which the work is to be performed.

The County provides refuse disposal services to a substantial portion of the County through the County Refuse Disposal District Number 1 (the "District"). The District, in 1985, entered into a service agreement (the "Service Agreement") with the County of Westchester Industrial Development Agency (the "Agency"), which entered into a solid waste disposal agreement (the "Disposal Agreement") with Westchester Resco Company, L.P., a Delaware limited partnership (the "Company") and Wheelabrator Technologies Inc., a Delaware corporation ("Wheelabrator") for the disposal and processing of solid waste at the Charles Point facility in the City of Peekskill, New York. The terms of these agreements are substantially the same, the intent being that payments due under the Disposal Agreement will be paid with payments received under the Service Agreement. The Service Agreement expires on October 21, 2009.

The Service Agreement requires that as long as the Company provides solid waste disposal services to the District, the District's obligation to pay is absolute and unconditional up to 550,000 tons per year, but not less than 400,000 tons per year. The District funds such service charges for processing solid waste via a fixed formula which includes provisions relating to the operating expenses, the cost of construction and financing of the facility, and the sale of the energy generated from the processing of the solid waste of the District through ad valorem assessments on eligible property in the

District, disposal fees to the 36 participating municipalities within the District and disposal fees from District marketed solid waste. Such assessments and fees are budgeted annually in the District's operating budget.

There are currently outstanding \$64,055,000 of bonds issued in 1994 by the Agency to refinance the bonds that were issued in 1982 to finance the construction of the Facility. The Facility has been retrofitted with additional pollution control equipment. The Agency, on December 26, 1996, issued an additional \$71,945,000 of bonds for the Company, which was sufficient to finance the cost of the retrofit. The Company is obligated to pay the debt service on these bonds. Of the \$71,945,000 of bonds originally issued, \$63,645,000 of bonds were incorporated into the Disposal Agreement formula permitting the Company to increase the fees due thereunder to recover a portion of the total debt service. The debt service on the \$8,300,000 balance of the \$71,945,000 will be paid by the Company and will not be incorporated into the Disposal Agreement formula. Such obligations are not obligations of the County. Most of the revenues available to pay these obligations, however, are derived from the service payments made by the District.

On January 2, 2001 the operator of the Charles Point Facility exercised an early redemption call on \$18,385,000 of retrofit project debt utilizing unspent bond proceeds. This redemption, with annual payments of principal, has reduced the retrofit project debt outstanding to \$26,430,000, which will be funded through payments by the Refuse Disposal District to the operator for disposal services to be provided through October, 2009.

Recreational and Cultural Facilities

The Westchester County Department of Parks, Recreation and Conservation oversees the operation of more than 40 parks and facilities spanning nearly 16,000 acres of publicly-owned park land within the County.

The Westchester County Park system includes golf courses, swimming pools, beaches, miniature golf courses, nature preserves and historic sites. The Department also operates Lasdon Park and Arboretum, a 208-acre preserve that features many species of trees and shrubs, including formal gardens in season; Muscoot Farm, a 777-acre, early-1900's interpretive farm, the Westchester County Center, the oldest and largest public assembly and entertainment facility in the County; three recreational trailways; and the famous, 279-acre amusement park and recreational complex, Playland. State and local park land and nature preserves provide an additional 17,000 acres for public use. There are a considerable number of landmarks and historical sites throughout the County, dating back to the 17th century, which reflect the County's rich architectural and historical heritage. The County has an array of colleges and universities, theaters, museums, golf courses, yacht clubs, marinas, country clubs, riding clubs, and skating rinks which provide a wide range of educational, cultural and recreational opportunities.

Governmental Organization

Subject to the State Constitution, the County operates pursuant to the County Charter ("the Charter") and Administrative Code and in accordance with other laws governing the County generally to the extent that such laws are applicable to counties operating under a charter form of government. The Charter in its present form was originally enacted into law by the State Legislature after its approval by the electors of the County at a general election held in November 1937. The Administrative Code was enacted into State law in 1948.

County Board of Legislators. The legislative power of the County is vested in the County Board of Legislators (the "Board") which in its present form has been in existence since January 1, 1970. Its 17 members are elected for a two-year term by the voters in their respective legislative districts. Vacancies occurring on the Board are to be filled at a special election in the legislative district of the vacated office. However, if a vacancy occurs within seven (7) months prior to the regular expiration of such term of office, the vacancy may be filled for the remainder of the unexpired term by an appointment of the majority of the remaining members of the Board. Both the number of members and boundaries of legislative districts may be varied from time to time in accordance with requirements of the Federal and State Constitution or by Charter amendment. The Board is assisted by a full-time staff of twenty-one, including a budget analyst. In addition, since 1974 the Board has retained the services of Bennett Kielson Storch DeSantis & Company LLP to review and report projections of revenues and expenditures as contained in those proposed budgets. This firm has been the independent certified public accountants of the County since 1966.

The County Executive. The County Executive is elected every four years in the year following the presidential election. He must be a resident of the County for at least five years prior to his election, is required to devote his full time to the duties of his office and may hold no other public office. Subject to certain exceptions hereafter described, no act of the Board of Legislators can take effect unless approved by the County Executive. If any act is not returned to the County Board by the County Executive with his written reason for not approving it within ten days of its presentation to him, it is deemed approved; further any act disapproved by the County Executive nevertheless becomes effective if upon reconsideration it is passed by at least two-thirds vote of all the members of the Board. Pursuant to the Charter, there are several departments of the County established, including the Department of the Budget, responsible for preparation of the budget for submission to the County Executive, and such other duties in regard thereto as the County Executive may direct.

Also pursuant to the Charter, the Department of Finance is charged with the administration of the financial affairs of the County, including collection of all taxes and other revenues due to the County, the custody and safekeeping of all funds belonging to the County and the disbursement of all County funds including the keeping and supervision of all accounts.

Chief Fiscal Officer. The Commissioner of Finance is appointed by and serves at the pleasure of the County Executive and is confirmed by the Board of Legislators. By Charter, the Commissioner of Finance is responsible for the administration of the financial affairs of the County, including the management of \$1.4 billion in general County funds, collection of all taxes, assessments, license fees and other revenues due the County; custody and safekeeping of all funds belonging to or by law deposited with, distributed to or handled by the County; the disbursement of County funds; the keeping and supervision of all accounts; the supervision of such similar functions of local units of government as may be transferred or entrusted to the County; and such other duties as may be prescribed by law, by the County Executive or the Board.

In addition, since 1961 the Charter has required that all financial dealings, transactions and records of the County shall be subject annually to a complete independent audit. The auditors' report is required to be filed with the Board and is open to public inspection.

Peter P. Pucillo is Commissioner of Finance for the County. He is responsible for the administration of the Finance Department and the financial reporting for the County. He is a Certified Public Accountant and has a broad range of financial, budgetary and administrative experience in both the government and private sectors. He holds a B.B.A. in Accounting from Iona College.

Prior to his appointment as Commissioner, Mr. Pucillo served four years as Manager of Fiscal Operations in the County's Finance Department. Before joining the County, Mr. Pucillo served fifteen years in the City of Mount Vernon as City Comptroller and Treasurer of both the City's Industrial Development Agency and its Urban Renewal Agency. Mr. Pucillo ran his own CPA practice and was also employed by KPMG Peat Marwick for seven years prior to his service in Mount Vernon.

Mr. Pucillo also serves as Treasurer for the St. Theresa's Residence for Developmentally Disadvantaged Adults of the Archdiocese of New York. He also served ten years for the Mount Vernon School District as President, Vice President and Trustee. In addition, Mr. Pucillo is a member of professional accounting organizations and has been a member of many civic groups.

COUNTY INDEBTEDNESS

Nature of County Indebtedness and Procedure for Authorization

Constitutional Requirements

The New York State Constitution limits the power of the County (and other municipalities and school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations include the following, in summary form, and are generally applicable to the Bonds:

Purpose and Pledge. The County shall not give or loan any money or property to or in aid of any individual, or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation, with the exception of WCHCC (see "Hospital Governance/Westchester County Health Care Corporation" herein.)

The County may contract indebtedness only for County purposes or for WCHCC and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. The County is authorized by the State Constitution to contract debt for objects or purposes which the State Legislature has determined to have a "period of probable usefulness" and the maximum maturity of such debt may not exceed the period of probable usefulness of the object or purpose or, in the alternative, the weighted average period of probable usefulness of the several objects or purpose for which it is contracted. Bonds must mature in annual installments and may be issued to finance any object or purpose for which a "period of probable usefulness" has been determined by the State Legislature. No annual installment of a serial bond may be more than 50% in excess of the smallest prior installment unless the County Board of Legislators provides for substantially level or declining debt service payments in the manner prescribed by the State Legislature. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness is required to be paid in annual installments commencing no later than two years after the date such indebtedness has been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute.

Debt Limit. The County has the power to contract indebtedness for any lawful County purpose so long as the principal amount thereof shall not exceed seven per centum of the five year average full valuation of taxable real estate of the County and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining average full valuation is calculated by taking the assessed valuations of taxable real estate for the last five completed assessment rolls and applying thereto the ratio which such assessed valuation bears to the full valuation; full valuation is determined by the New York State Office of Real Property Services or such other State agency or officer as the State Legislature shall direct. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

The following table sets forth the debt limit of the County and its debt contracting margin under such constitutional standard.

TABLE 6
Summary of Constitutional Debt Statement Prepared as of August 1, 2004

Five year average full valuation of taxable real property	<u>\$ 83,975,188,310</u>
Debt limit (7% thereof)	<u>5,878,263,182</u>
Outstanding indebtedness:	
Bonds	678,834,390 (a)
Bond Anticipation Notes	<u>48,323,912 (b)</u>
Total Bonds and Notes	<u>727,158,302</u>
Less Exclusions:	
2004 Debt Service Appropriations (Principal only) Non-District	51,015,013
2004 Debt Service Appropriations (Principal only) Districts	14,858,779
Certain Sewer District Debt	77,286,090
Water District Debt	<u>3,650,694</u>
	<u>146,810,576</u>
Total Net Indebtedness	<u>580,347,727</u>
Net Debt — contracting margin	<u>\$ 5,297,915,455</u>
Percentage of Debt Contracting Power Exhausted as of 8/1/04	<u>9.87%</u>
Add additional debt giving effect to this financing	<u>4,280,000</u>
Proforma total net indebtedness	<u>584,627,727</u>
Proforma percentage net contracting margin exhausted 8/1/04	<u>9.95%</u>
Guaranteed WCHCC debt	<u>145,230,000 (c)</u>
Proforma maximum total net indebtedness and WCHCC guaranteed debt	<u>729,857,727 (c)</u>
Proforma maximum percentage net contracting margin exhausted 8/1/04	<u>12.42%</u>

(a) See Table 7 for Advance Refunded Debt and Table 8 for escrowed WCHCC rent payments, which are excluded from the above table.

(b) Non interest bearing Notes sold to the New York State Environmental Facilities Corporation on November 25, 2001, September 26, 2002, and February 6, 2003.

(c) The County has authorized the guarantee of certain debt to be issued by WCHCC up to a maximum amount of \$213,065,000. The amounts and the timing of their debt issuance are determined by WCHCC. WCHCC issued debt in the amount of \$141,860,000 of the above-mentioned \$213,065,000 on November 14, 2000. The County issued General Obligation Bonds in the amount of \$19,835,000 on December 18, 2002 for the benefit of WCHCC. On December 23, 2003 the County issued \$6,230,000 of General Obligation Bonds for the benefit of WCHCC. (See "Guaranty Agreement and Bonds" under "Hospital Governance/Westchester County Health Care Corporation" herein.)

There is no constitutional limitation on the amount that may be raised by the County by tax on real estate in any fiscal year to pay interest and principal on all indebtedness.

The County, through the New York State Environmental Facilities Corporation (NYS EFC), has advance refunded a portion of the County sewer debt originally issued in the County's 1989, 1990A, 1991A, 1992B, 1993B, 1994, 1995, 1996, 1997D and 1999 bond issues. The sewer debt was refunded through the County's 1991A, 1997B, 1997C, 2001B, 2001C, 2001D and 2002A bonds issued to the NYS EFC. The County advance refunded additional portions of debt it originally issued in its 1992A, 1992B, 1994 and 1995 bond issues. This debt was refunded through the County's 1998B Bond Issue. The County has also refunded a portion of its 1993A, 1993B, 1995A, 1996, 1997D, 1998A, 1999 and 2000C through its 2003D bond issue.

TABLE 7**Advance Refunded and Escrowed Bonded Debt as of August 1, 2004**

	Principal	Interest	Total
2004	\$ 6,460,794	\$ 2,086,281	\$ 8,547,075
2005	3,984,054	3,820,137	7,804,191
2006	5,030,512	3,629,521	8,660,032
2007	6,507,171	3,393,081	9,900,253
2008	6,836,035	3,080,551	9,916,586
2009	6,753,102	2,763,555	9,516,657
2010	10,175,726	2,449,572	12,625,298
2011	9,887,542	1,982,552	11,870,094
2012	10,481,540	1,523,306	12,004,846
2013	8,859,054	1,032,828	9,891,882
2014	4,599,724	615,295	5,215,019
2015	3,648,000	295,710	3,943,710
2016	1,733,000	113,908	1,846,908
2017	532,000	26,830	558,830
2018	20,000	2,100	22,100
2019	20,000	1,050	21,050
	<u>\$ 85,528,253</u>	<u>\$ 26,816,276</u>	<u>\$ 112,344,529</u>

On November 14, 2000, WCHCC sold \$255,100,000 in bonds. A portion of those bond proceeds were placed in an irrevocable trust to provide for all future debt service payments on that portion of County Bonds which were issued to fund WCHCC projects. The County considers these bonds to be economically defeased. Accordingly, the trust account assets and the liability for these bonds are not included in the County's financial statements. (See "Transition Agreement" under "Hospital Governance/Westchester County Health Care Corporation" herein.)

TABLE 8**WCHCC Escrowed Rent Payments as of August 1, 2004**

	Principal	Interest	Total
2004	\$ 1,544,678	\$ 241,821	\$ 1,786,498
2005	1,319,206	310,809	1,630,015
2006	1,153,994	289,301	1,443,295
2007	660,862	197,244	858,105
2008	479,682	211,061	690,743
2009	481,118	194,276	675,394
2010	434,967	134,385	569,352
2011	353,598	116,261	469,859
2012	265,286	101,758	367,044
2013	264,199	91,334	355,533
2014	263,180	80,840	344,021
2015	248,000	28,901	276,901
2016	188,000	17,390	205,390
2017	188,000	8,695	196,695
	<u>\$ 7,844,770</u>	<u>\$ 2,024,075</u>	<u>\$ 9,868,845</u>

General. The County is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the County so as to prevent abuses in taxation and assessments and in contracting indebtedness; however, as has been noted under "Nature of Obligation", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the County to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the County to borrow and incur indebtedness by the enactment of the Local Finance Law, subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including County Law and General Municipal Law of New York State and the County Charter.

In contrast to all other counties in the State, the County is required by the Local Finance Law to submit a bond act adopted by its Board of Legislators authorizing bonds in excess of \$10,000,000 to finance any capital improvement to a mandatory referendum of County voters. Approval by a majority of votes cast is necessary before such bond act is effective. Exceptions to this requirement include bond acts for sewage, solid waste and hospital facilities. Although there is no present proposal being considered by the County for other exceptions to, or for the repeal of this referendum requirement, no assurance can be given that such exceptions or repeal will not be enacted by the State Legislature.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond act, which, in effect, estops legal challenges to the validity of obligations authorized by such bond act except for alleged constitutional violations.

The Board, as the finance board of the County, has the power to enact bond acts and acts authorizing bond anticipation notes to be issued in anticipation of the bonds authorized by such bond acts. In addition, such finance board has the power to authorize the issuance of bonds and notes, including the Bonds. However, such finance board may delegate, and has delegated, its powers in relation to the sale of the Bonds to the Commissioner of Finance, the chief fiscal officer of the County under its Charter.

The Local Finance Law also contains provisions providing the County with power to issue general obligation revenue and tax anticipation notes and general obligation budget and capital notes (see "Temporary Borrowing").

Remedies Upon Default

Under current law, provision is made for contract creditors of the County to enforce payments upon such contracts, if necessary, through court action; although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of current funds or the proceeds of a tax levy.

The Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any such obligations.

The State has consented that any municipality in the State may file a petition with any United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debts including judicial control over identifiable and unidentifiable creditors.

In recent times, certain events and legislation affecting remedies on default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in municipalities of the State require the exercise by the State of its emergency and police powers to assure the continuation of essential public services.

No principal or interest payment on County indebtedness is past due. The County has never defaulted in the payment of the principal of or interest on any indebtedness.

Outstanding County Debt

The following table shows all general obligation bonded indebtedness for the payment of the principal and interest on which the County has pledged its faith and credit.

TABLE 9
County Long-Term Bond Obligation Indebtedness (a)
Principal Amount Outstanding as of August 1, 2004

Parks and Parkways.....	\$ 77,768,805
Roads and Bridges.....	49,306,849
Airport	22,034,620
Courthouse.....	1,053,377
Correctional Facilities.....	87,906,066
Community College.....	14,339,138
WCHCC	26,065,000
Transportation.....	9,505,940
Laboratories and Research.....	7,957,491
Other Buildings and Miscellaneous.....	165,738,555
Refuse Disposal District	25,377,743 (b)
Water District 2	1,479,101 (b)
Water District 3	2,460,984 (b)
Sewer Districts.....	<u>236,164,633 (b)(c)</u>
Gross County Long-Term Bond Debt	727,158,302
Deduct District debt.....	<u>265,482,462</u>
Net long-term debt	461,675,840
Add new bonds	<u>4,280,000</u>
Proforma net long-term debt as of August 1, 2004	<u>\$ 465,955,840</u>

- (a) See Table 7 for Advance Refunded Debt and Table 8 for escrowed WCHCC rent payments, which are excluded from the above table.
- (b) Debt service and operating costs of sewer, water and refuse disposal districts, established pursuant to law, primarily funded by a special annual ad valorem tax or assessment for each district as well as by fees or charges. (See "Assessed and Full Valuation, County Tax Levy and Rates" herein.)
- (c) Includes Bond Anticipation Notes of \$48,323,912 sold to the New York State Environmental Facilities Corporation for various sewer projects through the EFC's 2001B, 2002A and 2003A zero interest loan program.

In addition to the foregoing debt, the County has contractual obligations pursuant to which it is indirectly responsible for the payment of debt such as with the solid waste service fees paid to Wheelabrator (see "Utility Services" herein) and the courthouse project (see "Summary of Significant Contingencies and Commitments" herein).

Debt Ratios

The following table sets forth certain ratios relating to the County's gross and net direct general obligation indebtedness.

TABLE 10
Debt Ratios as of August 1, 2004

	<u>Amount (a)(b)</u>	<u>Per Capita (c)</u>	<u>Estimated Percentage Full Value (d)</u>
Gross Long-Term Bond Debt.....	\$ 727,158,302	\$ 787	0.53%
Net Long-Term Bond Debt	461,675,840	500	0.34%
Proforma Gross Long-Term Bond Debt.....	731,438,302	792	0.54%
Proforma Net Long-Term Bond Debt.....	465,955,840	505	0.34%

- (a) See Table 7 for Advance Refunded Debt and Table 8 for escrowed WCHCC rent payments, which are excluded from the above table.
- (b) Includes Bond Anticipation Notes of \$48,323,912 sold to the New York State Environmental Facilities Corporation for various sewer projects through the NYS EFC's 2001B, 2002A and 2003A zero interest loan program.
- (c) Westchester County's 2000 population was 923,459, according to the U.S. Bureau of the Census.
- (d) The estimated full value of taxable real estate in the County for 2004 was computed by use of the Westchester County Tax Commission rates. See Table 19 herein.

Debt Service Schedule

The following schedule sets forth all principal and interest payments presently required on all outstanding long-term bond indebtedness of the County.

TABLE 11
Summary of Principal and Interest on County Long-Term Bond Indebtedness
as of August 1, 2004

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 61,941,078	\$ 12,751,244	\$ 74,692,321
2005	67,446,640	25,986,983	93,433,623
2006	63,523,552	23,411,335	86,934,887
2007	58,300,686	20,763,271	79,063,957
2008	52,776,213	18,744,994	71,521,208
2009	47,986,791	16,564,877	64,551,668
2010	43,645,641	14,512,171	58,157,813
2011	39,478,167	12,813,558	52,291,725
2012	34,681,714	11,196,952	45,878,666
2013	30,272,700	9,730,193	40,002,892
2014	28,233,210	8,453,592	36,686,802
2015	26,684,000	6,786,163	33,470,163
2016	24,694,000	5,631,708	30,325,708
2017	22,080,000	4,556,237	26,636,237
2018	17,550,000	3,587,715	21,137,715
2019	12,250,000	2,805,100	15,055,100
2020	7,415,000	2,234,017	9,649,017
2021	6,305,000	1,884,679	8,189,679
2022	3,345,000	1,589,569	4,934,569
2023	2,770,000	1,433,893	4,203,893
2024	2,770,000	1,303,468	4,073,468
2025	2,760,000	1,173,461	3,933,461
2026	2,750,000	1,041,564	3,791,564
2027	2,745,000	908,176	3,653,176
2028	2,745,000	775,042	3,520,042
2029	2,745,000	641,713	3,386,713
2030	2,740,000	507,266	3,247,266
2031	2,735,000	372,935	3,107,935
2032	2,735,000	238,861	2,973,861
2033	2,730,000	104,903	2,834,903
	\$ 678,834,390	\$ 212,505,638	\$ 891,340,028

- (a) See Table 7 for Advance Refunded Debt and Table 8 for WCHCC Escrowed Rent Payments, which are excluded from the above table.
- (b) Includes \$4,325,155 capital appreciation to maturity on the Capital Appreciation Bonds issued November 1994.
- (c) Excludes Bond Anticipation Notes of \$48,323,912 sold to the New York State Environmental Facilities Corporation for various sewer projects through the EFC's 2001B, 2002A and 2003A zero interest loan program.
- (d) See "Hospital Governance/Westchester County Health Care Corporation" herein.

Trend of Outstanding Long-Term County Indebtedness

The following schedule sets forth the total long-term bond indebtedness outstanding at the end of each of the last ten fiscal years:

TABLE 12
Outstanding Long-Term County Indebtedness (a)
As of December 31

<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
1994	\$ 548,097,402	1999	548,660,416
1995	555,777,402	2000	509,152,460
1996	544,537,402	2001	531,632,331
1997	578,870,817	2002	614,293,956
1998	566,834,020	2003	641,470,868

(a) See Table 7 for Advance Refunded Debt and Table 8 for WCHCC Escrowed Rent Payments, which are excluded from the above table.

Summary of Significant Contingencies and Commitments

The County financed \$133,007,717 over 25 years through the Dormitory Authority of the State of New York (the "Authority") in connection with the implementation of the County's Court Facilities Capital Plan for the Westchester County Courthouse rehabilitation and facade replacement, and construction of a three-story courthouse annex (the "Project"). In December 1998, the County conveyed to the Authority title to the Courthouse property, including buildings and improvements thereon or to be erected thereon. The parties entered into a Lease and Agreement (the "Lease") by which the Authority leases the property back to the County. When the Lease term has expired and all of the bonds have been paid in full, the Authority will convey back to the County all of the property and the improvements thereon. In 2004, the County will pay Basic Rent of \$10,784,838, consisting of payments toward the interest and principal on the bonds issued to finance the project and sinking fund installments of the outstanding bonds, for the term of the Lease. The County has the option to make prepayments toward the Basic Rent, to be used for the purchase or redemption of the Project bonds. The Authority's bonds are not general obligations of the County.

(See also "Guaranty Agreements and Bonds" under "Hospital Governance/Westchester County Health Care Corporation" herein for a description of certain guarantee obligations of the County for indebtedness issued by WCHCC.)

Future Issuance of General Obligation Indebtedness

The County Charter establishes a capital program procedure to provide the County with five-year projections of capital projects and estimates of expenditures required. These expenditures are financed from current annual appropriations, the proceeds of bonds and notes and other sources, such as federal and State funds. Bond issuance authority is generally subject to the referendum requirement for bond acts authorizing bonds in excess of \$10,000,000 for any capital improvement. (See "County Indebtedness-Statutory Procedure" herein.)

A Capital Projects Committee, composed of the County Executive as Chairman, the Budget Director and other designated heads of Executive Departments, the Chairman of the Board and the Chairman of its Budget and Appropriations Committee, meet to prepare the proposed capital plan for the ensuing five years. They are required to consider the feasibility of all proposed capital projects in reference to their necessity, priority, location, costs and method of financing, and the plan is required to be printed with the County budget.

The County is required by its Charter to adopt a capital budget annually. Each capital project which is either contemplated or commenced is reflected in either the capital plan or the capital budget. Whenever the County determines to finance the costs of a capital project by borrowing, it adopts acts authorizing bonds and bond anticipation notes. Notwithstanding the inclusion of a capital project in the capital plan or budget or in a bond act, the County may at any time eliminate or terminate such project, subject to any contract liabilities theretofore incurred.

In general, the County has provided for capital projects in accordance with the foregoing capital program procedure, although the County may adopt a bond act even though the project for which it is adopted has not been in any previous capital plan so long as the capital budget is amended.

The County capital project plan will necessitate further financing by the issuance of bonds and/or bond anticipation notes. General improvement and reconstruction of County roads and bridges will continue as required. Additional building construction and capital improvements at various County facilities including the Westchester Community College and correctional facilities on the Valhalla Campus are anticipated. Recreational improvements and improvement of public transportation facilities, including acquisition of new equipment, may be financed during the next several years. In addition, financing will be required for the expansion of County sewer districts and for expansion of County Refuse Disposal District No. 1 facilities.

On July 22, 2004, the County, through the NYS EFC, issued \$43,491,522 of long-term bonds, the 2004A Bonds. This issue was comprised of four components: the first part was the issuance of \$2,921,434 of new money. The second part was the conversion of \$4,766,800 of the then outstanding \$4,940,800 2001B Bond Anticipation Notes (BANs) issued through the NYS EFC into long-term bonds. A principal reduction of \$174,000 will be made on these BANs on August 16, 2004. The 2001B BANs will then be fully defeased. The third part is the conversion of \$32,507,288 of the then outstanding \$72,653,200 2002A BANs issued by the NYS EFC into long-term bonds. The current outstanding balance on the 2002A BANs is \$40,145,912. This amount will be reduced by a principal reduction payment of \$525,000 on August 16, 2004, reducing the balance to \$39,620,912. The fourth and final part of the 2004A Bonds is the conversion of \$3,296,000 of the then outstanding \$11,300,000 2003A BANs issued through the NYS EFC into long-term bonds. The current outstanding balance on the 2003A BANs is \$8,004,000, which will be further reduced by a principal reduction payment of \$4,000 on August 16, 2004, reducing the balance to \$8,000,000.

TABLE 13
Capital Budget Projection
As of August 1, 2004
(Dollars in Thousands)

	Estimated Total Costs(a)	Cumulative Appropriations (b)	Cash Operating Budgets (d)	Other Financings (d)	Financing (c)	Bonds Issued (f)	Bonds Anticipated (g)
					Aggregate Bonding Issued and Anticipated (e)		
Buildings	\$ 742,213	\$ 518,196	\$ 19,934	\$ 49,506	\$ 448,756	\$ 372,940	\$ 75,816
Parkways	50,895	41,095	730	19,500	20,865	14,520	6,345
Roads and Bridges..	185,390	100,734	518	60,542	39,674	33,142	6,532
Recreation Facilities	333,972	141,282	2,743	1,350	137,189	107,197	29,992
Transportation	267,884	166,684	1,452	132,177	33,055	28,117	4,938
Airport	178,007	103,202	15,226	59,794	28,181	20,992	7,189
County-wide	1,758,361	1,071,193	40,603	322,869	707,720	576,908	130,812
Refuse Disposal							
District.....	53,230	41,869	250	2,000	39,619	35,500	4,119
Sewer and							
Water District	2,151,456	326,853	19,870	46,106	260,877	218,103	42,774
Totals.....	<u>\$ 3,963,047</u>	<u>\$ 1,439,915</u>	<u>\$ 60,723</u>	<u>\$ 370,975</u>	<u>\$ 1,008,216</u>	<u>\$ 830,511</u>	<u>\$ 177,705</u>

- (a) As estimated in the capital plan, but not necessarily appropriated. Includes projects not yet under the capital budget or subject of a Bond Act. No assurance can be given that the actual cost will not be greater than estimated, in part because of the anticipatory nature of capital planning.
- (b) As provided in the capital budgets, which provide for the authorization to spend and the plan of financing. Such appropriations remain in effect until the project is completed or terminated.
- (c) As provided in the capital budgets. The County is not committed to the issuance of such bonds and, generally, reduces the final amount of the issue by transfers from the operating budgets and from other sources such as Federal and State funds.
- (d) Reflects cash from operating budgets for the retirement of certain bond anticipation notes and from other revenues such as Federal and State funds.
- (e) As provided in the capital budget. Includes all bonds issued or anticipated to be issued for the capital projects. Bond anticipation notes may be issued pending the sale of the bonds.
- (f) Bonds in the amounts indicated have been issued in prior years. Certain of these bonds have matured and been retired. Completed projects and bonds issued therefore are not shown since they are not in the capital budget.
- (g) Represents the difference between "aggregate bonding" and "bonds issued."

Temporary Borrowing

Bond Anticipation Notes. The following table lists the ten year history of bond anticipation notes.

TABLE 14
Bond Anticipation Notes

<u>Fiscal Year</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance as of December 31</u>
1995	—	—	—
1996	—	—	—
1997	—	—	—
1998	—	—	—
1999	\$ 3,800,000	\$ 3,800,000	—
2000	14,925,000 (a)	—	\$ 14,925,000
2001	57,962,242 (a)	8,298,154	64,589,088
2002	73,903,200 (a)	20,508,132	117,984,156
2003	11,300,000 (a)	40,284,156 (b)	89,000,000
2004	—	40,676,088	48,323,912 (b)

(a) Issued to the New York State Environmental Facilities Corporation.

(b) As of August 1, 2004.

Tax Anticipation Notes. The following table shows the annual issues of tax anticipation notes since 1995.

TABLE 15
Tax Anticipation Notes

<u>Fiscal Year</u>	<u>Issued</u>	<u>Retired</u>	<u>December 31</u>
1995	\$ 75,000,000	\$ 75,000,000	—
1996	100,000,000	100,000,000	—
1997	100,000,000	100,000,000	—
1998	100,000,000	100,000,000	—
1999	75,000,000	75,000,000	—
2000	—	—	—
2001	—	—	—
2002	—	—	—
2003	—	—	—
2004	50,000,000	50,000,000	(a)

(a) As of August 1, 2004.

Except for tax anticipation notes issued during the period shown in Table 15, the County has not issued revenue anticipation notes or any other form of short-term obligations to finance operating cash-flow needs. The timing of the receipt of taxes and other revenues (including Federal and State aid) and its need for such monies, together with its control of the timing of expenditures, has in the past enabled the County to minimize the need for short-term financing.

For the years 1995 through 2004, the County's cash flow was affected by delays in the receipt of State aid due to the State's inability to pass its budgets on time.

Underlying Indebtedness of Political Subdivisions Within the County

The estimated gross outstanding indebtedness of other governmental entities within the County, based on unverified information furnished by such entities, is as follows:

TABLE 16
Estimated Underlying Indebtedness
As of December 31, 2003

Cities: Yonkers	\$ 247,945,000
Peekskill	23,609,700
Rye	18,805,000
White Plains	66,557,700
Mount Vernon	6,426,032
New Rochelle	88,561,681
Nineteen Towns	214,430,431
Twenty-three Villages	240,247,223
Forty-eight School Districts.....	<u>1,264,006,661</u> (a)
Overall Estimated Underlying Gross Debt	<u>\$ 2,170,589,428</u> (b)

(a) Net of State Building Aid of \$20,721,734.

(b) Does not include deductions for self-supporting debt.

FINANCIAL FACTORS

County finances are operated primarily through its General Fund. All taxes and most non-tax revenues are paid into it and all current operating expenditures are made from it pursuant to legislative appropriations. The County also has sewer, water and refuse disposal districts which are managed through individual district funds into which all special tax levies for these purposes are paid and from which all expenditures are made. There is also a Capital Projects Fund used for purposes of capital construction, revenues for which are derived through appropriations in the operating budget, sale of bonds and bond anticipation notes, and State and federal receipts. The County's fiscal year begins January 1 and ends December 31. Financial statements for the County are included in Appendix A of this Official Statement. Appendix B of this Official Statement contains summaries of the Airport Fund budgets for 2002 through 2004, as amended.

Revenues

The County derives its revenues from: State and Federal aid, a direct tax levy on real property, a 1½% County-wide sales tax, which was increased on October 15, 1991 to 2½% in the towns and in those cities which have not imposed their own sales tax, a hotel occupancy tax, a motor vehicle tax, departmental fees and charges.

Real Property Tax

The County derives approximately 29% of its annual revenues through a direct real property tax. Set forth in the following table is the amount of the annual tax levy of the County for the past five years.

TABLE 17
Real Property Tax

	<u>Amended 2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Tax Levy for County Purposes	\$ 479,307,830	\$ 403,401,762	\$ 351,138,011	\$ 338,325,430	\$ 356,716,080	\$ 363,158,394
Tax Levy for Sewer, Water and Refuse Disposal Districts	<u>124,566,000</u>	<u>116,922,870</u>	<u>105,821,650</u>	<u>107,031,410</u>	<u>105,732,000</u>	<u>108,227,010</u>
	<u>\$ 603,873,830</u>	<u>\$ 520,324,632</u>	<u>\$ 456,959,661</u>	<u>\$ 445,356,840</u>	<u>\$ 462,448,080</u>	<u>\$ 471,385,404</u>

Tax Limit. The amount that may be raised by the County-wide tax levy on real estate in any fiscal year for purposes other than for debt service on County indebtedness, is limited to one and one-half per centum (subject to increase up to two per centum by State legislative enactment) of the average full valuation of taxable real estate of the County.

The following table sets forth such real estate taxing limit of the County for the fiscal year 2004.

TABLE 18
Computation of Constitutional Taxing Power
For the Fiscal Year 2004

<u>Year</u>	<u>2004 Full Valuation of Real Estate</u> (a)
1999.....	\$ 72,854,956,520
2000.....	73,846,979,489
2001.....	81,833,024,754
2002.....	90,284,817,994
2003.....	101,056,162,793
Total	<u>\$ 419,875,941,550</u>
Five-year average full valuation.....	<u>\$ 83,975,188,310</u>
Tax Limit: (1.5%).....	1,259,627,825
Total Additions.....	<u>105,394,277 (b)</u>
Total taxing power	1,365,022,102
Total levy for 2004	<u>479,307,830</u>
Tax Margin.....	<u>\$ 885,714,272</u>

(a) Data taken from official New York State Equalization Tables as established by the New York State Board of Equalization and Assessment.

(b) The following items in the 2004 amended budget are excludable from the Constitutional Tax Limit: Debt Service, \$102,198,674; taxes levied to pay costs of capital projects on a current basis without resorting to borrowing, \$3,195,277, for equipment replacements.

Assessed and Full Valuation, County Tax Levy and Rates

The following table sets forth five years of the assessed and full valuation of taxable real property, the County's real property tax levy for County purposes and rates of tax per \$1,000.

TABLE 19
Valuation, Tax Levy and Rates

<u>Year</u>	<u>Assessed Valuation</u> (a)	<u>Full Valuation</u> (a)	<u>Levied for County Purposes</u>	<u>Rate per \$1,000 of Assessed Valuation</u>
2004	\$ 9,123,103,791	\$ 136,336,055,634	\$ 479,307,830	52.54
2003	8,864,268,966	102,168,437,341	403,401,762	47.05
2002	8,573,501,923	91,745,357,988	351,138,011	40.95
2001	8,303,376,843	83,791,204,647	338,325,430	40.75
2000	8,081,611,883	75,406,233,748	356,716,080	44.14

(a) Westchester County Tax Commission.

The County-wide real estate tax levy is determined by subtracting all other available revenues from total expenditures necessary for County purposes and District purposes.

The County-wide real estate tax levy is collected by the cities and towns within the County, each of which constitutes a separate tax district and, as such, is required by statute to collect its proportionate share of such tax levy. Payment of such share must be made to the Commissioner of Finance of the County as collected, and in any event, not less than sixty per centum must be paid by May 25th and the balance must be paid by October 15th of the year for which such taxes are levied.

Unlike most other counties within the State, the County is not legally responsible or liable to the cities, towns, and other municipal corporations and school districts in the County for the amount of any unpaid delinquent County or local taxes. Instead, pursuant to applicable provisions of its Charter and Administrative Code and the State Real Property Tax Law, the County is required to include the amount of any unpaid County-wide taxes in the levy for the subsequent fiscal

year on the particular tax district. Consequently, the cities and towns within the County remain liable for the collection of delinquent taxes and bear the burden of enforcement procedures.

However, in the event of the failure of a tax district to pay when due the full amount of its share of taxes payable to the County, the County may sell tax anticipation notes, which notes are redeemable out of such delinquent taxes and any penalties thereon which are payable by the tax district to the County. The County last sold tax anticipation notes for this purpose in 1972. (See "Tax Collection Record" and "Temporary Borrowing.")

These statutes relating to collection of the County-wide tax levy place the burden for collecting unpaid delinquent taxes together with enforcement proceedings therefor, upon the respective tax district, with the result that any liability for unpaid delinquent taxes is not shared by all County taxpayers.

Tax Collection Record

Set forth below (and as a result of the statutory requirements above) is the tax collection record of the County and district levies for the past five years.

TABLE 20

Tax Collection Record

<u>Fiscal Year Ending December 31</u>	<u>Total Ad Valorem or General Property Tax</u>	<u>Actual Collection</u>	<u>Uncollected at End of Tax or Fiscal Year</u>
2004	\$ 603,873,830	\$ 362,324,298 (a)	\$
2003	520,324,632	520,324,632	—
2002	456,959,661	456,959,661	—
2001	445,356,840	445,356,840	—
2000	462,448,080	462,448,080	—

(a) As of August 1, 2004.

Sales Tax

The County presently imposes a 1½% County-wide sales and use tax on all retail sales. This, in addition to the present 4¼% State sales tax and a ¼% sales tax levied in the Metropolitan Transportation Authority District, provides a minimum combined sales tax in the County of 6%. In addition, the cities in the County have the power under State law to impose by local law and State legislative enactment their own sales and use taxes. At present, such taxes are imposed at a rate of 2% in the City of White Plains and at 2 ½% in Mount Vernon, New Rochelle, and Yonkers.

In July 1991, the State Legislature authorized an additional 1% sales tax for the County to impose in localities other than cities which have their own sales tax. This additional 1% sales tax became effective on October 15, 1991 and has been extended through May 31, 2006. The additional 1% sales tax is to be apportioned between the County (33 ⅓%), school districts in the County (16 ⅔%) and towns, villages and cities in the County which have not imposed sales taxes (50%).

In February, 2004, the State Legislature authorized an increase to the additional 1% sales tax, which was originally enacted in July, 1991, of an additional ½ percentage point. The County will retain 70% of that ½ percentage point increase with the balance of 30% to be shared with the municipalities (20%) and school districts (10%). This increase has been in effect from March 1, 2004. This additional ½ percentage point will expire on May 31, 2006.

Other Revenues

The Hotel Occupancy Tax went into effect on January 1, 1988. In 2003, the County realized \$4,207,246 from imposition of the tax. Budgeted revenues are \$4,335,000 for 2004.

The Motor Vehicle Tax, which became effective in the third quarter of 1991, generated revenue of \$4,988,152 in 2003. The budget estimate is \$9,215,000 for 2004. The 2004 estimate is based on the authority to triple the fees for 10 months. Due to delays in implementation, these increases did not take effect until June 1st.

The 2003 budget estimate for Federal and State aid was \$370.1 million for all categories including social services programs, mental health, public health, transportation and other County programs. The County actually earned \$394.6 million in Federal and State aid in 2003.

The 2004 budget anticipates a total of \$370.8 million of Federal and State aid, which includes \$241.6 million in Federal and State aid for Social Service programs and \$129.2 million for mental health, public health, transportation and

other County programs. Of such amounts, approximately 34.8% (\$129.2 million) is Federal aid and 65.2% (\$241.6 million) is State aid.

In recent years, the County has had surplus funds available from operations. A portion of these funds has been used from time to time during the course of the fiscal year to finance supplemental appropriations for unanticipated County needs. The balance of such surplus funds are available for appropriation in the budget adopted for the second fiscal year following the year in which such surplus resulted.

The County also anticipates receiving approximately \$180.7 million in federal, State and private grants in 2003. These grants are not appropriated as part of the Operating Budget and are used primarily to augment current operations and for special demonstration projects and programs. Should funding for any such grant be stopped at any point, it is the policy and general practice of the County to suspend such programs funded by such grants. This policy has been reaffirmed in recent acts adopting the Operating Budget in the following terms: "Where personnel are employed under a grant or a trust, such employment shall terminate at the expiration of funds provided by the trust or grant."

Expenditures

The County's major expenditures are primarily for social services, public health, public safety and transportation. Municipalities and school districts located within the County provide primary police and fire protection, refuse collection and primary and secondary education. General Fund expenditures and other financing uses totaled \$1,200.8 million during 2003, of which 40.6% was spent for Economic Assistance.

The 2004 Operating Budget for the General Fund anticipates expenditures and other financing uses to total \$1.42 billion with an estimated 37% being spent on economic assistance.

As a result of Chapter 966 of the New York Laws 1976, a unified State-wide Court System was established in April 1977. The counties are no longer fiscally responsible for those operations assumed by the State. Costs not assumed by the County, representing \$44.5 million for 2003 and \$53.6 million in 2004, include charges for rentals, debt service for and equipment and maintenance of County-owned facilities and certain support services provided to the courts.

TABLE 21
Expenditures by Major Category
General Fund
(Dollars in Thousands)

	Amended Budget 2004 (a)	Actuals				
		2003	2002	2001	2000	1999
General Government	\$ 110,292	\$ 78,236	\$ 79,331	\$ 73,984	\$ 80,454	\$ 78,142
Education	133,224	123,146	111,140	91,518	74,022	59,174
Public Safety	186,779	176,301	178,914	172,411	159,701	148,088
Health.....	46,828	46,027	52,667	45,063	45,804	131,059
Transportation.....	75,930	72,673	71,751	67,035	61,804	61,451
Economic Assistance	531,674	487,347	481,880	441,760	424,466	418,514
Culture and Recreation.....	41,521	38,271	38,934	38,474	34,085	30,824
Home and Community Services.....	3,286	2,702	3,105	3,026	2,546	2,071
Employee Benefits	137,473	105,009	85,269	83,596	79,410	74,955
Capital Outlay.....	783	845	1,825	2,120	1,204	1,350
Debt Service.....	68,023	70,239	65,120	60,988	62,259	72,724
Transfers Out	2,588	3,300	3,640	19,375	18,182	19,019
WCHCC Credit Support	85,000 ^(b)	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Total Expenditures	\$ 1,423,401	\$ 1,204,096	\$ 1,173,576	\$ 1,099,350	\$ 1,043,937	\$1,097,371

(a) As amended through August 1, 2004.

(b) This is an appropriation to provide credit support and is offset by an equal amount in revenue.

County Deposits and Investments

New York State law strictly limits the investments of county funds and requires counties to designate, with legislative approval, one or more banks or trust companies for the deposit of public funds. All deposits must be made to the credit of the county and all such deposits in excess of the amount insured under the provisions of the Federal Deposit Insurance Act must be fully collateralized by "eligible securities" held pursuant to agreement (under New York State Law) between the county and each depository bank. Eligible securities that the County utilizes as collateral by the banks for benefit of the County, include the following:

- 1) Obligations issued by the United States of America, an agency thereof or a United States Government sponsored corporation or agency obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America.

- 2) Obligations issued or fully insured or guaranteed by New York State, obligations issued by a municipal corporation, school district or district corporation of New York State or obligations of any public benefit corporation which, under a specific New York State statute, may be accepted as security for deposit or public monies.
- 3) Zero-Coupon obligations of the United States government marketed as "Treasury STRIPS" (which may be utilized to match-fund specific obligations).

Collateral agreements entered into by the County must stipulate that eligible securities are pledged by the bank as security for County deposits and must provide the conditions under which the securities held may be valued, sold, presented for payment, or released and the events of default which will enable the County to exercise its rights and define its obligations as they relate to the pledged securities. Such collateral agreements must also provide that pledged securities will be held by a bank as agent and custodian for the County, will be kept separate and apart from the general assets of the bank and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities of the bank.

The County has the power to invest funds of the County not required for immediate expenditure in special time deposit accounts in, or certificates of deposits issued by, a bank or trust company located and authorized to do business in the State of New York. Any such investments must be payable within such times as the proceeds shall be needed to meet expenditures for which such monies were obtained and must provide that such time deposit account or certificate of deposit be collateralized in the same manner as provided for deposits above. All such temporary investments are structured to be payable or redeemable at the option of the County within such times as the proceeds will be needed by the County. This "matching" investment policy frees the County from having to sell such investments prior to maturity or redemption and thereby avoids market risk for such investments. The County has no authority to apply County funds solely for investment purposes. The County may also make temporary investments of public funds in obligations of the United States of America where the payment of principal and interest are guaranteed by the United States of America or in obligations of the State of New York or with the approval of the New York State Comptroller in short-term obligations of New York State municipal corporations.

The County's written Investment Policy as approved by the Board of Legislators is conservative in practice as well as in design. All trading partners are either primary dealer investment banks chosen from The Federal Reserve Primary Dealer List or highly rated, well capitalized, commercial banks as determined by the County's own strict due diligence review.

Usual County investments consist of Certificates of Deposit, United States Government Bills, Bonds or Notes backed by the full faith and credit of the United States, and Repurchase Agreements based in the same United States Government securities, under standardized trading partner repurchase agreements. Such purchased securities are held with third party custodians until repurchase date and are marked to market daily, valued at 102% of the Repurchase Agreement contract.

Commercial bank Certificates of Deposit are collateralized with Bills, Bonds or Notes as described above and held for the benefit of the County.

BUDGETARY PROCESS

The Department of the Budget is by Charter responsible for the formulation and management of the budget and for its execution, revenue estimates, review and financial analysis. The Department assists the County Executive with the preparation of the budget and presentation to the Board of Legislators. Budget formulation commences in June of each year with a call for budget submissions to all County Departments. By September 10th of each year, Department Heads submit their requests for the next fiscal year with expenditure and revenue estimates. These estimates are reviewed by the Budget Department and the County Executive, and the County Executive's proposed budget is then presented to the Board on or before November 15. In turn, the Committee on Budget and Appropriations of the Board of Legislators reviews the proposed budget and makes recommendations to amend and/or adopt the budget by December 27. The Budget is presented on a department and program basis by object of expenditure and includes the general operating budget for the County, a budget for each of the water, sewer and refuse disposal districts and the capital budget for the County. The capital budget is presented with a five-year plan and is subject to a separate budget process, beginning April of each year and ending with the adoption of the capital budget program for the succeeding five years sometime in September. The budget document is published both in its proposed and adopted form. For the widest possible dissemination, the County's Budget is now available on the County's website at <http://www.westchestergov.com>.

The basic format and content of the operating and capital budgets are fixed by Charter. From time to time during the course of a fiscal year, additional appropriations and modifications of the budget may be enacted. Additional appropriations to the current year's budget requires the recommendation of the County Executive and approval of the Board.

FINANCIAL CONTROLS

During the course of the year, the Budget Department in addition to the Department of Finance maintains supervision and control over expenditures and appropriations and monitors revenues. At least monthly reports on the foregoing are rendered. Once adopted, the annual budget is released to the operating departments. No expenditures may be made unless they are included as part of an allocation. The County operates a full encumbrance accounting system based on allocations wherein requisitions, purchase orders and contracts are encumbered. In addition, all capital outlays must receive a separate allocation. Pursuant to the County Charter, with certain exceptions, contracts must receive prior approval by the Board of Acquisition and Contract, comprised of the Chairman of the Board, the County Executive and the Commissioner of Public Works. A position control system is maintained with respect to employment. The Commissioner of Finance may not disburse money unless appropriated and allocated and not in excess of the amount of the appropriation or allocation. No appropriation may be used for any purpose other than that for which it is made. All unencumbered balances in the General Fund appropriation for each fiscal year lapse on the last day of the fiscal year.

HOSPITAL GOVERNANCE/WESTCHESTER COUNTY HEALTH CARE CORPORATION

Prior to December 31, 1997, the County, through its Department of Hospitals, operated the Westchester County Medical Center and the Ruth Taylor Institute ("WCMC"). In February, 1997, the New York State Legislature amended the New York Public Authorities Law ("Public Authorities law") by adding a new Article 10-C, Title I, which contemplated that the needs of the residents of the State of New York and the County would best be served by transferring WCMC to a public benefit corporation and thereby creating the Westchester County Health Care Corporation ("WCHCC").

The County Board adopted Local Laws which amended the Charter to provide the County with the authority to lease certain premises to WCHCC and authorized the County to enter into agreements with the WCHCC in order to transfer the facilities and operations under the jurisdiction of the Department of Hospitals to WCHCC. On January 1, 1998, the facilities and operations under the jurisdiction of the Department of Hospitals were transferred to WCHCC. The Department of Hospitals ceased to exist as a County department and the WCHCC assumed complete operation of WCMC. Thereafter, on December 30, 1998, the County and WCHCC entered into a Transition Agreement which amended and restated a 1997 Operating Agreement and also entered into a Restated and Amended Lease Agreement which superseded a 1997 Lease Agreement.

Transition Agreement

Pursuant to a First Amendment to the Transition Agreement, dated as of December 21, 1999, between the County and WCHCC, in December 1999, the County prepaid certain funding obligations under the Transition Agreement in one lump-sum payment of \$63.4 million. The County's lump-sum payment, together with the reimbursement of the County's payment of \$26 million for fiscal year 1999, was funded by the sale by the County, on December 22, 1999, of its right to receive its portion of the State's allocable share of payments to be made by cigarette manufacturers under the Master Settlement Agreement entered into by the attorneys general of forty-six states, including New York, and the four largest United States tobacco manufacturers, to the Westchester Tobacco Asset Securitization Corporation ("WTASC"), a subsidiary of WCHCC, for \$89.4 million together with the right to receive all tobacco settlement residual payments. The First Amendment to the Transition Agreement also included the agreement of the County to enter into a guaranty agreement for all or a portion of WCHCC's indebtedness relating to the Children's Hospital Project, certain refinancing of existing indebtedness and capital program indebtedness. The County also acknowledged that its guaranty may be of indebtedness subordinate to bonds to be issued from time to time by WCHCC.

Pursuant to the Transition Agreement, the County transferred a total of \$54,484,775 from the County's 6-n liability and casualty reserve fund to WCHCC ("6-n reserves") which represented monies previously reserved for cases that had been brought against the County, acting by and through its Department of Hospitals, prior to the creation of the public benefit corporation in which the County is a named defendant and has ultimate liability for such claims. In exchange for the transfer of the 6-n reserves, WCHCC contractually agreed to indemnify and hold harmless the County for such liability and provide defense for the cases linked to the 6-n reserves ("6-n cases").

WCHCC advised the County that the 6-n reserves that were transferred had been exhausted in order to pay for judgments/settlements on a portion of these transferred cases, that there are still a number of open cases and that WCHCC does not have sufficient funds in its self insurance fund to pay for its aforementioned contractual obligation to defend, indemnify and hold harmless the County for these 6-n cases.

Notwithstanding WCHCC's contractual liability, the County is a named defendant in these open, transferred 6-n cases, and legally has the ultimate liability to pay these claims if WCHCC cannot honor its contractual obligations. The County

has the legal authority to issue bonds for judgments and settlements related to its own liabilities and for related legal defense costs.

In order to resolve this situation, the Board approved Local Law 17-2003 amending the Transition Agreement and also authorized the County to issue bonds in the amount of \$4.5 million pursuant to Bond Act 230-2003 in order to satisfy claims that must be paid in the near future. It should be noted that subsequent requests will be made by WCHCC for further bonding as the remaining claims mature.

Pursuant to a Second Amendment to the Transition Agreement dated as of December 1, 2003, the County agreed to relieve WCHCC of its obligation to pay from its own funds all liability and related defense costs with regard to certain 6-n cases listed in Schedule "A" attached to the Second Amendment based on WCHCC's agreement that it will be contractually bound to indemnify the County for the costs the County incurs related to these claims, including but not limited to, the County's costs of issuance, the settlement/judgment amounts, and the Corporation's related defense costs.

The Public Authorities Law authorized the County to make loans to WCHCC or provide credit support for the loans made by others to WCHCC for its working capital needs. The Transition Agreement fixes the County's Credit Support obligations remaining for the term of the agreement as follows:

2004	\$85 million	2006	\$75 million
2005	\$80 million	2007	\$70 million

In addition, the County may, after June 1st of each year, advance money to WCHCC to meet its reasonable working capital needs in exchange for note(s) of WCHCC which shall mature and be due and payable two (2) business days prior to the maturity date of any outstanding TAN borrowing of the County.

The County is obligated to guarantee the debt of WCHCC to the extent necessary to finance capital projects that appear in WCHCC's capital budget during the term of the Transition Agreement. If WCHCC cannot issue debt with the County's guarantee or if to do so would have a material adverse financial impact on WCHCC, then the County will be obligated to issue County Bonds to fund capital projects of WCHCC.

Guaranty Agreements and Bonds

Pursuant to the terms of the Guaranty Agreement dated as of November 1, 2000 between the County and WCHCC (the "Guaranty Agreement"), the County has agreed to guarantee the payment of the principal of and interest on Revenue Bonds (Series 2000B – Subordinate Lien), Revenue Bonds (Series 2000C-1 Tax Exempt – Subordinate Lien) and Revenue Bonds (Series 2000C-2 Taxable– Subordinate Lien) issued by WCHCC on November 14, 2000 in the aggregate principal amount of \$141,860,000 (the "WCHCC Bonds") to finance the Children's Hospital Project, refinance certain existing County indebtedness, and finance various related capital projects. A \$50,550,000 portion of the WCHCC Bonds were issued as variable interest rate bonds for which the County has the right, after making certain determinations under the Guaranty Agreement, to direct WCHCC to convert such bonds to a fixed interest rate.

The County will pledge its faith and credit for the performance of this guaranty. All payments to be made by the County pursuant to the Guaranty Agreement will be made solely to the United States Trust Company of New York, as Trustee for the holders of the WCHCC Bonds, in amounts necessary from time to time to restore to the Debt Service Reserve Fund for such WCHCC Bonds, the amounts withdrawn therefrom by the Trustee to pay principal of and interest on the WCHCC Bonds. On or prior to November 1 in each year, the Trustee will be required to certify to the Commissioner of Finance of the County and the Chairman of WCHCC the amount of such withdrawals made from such Debt Service Reserve Fund during such year. This amount will be required to be included in the County's tentative budget required to be filed with the Clerk of the County on or before November 15 in such year. The County will be required to make payment of such additional amount required to be deposited in the Debt Service Reserve Fund on or before April 15 of the fiscal year following such certification.

The maximum total annual debt service requirement for the WCHCC Bonds, assuming a maximum 5.50% annual interest rate on the variable interest rate WCHCC Bonds, is approximately \$13,412,000. Correspondingly, this is the maximum annual amount for which the County could be required to make payment to the Trustee in any fiscal year while the WCHCC Bonds are outstanding, based on such annual interest rate assumption for the variable interest rate WCHCC Bonds.

In addition, on July 23, 2001 and April 8, 2002 the Board by Act Numbers 165-2001 and 78-2002 respectively, authorized the execution of guarantee agreements between the County and WCHCC providing for the guarantee of bonds

or other evidence of indebtedness to be issued by WCHCC for a combined amount not to exceed \$30 million to finance 2001 and 2002 capital budget costs of various facilities for WCHCC.

As a supplement to the agreements authorized by Act Numbers 165-2001 and 78-2002, and at the request of WCHCC, on October 28, 2002 the Board approved Bond Act No. 235-2002 in an amount not to exceed Twenty Five Million (\$25,000,000) Dollars to fund WCHCC's 2001 and 2002 capital budget costs of various facilities, and the costs of issuance. To the extent WCHCC has already made expenditures against its 2001 and 2002 capital budgets, the County may not be able to issue bonds for such previously expended amount. In this event, WCHCC may finance these expenditures through a private placement of WCHCC debt with the County's existing guarantee authorization.

WCHCC had requested the County to proceed pursuant to Section 6.9(B) of the Transition Agreement which provides that the County is obligated to issue County Bonds to fund Capital Projects of WCHCC provided that either (i) WCHCC cannot obtain capital financing with the County's guarantee or (ii) can obtain capital financing with the County's guarantee but to do so would have a material adverse financial impact. WCHCC advised that if it issues bonds with the County's guarantee, to do so would have a material adverse financial impact on WCHCC, in that WCHCC anticipates that the costs of issuance associated with bonds issued by WCHCC with a County guarantee would be substantially greater than the costs of issuance associated with bonds issued by the County on behalf of WCHCC. Bond Act No. 235-2002 complies with the terms of Section 6.9(B) of the Transition Agreement, and authorized the issuance of the 2002F Bonds.

At the request of WCHCC, on July 14, 2003 the Board approved Bond Act No. 167-2003 in an amount not to exceed Fifteen Million Dollars to fund WCHCC's 2003 capital budget costs of various facilities, and the costs of issuance. The Board amended Bond Act No. 167-2003 to reduce the amount of bonds authorized from Fifteen Million (\$15,000,000) Dollars to Seven Million (\$7,000,000) Dollars.

Restated and Amended Lease Agreement

The Restated Lease Agreement is for a term of 60 years commencing on January 1, 1998 and provides WCHCC with four renewal options. WCHCC shall have the right to extend the term of the Restated Lease at Market Rent for three additional terms of ten (10) years each and one additional term of five (5) years. WCHCC will pay a Base Rent in an amount equal to the principal and interest due from time to time on general obligation bonds of the County that have been issued or are hereafter issued by the County to finance capital projects of WCHCC as set forth in the Transition Agreement.

Financial Measures

The Transition Agreement requires that the Hospital achieve financial results, on an annual basis, for at least six (6) of the ten (10) Financial Measures that are both (a) at least as favorable as the results achieved by the Hospital for fiscal year 1997 and (b) at least 75% as favorable as the results for the immediately preceding fiscal year.

As of December 31, 2003, 2002 and 2001, WCHCC failed the financial tests of the County covered in the Transition Agreement. In accordance with the Transition Agreement, based upon the failure to achieve the required financial results described in Section 20.4(a), WCHCC and the County were required to form a committee to select a consultant to advise on all aspects of the management of WCHCC and the businesses which WCHCC operates. Upon receipt of the consultant's report, WCHCC is required to follow the written recommendations of the consultant, provided such recommendations are consistent with all applicable laws and the mission statement and bylaws of WCHCC.

The Transition Agreement also states that WCHCC's failure to satisfy the Financial Measures set forth in Section 20.4(a) shall not be deemed a Financial Default or Nonfinancial Default under the Transition Agreement so long as WCHCC materially complies with all lawful written recommendations of the consultant.

Pitts Management has been engaged to operate WCHCC and is implementing the recommended modifications to WCHCC's services, cost structure, staffing and delivery model.

FINANCIAL STATEMENTS AND ACCOUNTING PROCEDURES

Included in Appendix A are the basic financial statements of the County for the year ended December 31, 2003. Appendix B contains the Airport Fund budget for 2002 through 2004 as amended.

As of fiscal year 2002, the County adopted the provisions of Government Accounting Standards Board Statements No. 33, 34, 36, 37 and 38 applicable to governmental funds.

RESULTS OF OPERATIONS FOR THE GENERAL FUND FOR THE 2003 BUDGET YEAR AND THE BUDGET FOR 2004 AS AMENDED

The 2003 fiscal year resulted in a year-end undesignated fund balance of \$30,700,314 compared to the restated, undesignated 2002 fund balance of \$20,562,453.

The 2004 Budget had an increase in tax levy of \$77,904,068. Total County spending in the General Fund Budget, as amended, increased by \$96,849,768. The appropriation of fund balance, as amended, was \$40.8 million, consisting of Reserve for Encumbrances, \$6.6 million and Undesignated, \$24.5 million. Also included is \$9.7 million from Fund Balance designated for Union Contracts settlement. In Social Services, appropriations increased by \$30.1 million. Although welfare reform continues to reduce caseloads, Medicaid continues to rise. 2004 sales tax revenue is budgeted at \$40 million above 2003, as economic activity has begun to improve. \$31 million on the growth reflects the implementation of a ½ cent increase on March 1, 2004.

EMPLOYEES

The County provides services through approximately 5,913 full-time equivalent employees; 251 of these employees have been determined to be in the titles that are on the level of Deputy Commissioner and up or confidential in nature and thus are not represented by any labor organization. All other employees are in titles that are represented for collective bargaining purposes. This representation is provided by nine separate labor organizations, which are:

The New York State Nurses Association (NYSNA) representing 67 registered nurses in various County departments;

The Westchester County Correction Officers Benevolent Association (COBA) representing 758 correction officers;

The Westchester County Correction Department Superior Officers Association (SOA) representing 126 senior assistant wardens, sergeants, captains and specialists;

The Westchester Community College Federation of Teachers (WCCFT) representing 234 teaching and supporting professional staff and a varying number of adjunct (part-time) faculty at Westchester Community College;

The Westchester County Police Officers Benevolent Association, Inc. (PBA) representing 223 police officers and sergeants in the Police Division, Public Safety Services;

The Westchester County Police Officers Benevolent Association, Superior Officers Unit (SPBA) representing 18 Captains and Lieutenants in the Police Division, Public Safety Services;

The District Attorney Investigators PBA of Westchester County (DA Investigators) representing 35 Criminal Investigators in the District Attorney's Office;

Local 456, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, AFL-CIO representing 189 administrators and managers;

The Civil Service Employees Association (CSEA) representing all titles and County employees other than those mentioned above. This representation amounts to 4,012 employees.

The collective bargaining agreements expire at different times. The NYSNA expired on December 31, 2001; negotiations for a new contract are in mediation. The COBA and SOA contracts expired on December 31, 2002; the COBA contract is in arbitration; SOA is in negotiation. The WCCFT contract expires on August 31, 2004. The PBA and SPBA contracts expired on December 31, 2002; both are in arbitration. The DA Investigator's contract expired on December 31, 2002; negotiations are in progress. The CSEA is in the third year of a four year contract, which expires on December 31, 2005. The Local 456 Teamster's contract expired on December 31, 2001; hearings in front of the Public Employees' Relations Board concerning the appropriateness of the bargaining unit are ongoing.

Since 1968, with the implementation of the Taylor Law, procedures in Westchester County labor relations have been both reasonable and amicable.

Pension Systems

Pension benefits for County employees are covered primarily under the New York State and Local Employees' Retirement System. However, County Police are covered under the New York State and Local Police and Fire Retirement System, and faculty members of Westchester Community College, a County-sponsored organization, have the option,

within 30 days of appointment, of choosing between the New York State Teachers' Retirement System, the Teachers' Insurance and Annuity Association/College Retirement Equities Fund ("TIAA/CREF") or the New York State Retirement System. All employees are on a non-contributory basis, except for those employees (other than members of the Police and Fire Retirement System) who have less than ten years full-time membership in the System and were hired after July 1, 1976. Such employees are required to contribute 3% of their salaries pursuant to State legislation enacted in 1976. The total pension cost is funded by the County of Westchester except for the portion which is contributory. The County's expense in connection with the New York State systems is funded on an actuarial basis provided by the State of New York. The County's cost for the last five years is scheduled in Table 22:

TABLE 22
Payments to Employees' Retirement System (a)

	Year Ended December 31				
	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
New York State Employees Retirement System	\$ 29,575,082	\$ 4,536,621	\$ 11,159,034	\$ 5,030,140	\$ 3,491,404
New York State Policemen's and Firemen's Retirement System	<u>1,176,384</u>	<u>30,237</u>	<u>21,167</u>	<u>110,678</u>	<u>1,677,704</u>
Total Payment	<u>\$ 30,751,466</u>	<u>\$ 4,566,858</u>	<u>\$ 11,180,201</u>	<u>\$ 5,140,818</u>	<u>\$ 5,169,108</u>

(a) Excludes payments to New York State Teacher's Retirement System, Teacher's Insurance and Annuity Association/College Retirement Equities Fund.

MARKET FACTORS

The financial condition of the County as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the County's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or of any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the County to arrange for additional borrowings and the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The County is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes or other revenues in order to pay State aid to municipalities and school districts in the State, including the County, in this year or future years, the County may be affected by a delay, until sufficient State taxes or other revenues have been received by the State to make State aid payments to the County.

There can be no assurance that the State will make timely payments of State aid to the County. The County's cash flow may be affected should the State delay or reduce such payments of aid to the County in the future.

LITIGATION

The County, its officers, and its employees are the defendants in a number of lawsuits. The County Department of Law, headed by the County Attorney, has determined that there are no pending lawsuits which will have the potential for an expenditure of more than \$5,000,000 in excess of any applicable insurance or has not been provided for in the self insurance reserves, except as noted below.

With regard to the other pending litigation, it is the opinion of the County Attorney that the final determination of such litigation, either individually or in the aggregate, would not materially affect the County's financial position.

The County also receives numerous notices of claim each year. These notices, however, are usually not explicit enough for the County Attorney to accurately ascertain their potential for liability to the County.

Certiorari Proceedings. The various towns and cities within the County are defendants in numerous certiorari proceedings, the results of which generally require tax refunds on the part of the County. The dollar value of the actions currently pending is not available. However, General Fund refunds of \$5,538,663 were expended in 2003. For 2004, the County has budgeted \$9,000,000 which is projected to be sufficient to cover 2004 certiorari expenditures.

Self Insurance

The County, in 1986, elected to self-insure its exposure for general negligence, medical malpractice, auto and public officials liability losses and in 1989 included workers' compensation as a self-insurance program. The County established self-insurance funds, pursuant to Sections 6-n and 6-j of the General Municipal Law of the State of New York. Applicable law provides that payment into the 6-n fund during any fiscal year shall not exceed the greater of thirty-three thousand dollars or five percent of the total budget for such fiscal year. The County has retained an independent claims adjustor to evaluate general negligence liability claims. The County has also retained the services of an independent actuary to evaluate its loss history and provide data to be used in establishing ultimate losses to be incurred. The actuary has certified as to the adequacy of the amount accrued as of September 30, 2003 for claims arising from 1986 through September 30, 2003 occurrences; in addition the actuary has identified \$5,325,000 in funds available for the pure catastrophic reserve and public officials' liabilities issues.

Of those cases instituted after the September 30, 2003 actuarial estimates which are covered by the County's Self-Insurance Fund, none is expected to result in exposure in excess of \$5,000,000.

The following cases may have exposure of \$5,000,000 or more and are not covered by the County's Self-Insurance Fund.

Board of Education of the City School District of the City of New Rochelle v. County of Westchester, Greenburgh-North Castle Union Free School District and St. Christopher's-Jennie Clarkson Child Care Services, Inc.: This case, commenced in Supreme Court, Westchester County, concerns tuition reimbursement for children placed in non-secure juvenile detention facilities. The County's motion to dismiss was granted. Plaintiffs appealed. The order appealed from was reversed and the action was remanded to the lower court for factual determinations. In or about October, 2003 a stipulation of settlement was signed and has been submitted to the Court for entry.

Spano et al. v. Novello: In April of 2003, Westchester County commenced an Article 78 proceeding and sought a Temporary Restraining Order against the State from taking \$7.3 million dollars from Westchester County. The State claimed that these monies which they classified as "Medicaid reimbursement" for services rendered between 1984 through 1992 were owed by the County because they were disallowed by the federal government. During the course of the litigation, the State admitted to the Court that it had overbilled the County approximately \$400,000, but nevertheless the State still believed it was entitled to the balance from the County. By a Decision/Order dated October 14, 2003, the Honorable Justice of the Supreme Court John G. Connor found in favor of the County when it disagreed with the State and determined that the State's action was arbitrary and capricious and lacked rational basis. On November 20, 2003, the County received the State's Notice of Appeal of the decision.

Town of Cortlandt, et ano v. County of Westchester, et al. New York State Board of Real Property Services ("BRPS") originally established a final 1998 equalization rate of 4.08% for the Town of Cortlandt ("Town"). The Town commenced an Article 78 proceeding challenging that final rate in the Appellate Division. By Decision dated November 19, 2001, the Second Department annulled the BRPS rate-setting determination and remitted the matter for a recalculation. On April 29, 2003, BRPS recalculated the Town's 1998 equalization rate to be 4.24%. On August 15, 2003, the Town sent a proposed Stipulation to BRPS that would have advised the various taxing entities (County, School Districts, etc.) that a new 1998 rate had been established. BRPS refused to execute the proposed Stipulation and, as a consequence, the County did not adjust its 2004 Act fixing the amount of County taxes to account for the changed 1998 Town equalization rate. By Notice dated November 26, 2003, the Town commenced an Article 78 Petition against BRPS to, in effect, compel BRPS to enter into the proposed Stipulation. That matter is pending in the Second Department. On June 16, 2004, the Town commenced an Article 78 proceeding against the County, the County Board of Legislators, the County Executive, the County Tax Commission, and the Executive Director of the County Tax Commission, to compel the County to adjust the County tax apportionments pursuant to the recalculated rate and to issue a refund of \$1,304,304 with interest, or in the alternative, an adjustment in the County 2005 levy of taxes. The matter is pending in the State Supreme Court, Westchester County.

See "Utility Services" herein for a discussion of certain administrative proceedings involving the County and State and federal environmental regulatory agencies, relating to the County's obligations to provide certain sewage treatment and sludge disposal facilities.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the County, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excludable from gross income for Federal income tax purposes pursuant to Section 103 of the Code, except that no opinion is expressed as to such exclusion of interest on any Bond for any period during which the Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a “substantial user” of the facilities refinanced with the proceeds of the Bonds or a “related person,” and (ii) interest on the Bonds is treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the County in connection with the Bonds, and Bond Counsel has assumed compliance by the County with its certifications to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including the cities of New York and Yonkers.

Bond Counsel expresses no opinion regarding any other Federal or state tax consequences with respect to the Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Bonds.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain significant ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on such Obligations be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The County has certified to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Bonds. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Bonds.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Bond Premium

In general, if an owner acquires a Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Possible Government Action

Legislation affecting municipal bonds is regularly under consideration by the United States Congress. In addition, the Internal Revenue Service has established an expanded audit program for tax-exempt bonds. There can be no assurance that legislation enacted or proposed or an audit initiated by the Internal Revenue Service involving the Bonds or other tax-exempt bonds or notes will not have an adverse effect on the tax-exempt status or market price of the Bonds. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not have an adverse effect on the tax-exempt status or market price of the Bonds.

RATINGS

The Bonds have been assigned a rating of Aaa by Moody’s Investor Service (“Moody’s”), AAA by Standard and Poor’s Corporation (“S&P”) and AA+ by Fitch Ratings (“Fitch”).

An explanation of the significances of such ratings may be obtained from Moody’s, S & P, and Fitch. The ratings reflect the views of such rating agencies, and the County makes no representation as to the appropriateness of the ratings. Further, there is no assurance that such ratings will continue for any given period of time or that they will not be reviewed or withdrawn entirely if in the sole judgment of such rating agencies circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the trading value and the market price of the Bonds.

UNDERWRITING

The 2004 Bonds are being purchased for reoffering by the Underwriters set forth on the front cover page hereof, for whom Citigroup Global Markets Inc. is acting as Managing Underwriter, at an aggregate purchase price for the Bonds of \$4,598,749.55. The aggregate initial offering price for the Bonds will be \$4,620,957.05.

The purchase contract between the County and the Underwriters provides that the Underwriters will purchase all of the Bonds, if any Bonds are purchased.

The Underwriters may offer and sell Bonds to certain dealers and others at prices other than the initial offering price. The offering prices may change from time to time by the Underwriters.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinions of the law firm of Hawkins, Delafield & Wood, Bond Counsel. The form of such opinion with respect to the Bonds is attached hereto as Appendix E. Such opinions will be available at the time of delivery of the Bonds and will be to the effect that the Bonds are valid and legally binding general obligations of the County for which the County has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the County is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon without limitation of rate or amount. Said opinions shall also contain a further statement to the effect that the enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Certain legal matters will be passed on for the Underwriters by their counsel, Hiscock & Barclay, LLP.

ADDITIONAL INFORMATION

Periodic public reports relating to the financial condition of the County, its operations and the balances, receipts and disbursements of the various Funds of the County are prepared by the Department of Finance, Department of Budget and independent certified public accountants of the County. In addition, the County regularly receives reports from consultants, commissions and special task forces relating to various aspects of the County's financial affairs, including capital projects, County services, taxation, revenue estimates, pensions and other matters. Additional copies may be obtained upon request from the office of the Commissioner of Finance, Peter P. Pucillo, at (914) 995-2757.

Any questions on any financial aspect of the County may be directed to the Commissioner of Finance, Peter P. Pucillo, at (914) 995-2757.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the County and the Purchasers or holders of any of the Bonds.

This Official Statement is submitted only in connection with the sale of the Bonds by the County and may not be reproduced or used in whole or in part for any other purpose.

COUNTY OF WESTCHESTER, NEW YORK

By: /s/Peter P. Pucillo
Commissioner of Finance and
Chief Fiscal Officer

Dated: August 6, 2004

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COUNTY OF WESTCHESTER

Index to Appendix A

Draft and Unaudited Financial Statements:

General Fund—Comparative Balance Sheet	A-1
General Fund—Comparative Statement of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual	A-2
General Fund—Schedule of Revenues and Other Financing Sources Compared to Budget	A-5
General Fund—Schedule of Expenditures and Other Financing Uses Compared to Budget.....	A-8
Combined Sewer Districts Fund—Comparative Balance Sheet.....	A-22
Combined Sewer Districts Fund—Comparative Statement of Revenues, Expenditures and Changes In Fund Balance—Budget and Actual	A-23
Airport Fund—Comparative Balance Sheet	A-24
Airport Fund—Comparative Statement of Revenues, Expenditures and Changes in Fund Balance— Budget and Actual	A-25
Combined Water Districts Fund—Comparative Balance Sheet	A-26
Water Districts Fund—Combining Statement of Revenues, Expenditures and Changes in Fund Balances	A-27
Combined Water Districts Fund—Comparative Statement of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual	A-28
Refuse Disposal District Fund—Comparative Balance Sheet.....	A-29
Refuse Disposal District Fund—Comparative Statement of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual	A-30
Grants Fund—Comparative Balance Sheet	A-31
Grants Fund—Comparative Statement of Revenues, Expenditures and Changes in Fund Balance.....	A-32
Statement of Net Assets—Internal Service Funds.....	A-33
Statement of Revenues, Expenses and Changes in Fund Net Assets—Internal Service Funds	A-34

Index to Appendix B

Statement of Budgeted Revenues and Expenditures — Airport Fund	B-1
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Index to Appendix C

Amended 2004 Operating Budget Comparative Analysis—General Fund Expenditures.....	C-1
Amended 2004 Operating Budget Comparative Analysis—General Fund Revenues	C-2

Index to Appendix D

Form of Delayed Delivery Contract	D-1
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Index to Appendix E

Form of Legal Opinion.....	E-1
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DRAFT AND UNAUDITED

General Fund— Comparative Balance Sheet

December 31, 2003 and 2002

	2003	2002
ASSETS		
Cash.....	\$ 17,453,713	\$ 120,881,660
Investments.....	1,200,000	400,000
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$13,737,668 in 2003 and \$25,283 in 2002	46,726,553	56,313,000
Due from Federal and State Governments.....	179,273,119	163,622,236
Due from Other Funds.....	16,404,118	701,024
Inventories.....	79,433	244,917
Deferred Charges.....	8,608,021	5,580,561
Note Receivable.....	26,065,000	19,835,000
Total Assets.....	<u>\$ 295,809,957</u>	<u>\$ 367,578,398</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable and Accrued Expenses.....	\$ 146,730,248	\$ 176,600,553
Due to Other Funds.....	9,938,988	66,165,970
Matured Bonds and Interest Payable.....	10,000	10,000
Deposits in Escrow.....	73,507	31,630
Total Liabilities.....	<u>156,752,743</u>	<u>242,808,153</u>
Fund Balance:		
Reserved.....	67,665,707	40,766,888
Unreserved.....	71,391,507	84,003,357
Total Fund Balance.....	<u>139,057,214</u>	<u>124,770,245</u>
Total Liabilities and Fund Balance.....	<u>\$ 295,809,957</u>	<u>\$ 367,578,398</u>

DRAFT AND UNAUDITED

General Fund— Comparative Statement of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Years Ended December 31, 2003 and 2002

	2003			2002		
	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:						
Taxes:						
Taxes on Real Property.....	\$ 403,401,762	\$ 403,401,762	\$ —	\$ 351,138,011	\$ 351,138,011	\$ —
Sales Tax.....	271,000,000	271,098,315	98,315	263,300,000	265,233,848	1,933,848
	674,401,762	674,500,077	98,315	614,438,011	616,371,859	1,933,848
Federal Aid:						
Social Services.....	129,072,504	134,652,404	5,579,900	130,097,525	145,936,049	15,838,524
Other.....	2,387,008	891,875	(1,495,133)	5,994,906	2,213,217	(3,781,689)
	131,459,512	135,544,279	4,084,767	136,092,431	148,149,266	12,056,835
State Aid:						
Social Services.....	129,547,977	143,451,438	13,903,461	130,587,955	122,727,885	(7,860,070)
Other.....	109,127,242	115,563,570	6,436,328	110,897,801	110,425,022	(472,779)
	238,675,219	259,015,008	20,339,789	241,485,756	233,152,907	(8,332,849)
Departmental Income.....	103,066,642	93,067,863	(9,998,779)	96,640,633	96,479,020	(161,613)
Earnings on Investments.....	3,000,000	2,108,900	(891,100)	5,000,000	4,047,800	(952,200)
Miscellaneous Revenues:						
Auto Use Tax.....	4,600,000	4,988,152	388,152	4,865,000	4,600,926	(264,074)
Harness Racing Admissions Tax.....	8,500	7,039	(1,461)	11,500	8,790	(2,710)
Hotel Tax.....	4,100,000	4,207,246	107,246	4,950,000	4,264,648	(685,352)
Tobacco Revenue Settlement.....	13,926,670	13,411,471	(515,199)	15,502,370	16,159,957	657,587
Other.....	9,216,053	7,312,669	(1,903,384)	4,370,273	8,763,736	4,393,463
	31,851,223	29,926,577	(1,924,646)	29,699,143	33,798,057	4,098,914
Total Revenues.....	1,182,454,358	1,194,162,704	11,708,346	1,123,355,974	1,131,998,909	8,642,935
EXPENDITURES:						
Current:						
General Government:						
Board of Legislators.....	2,527,903	2,491,673	36,230	2,774,742	2,731,824	42,918
County Executive.....	10,566,497	9,369,107	1,197,390	10,320,198	8,947,813	1,372,385
Board of Acquisition and Contract.....	278,794	273,790	5,004	285,309	277,239	8,070
Board of Elections.....	3,817,717	3,811,789	5,928	3,933,952	3,800,233	133,719
Department of Human Resources.....	3,695,375	3,666,620	28,755	4,043,871	4,056,654	(12,783)
Department of Budget.....	1,558,377	1,401,599	156,778	1,701,207	1,498,065	203,142
Department of Finance.....	4,835,519	4,342,540	492,979	5,773,980	5,038,640	735,340
Department of Information Technology.....	(6,807,598)	(8,972,622)	2,165,024	(4,031,100)	(8,828,703)	4,797,603
Department of Law.....	2,549,868	1,377,009	1,172,859	4,267,955	2,615,319	1,652,636
Department of Planning.....	3,475,729	2,712,630	763,099	3,897,828	3,643,364	254,464
County Clerk.....	8,676,689	8,600,119	76,570	8,973,040	8,525,418	447,622
Tax Commission.....	261,317	237,323	23,994	368,536	330,300	38,236
Public Administrator.....	575,311	567,396	7,915	601,870	581,693	20,177
Department of Public Works.....	31,678,617	30,428,493	1,250,124	33,508,208	30,714,773	2,793,435
Solid Waste Commission.....	1,121,601	938,904	182,697	1,130,790	834,524	296,266
Other.....	18,091,181	16,989,257	1,101,924	16,048,963	14,564,272	1,484,691
	86,902,897	78,235,627	8,667,270	93,599,349	79,331,428	14,267,921

DRAFT AND UNAUDITED

General Fund— Statement of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual (cont'd)

Years Ended December 31, 2003 and 2002

	2003			2002		
	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Education:						
Department of Health.....	106,437,629	102,383,136	4,054,493	95,380,339	92,895,183	2,485,156
Other	20,766,856	20,762,502	4,354	18,294,904	18,244,904	50,000
	127,204,485	123,145,638	4,058,847	113,675,243	111,140,087	2,535,156
Public Safety:						
Department of Corrections.....	99,542,516	96,245,506	3,297,010	99,600,554	96,638,962	2,961,592
District Attorney.....	19,068,942	18,387,982	680,960	19,941,813	19,106,179	835,634
Department of Public Safety.....	26,266,696	26,271,383	(4,687)	30,201,787	27,779,803	2,421,984
Department of Emergency Services.....	4,921,723	4,538,865	382,858	5,234,882	4,595,444	639,438
Department of Probation.....	17,503,819	16,307,006	1,196,813	18,849,149	17,527,807	1,321,342
Other	14,550,225	14,550,153	72	13,663,004	13,266,020	396,984
	181,853,921	176,300,895	5,553,026	187,491,189	178,914,215	8,576,974
Health:						
Community Mental Health Services.....	11,165,291	9,871,317	1,293,974	11,001,915	10,292,908	709,007
Department of Health.....	28,728,371	25,494,216	3,234,155	34,994,196	30,736,106	4,258,090
Department of Laboratories and Research..	10,992,419	10,661,106	331,313	12,230,389	11,637,771	592,618
	50,886,081	46,026,639	4,859,442	58,226,500	52,666,785	5,559,715
Transportation:						
Department of Transportation.....	71,100,440	69,481,231	1,619,209	70,121,868	68,491,607	1,630,261
County Road Maintenance.....	3,822,179	3,191,294	630,885	4,170,483	3,259,408	911,075
	74,922,619	72,672,525	2,250,094	74,292,351	71,751,015	2,541,336
Economic Assistance and Opportunity:						
County Executive.....	332,435	279,840	52,595	380,399	326,856	53,543
Department of Social Services.....	497,290,659	486,158,401	11,132,258	484,798,177	480,423,262	4,374,915
Other.....	908,664	908,664	—	1,287,000	1,129,443	157,557
	498,531,758	487,346,905	11,184,853	486,465,576	481,879,561	4,586,015
Culture and Recreation:						
Department of Parks, Recreation and Conservation.....	37,675,494	36,043,008	1,632,486	38,706,576	36,403,531	2,303,045
Other.....	2,227,875	2,227,875	—	2,717,125	2,530,225	186,900
	39,903,369	38,270,883	1,632,486	41,423,701	38,933,756	2,489,945
Home and Community Services:						
Senior Programs and Services.....	289,453	289,453	—	329,695	314,960	14,735
County Executive.....	—	—	—	121,882	79,687	42,195
Weights, Measures, Consumer Protection..	1,435,042	1,384,572	50,470	1,534,141	1,386,494	147,647
Other.....	1,278,332	1,028,174	250,158	1,823,336	1,324,079	499,257
	3,002,827	2,702,199	300,628	3,809,054	3,105,220	703,834

DRAFT AND UNAUDITED

General Fund—
Statement of Revenues, Expenditures and
Changes in Fund Balance—Budget and Actual (cont'd)

Years Ended December 31, 2003 and 2002

	2003			2002		
	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Employee Benefits:						
State Retirement System.....	28,222,575	22,937,823	5,284,752	7,045,810	2,701,916	4,343,894
Social Security.....	20,906,188	20,014,612	891,576	20,890,595	20,890,595	—
Employee Health Insurance.....	59,736,160	59,675,103	61,057	59,314,356	59,314,356	—
Other	2,382,048	2,381,310	738	2,377,055	2,362,373	14,682
	111,246,971	105,008,848	6,238,123	89,627,816	85,269,240	4,358,576
Capital Outlay.....	227,887	98,431	129,456	1,686,315	1,390,535	295,780
Cost of New Issues.....	746,865	746,847	18	600,000	434,385	165,615
	974,752	845,278	129,474	2,286,315	1,824,920	461,395
Debt Service:						
Principal	52,787,561	52,601,739	185,822	49,838,083	49,608,357	229,726
Interest.....	17,657,203	17,637,258	19,945	15,760,315	15,511,891	248,424
	70,444,764	70,238,997	205,767	65,598,398	65,120,248	478,150
Total Expenditures.....	1,245,874,444	1,200,794,434	45,080,010	1,216,495,492	1,169,936,475	46,559,017
Excess (Deficiency) of Revenues Over Expenditures.....	(63,420,086)	(6,631,730)	56,788,356	(93,139,518)	(37,937,566)	55,201,952
OTHER FINANCING SOURCES (USES):						
WCHCC Credit Support.....	90,000,000	—	(90,000,000)	95,000,000	—	(95,000,000)
Bond Proceeds for WCHCC Loan	11,700,000	10,730,000	(970,000)	—	19,835,000	19,835,000
Bond Anticipation Notes Proceeds	—	11,690,000	11,690,000	—	—	—
Transfers In.....	1,798,961	1,798,961	—	3,974,593	5,271,446	1,296,853
Transfers Out.....	(3,449,737)	(3,300,262)	149,475	(3,761,860)	(3,639,598)	122,262
WCHCC Credit Support Payment	(90,000,000)	—	90,000,000	(84,109,120)	—	84,109,120
Total Other Financing Sources (Uses).....	10,049,224	20,918,699	10,869,475	11,103,613	21,466,848	10,363,235
Net Change in Fund Balance.....	(53,370,862)	14,286,969	67,657,831	(82,035,905)	(16,470,718)	65,565,187
Fund Balance—Beginning of Year.....	53,370,862	124,770,245	71,399,383	82,035,905	141,240,963	59,205,058
Fund Balance—End of Year.....	\$ —	\$ 139,057,214	\$ 139,057,214	\$ —	\$ 124,770,245	\$ 124,770,245

DRAFT AND UNAUDITED

General Fund— Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
TAXES:				
Taxes on Real Property.....	\$ 403,401,762	\$ 403,401,762	\$ 403,401,762	\$ —
Sales Tax.....	271,000,000	271,000,000	271,098,315	98,315
Total Taxes.....	674,401,762	674,401,762	674,500,077	98,315
FEDERAL AID:				
Department of Social Services:				
Medical Assistance.....	998,240	998,240	822,854	(175,386)
Family Assistance.....	18,902,948	18,902,948	16,362,823	(2,540,125)
Safety Net.....	—	—	1,137,019	1,137,019
Child Care.....	10,202,000	10,202,000	9,604,822	(597,178)
Purchase of Services.....	26,377,163	26,377,163	40,058,607	13,681,444
Emergency Assistance to Families.....	15,246,000	15,246,000	8,507,420	(6,738,580)
Salaries and Administration.....	57,346,153	57,346,153	58,158,859	812,706
Total Department of Social Services.....	129,072,504	129,072,504	134,652,404	5,579,900
Other:				
Emergency Services.....	70,960	70,960	196,025	125,065
Health - Education and Transportation.....	—	—	—	—
Corrections.....	575,000	575,000	637,041	62,041
Probation.....	—	—	2,817	2,817
Public Safety.....	39,000	39,000	55,992	16,992
Transportation.....	1,702,048	1,702,048	—	(1,702,048)
Total Other.....	2,387,008	2,387,008	891,875	(1,495,133)
Total Federal Aid.....	131,459,512	131,459,512	135,544,279	4,084,767
STATE AID:				
Department of Social Services:				
Medical Assistance.....	35,745,000	35,918,778	49,450,760	13,531,982
Family Assistance.....	16,154,057	18,070,057	15,458,588	(2,611,469)
Safety Net.....	26,544,200	26,544,200	24,068,532	(2,475,668)
Child Care.....	16,184,000	15,289,000	14,744,513	(544,487)
Special Items.....	137,500	137,500	3,785	(133,715)
Purchase of Services.....	2,281,953	2,108,175	10,599,237	8,491,062
Emergency Assistance to Families.....	1,021,000	—	1,660,605	1,660,605
Emergency Assistance to Adults.....	285,000	285,000	328,895	43,895
Salaries and Administration.....	31,195,267	31,195,267	27,136,523	(4,058,744)
Total Department of Social Services.....	129,547,977	129,547,977	143,451,438	13,903,461

continued

DRAFT AND UNAUDITED

General Fund— Schedule of Revenues and Other Financing Sources Compared to Budget (cont'd)

Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
STATE AID: (cont'd)				
Other:				
County Executive:				
Advocacy and Community Services.....	35,473	35,473	35,473	—
Youth Bureau.....	—	—	137,589	137,589
Women.....	48,065	48,065	28,881	(19,184)
Veterans Service Agency.....	IN DSS			—
Community Mental Health.....	5,513,417	5,513,417	3,747,618	(1,765,799)
Corrections.....	1,950	1,950	2,997	1,047
District Attorney.....	65,400	65,400	55,577	(9,823)
Health - Education and Transportation.....	55,207,695	35,935,341	34,023,742	(1,911,599)
Health.....	7,492,200	26,764,554	31,866,186	5,101,632
Laboratories and Research.....	1,647,525	1,647,525	2,041,732	394,207
Miscellaneous Budget:				
State Revenue Sharing.....	—	—	1,451,224	1,451,224
Court Facilities Aid.....	657,891	657,891	747,992	90,101
Parks, Recreation and Conservation.....	182,000	182,000	157,372	(24,628)
Planning.....	70,000	70,000	70,000	—
Probation.....	4,201,917	4,201,917	3,692,787	(509,130)
Public Safety.....	50,500	50,500	2,686,658	2,636,158
Public Works.....	4,709,209	4,709,209	5,189,922	480,713
Tax Commission.....	—	—	32,889	32,889
Transportation.....	29,244,000	29,244,000	29,594,931	350,931
Total Other.....	109,127,242	109,127,242	115,563,570	6,436,328
Total State Aid.....	238,675,219	238,675,219	259,015,008	20,339,789
DEPARTMENTAL INCOME:				
Acquisition and Contract.....	70,000	70,000	59,550	(10,450)
Board of Elections.....	22,000	22,000	17,024	(4,976)
Budget.....	131,729	131,729	197,998	66,269
Community Mental Health.....	3,050,000	3,050,000	2,695,426	(354,574)
Corrections.....	6,083,125	6,083,125	7,585,857	1,502,732
County Clerk.....	6,395,000	6,395,000	8,737,287	2,342,287
County Executive:				
Office for the Disabled.....	270,000	270,000	278,216	8,216
Office of Economic Development.....	520,995	1,101,495	917,471	(184,024)
Tourism.....	580,500	—	—	—
District Attorney.....	125,000	125,000	308,437	183,437
Emergency Services.....	263,397	263,397	161,472	(101,925)
Finance:				
Fiscal Management.....	806,734	806,734	584,825	(221,909)
Bureau of Purchase and Supply.....	100,000	100,000	74,195	(25,805)
Health:				
Operations.....	5,672,720	14,328,046	10,379,346	(3,948,700)
Services for Children with Disabilities.....	8,655,326	—	—	—
Human Resources.....	170,820	170,820	185,936	15,116
Information Technology:				
Records Center.....	105,552	105,552	65,853	(39,699)
Information Technology.....	2,718,844	2,718,844	2,582,093	(136,751)
Support Services.....	188,605	188,605	97,515	(91,090)
Laboratories and Research.....	1,800,000	1,800,000	1,681,386	(118,614)
Law.....	2,714,820	2,714,820	2,488,535	(226,285)
Parks, Recreation and Conservation.....	28,651,732	28,651,732	25,498,878	(3,152,854)

continued

DRAFT AND UNAUDITED

General Fund— Schedule of Revenues and Other Financing Sources Compared to Budget (cont'd)

Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
DEPARTMENTAL INCOME: (cont'd)				
Planning.....	1,030,766	1,030,766	827,189	(203,577)
Probation.....	306,880	306,880	264,006	(42,874)
Public Administrator.....	285,000	285,000	311,219	26,219
Public Safety:				
Sheriff—Civil Division.....	510,000	510,000	585,560	75,560
Parkway Police.....	4,972,490	4,972,490	5,649,268	676,778
Taxi and Limousine Commission.....	865,250	865,250	903,629	38,379
Public Works:				
Engineering.....	5,080,213	5,080,213	4,130,762	(949,451)
White Plains.....	763,763	763,763	722,858	(40,905)
Leased and Owned Property.....	1,284,980	1,284,980	1,293,815	8,835
Valhalla Campus.....	5,794,455	5,794,455	617,110	(5,177,345)
Transportation.....	105,000	105,000	211,460	106,460
Central County Garage.....	415,000	415,000	442,851	27,851
Fleet Management.....	162,400	162,400	162,350	(50)
Social Services.....	6,500,000	6,500,000	6,090,541	(409,459)
Solid Waste Commission.....	1,144,582	1,144,582	1,217,670	73,088
Tax Commission.....	1,000	1,000	1,226	226
Transportation.....	3,225,464	3,225,464	3,640,933	415,469
Weights, Measures, Consumer Protection.....	1,522,500	1,522,500	1,398,116	(124,384)
Total Departmental Income.....	103,066,642	103,066,642	93,067,863	(9,998,779)
EARNINGS ON INVESTMENTS	3,000,000	3,000,000	2,108,900	(891,100)
MISCELLANEOUS REVENUES:				
Auto Use Tax.....	4,600,000	4,600,000	4,988,152	388,152
Harness Racing Admissions Tax.....	8,500	8,500	7,039	(1,461)
Hotel Tax.....	4,100,000	4,100,000	4,207,246	107,246
Tobacco Revenue Settlement Repayments.....	13,926,670	13,926,670	13,411,471	(515,199)
Other.....	9,216,053	9,216,053	7,312,669	(1,903,384)
Total Miscellaneous Revenues.....	31,851,223	31,851,223	29,926,577	(1,924,646)
Total Revenues.....	1,182,454,358	1,182,454,358	1,194,162,704	11,708,346
OTHER FINANCING SOURCES:				
WHCC Credit Support Payment.....	90,000,000	90,000,000	—	(90,000,000)
Bond Proceeds, WHCC Loan.....	—	11,700,000	10,730,000	(970,000)
Bond Anticipation Notes Proceeds.....	—	—	11,690,000	11,690,000
Transfers In:				
Sewer Districts Fund.....	99,368	99,368	99,368	—
Capital Projects Fund.....	1,699,593	1,699,593	1,699,593	—
Total Transfers In.....	1,798,961	1,798,961	1,798,961	—
Total Other Financing Sources.....	91,798,961	103,498,961	24,218,961	(79,280,000)
Total Revenues and Other Financing Sources.....	\$ 1,274,253,319	\$ 1,285,953,319	\$ 1,218,381,665	\$ (67,571,654)

DRAFT AND UNAUDITED

General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget

Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
GENERAL GOVERNMENT:				
Board of Legislators:				
Personal services.....	\$ 2,182,969	\$ 2,182,969	2,156,780	\$ 26,189
Materials and supplies.....	80,185	80,185	80,184	1
Contractual.....	264,749	264,749	254,709	10,040
	<u>2,527,903</u>	<u>2,527,903</u>	<u>2,491,673</u>	<u>36,230</u>
County Executive:				
Office of the County Executive, Governmental Relations and Communications:				
Personal services.....	1,757,306	1,736,094	1,735,004	1,090
Equipment.....	1,279	1,279	1,279	—
Materials and supplies.....	59,890	59,890	44,042	15,848
Contractual.....	129,466	129,466	87,554	41,912
	<u>1,947,941</u>	<u>1,926,729</u>	<u>1,867,879</u>	<u>58,850</u>
Less services to other departments.....	(110,000)	(110,000)	(110,000)	—
	<u>1,837,941</u>	<u>1,816,729</u>	<u>1,757,879</u>	<u>58,850</u>
Office for the Disabled:				
Personal services.....	535,012	535,012	463,149	71,863
Equipment.....	16,172	16,172	16,172	—
Materials and supplies.....	28,105	28,105	14,273	13,832
Contractual.....	5,783,980	5,783,980	5,184,083	599,897
	<u>6,363,269</u>	<u>6,363,269</u>	<u>5,677,677</u>	<u>685,592</u>
Less services to other departments.....	(115,000)	(115,000)	(115,000)	—
	<u>6,248,269</u>	<u>6,248,269</u>	<u>5,562,677</u>	<u>685,592</u>
Office of Economic Development:				
Personal services.....	485,468	506,680	495,560	11,120
Equipment.....	739	739	646	93
Materials and supplies.....	118,018	118,018	51,450	66,568
Contractual.....	566,123	566,123	400,223	165,900
	<u>1,170,348</u>	<u>1,191,560</u>	<u>947,879</u>	<u>243,681</u>
Advocacy and Community Services:				
Personal services.....	625,396	618,484	600,039	18,445
Equipment.....	1,400	1,400	1,400	—
Materials and supplies.....	7,150	7,150	3,386	3,764
Contractual.....	24,771	24,771	19,497	5,274
	<u>658,717</u>	<u>651,805</u>	<u>624,322</u>	<u>27,483</u>
Less services to other departments.....	(149,684)	(149,684)	(106,093)	(43,591)
	<u>509,033</u>	<u>502,121</u>	<u>518,229</u>	<u>(16,108)</u>

continued

DRAFT AND UNAUDITED

General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)

Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
County Executive: (cont'd)				
Office for Women:				
Personal services.....	443,370	443,370	370,493	72,877
Materials and supplies.....	18,595	18,595	13,155	5,440
Contractual.....	708,962	708,962	583,389	125,573
	1,170,927	1,170,927	967,037	203,890
Less services to other departments.....	(363,109)	(363,109)	(384,594)	21,485
	807,818	807,818	582,443	225,375
Total County Executive.....	10,573,409	10,566,497	9,369,107	1,197,390
Board of Acquisition and Contract:				
Personal services.....	206,817	229,268	229,267	1
Materials and supplies.....	3,026	3,026	3,023	3
Contractual.....	46,500	46,500	41,500	5,000
	256,343	278,794	273,790	5,004
Board of Elections:				
Personal services.....	1,764,839	1,957,939	1,957,855	84
Equipment.....	10,221	95,221	89,954	5,267
Materials and supplies.....	749,652	910,352	910,281	71
Contractual.....	819,655	854,205	853,699	506
	3,344,367	3,817,717	3,811,789	5,928
Department of Human Resources:				
Human Resources:				
Personal services.....	2,704,560	2,704,500	2,619,691	84,809
Materials and supplies.....	27,220	35,126	35,123	3
Contractual.....	899,949	890,784	885,052	5,732
	3,631,729	3,630,410	3,539,866	90,544
Less services to other departments.....	(235,228)	(235,228)	(173,116)	(62,112)
	3,396,501	3,395,182	3,366,750	28,432
Affirmative Action:				
Personal services.....	268,237	268,297	268,237	60
Materials and supplies.....	1,425	1,425	1,298	127
Contractual.....	29,212	30,471	30,335	136
	298,874	300,193	299,870	323
Total Department of Human Resources.....	3,695,375	3,695,375	3,666,620	28,755

continued

DRAFT AND UNAUDITED

General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)

Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Department of Budget:				
Personal services.....	1,082,730	1,082,730	954,097	128,633
Materials and supplies.....	10,065	10,065	5,241	4,824
Contractual.....	465,582	465,582	442,261	23,321
	<u>1,558,377</u>	<u>1,558,377</u>	<u>1,401,599</u>	<u>156,778</u>
Department of Finance:				
Administration:				
Personal services.....	2,346,258	2,360,358	2,360,305	53
Materials and supplies.....	76,385	76,385	43,841	32,544
Contractual.....	977,088	962,988	590,818	372,170
	<u>3,399,731</u>	<u>3,399,731</u>	<u>2,994,964</u>	<u>404,767</u>
Bureau of Purchase and Supply:				
Personal services.....	1,096,509	1,096,509	1,086,143	10,366
Equipment.....	5,277	5,277	5,276	1
Materials and supplies.....	24,256	24,256	21,687	2,569
Contractual.....	378,146	378,146	302,947	75,199
	<u>1,504,188</u>	<u>1,504,188</u>	<u>1,416,053</u>	<u>88,135</u>
Less services to other departments.....	<u>(68,400)</u>	<u>(68,400)</u>	<u>(68,477)</u>	<u>77</u>
	<u>1,435,788</u>	<u>1,435,788</u>	<u>1,347,576</u>	<u>88,212</u>
Total Department of Finance.....	<u>4,835,519</u>	<u>4,835,519</u>	<u>4,342,540</u>	<u>492,979</u>
Department of Information Technology:				
Records Center:				
Personal services.....	699,781	699,781	685,571	14,210
Equipment.....	8,500	8,500	7,535	965
Materials and supplies.....	98,566	98,566	96,238	2,328
Contractual.....	296,932	296,932	169,833	127,099
	<u>1,103,779</u>	<u>1,103,779</u>	<u>959,177</u>	<u>144,602</u>
Less services to other departments.....	<u>(952,069)</u>	<u>(952,069)</u>	<u>(931,585)</u>	<u>(20,484)</u>
	<u>151,710</u>	<u>151,710</u>	<u>27,592</u>	<u>124,118</u>
Information Technology:				
Personal services.....	9,091,829	9,091,829	8,675,852	415,977
Equipment.....	1,319,785	1,319,785	1,232,645	87,140
Materials and supplies.....	450,149	450,149	322,030	128,119
Contractual.....	25,349,427	25,349,427	23,645,439	1,703,988
	<u>36,211,190</u>	<u>36,211,190</u>	<u>33,875,966</u>	<u>2,335,224</u>
Less transfer to debt service.....	<u>(9,450,746)</u>	<u>(9,462,746)</u>	<u>(9,462,401)</u>	<u>(345)</u>
Less services to other departments.....	<u>(33,848,349)</u>	<u>(33,848,349)</u>	<u>(33,736,553)</u>	<u>(111,796)</u>
	<u>(7,087,905)</u>	<u>(7,099,905)</u>	<u>(9,322,988)</u>	<u>2,223,083</u>

continued

DRAFT AND UNAUDITED

General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)

Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Department of Information Technology: (cont'd)				
Support Services:				
Personal services.....	518,778	518,778	450,665	68,113
Equipment.....	619	619	—	619
Materials and supplies.....	21,993	21,993	11,051	10,942
Contractual.....	80,200	80,200	59,224	20,976
	621,590	621,590	520,940	100,650
Less services to other departments.....	(480,993)	(480,993)	(198,166)	(282,827)
	140,597	140,597	322,774	(182,177)
Total Department of Information Technology.....	(6,795,598)	(6,807,598)	(8,972,622)	2,165,024
Department of Law:				
Law:				
Personal services.....	6,954,500	6,891,500	6,616,158	275,342
Equipment.....	90,920	90,920	90,754	166
Materials and supplies.....	103,284	103,284	73,233	30,051
Contractual.....	2,296,575	2,286,575	1,587,690	698,885
	9,445,279	9,372,279	8,367,835	1,004,444
Less services to other departments.....	(7,457,124)	(7,457,124)	(7,466,689)	9,565
	1,988,155	1,915,155	901,146	1,014,009
Risk Management:				
Personal services.....	403,685	403,685	366,724	36,961
Equipment.....	—	—	—	—
Materials and supplies.....	8,180	8,180	4,519	3,661
Contractual.....	149,848	149,848	96,820	53,028
	561,713	561,713	468,063	93,650
Violation of Probation:				
Personal services.....	—	63,000	—	63,000
Contractual.....	—	10,000	7,800	2,200
	—	73,000	7,800	65,200
Total Department of Law.....	2,549,868	2,549,868	1,377,009	1,172,859
Department of Planning:				
Personal services.....	2,021,628	2,021,628	1,421,752	599,876
Materials and supplies.....	55,207	55,207	54,801	406
Contractual.....	1,399,894	1,399,894	1,236,077	163,817
	3,476,729	3,476,729	2,712,630	764,099
Less services to other departments.....	(1,000)	(1,000)	—	(1,000)
	3,475,729	3,475,729	2,712,630	763,099

continued

DRAFT AND UNAUDITED

General Fund— Schedule of Expenditures and Other Financing Uses Compared to Budget (cont'd)

Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
County Clerk:				
Personal services.....	3,676,792	3,708,009	3,708,008	1
Equipment.....	44,624	44,624	43,396	1,228
Materials and supplies.....	201,092	196,592	185,798	10,794
Contractual.....	4,426,830	4,727,464	4,662,917	64,547
	<u>8,349,338</u>	<u>8,676,689</u>	<u>8,600,119</u>	<u>76,570</u>
Tax Commission:				
Personal services.....	207,122	207,122	191,815	15,307
Materials and supplies.....	8,480	8,480	5,569	2,911
Contractual.....	45,715	45,715	39,939	5,776
	<u>261,317</u>	<u>261,317</u>	<u>237,323</u>	<u>23,994</u>
Public Administrator:				
Personal services.....	358,069	358,069	358,070	(1)
Materials and supplies.....	4,600	4,600	4,610	(10)
Contractual.....	212,642	212,642	204,716	7,926
	<u>575,311</u>	<u>575,311</u>	<u>567,396</u>	<u>7,915</u>
Department of Public Works:				
Administration:				
Personal services.....	732,056	732,056	619,467	112,589
	<u>732,056</u>	<u>732,056</u>	<u>619,467</u>	<u>112,589</u>
Engineering:				
Personal services.....	5,416,087	5,416,087	5,370,812	45,275
Equipment.....	40,000	37,422	34,754	2,668
Materials and supplies.....	14,500	14,500	6,454	8,046
Contractual.....	846,078	836,078	670,759	165,319
	<u>6,316,665</u>	<u>6,304,087</u>	<u>6,082,779</u>	<u>221,308</u>
Less services to other departments.....	<u>(144,026)</u>	<u>(144,026)</u>	<u>(415,771)</u>	<u>271,745</u>
	<u>6,172,639</u>	<u>6,160,061</u>	<u>5,667,008</u>	<u>493,053</u>
Operations—White Plains:				
Personal services.....	2,270,718	2,247,257	2,060,699	186,558
Equipment.....	7,509	7,509	7,236	273
Materials and supplies.....	2,670,860	2,349,457	2,337,873	11,584
Contractual.....	13,776,153	13,776,153	12,745,570	1,030,583
	<u>18,725,240</u>	<u>18,380,376</u>	<u>17,151,378</u>	<u>1,228,998</u>
Less services to other departments.....	<u>(1,527,523)</u>	<u>(1,527,523)</u>	<u>(1,555,231)</u>	<u>27,708</u>
	<u>17,197,717</u>	<u>16,852,853</u>	<u>15,596,147</u>	<u>1,256,706</u>

continued

DRAFT AND UNAUDITED

General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)

Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Department of Public Works: (cont'd)				
Leased and Owned Property:				
Personal services.....	523,431	523,431	480,170	43,261
Materials and supplies.....	771,400	760,400	758,820	1,580
Contractual.....	10,023,045	10,023,045	9,498,824	524,221
	11,317,876	11,306,876	10,737,814	569,062
Less services to other departments.....	(9,203,782)	(9,203,782)	(8,188,866)	(1,014,916)
	2,114,094	2,103,094	2,548,948	(445,854)
Operations—Valhalla:				
Personal services.....	3,049,768	3,049,768	3,007,021	42,747
Equipment.....	18,245	19,812	18,020	1,792
Materials and supplies.....	7,765,733	8,137,801	8,086,733	51,068
Contractual.....	2,460,206	2,450,106	1,705,146	744,960
	13,293,952	13,657,487	12,816,920	840,567
Less services to other departments.....	(8,272,035)	(8,272,035)	(7,203,592)	(1,068,443)
	5,021,917	5,385,452	5,613,328	(227,876)
Garage Operations:				
Personal services.....	1,251,129	1,251,129	1,196,853	54,276
Equipment.....	15,850	14,950	14,743	207
Materials and supplies.....	444,330	504,330	492,946	11,384
Contractual.....	392,522	404,522	374,661	29,861
	2,103,831	2,174,931	2,079,203	95,728
Less services to other departments.....	(1,295,366)	(1,295,366)	(1,404,232)	108,866
	808,465	879,565	674,971	204,594
Fleet Operations:				
Personal services.....	244,127	244,127	241,521	2,606
Equipment.....	22,508	22,508	22,508	—
Materials and supplies.....	116,300	96,300	94,458	1,842
Contractual.....	465,817	463,817	341,019	122,798
	848,752	826,752	699,506	127,246
Less services to other departments.....	(1,261,216)	(1,261,216)	(990,882)	(270,334)
	(412,464)	(434,464)	(291,376)	(143,088)
Total Department of Public Works.....	31,634,424	31,678,617	30,428,493	1,250,124
Solid Waste Commission:				
Personal services.....	718,493	718,493	611,184	107,309
Equipment.....	14,500	14,500	13,972	528
Materials and supplies.....	18,843	18,843	14,894	3,949
Contractual.....	369,765	369,765	298,854	70,911
	1,121,601	1,121,601	938,904	182,697

continued

DRAFT AND UNAUDITED

General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)

Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Other:				
Certiorari proceedings.....	4,500,000	5,538,664	5,538,662	2
County membership fees.....	61,500	61,500	61,500	—
Employee awards.....	10,000	3,050	3,049	1
Ethics commission.....	8,000	5,621	5,621	—
General liability.....	1,897,911	6,397,911	6,397,911	—
Human Rights Commission.....	569,015	410,871	410,871	—
Independent audit.....	405,000	405,000	405,000	—
In rem proceedings.....	310,000	100,000	100,000	—
Insurance premiums.....	755,394	755,394	555,003	200,391
Public Employment Relations Board.....	8,000	—	—	—
Special studies.....	270,300	1,205,300	305,289	900,011
Statutory charges.....	300,000	60,000	58,523	1,477
Tax on County property.....	1,133,000	1,014,400	1,014,358	42
Tourism.....	580,500	612,937	612,937	—
Westchester Mediation Service.....	11,098	11,098	11,098	—
Westchester County Association.....	81,800	81,800	81,800	—
Workers' compensation.....	1,427,635	1,427,635	1,427,635	—
	<u>12,329,153</u>	<u>18,091,181</u>	<u>16,989,257</u>	<u>1,101,924</u>
Total General Government.....	<u>80,292,436</u>	<u>86,902,897</u>	<u>78,235,627</u>	<u>8,667,270</u>
EDUCATION:				
Department of Health:				
Education/Transportation of the Handicapped.....	106,514,894	106,437,629	102,383,136	4,054,493
Other:				
Employee tuition.....	400,000	400,000	400,000	—
Resident tuition—other community colleges.....	1,980,000	2,452,370	2,448,016	4,354
Westchester Community College.....	17,914,486	17,914,486	17,914,486	—
	<u>20,294,486</u>	<u>20,766,856</u>	<u>20,762,502</u>	<u>4,354</u>
Total Education.....	<u>126,809,380</u>	<u>127,204,485</u>	<u>123,145,638</u>	<u>4,058,847</u>
PUBLIC SAFETY:				
Department of Corrections:				
Administration:				
Personal services.....	4,097,582	4,245,282	4,239,782	5,500
Equipment.....	—	300	268	32
Materials and supplies.....	146,185	95,692	94,929	763
Contractual.....	20,046,042	20,285,240	19,678,012	607,228
	<u>24,289,809</u>	<u>24,626,514</u>	<u>24,012,991</u>	<u>613,523</u>

continued

DRAFT AND UNAUDITED

General Fund—
Schedule of Expenditures and Other Financing
Uses Compared to Budget (cont'd)

Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Department of Corrections: (cont'd)				
Jail Division:				
Personal services.....	41,177,433	41,058,133	40,342,603	715,530
Equipment.....	154,034	136,169	56,920	79,249
Materials and supplies.....	639,934	810,186	810,180	6
Contractual.....	4,457,827	4,307,527	4,115,878	191,649
	46,429,228	46,312,015	45,325,581	986,434
Less services to other departments.....	(43,300)	(43,300)	(88,785)	45,485
	46,385,928	46,268,715	45,236,796	1,031,919
Penitentiary:				
Personal services.....	16,405,595	16,184,595	15,549,690	634,905
Equipment.....	30,312	44,733	44,321	412
Materials and supplies.....	275,974	219,948	212,806	7,142
Contractual.....	1,652,838	1,510,090	1,156,438	353,652
	18,364,719	17,959,366	16,963,255	996,111
Women's Division:				
Personal services.....	8,191,268	8,835,268	8,321,598	513,670
Equipment.....	13,864	17,008	16,729	279
Materials and supplies.....	115,340	108,814	108,515	299
Contractual.....	737,127	738,377	661,562	76,815
	9,057,599	9,699,467	9,108,404	591,063
Security Ward No. 29:				
Personal services.....	1,439,854	988,454	924,060	64,394
Materials and supplies.....	4,007	—	—	—
Contractual.....	600	—	—	—
	1,444,461	988,454	924,060	64,394
Total Department of Corrections.....	99,542,516	99,542,516	96,245,506	3,297,010
District Attorney:				
Personal services.....	14,221,283	14,221,283	13,688,462	532,821
Equipment.....	106,355	106,355	86,533	19,822
Materials and supplies.....	249,855	249,855	249,016	839
Contractual.....	4,491,449	4,491,449	4,363,971	127,478
	19,068,942	19,068,942	18,387,982	680,960
Department of Public Safety:				
Services Division:				
Personal services.....	2,075,017	2,468,482	2,468,479	3
Equipment.....	416	416	—	416
Materials and supplies.....	76,850	73,267	52,140	21,127
Contractual.....	1,049,658	974,493	971,393	3,100
	3,201,941	3,516,658	3,492,012	24,646

continued

DRAFT AND UNAUDITED

General Fund— Schedule of Expenditures and Other Financing Uses Compared to Budget (cont'd)

Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Department of Public Safety: (cont'd)				
Police Division:				
Personal services.....	18,467,526	22,423,036	22,421,294	1,742
Equipment.....	404,323	404,323	293,262	111,061
Materials and supplies.....	874,122	882,206	827,211	54,995
Contractual.....	2,751,007	2,608,566	2,579,124	29,442
	22,496,978	26,318,131	26,120,891	197,240
Less services to other departments.....	(4,411,994)	(4,411,994)	(4,094,521)	(317,473)
	18,084,984	21,906,137	22,026,370	(120,233)
Taxi & Limousine Commission:				
Personal services.....	468,489	481,652	481,650	2
Equipment.....	156	156	155	1
Materials and supplies.....	20,700	20,700	16,977	3,723
Contractual.....	354,556	341,393	254,219	87,174
	843,901	843,901	753,001	90,900
Total Department of Public Safety.....	22,130,826	26,266,696	26,271,383	(4,687)
Department of Emergency Services:				
Personal services.....	2,506,295	2,506,295	2,352,526	153,769
Equipment.....	243,818	243,818	212,028	31,790
Materials and supplies.....	194,297	194,297	185,535	8,762
Contractual.....	2,045,695	2,045,695	1,857,157	188,538
	4,990,105	4,990,105	4,607,246	382,859
Less services to other departments.....	(68,382)	(68,382)	(68,381)	(1)
	4,921,723	4,921,723	4,538,865	382,858
Department of Probation:				
Personal services.....	11,919,126	11,919,126	11,622,348	296,778
Equipment.....	159,138	159,138	142,009	17,129
Materials and supplies.....	154,588	154,588	110,439	44,149
Contractual.....	5,643,759	5,643,759	5,422,266	221,493
	17,876,611	17,876,611	17,297,062	579,549
Less services to other departments.....	(372,792)	(372,792)	(990,056)	617,264
	17,503,819	17,503,819	16,307,006	1,196,813
Other:				
Court ordered medical examinations.....	110,000	110,000	110,000	—
Crime victims assistance.....	18,015	—	—	—
Family court rental.....	678,208	573,508	573,446	62
Legal Aid Society of Westchester.....	5,890,000	5,890,700	5,890,693	7
Legal services—Indigent defendants.....	5,159,000	6,534,870	6,534,869	1
NYC disaster assistance--2001.....	20,000	20,000	20,000	—
State court rental.....	600,842	747,992	747,991	1
Surrogate court rental.....	668,352	673,155	673,154	1
	13,144,417	14,550,225	14,550,153	72
Total Public Safety.....	176,312,243	181,853,921	176,300,895	5,553,026

continued

DRAFT AND UNAUDITED

General Fund— Schedule of Expenditures and Other Financing Uses Compared to Budget (cont'd)

Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
HEALTH:				
Community Mental Health Services:				
Personal services.....	8,256,540	8,254,199	7,382,511	871,688
Equipment.....	5,000	5,000	4,133	867
Materials and supplies.....	68,443	70,784	69,960	824
Contractual.....	3,487,058	3,487,058	3,028,599	458,459
	11,817,041	11,817,041	10,485,203	1,331,838
Less transfers out.....	(499,250)	(341,750)	(198,041)	(143,709)
Less services to other departments.....	(310,000)	(310,000)	(415,845)	105,845
	11,007,791	11,165,291	9,871,317	1,293,974
Department of Health:				
Personal services.....	16,645,484	16,645,484	14,827,291	1,818,193
Equipment.....	49,049	49,049	49,309	(260)
Materials and supplies.....	709,372	709,372	513,805	195,567
Contractual.....	117,947,095	117,947,095	112,675,537	5,271,558
	135,351,000	135,351,000	128,065,942	7,285,058
Less transfer to education.....	(106,514,894)	(106,437,629)	(102,383,136)	(4,054,493)
Less services to other departments.....	(185,000)	(185,000)	(188,590)	3,590
	28,651,106	28,728,371	25,494,216	3,234,155
Department of Laboratories and Research:				
Personal services.....	6,081,892	5,966,722	5,966,720	2
Equipment.....	263,743	263,743	63,000	200,743
Materials and supplies.....	1,162,714	1,162,714	1,027,393	135,321
Contractual.....	3,237,484	3,607,764	3,607,611	153
	10,745,833	11,000,943	10,664,724	336,219
Less services to other departments.....	(8,524)	(8,524)	(3,618)	(4,906)
	10,737,309	10,992,419	10,661,106	331,313
Total Health.....	50,396,206	50,886,081	46,026,639	4,859,442
TRANSPORTATION:				
Department of Transportation:				
Personal services.....	1,883,238	1,883,238	1,804,592	78,646
Equipment.....	2,800	2,800	1,184	1,616
Materials and supplies.....	1,924,447	1,924,447	1,922,198	2,249
Contractual.....	67,973,820	67,973,820	66,417,575	1,556,245
	71,784,305	71,784,305	70,145,549	1,638,756
Less services to other departments.....	(683,865)	(683,865)	(664,318)	(19,547)
	71,100,440	71,100,440	69,481,231	1,619,209

continued

DRAFT AND UNAUDITED

General Fund— Schedule of Expenditures and Other Financing Uses Compared to Budget (cont'd)

Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
TRANSPORTATION: (CONT'D)				
County Road Maintenance:				
Personal services.....	2,038,586	1,950,382	1,845,430	104,952
Equipment.....	81,800	83,711	83,711	—
Materials and supplies.....	606,551	638,551	525,679	112,872
Contractual.....	1,608,532	1,618,632	1,205,736	412,896
	4,335,469	4,291,276	3,660,556	630,720
Less services to other departments.....	(469,097)	(469,097)	(469,262)	165
	3,866,372	3,822,179	3,191,294	630,885
Total Transportation.....	74,966,812	74,922,619	72,672,525	2,250,094
ECONOMIC ASSISTANCE AND OPPORTUNITY:				
County Executive:				
Youth Bureau:				
Personal services.....	411,564	418,476	418,475	1
Equipment.....	5,175	5,175	2,529	2,646
Materials and supplies.....	9,945	9,945	6,450	3,495
Contractual.....	228,278	228,278	181,825	46,453
	654,962	661,874	609,279	52,595
Less services to other departments.....	(329,439)	(329,439)	(329,439)	—
	325,523	332,435	279,840	52,595
Department of Social Services:				
Personal services.....	59,975,803	59,975,803	57,240,222	2,735,581
Equipment.....	146,311	146,311	126,091	20,220
Materials and supplies.....	844,495	844,495	706,182	138,313
Contractual.....	32,822,567	32,822,567	31,294,619	1,527,948
Relief.....	408,001,483	403,501,483	396,791,287	6,710,196
	501,790,659	497,290,659	486,158,401	11,132,258
Other:				
Invest in Kids.....	1,020,000	908,664	908,664	—
Total Economic Assistance and Opportunity.....	503,136,182	498,531,758	487,346,905	11,184,853

continued

DRAFT AND UNAUDITED

General Fund— Schedule of Expenditures and Other Financing Uses Compared to Budget (cont'd)

Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
CULTURE AND RECREATION:				
Department of Parks, Recreation and				
Conservation:				
General Services:				
Personal services.....	4,632,625	4,460,589	4,392,578	68,011
Equipment.....	58,040	66,630	33,904	32,726
Materials and supplies.....	598,618	581,163	545,810	35,353
Contractual.....	2,991,333	3,024,762	2,879,529	145,233
	8,280,616	8,133,144	7,851,821	281,323
Less services to other departments.....	(133,995)	(133,995)	(6,223,069)	6,089,074
	8,146,621	7,999,149	1,628,752	6,370,397
Golf Courses:				
Personal services.....	3,616,945	3,519,559	3,461,275	58,284
Equipment.....	64,887	64,887	58,487	6,400
Materials and supplies.....	849,314	787,314	740,132	47,182
Contractual.....	1,500,575	1,490,729	1,377,553	113,176
	6,031,721	5,862,489	5,637,447	225,042
Parks:				
Personal services.....	11,423,947	11,733,856	11,675,272	58,584
Equipment.....	151,592	143,002	100,725	42,277
Materials and supplies.....	2,421,832	2,490,432	2,320,486	169,946
Contractual.....	14,582,688	14,580,709	13,715,714	864,995
	28,580,059	28,947,999	27,812,197	1,135,802
Less transfers to debt service.....	(3,241,939)	(3,241,940)	(3,239,871)	(2,069)
Less services to other departments.....	(6,309,445)	(6,309,445)	—	(6,309,445)
	19,028,675	19,396,614	24,572,326	(5,175,712)
Parkways:				
Personal services.....	780,410	568,787	568,785	2
Equipment.....	12,810	12,810	1,553	11,257
Materials and supplies.....	219,450	212,850	206,652	6,198
Contractual.....	70,230	72,057	71,754	303
	1,082,900	866,504	848,744	17,760
Recreation:				
Personal services.....	2,142,971	2,315,907	2,310,426	5,481
Equipment.....	9,625	9,625	1,147	8,478
Materials and supplies.....	436,568	454,023	440,965	13,058
Contractual.....	764,414	771,183	603,201	167,982
	3,353,578	3,550,738	3,355,739	194,999
Total Department of Parks, Recreation and Conservation.....	37,643,495	37,675,494	36,043,008	1,632,486

continued

DRAFT AND UNAUDITED

General Fund— Schedule of Expenditures and Other Financing Uses Compared to Budget (cont'd)

Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Other:				
Arts in Westchester.....	809,625	809,625	809,625	—
Hudson River Museum.....	549,600	549,600	549,600	—
Westchester Historical Society.....	72,000	72,000	72,000	—
Westchester Library System.....	796,650	796,650	796,650	—
	<u>2,227,875</u>	<u>2,227,875</u>	<u>2,227,875</u>	<u>—</u>
Total Culture and Recreation.....	39,871,370	39,903,369	38,270,883	1,632,486
HOME AND COMMUNITY SERVICES:				
Department of Senior Programs and Services:				
Personal services.....	137,060	137,060	137,060	—
Contractual.....	2,266,750	2,266,750	2,260,984	5,766
	<u>2,403,810</u>	<u>2,403,810</u>	<u>2,398,044</u>	<u>5,766</u>
Less transfers out.....	(1,894,357)	(1,894,357)	(1,888,591)	(5,766)
Less services to other departments.....	(220,000)	(220,000)	(220,000)	—
	<u>289,453</u>	<u>289,453</u>	<u>289,453</u>	<u>—</u>
Weights, Measures, Consumer Protection:				
Personal services.....	1,191,787	1,191,787	1,181,128	10,659
Equipment.....	1,800	1,800	1,800	—
Materials and supplies.....	34,025	34,025	30,662	3,363
Contractual.....	207,430	207,430	170,982	36,448
	<u>1,435,042</u>	<u>1,435,042</u>	<u>1,384,572</u>	<u>50,470</u>
Other:				
Public Utility Service Agency.....	478,730	453,730	203,572	250,158
Westchester County Extension Service.....	824,602	824,602	824,602	—
	<u>1,303,332</u>	<u>1,278,332</u>	<u>1,028,174</u>	<u>250,158</u>
Total Home and Community Services.....	3,027,827	3,002,827	2,702,199	300,628
EMPLOYEE BENEFITS:				
State retirement system.....	25,672,825	28,222,575	22,937,823	5,284,752
Social security.....	20,995,188	20,906,188	20,014,612	891,576
Employee health insurance.....	59,736,160	59,736,160	59,675,103	61,057
Unemployment benefits.....	550,000	639,000	638,759	241
Union benefit fund.....	1,700,000	1,743,048	1,742,551	497
	<u>108,654,173</u>	<u>111,246,971</u>	<u>105,008,848</u>	<u>6,238,123</u>

continued

DRAFT AND UNAUDITED

General Fund— Schedule of Expenditures and Other Financing Uses Compared to Budget (cont'd)

Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
CAPITAL OUTLAY:				
Non-recurring repairs and replacements.....	227,887	227,887	98,431	129,456
Cost of New Issues.....	700,000	746,865	746,847	18
Total Capital Outlay.....	927,887	974,752	845,278	129,474
DEBT SERVICE:				
Principal—Bonds.....	52,789,460	52,787,561	52,601,739	185,822
Interest—Bonds.....	17,672,968	17,657,203	17,637,258	19,945
Total Debt Service.....	70,462,428	70,444,764	70,238,997	205,767
Total Expenditures.....	1,234,856,944	1,245,874,444	1,200,794,434	45,080,010
OTHER FINANCING USES:				
Transfers Out:				
Department Transfers to Other Funds:				
Community Mental Health.....	499,250	341,750	198,041	143,709
Senior Programs and Services.....	1,894,357	1,894,357	1,888,591	5,766
	2,393,607	2,236,107	2,086,632	149,475
Other:				
Special Revenue Funds.....	373,630	1,213,630	1,213,630	—
	373,630	1,213,630	1,213,630	—
Total Operating Transfers Out	2,767,237	3,449,737	3,300,262	149,475
WCHCC Credit Support Payment.....	90,000,000	90,000,000	—	90,000,000
Total Other Financing Uses.....	92,767,237	93,449,737	3,300,262	90,149,475
Total Expenditures and Other Financing Uses.....	\$ 1,327,624,181	\$ 1,339,324,181	1,204,094,696	\$ 135,229,485

DRAFT AND UNAUDITED

**Combined Sewer Districts Fund—
Comparative Balance Sheet**

December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
ASSETS		
Cash.....	\$ 200	\$ —
Investments.....	66,900,000	59,000,000
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$6,212 in 2003 and 2002	678,167	5,860
Due from Other Funds.....	<u>1,366,460</u>	<u>5,138,292</u>
Total Assets.....	<u>\$ 68,944,827</u>	<u>\$ 64,144,152</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable and Accrued Expenses.....	<u>\$ 5,604,896</u>	<u>\$ 4,829,950</u>
Fund Balance:		
Reserved.....	1,158,918	2,135,730
Unreserved.....	<u>62,181,013</u>	<u>57,178,472</u>
Total Fund Balance.....	<u>63,339,931</u>	<u>59,314,202</u>
Total Liabilities and Fund Balance.....	<u>\$ 68,944,827</u>	<u>\$ 64,144,152</u>

DRAFT AND UNAUDITED

**Combined Sewer Districts Fund—
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance—Budget and Actual**

Years Ended December 31, 2003 and 2002

	2003			2002		
	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:						
Taxes on Real Property.....	\$ 68,838,000	\$ 68,838,000	\$ —	\$ 62,113,000	\$ 62,113,000	\$ —
Departmental Income.....	4,005,501	4,830,146	824,645	3,918,668	4,263,579	344,911
Earnings on Investments.....	2,183,443	2,585,817	402,374	2,803,500	2,816,846	13,346
Miscellaneous.....	—	1,270,575	1,270,575	—	45,120	45,120
Total Revenues.....	75,026,944	77,524,538	2,497,594	68,835,168	69,238,545	403,377
EXPENDITURES:						
Current:						
General Government.....	6,415,865	5,593,541	822,324	6,894,751	5,417,330	1,477,421
Home and Community Services.....	46,317,499	42,116,804	4,200,695	44,050,553	38,378,723	5,671,830
Employee Benefits.....	9,151,459	8,401,369	750,090	8,056,199	7,510,115	546,084
Capital Outlay.....	2,741,072	1,687,871	1,053,201	1,732,647	1,134,930	597,717
Debt Service.....	21,630,476	17,915,050	3,715,426	18,796,680	18,662,743	133,937
Total Expenditures.....	86,256,371	75,714,635	10,541,736	79,530,830	71,103,841	8,426,989
Excess (Deficiency) of Revenues Over Expenditures.....	(11,229,427)	1,809,903	13,039,330	(10,695,662)	(1,865,296)	8,830,366
OTHER FINANCING SOURCES (USES):						
Transfers In:						
General Fund.....	373,630	373,630	—	956,103	909,649	(46,454)
Capital Projects Fund.....	2,453,000	2,453,000	—	3,005,311	3,005,311	—
Total Transfers In.....	2,826,630	2,826,630	—	3,961,414	3,914,960	(46,454)
Transfers Out:						
General Fund.....	(63,804)	(63,804)	—	(161,449)	(161,449)	—
Capital Projects Fund.....	(547,000)	(547,000)	—	(600,000)	(600,000)	—
Total Transfers Out.....	(610,804)	(610,804)	—	(761,449)	(761,449)	—
Total Other Financing Sources.....	2,215,826	2,215,826	—	3,199,965	3,153,511	(46,454)
Net Change in Fund Balance.....	(9,013,601)	4,025,729	13,039,330	(7,495,697)	1,288,215	8,783,912
Fund Balance—Beginning of Year.....	9,013,601	59,314,202	50,300,601	7,495,697	58,025,987	50,530,290
Fund Balance—End of Year.....	\$ —	\$ 63,339,931	\$ 63,339,931	\$ —	\$ 59,314,202	\$ 59,314,202

DRAFT AND UNAUDITED

**Airport Fund—
Comparative Balance Sheet**

December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
ASSETS		
Cash.....	\$ 2,354,285	\$ 1,375,410
Investments.....	10,000,000	8,000,000
Accounts Receivable.....	2,666,769	2,375,037
Due from Other Funds.....	1,726,474	3,723,275
Total Assets.....	<u>\$ 16,747,528</u>	<u>\$ 15,473,722</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable and Accrued Expenses.....	<u>\$ 4,073,264</u>	<u>\$ 3,592,210</u>
Fund Balance:		
Reserved.....	131,621	902,887
Unreserved.....	<u>12,542,643</u>	<u>10,978,625</u>
Total Fund Balance.....	<u>12,674,264</u>	<u>11,881,512</u>
Total Liabilities and Fund Balance.....	<u>\$ 16,747,528</u>	<u>\$ 15,473,722</u>

DRAFT AND UNAUDITED

Airport Fund

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

Years Ended December 31, 2003 and 2002

	2003			2002		
	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:						
State Aid.....	\$ —	\$ 90,494	\$ 90,494	\$ —	\$ —	\$ —
Federal Aid.....	—	—	—	—	4,396,113	4,396,113
Departmental Income.....	29,663,448	28,648,481	(1,014,967)	29,056,870	27,970,209	(1,086,661)
Earnings on Investments.....	150,000	171,282	21,282	100,000	212,957	112,957
Miscellaneous.....	—	—	—	—	—	—
Total Revenues.....	29,813,448	28,910,257	(903,191)	29,156,870	32,579,279	3,422,409
EXPENDITURES:						
Current:						
Transportation.....	24,211,031	22,649,438	1,561,593	25,532,089	22,294,683	3,237,406
Employee Benefits.....	1,867,949	1,804,190	63,759	1,865,776	1,826,971	38,805
Capital Outlay.....	1,485,898	808,938	676,960	1,992,916	616,028	1,376,888
Debt Service.....	3,061,811	3,060,293	1,518	3,116,269	3,109,629	6,640
Total Expenditures.....	30,626,689	28,322,859	2,303,830	32,507,050	27,847,311	4,659,739
Excess (Deficiency) of Revenues Over Expenditures.....	(813,241)	587,398	1,400,639	(3,350,180)	4,731,968	8,082,148
OTHER FINANCING SOURCES (USES):						
Transfers In:						
Capital Projects Fund.....	1,315,354	1,430,354	115,000	283,815	538,815	255,000
Transfers Out:						
Capital Projects Fund.....	(1,225,000)	(1,225,000)	—	(130,000)	(130,000)	—
Total Other Financing Uses.....	90,354	205,354	115,000	153,815	408,815	255,000
Net Change in Fund Balance.....	(722,887)	792,752	1,515,639	(3,196,365)	5,140,783	8,337,148
Fund Balance—Beginning of Year.....	722,887	11,881,512	11,158,625	3,196,365	6,740,729	3,544,364
Fund Balance—End of Year.....	\$ —	\$ 12,674,264	\$ 12,674,264	\$ —	\$ 11,881,512	\$ 11,881,512

DRAFT AND UNAUDITED

**Combined Water Districts Fund—
Comparative Balance Sheet**

December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
ASSETS		
Investments.....	\$ 2,000,000	\$ 1,200,000
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$838,273 in 2003.....	1,565,869	1,658,497
Due from Other Funds.....	<u>61,525</u>	<u>1,266,471</u>
Total Assets.....	<u>\$ 3,627,394</u>	<u>\$ 4,124,968</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable and Accrued Expenses.....	<u>\$ 778,038</u>	<u>\$ 1,252,666</u>
Fund Balance:		
Reserved.....	3,648	59,522
Unreserved.....	<u>2,845,708</u>	<u>2,812,780</u>
Total Fund Balance.....	<u>2,849,356</u>	<u>2,872,302</u>
Total Liabilities and Fund Balance.....	<u>\$ 3,627,394</u>	<u>\$ 4,124,968</u>

DRAFT AND UNAUDITED

**Water Districts Fund—
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances**

Year Ended December 31, 2003

	County Water District No. 1	County Water District No. 2	County Water District No. 3	County Water District No. 4	Elimination	Totals
Revenues.....	\$ 5,298,947	\$ 284,478	\$ 251,563	\$ 5,338	\$ —	\$ 5,840,326
Expenditures.....	5,520,159	422,308	760,805	—	—	6,703,272
Excess (Deficiency) of Revenues Over Expenditures.....	(221,212)	(137,830)	(509,242)	5,338	—	(862,946)
Other Financing Sources:						
Operating Transfers In.....	—	—	840,000	—	—	840,000
Operating Transfers Out.....	—	—	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	840,000	—	—	840,000
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(221,212)	(137,830)	330,758	5,338	—	(22,946)
Fund Balances—Beginning of Year.....	1,201,570	947,296	470,667	252,769	—	2,872,302
Fund Balances—End of Year.....	<u>\$ 980,358</u>	<u>\$ 809,466</u>	<u>\$ 801,425</u>	<u>\$ 258,107</u>	<u>\$ —</u>	<u>\$ 2,849,356</u>

DRAFT AND UNAUDITED

**Combined Water Districts Fund—
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance—Budget and Actual**

Years Ended December 31, 2003 and 2002

	2003			2002		
	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:						
Taxes on Real Property.....	\$ 732,000	\$ 732,000	\$ —	\$ 570,000	\$ 570,000	\$ —
Departmental Income.....	6,440,865	4,783,516	(1,657,349)	5,708,295	4,952,190	(756,105)
Earnings on Investments.....	54,707	24,970	(29,737)	126,027	48,860	(77,167)
Miscellaneous.....	287,786	299,840	12,054	267,920	269,515	1,595
Total Revenues.....	7,515,358	5,840,326	(1,675,032)	6,672,242	5,840,565	(831,677)
EXPENDITURES:						
Current:						
Home and Community Services.....	7,136,284	5,907,727	1,228,557	6,380,514	5,349,677	1,030,837
Employee Benefits.....	238,537	189,096	49,441	226,166	224,350	1,816
Capital Outlay.....	395,000	149,366	245,634	296,059	250,670	45,389
Debt Service.....	457,561	457,083	478	459,265	459,265	—
Total Expenditures.....	8,227,382	6,703,272	1,524,110	7,362,004	6,283,962	1,078,042
Excess (Deficiency) of Revenues Over Expenditures	(712,024)	(862,946)	(150,922)	(917,645)	(774,030)	246,365
OTHER FINANCING SOURCES:						
Transfers In:						
General Fund.....	—	840,000	840,000	—	—	—
Net Change in Fund Balance.....	(712,024)	(22,946)	689,078	(689,762)	(443,397)	246,365
Fund Balance—Beginning of Year.....	712,024	2,872,302	2,160,278	689,762	3,315,699	2,625,937
Fund Balance—End of Year.....	\$ —	\$ 2,849,356	\$ 2,849,356	\$ —	\$ 2,872,302	\$ 2,872,302

DRAFT AND UNAUDITED

Refuse Disposal District Fund—
Comparative Balance Sheet

December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
ASSETS		
Investments.....	\$ 46,400,000	\$ 39,500,000
Accounts Receivable.....	4,021,716	3,011,587
Due from Other Funds.....	6,689,421	5,877,655
Total Assets.....	<u>\$ 57,111,137</u>	<u>\$ 48,389,242</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable and Accrued Expenses.....	<u>\$ 8,356,666</u>	<u>\$ 5,570,963</u>
Fund Balance:		
Reserved	90,640	6,522
Unreserved.....	48,663,831	42,811,757
Total Fund Balance.....	<u>48,754,471</u>	<u>42,818,279</u>
Total Liabilities and Fund Balance.....	<u>\$ 57,111,137</u>	<u>\$ 48,389,242</u>

DRAFT AND UNAUDITED

**Refuse Disposal District Fund—
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance—Budget and Actual**

Years Ended December 31, 2003 and 2002

	2003			2002		
	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Revised Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:						
Taxes on Real Property.....	\$ 47,352,870	\$ 47,352,870	\$ —	\$ 43,138,650	\$ 43,138,650	\$ —
Departmental Income.....	20,516,438	24,236,857	3,720,419	20,102,845	22,374,634	2,271,789
Earnings on Investments.....	865,581	848,956	(16,625)	1,644,191	975,617	(668,574)
Miscellaneous.....	65,000	58,077	(6,923)	67,200	207,762	140,562
Total Revenues.....	68,799,889	72,496,760	3,696,871	64,952,886	66,696,663	1,743,777
EXPENDITURES:						
Current:						
General Government.....	3,302,082	3,239,111	62,971	3,373,798	2,962,446	411,352
Home and Community Services.....	65,975,291	58,897,780	7,077,511	61,492,983	59,128,935	2,364,048
Employee Benefits.....	794,228	660,323	133,905	740,974	723,194	17,780
Debt Service.....	3,832,790	3,727,790	105,000	3,419,229	3,416,966	2,263
Total Expenditures.....	73,904,391	66,525,004	7,379,387	69,026,984	66,231,541	2,795,443
Excess (Deficiency) of Revenues Over Expenditures.....	(5,104,502)	5,971,756	11,076,258	(4,074,098)	465,122	4,539,220
OTHER FINANCING SOURCES (USES):						
Transfers In:						
General Fund.....	33,544	—	(33,544)	33,544	33,544	—
Transfers Out:						
General Fund.....	(35,564)	(35,564)	—	—	—	—
Total Other Financing Sources (Uses)	(2,020)	(35,564)	(33,544)	33,544	33,544	—
Net Change in Fund Balance.....	(5,106,522)	5,936,192	11,042,714	(4,040,554)	498,666	4,539,220
Fund Balance—Beginning of Year.....	5,106,522	42,818,279	37,711,757	4,040,554	42,319,613	38,279,059
Fund Balance—End of Year.....	\$ —	\$ 48,754,471	\$ 48,754,471	\$ —	\$ 42,818,279	\$ 42,818,279

DRAFT AND UNAUDITED

**Grants Fund—
Comparative Balance Sheet**

December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
ASSETS		
Cash.....	\$ 1,243,362	\$ 33,678
Accounts Receivable.....	801,092	525,843
Due from Federal and State Governments.....	12,982,572	8,399,490
Due from Other Funds.....	<u>—</u>	<u>5,435,660</u>
Total Assets.....	<u>\$ 15,027,026</u>	<u>\$ 14,394,671</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable and Accrued Expenses.....	\$ 7,981,813	\$ 1,820,296
 Fund Balance:		
Unreserved.....	<u>7,045,213</u>	<u>12,574,375</u>
Total Liabilities and Fund Balance.....	<u>\$ 15,027,026</u>	<u>\$ 14,394,671</u>

DRAFT AND UNAUDITED

**Grants Fund—
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance**

Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
REVENUES:		
Federal Aid.....	\$ 60,308,083	\$ 52,197,536
State Aid.....	38,906,994	44,933,931
Departmental Income.....	15,141,004	10,546,575
Miscellaneous.....	3,407,244	6,061,281
Total Revenues.....	<u>117,763,325</u>	<u>113,739,323</u>
EXPENDITURES:		
Current:		
General Government.....	4,821,019	5,060,918
Public Safety.....	12,116,836	11,264,674
Health.....	57,966,269	50,883,186
Transportation.....	10,332,057	3,885,158
Economic Assistance and Opportunity.....	37,673,817	42,913,138
Culture and Recreation.....	1,043,472	1,146,964
Home and Community Services.....	1,425,649	1,034,089
Total Expenditures.....	<u>125,379,119</u>	<u>116,188,127</u>
Excess (Deficiency) of Revenues Over Expenditures.....	(7,615,794)	(2,448,804)
OTHER FINANCING SOURCES:		
Transfers In.....	<u>2,086,632</u>	<u>2,428,405</u>
Net Change in Fund Balance.....	(5,529,162)	(20,399)
Fund Balance—Beginning of Year.....	<u>12,574,375</u>	<u>12,594,774</u>
Fund Balance—End of Year.....	<u><u>\$ 7,045,213</u></u>	<u><u>\$ 12,574,375</u></u>

DRAFT AND UNAUDITED

Westchester County
Statement of Net Assets
Internal Service Funds
December 31, 2003

	Health Insurance Fund	Casualty Reserve Fund	Workers' Compensation Reserve Fund	Total
ASSETS				
Cash	\$ -	\$ 3,986,292	\$ 3,382,574	\$ 7,368,866
Investments	18,500,000	37,136,875	9,572,571	65,209,446
Accounts Receivable	159,714	537,656	100,023	797,393
Due from Other Funds	26,427	77,791	-	104,218
Total assets	<u>18,686,141</u>	<u>41,738,614</u>	<u>13,055,168</u>	<u>73,479,923</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts Payable	11,365,881	43,651,297	11,854,567	66,871,745
Due to Other Funds	-	-	9,110	9,110
Total liabilities	<u>11,365,881</u>	<u>43,651,297</u>	<u>11,863,677</u>	<u>66,880,855</u>
Net Assets				
Restricted	-	(1,912,683)	1,191,491	(721,192)
Unrestricted	7,320,260	-	-	7,320,260
Net Assets	<u>\$ 7,320,260</u>	<u>(\$ 1,912,683)</u>	<u>\$ 1,191,491</u>	<u>\$ 6,599,068</u>

DRAFT AND UNAUDITED

Westchester County
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2003

	Health Insurance Fund	Casualty Reserve Fund	Workers' Compensation Reserve Fund	Total
Operating revenues:				
Charges for Services	\$ 80,858,337	\$ 8,734,443	\$ 1,836,007	\$ 91,428,787
Operating expenses:				
Claims and Claim Adjustments	-	19,824,555	4,179,002	24,003,557
Employee Health Benefits	80,951,043	-	-	80,951,043
Total operating expenses	80,951,043	19,824,555	4,179,002	104,954,600
Operating Income (Loss)	(92,706)	(11,090,112)	(2,342,995)	(13,525,813)
Nonoperating revenues:				
Earnings on Investments	98,865	1,861,183	405,262	2,365,310
Net Increase (Decrease) in Fair Value of Investments	-	(992,287)	(148,578)	(1,140,865)
Change in net assets	6,159	(10,221,216)	(2,086,311)	(12,301,368)
Net assets -- beginning, as reported	7,314,101	8,308,533	3,277,802	18,900,436
Change in accountng principle	-	-	-	-
Net assets -- beginning, as restated	7,314,101	8,308,533	3,277,802	18,900,436
Net assets -- ending	\$ 7,320,260	(\$ 1,912,683)	\$ 1,191,491	\$ 6,599,068

COUNTY OF WESTCHESTER

Statement of Budgeted Revenues and Expenditures
Airport Fund

	For the Years Ended		
	2004 (a)	2003	2002
REVENUES:			
Departmental Income.....	\$ 29,065,530	\$ 29,663,448	\$ 29,056,870
Earnings on Investments.....	200,000	150,000	100,000
Total Revenues.....	29,265,530	29,813,448	29,156,870
Other Financing Sources:			
Operating Transfers In.....	1,268,386	1,315,354	283,815
Total Revenues and Other Financing Sources.....	30,533,916	31,128,802	29,440,685
EXPENDITURES:			
Current:			
Transportation.....	24,697,498	24,211,031	25,532,089
Employee Benefits.....	1,990,907	1,867,949	1,865,776
Capital Outlay.....	1,181,987	1,485,898	1,992,916
Debt Service.....	2,905,800	3,061,811	3,116,269
Total Expenditures.....	30,776,192	30,626,689	32,507,050
Other Financing Uses:			
Operating Transfers Out.....	690,625	1,225,000	130,000
Total Expenditures and Other Financing Uses.....	31,466,817	31,851,689	32,637,050
Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses.....	(932,901)	(722,887)	(3,196,365)
Appropriated Fund Balance.....	932,901	722,887	3,196,365
Net Budgeted Revenues and Expenditures.....	\$ —	\$ —	\$ —

(a) As amended through July 31, 2004.

COUNTY OF WESTCHESTER

**Amended 2004 Operating Budget Comparative Analysis
General Fund—Expenditures**

EXPENDITURES:	Amended ^(a)	Adopted	Change
Current:			
General Government.....	\$ 110,292,330	\$ 93,480,017	\$ 16,812,313
Education.....	133,224,449	133,221,710	2,739
Public Safety.....	186,778,727	187,244,422	(465,695)
Health.....	46,827,926	47,243,514	(415,588)
Transportation.....	75,930,066	75,655,995	274,071
Economic Assistance and Opportunity.....	531,673,554	532,359,932	(686,378)
Culture and Recreation.....	41,520,870	41,132,347	388,523
Home and Community Services.....	3,286,356	3,336,944	(50,588)
Employee Benefits.....	137,473,311	140,597,123	(3,123,812)
Capital Outlay.....	783,307	700,000	83,307
Debt Service.....	68,022,698	68,622,698	(600,000)
Total Expenditures.....	1,335,813,594	1,323,594,702	12,218,892
Other Financing Uses:			
Operating Transfers Out.....	2,587,657	2,480,907	106,750
WCHCC Credit Support.....	85,000,000	85,000,000	—
Total Expenditures and Other Financing Uses.....	<u>\$1,423,401,251</u>	<u>\$1,411,075,609</u>	<u>\$ 12,325,642</u>

(a) As amended through February 29, 2004.

COUNTY OF WESTCHESTER
Amended 2004 Operating Budget Comparative Analysis
General Fund—Revenues

	<u>Amended ^(a)</u>	<u>Adopted</u>	<u>Change</u>
REVENUES:			
Tax Levy on Real Property.....	\$ 479,307,830	\$ 437,752,856	\$ 41,554,974
Sales Tax.....	311,021,474	350,021,474	(39,000,000)
Mortgage Tax	12,500,000	—	12,500,000
Hotel Tax.....	4,335,000	4,335,000	—
Auto Use Tax.....	11,215,000	9,215,000	2,000,000
	<u>818,379,304</u>	<u>801,324,330</u>	<u>17,054,974</u>
Federal Aid:			
Social Services	127,495,372	128,265,800	(770,428)
Other.....	901,777	901,777	—
	<u>128,397,149</u>	<u>129,167,577</u>	<u>(770,428)</u>
State Aid:			
Social Services.....	131,054,043	131,471,140	(417,097)
Other.....	109,825,587	110,150,112	(324,525)
	<u>240,879,630</u>	<u>241,621,252</u>	<u>(741,622)</u>
Charges for Services:			
Departmental Income.....	104,686,966	113,916,591	(9,229,625)
Earnings on Investments.....	<u>2,710,000</u>	<u>2,710,000</u>	<u>—</u>
Miscellaneous Revenues:			
Harness Racing Admissions Tax.....	5,000	5,000	—
Other.....	9,915,223	9,915,223	—
	<u>9,920,223</u>	<u>9,920,223</u>	<u>—</u>
Total Revenues.....	1,304,973,272	1,298,659,973	6,313,299
Other Financing Sources:			
Operating Transfers In.....	2,885,010	2,885,010	—
WCHCC Credit Support	85,000,000	85,000,000	—
Appropriated Fund Balance	30,542,969	24,530,626	6,012,343
Total Revenues and Other Financing Sources.....	<u>\$1,423,401,251</u>	<u>\$1,411,075,609</u>	<u>\$ 12,325,642</u>

(a) As amended through February 29, 2004.

FORM OF DELAYED DELIVERY CONTRACT

_____2003

Citigroup Global Markets Inc.
 Municipal Securities Division
 390 Greenwich Street, 2nd Floor
 New York, New York 10013

RE: \$4,280,000 County of Westchester, New York General Obligation Delayed
 Delivery AMT Refunding Bonds – 2004 (the “AMT Bonds”)

Ladies and Gentlemen:

The undersigned (the “Purchaser”) hereby agrees to purchase from Citigroup Global Markets Inc. (“Citigroup”), when, as, and if issued and delivered to Citigroup by the County of Westchester, New York (the “Issuer”) and Citigroup agrees to sell to the Purchaser,

<u>Par Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>	<u>Yield</u>
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in aggregate principal amount of the above-referenced AMT Bonds offered by the Issuer under the Preliminary Official Statement dated December 4, 2003 and the Official Statement dated December 12, 2003 (as updated) (together, the “Official Statement”), receipt and review of copies of which (including without limitation the section entitled “PLAN OF REFUNDING” therein) is hereby acknowledged at a purchase price (plus accrued interest, if any, from the date of initial delivery of the AMT Bonds) and yield, at the interest rates, principal amounts, and maturity dates shown above, and on the further terms and conditions set forth in this Delayed Delivery Contract.

The Purchaser hereby agrees to accept delivery of such AMT Bonds from Citigroup on August 17, 2004 (the “Settlement Date”).

Payment for the AMT Bonds which the Purchaser has agreed to purchase on the Settlement Date shall be made to Citigroup or to its order on the Settlement Date upon delivery to the Purchaser of the AMT Bonds then to be purchased by the Purchaser through the book-entry system of The Depository Trust Company.

Upon issuance by the Issuer of the AMT Bonds and purchase thereof by Citigroup, the obligation of the Purchaser to take delivery hereunder shall be unconditional except in the event that between the date of this Delayed Delivery Contract and the Settlement Date, (a) as a result of any legislation, regulation, ruling order, release, court decision or judgment or action by the U.S. Congress, Department of Treasury, Internal Revenue Service, or Securities and Exchange Commission (or comparable agencies in the State of New York), either issued, effective, adopted, or proposed, (i) Bond Counsel is not able to render its opinion substantially in the form

attached as Appendix E to the Official Statement; or to the effect that, notwithstanding a change in law existing on the date of Closing, the interest on such bonds is not includable in the gross income of the holders thereof for federal income tax purposes, and is not subject to personal income taxes of the State of New York and its political subdivisions, including the cities of New York and Yonkers or (ii) the offering or sale of the AMT Bonds would be in violation of any provision of the Securities Act of 1933 (the "1933 Act"), the Securities Exchange Act of 1934, or the Trust Indenture Act of 1939, or the offering or sale of the AMT Bonds would be subject to registration under the 1933 Act or similar federal law; (b) if for any other reason, Bond Counsel is not able to render its opinion substantially in the form attached as Appendix E to the Official Statement; or (c) the AMT Bonds are not rated as investment grade or higher by Moody's, S&P and Fitch on the Settlement Date.

The Purchaser represents and warrants that, as of the date of this Delayed Delivery Contract, the Purchaser is not prohibited from purchasing the AMT Bonds hereby agreed to be purchased by it under the laws of the jurisdiction to which the Purchaser is subject.

This Delayed Delivery Contract will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party without the written consent of the other.

The Purchaser acknowledges that Citigroup is entering into an agreement with the Issuer to purchase the AMT Bonds in reliance in part of the performance by the Purchaser of its obligations hereunder.

The Purchaser agrees that it will at all times satisfy the minimum initial and maintenance margin requirements of Regulation T of the Board of Governors of the Federal Reserve System, Rule 431 of the New York Stock Exchange, Inc. and any other margin regulations applicable to Citigroup.

This Delayed Delivery Contract may be executed by either of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

It is understood that the acceptance by Citigroup of any Delayed Delivery Contract (including this one) is in Citigroup's sole discretion and that, without limiting the foregoing, acceptances of such contracts need not be on a first-come, first-served basis. If this Delayed Delivery Contract is acceptable to the Citigroup, it is requested that Citigroup sign the form of acceptance below and mail or deliver one of the counterparts hereof to the Purchaser at its address set forth below. This will become a binding contract between Citigroup and the Purchaser when such counterpart is so mailed or delivered by Citigroup. This Delayed Delivery Contract does not constitute a customer confirmation pursuant to Rule G-15 of the Municipal Securities Rulemaking Board.

The Issuer shall be deemed a third party beneficiary of this Delayed Delivery Contract.

This Delayed Delivery Contract shall be construed and administered under the Laws of the State of New York.

Purchaser

Address

Telephone

By: _____

Name: _____

Title: _____

Accepted: _____

CITIGROUP GLOBAL MARKETS INC.

Name: _____

Title: _____

form of opinion

Hawkins, Delafield & Wood
 67 Wall Street
 New York, New York 10005

August __, 2004

The Board of Legislators of the
 County of Westchester, New York

Ladies and Gentlemen:

We have examined a record of proceedings relating to the sale and issuance of \$4,280,000 General Obligation Delayed Delivery Refunding AMT Bonds - 2004 (the "Bonds") of the County of Westchester (the "County"), New York.

The Bonds are issued pursuant to the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York, a refunding bond act duly adopted by the County Board of Legislators on October 20, 2003, authorizing the issuance of not to exceed \$186,000,000 bonds of the County to provide funds required by the County to refund certain bonds of the County referred to therein, and a Certificate of Determination executed by the Commissioner of Finance as of December 12, 2003, determining the terms, form and details of issuance of said General Obligation Delayed Delivery Refunding AMT Bonds and providing for their private sale.

The Bonds are dated August __, 2004, are numbered from one consecutively upwards with the letter "ER" prefixed to the number, mature on November 15 in the principal amounts in each of the following years, and bear interest at the rates per annum, payable November 15, 2004 and semi-annually thereafter on May 15 and November 15 in each year to maturity, as set forth below:

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
2005	\$335,000	5.000%	2010	\$490,000	5.250%
2006	340,000	5.000	2011	480,000	5.500
2007	345,000	5.000	2012	475,000	5.500
2008	385,000	5.250	2013	470,000	5.500
2009	495,000	5.250	2014	465,000	5.500

The Bonds are not subject to prior redemption.

The Bonds are issued only in fully registered form without interest coupons, in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, an automated depository for securities and clearinghouse for securities transactions which will maintain a book-entry system for recording the ownership interests in the Bonds. Only one Bond will be initially issued for each maturity in the aggregate principal amount of such maturity.

Purchases of ownership interests in the Bonds will be made in book-entry form in denominations of \$5,000 or any integral multiple thereof, not exceeding the aggregate principal amount of Bonds maturing in any year.

In our opinion, said Bonds are valid and legally binding general obligations of the County for which the County has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the County is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon without limitation of rate or amount. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income under Section 103 of the Code. The Commissioner of Finance of the County, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the County will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest paid on the Bonds is excludable from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate delivered concurrently with the delivery of the Bonds, and in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds, if and when delivered, is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, except that no opinion is expressed as to such exclusion of interest on any Bond for any period during which such Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the Bonds or a "related person," and (ii) interest on the Bonds, however, is treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code. In rendering the foregoing opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the County and others in connection with the Bonds, and we have assumed compliance by the County with certain ongoing certifications in the Arbitrage and Use of Proceeds Certificate to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

Except as stated above, we express no opinion regarding any other federal, state or local tax consequences arising with respect to the Bonds or the ownership or disposition thereof. We render our opinion under existing statutes and court decisions as of the issue date, and assume no obligation to update, revise or supplement this opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Furthermore, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Bonds, or under state and local tax law.

Further, in our opinion, under existing statutes such interest on the Bonds, if and when delivered, is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York and the City of Yonkers.

We have examined the executed first numbered Bond and, in our opinion, the form of said Bond and its execution are regular and proper.

Very truly yours,

/s/Hawkins, Delafield & Wood