

2008 CAFR

*Comprehensive Annual
Financial Report*

County of Monroe,
New York

**For the Year Ended
December 31, 2008**



Maggie Brooks
County Executive

Scott Adair
Chief Financial Officer

Susan Walsh
Budget Director

Anthony Feroce
Controller

monroecounty.gov

County of Monroe, New York Comprehensive Annual Financial Report For the Year Ended December 31, 2008

**PREPARED BY
DEPARTMENT OF FINANCE**



**SCOTT M. ADAIR
CHIEF FINANCIAL OFFICER**

**ANTHONY FEROCCE
CONTROLLER**

INTRODUCTORY SECTION

This section contains the following:

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- LETTER OF TRANSMITTAL
- COUNTY EXECUTIVE'S OFFICE
- ELECTED COUNTY OFFICIALS
- LEGISLATIVE LEADERSHIP AND STAFF
- LEGISLATORS
- COUNTY DEPARTMENTS

COUNTY OF MONROE, NEW YORK COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2008

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Department of Finance
Monroe County, New York

Maggie Brooks
County Executive

Scott Adair
Chief Financial Officer

May 28, 2009

Taxpayers of Monroe County,
Honorable County Executive,
Members of the Monroe County Legislature, and
Employees of Monroe County

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the County of Monroe, State of New York (the County) for the year ended December 31, 2008, in accordance with the requirements of Article VI, Section C6-5C(2)(d)[1] of the County Charter. This report has been compiled and prepared by the County's Department of Finance, which assumes full responsibility for the completeness and accuracy of the financial data contained herein. We believe the information presented in this report fairly portrays the financial position and results of operations for 2008.

The CAFR is presented in three sections: Introductory, Financial and Statistical. The Introductory Section consists of this letter of transmittal, which gives an overview of the County's history and highlights of key departmental accomplishments. The Financial Section includes the Independent Auditors' Report, Management's Discussion and Analysis (MD&A), the basic financial statements and required supplementary information for the year ended December 31, 2008. The Statistical Section includes selected financial and demographic data, which are portrayed on a multi-year basis.

The County is also required to undergo an annual "single audit" in conformance with the provisions of the Federal Single Audit Act (as amended) and the United State Office of Management and Budget's Circular A-133: *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to the single audit (including the schedule of expenditures of federal awards; summary of findings and questioned costs; the Independent Auditors' Report on internal controls over financial reporting, based on an audit of financial statements performed in accordance with *Government Auditing Standards*; and a report on compliance with applicable laws, regulations, contracts and grants applicable to major federal programs; and internal controls over such compliance) is not provided in this report. This information is presented as a separate report along with the Independent Auditors' Report on compliance and internal controls over financial reporting.

The County's reporting entity is based on criteria set forth by the *Governmental Accounting Standards Board (GASB) Statement No. 39* as discussed in Note 1 to the Basic Financial Statements. The County's component units are comprised of Monroe Community College (MCC), Monroe County Airport Authority (MCAA), Monroe County Water Authority (MCWA), County of Monroe Industrial Development Agency

(COMIDA), and the Monroe Tobacco Asset Securitization Corporation (MTASC).

Background

Monroe County is located in western New York State on the south shore of Lake Ontario, approximately 70 miles east of the Buffalo/Niagara Falls area. The County is the northernmost portion of the Genesee River valley and contains one city, 19 towns and 10 villages. The City of Rochester is the County seat and New York State's third largest industrial and commercial center next to New York City and Buffalo. The area is accessible via the Greater Rochester International Airport, CSX and Genesee & Wyoming, Inc. railroads, Amtrak, the New York State Thruway, the St. Lawrence Seaway, and the New York State Erie Canal System. Monroe County is within 400 miles of many major metropolitan areas such as New York City, Toronto, Boston, and Washington, D.C.

The County has a population of approximately 730,000 people, and is the central county in the five county Rochester Metropolitan Statistical Area (MSA) which has a population of approximately 1,031,480. The County labor force measures approximately 372,600 and its economy draws from an MSA labor force totaling approximately 529,700. The County is home to the University of Rochester/Strong Medical Center, Wegmans Food Markets, Eastman Kodak, Xerox, Bausch & Lomb, Paychex and Citizen/Frontier Communications. In addition to these previously mentioned companies, we have approximately 5,000 companies that employ between 10 – 1,000 people and work primarily in the industries of precision manufacturing, optics, financial services, medical, plastics, pharmaceuticals, and information technology.

Economic Health

Rochester manufacturers continue to play a significant role in the world marketplace of photographic products, optics, graphics technology, communications, electronics, medical instrumentation, machine tooling, and pharmaceuticals. Manufacturing accounts for almost 14% of total non-agricultural employment in Monroe County.

Monroe County continues transitioning from an economy dominated by two or three large companies to a more diverse base of small and medium-sized employers. Jobs in most manufacturing categories continued to decline, but service jobs (those in healthcare, education, retail) grew in Rochester's economy to offset job losses in other areas.

The average 2008 unemployment rate for Monroe County was 5.5% (4.4% in 2007), compared with the national average of 5.8% (4.6% in 2007) and the State average of 5.4% (4.5% in 2007).

Significant Announcements

ESL Federal Credit Union, in April 2008, announced plans to build a six-story corporate headquarters at 225 Chestnut Street in downtown Rochester. Founded by George Eastman in 1920, ESL Federal Credit Union is one of the nation's largest and most successful credit unions. The 180,000 square foot building will include a full-service branch on the first floor and the remainder will provide office space. The building will feature energy-efficient technologies including a geothermal heating/cooling system and is expected to be LEED certifiable as a "green" building. ESL will also build a new parking garage with skyway connection. The \$43 million project will impact 342 existing employees and is projected to create 35 new Full Time Equivalents (FTEs) within three years.

Castle Office Group, in April 2008, in conjunction with Strong Memorial Hospital, announced a \$36 Million new building project that will include an off-site hospital-based ambulatory surgery service. The new building of approximately 80,000 square feet will accommodate an Operating Room/Procedure Suite as well as a pre/post-operative care space, a materials processing unit for instrument sterilization and preparation, and family waiting and patient intake space. The project will impact 92 existing employees and is projected to create 34 new FTEs within three years.

Unity Health, in May 2008, announced a \$28 Million medical office project. The 123,000 square foot, four-story medical office building, which will be located on 18 acres in the Town of Greece, will house a cardiology group, women's health care center, a spine center and various labs. The \$28 million project will impact 216 existing employees and is projected to create 54 new FTEs within three years.

Renaissance Square plans are moving forward and when complete will house a transit center, a campus for Monroe Community College (MCC) and a performing arts center. The project is a collaborative effort of the County, MCC, City of Rochester, Rochester Genesee Regional Transportation Authority and the Rochester Broadway Theater League. The project budget totals \$230 million. Efforts continue to secure federal and state funds to be applied towards the cost of the entire project. \$184 million of funding has been secured to date, including the County's portion of the cost for the Monroe Community College component.

Financial Information

Internal Controls - The County Administration is responsible for establishing and maintaining internal controls capable of ensuring that the assets of the County are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for basic financial statement preparation in conformity with U.S. generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgment by management. The County's internal controls are monitored and evaluated by the Department of Finance, specifically the Office of the Controller. As part of this effort, the Controller administers an internal auditing program to review and evaluate the adequacy and effectiveness of the County's internal controls.

Budgetary Controls - The County maintains budgetary controls to ensure compliance with the operating budget as approved annually by the County Legislature. Control is exercised over expenditures at the object class level for all departments. Activities in the governmental funds are funded and controlled through the annual operating budget. The County also maintains expenditure control via an encumbrance accounting system which provides that unencumbered, unexpended appropriations lapse at year-end unless explicitly reappropriated by the Legislature. Encumbrances outstanding at year-end are recorded in order to reserve that portion of the applicable appropriation for expenditure in the ensuing year. The Office of Management and Budget has the authority to transfer budget amounts between accounts within any department up to and including \$10,000 for all funds.

Capital projects are planned for in a six-year Capital Improvement Program. This program is updated annually with its first year becoming the County's Proposed Capital Budget for that year. Appropriations for each capital project are approved separately by the County Legislature and each project is accounted for in a separate capital fund.

Cash Management Policies and Practices - The County utilizes a pooled-cash concept to optimize its investment earnings. Earnings are allocated to the participating funds based upon their equity in the investment pool. All County investments are managed in accordance with New York State Law and the County Legislature's approved investment and deposit policy that emphasizes safety and liquidity above yield as management priorities.

2008 Achievements and Recognitions

The Department of Environmental Services Pure Waters Division continues to streamline its operations while striving to maintain the high level of environmental oversight that County residents have come to expect.

In an effort to continue high levels of service to County residents at reduced cost, several inter-municipal initiatives were undertaken. In the Pure Waters' Northwest Quadrant District, construction of new sewage facilities to convey Village of Spencerport wastewater to the regional interceptor system was completed. This project allowed the Village of Spencerport to take their wastewater treatment plant off-line, reducing point source pollution to the Long Pond watershed. The increased customer base will serve to stabilize user rates for the District. Installation of a second centrifuge to provide needed backup capacity as well as increased sludge processing output at the Pure Waters' District's Northwest Quadrant Wastewater Treatment Facility was completed. Additionally, design of a new force main that will redirect Spencerport and North Gates wet-weather flow directly to the Rochester Pure Waters District continued. In the Irondequoit Bay South Central District, construction of the Riverton Pump Station project has been completed. In the Rochester Pure Waters Districts' Frank E. Van Lare Wastewater Treatment Facility, the Bar Rake Improvements project has been substantially completed. Other critical maintenance upgrades were performed at several Pure Waters' facilities and infrastructure as part of an on-going asset management program to insure overall system reliability.

The Department of Environmental Services Facilities Division continued to make improvements to County facilities during 2008. The Sheriff's Consolidated Headquarters Project - Phase II involving renovation of

the County Public Safety Building was completed. The Monroe Community College (MCC) Athletic Field House and Wolk Center for Excellence in Nursing Projects were also completed. The County is pursuing LEED silver certification for both projects in accordance with the County's Green Building Design Policy that was adopted in 2008. Additionally, renovations to the reception housing at the Monroe County Jail were initiated. The County also began design of the new \$30 million Public Safety Laboratory (Crime Lab) Project. Other completed projects include the restoration of the Lamberton Conservatory as well as the replacement of the playing field in time for the start of the 2008 Rochester Red Wings season.

The County's Alternative Fueling Station epitomizes our County's commitment to green energy alternatives. Completed in 2008, this new facility provides fuel dispensing capacity for E20 unleaded, B20 biodiesel, and E85 ethanol with an ability for expansion. Other features include a new E85 ethanol storage tank and a hydrogen fuel storage area and dispenser. This Facility will provide the hydrogen necessary for vehicles currently being tested by General Motors (GM), Rochester Institute of Technology (RIT) and the County to evaluate hydrogen as an alternative fuel source.

Planning and Economic Development approved 141 projects that will result in the investment of over \$308 million for Monroe County businesses. These projects will create 1,870 new jobs over the next three years and retain 7,088 jobs in the county. Over 98% of the funds leveraged came from private funding sources. Staff from Economic Development contacted over 202 companies and made presentations to 46 service providers (bankers, CPAs, attorneys) and community organizations.

The Parks Department maintains nearly 12,000 acres of parkland for our residents and visitors. The County's 21 parks include a guarded swimming beach, boat launches, a conservatory, a fish hatchery, a demonstration farm, lodges and shelters, streams for fishing, a zoo, many miles of trails for hiking, cross-country skiing, snowshoeing, bridle paths for horseback riding, an historic carousel, three golf courses, sensitive lands for birding, historic buildings, the Wetlands Center, a sensory garden, a raptor rehabilitation and education center, and several memorials including those that honor World War II and Vietnam Veterans.

New ADA accessible playgrounds were installed in 2008 at Webster and Churchville Parks using Community Development Block Grant Funds.

Movies in the Bowl and at the Beach were produced in the summer and fall of 2008 due, in large part, to a grant from Senator Joseph Robach. The Parks Department scheduled 15 free outdoor movies, which thousands of viewers enjoyed.

A complete reconstruction of the historic main glass house of the Lamberton Conservatory began in 2008. Full interior renovations were completed in 2008 at Wegman Lodge in Seneca Park and White House Lodge in Webster Park, upgrading both to premium lodge status. The world famous lilac collection at Highland Park continued to grow in 2008, expanding to a new area on the south side of Highland Avenue, adjacent to the Festival Site. Also in Highland Park, a sunflower field was planted on the southwest corner of Highland Avenue and Goodman Street, in an area that had gone unused for a number of years, much to the delight of Park neighbors and visitors, alike. In 2008, an area of Mendon Ponds Parks became the first site to be planted under County Executive Maggie Brooks' Reforestation Program.

The Seneca Park Zoo received accreditation in 2008 from the Association of Zoos and Aquariums, marking 30 years of continuous accreditation. The Zoo also welcomed the national traveling exhibit "FROGS!", during summer 2008. In addition, a very popular baboon exhibit and an elephant splash pool opened in the *Zoo Africa* expansion area.

Park events included the annual Lilac Festival, Lakeside Winter Celebration, Concerts by the Shore, Shakespeare at the Bowl, Mendon Ponds Park Winterfest, Gay Pride Picnic, Ten Ugly Men Festival, Operation Patriot, Highland Park Bowl Summer Concert Series and the new Big City BBQ and Blues Festival.

The Parks Department also continued to provide parks and recreation opportunities through partnerships with a number of organizations and groups including the Seneca Park Zoo Society; the Ontario Beach Park Program Committee; Heritage Christian Services; Wild Wings, Incorporated; the Vietnam Veterans of Greater Rochester; Lilac Festival, Incorporated; The Parks Golf Courses; the Towns of Chili, Penfield and Riga; Charlotte Youth Athletic Association; Southside Little League; City of Rochester; Rochester Landscape Technicians; Civic Garden Center; Charlotte Beautification Committee; The Riedman Foundation; and, the Chili and Ogden Historical Societies.

Information Services (IS) strives to implement and support technology initiatives throughout County government in an effort to cut costs and improve service. This past year, IS completed the replacement and upgrade of multi-function devices (copier/printer/scanner/faxing systems) throughout the County. Various applications were implemented such as the County Clerks On-line Office, the Monroe Joblink, and the Civil Service On-line applications on the Web. Began the consolidation of Monroe Community Hospital IS staff with County IS staff to reduce the redundancy in both areas and improve data sharing. Configured 311 calling capability on Nortel PBXs within the City of Rochester. On-going efforts include the upgrade to the County's storage area network to meet the increasing demand for data retention, maintenance of systems including regular application of critical patches and updates, help desk support services, new project requests, and moves, adds and changes on all systems.

The Department of Public Health (Public Health) continued its focus on three main areas in 2008: community health improvement, service enhancement and process improvement.

In the area of community health improvement, Public Health published the 2008 Adult/Older Adult Health Report Card. In addition, the Department conducted numerous community forums to gain input on the prioritization of the adult and older adult health goals included in the report card. Ultimately, the Monroe County Board of Health approved the priority health goals for adults and older adults in Monroe County. The Department and our community partners will use these priority health goals to determine how best to target interventions to improve the health of adults and older adults in the community. These efforts are part of the Department's work as lead agency in *HEALTH ACTION*, a community partnership aimed at improving the health status of all Monroe County residents.

Service enhancements in Public Health for 2008 were numerous. Public Health continued development of a Medical Reserve Corps of volunteers to assist the Department of Public Health and municipalities in

responding to public health emergencies. As part of our mandate to promote and facilitate food safety, the department increased the number of personnel completing the Food Worker Certification training for medium and low risk food service establishments by 20%. The department completed a Continuity of Operations plan to ensure that essential public health functions can be maintained during a community-wide emergency or disaster. The department, in collaboration with the New York State Department of Health, developed a local model for the forward deployment of medical emergency response pharmaceutical cache. In 2008, the number of participants in the county's Nurse Family Partnership program increased to 200 families. Additionally, the department obtained support from the U. S. Centers for Disease Control and Prevention to develop and pilot a school-based health promotion marketing project designed to increase rates of immunization against seasonal influenza among elementary school students.

In the area of process improvement for 2008, the Department successfully implemented bar coding technology to enhance case evidence handling and processing systems in the laboratory and autopsy areas of the Medical Examiner's Office. The Department also implemented enhanced tuberculosis rapid detection technology resulting in increased efficiency and accuracy of diagnosis among high-risk patients. In addition, the immunization program partnered with local health providers to actively promote the vaccination of appropriate population groups with Tetanus, Diphtheria and Accellular Pertussis (Tdap). The department's engagement in this collaborative partnership model was done in an effort to prevention the transmission of Pertussis in Monroe County.

The Department of Aviation (Aviation) continued to operate a safe and convenient air transportation facility at the Greater Rochester International Airport. Total aircraft operations at the Airport in 2008 were 106,051 which include commercial flights, military operations, corporate and general aviation operations. Total scheduled passenger boardings, or enplanements, in 2008 were 1,360,522 compared to 1,443,352 in 2007. The Department of Aviation works closely with the business community and travel representatives to encourage the use of affordable, competitive low fare air service from Rochester to many popular leisure destinations and business centers throughout the United States. In terms of passenger boardings, both AirTran Airways and JetBlue Airways capture 34% of the Rochester market passenger share. Both carriers offer low fare air service and continue to offer nonstop flights to Florida; AirTran to Tampa and Orlando, JetBlue to Orlando.

The \$49 million Terminal Improvement Program which began in 2003 continued throughout 2008. The improvements in this project are designed to facilitate passenger flow throughout the terminal and provide additional leaseable space for the airlines.

Primary changes in the first phase of the Terminal Improvement Program included the construction of a centralized passenger screening area in the main terminal that relocated each concourse screening checkpoint to the center of the terminal. On-going first phase work included renovating Concourse A (west concourse) and the Airport business center. Visual paging was also installed on Concourse A to better serve Deaf and Hard of Hearing passengers. This service displays airlines' audio paging announcements in text form on flight information screens.

The second phase of Terminal Improvement Program was completed in 2008. The second phase

included the improvement, replacement and addition of escalators, elevators, stairs and improvements necessary to enhance the vertical circulation for passengers in the terminal and concourses. Included in this project was the construction of a new chapel; upgrading of security, paging, and signage; installation of new flooring and exterior lobby windows; and upgrading the lighting in the Arrivals Level of the terminal. In addition, the baggage make-up and baggage screening system was reconfigured and four new baggage claim carousels were installed. Phase two of the baggage project will integrate automated inline baggage screening equipment.

The third phase of the Terminal Improvement Program began in December 2008. The renovation of Concourse B (east concourse) will be completed in 2009. The third phase involves installation of a new elevator providing passenger access to ground level boarding as well as replacement of an existing elevator. New finishes will replace existing flooring, ceilings, lighting, and seating for passengers. Paging and security systems will be replaced and upgraded with this phase. The concourse entry rotunda area will also be renovated to provide new finishes for the passenger waiting area. It is anticipated that this third phase will be completed by December of 2009.

Several airfield construction projects were completed during 2008. These included the reconstruction of a portion of the North Ramp with concrete for aircraft parking; the final segment of Taxiway A from Taxiway E north to Runway 10/28 with concrete pavement; and the rehabilitation of Runway 7-25 at the width of 100 feet. Taxiway A was placed into service in August of 2008.

The rehabilitation of Runway 10/28 from Taxiway D to the Runway 28 threshold (east end) was initiated in 2008 and returned to service at the end of the construction season. The construction of a compressed natural gas fueling facility under the FAA's Voluntary Airport Low Emissions (VALE) program commenced in the fall of 2008. Additional work is required to complete both projects in 2009.

Projects currently in design with anticipated construction during 2009 include the reconstruction of the Intersection of Taxiway D and Taxiway H; rehabilitation of the remaining length of Runway 10/28 including the Intersection with Taxiway D and Runway 4/22; and the reconstruction of Taxiway A from the Runway 4 threshold north to the Taxiway A hold apron. These projects all address both safety concerns with existing pavement configurations and pavement conditions that were identified in the Airport Pavement Management Study.

The construction program for an addition to the existing Ramp Garage started in 2008 and the project will continue into 2009 with completion at the end of the 2009 construction season. The facility will be constructed to blend with the existing parking garage and will take advantage of the existing vertical circulation at the north end of the structure. This project addresses the need for additional covered parking in close proximity to the terminal, as well as increasing the number of parking stalls available for ongoing airport operations.

The District Attorney's Office obtained an increased level of funding to expand Operation Impact, the joint program launched in late 2003 with the Rochester Police Department, Monroe County Probation Department, the Monroe County Sheriff's Office, and other law enforcement agencies to target gang activity, drug sales, and the violent crime that is often the direct result of these types of criminal behavior.

The County's share of the funding for this grant from the New York State Division of Criminal Justice Services increased ensuring that this program will continue to operate until at least June 30, 2009. Monroe County's IMPACT grant was the largest received by any county located outside of New York City. The District Attorney's Office, the Monroe County Sheriff's Office, and the Monroe County Probation Department, all receive funding through this program.

In 2008, the District Attorney's Office continued to receive New York State Aid to Localities funding, Crime Victim's Board funding to support the District Attorney's Office Victim/Witness unit, and New York State Division of Criminal Justice Services funding to continue to target auto theft and suspected instances of auto insurance fraud in Monroe County and to continue to fund a position to oversee the Department's involvement in the Road to Recovery drug treatment program. Funding was also secured to continue the Crimes against Revenue Program through September 30, 2009. Begun in 2005, this program both investigates and prosecutes those individuals and businesses, which operate in Monroe County who violate tax laws. The twin goals of the program are to both increase the voluntary compliance with applicable tax laws and reclaim the revenue lost due to these violations.

The District Attorney's Office also continued its local asset forfeiture program wherein monies seized during a felony arrest (but not eligible for seizure under Federal asset forfeiture guidelines) are earmarked for state forfeiture. In 2008, over \$25,000 was recovered and distributed among the various City, State, and County agencies that were eligible to receive such recovered funds because of this initiative.

The Department of Public Safety is constantly striving to protect and maintain the safety of the community and its citizens. The Public Safety Department is the support mechanism for agencies in first line response by providing the foundation that binds the safety of the responder and ultimately, the safety of the community. Public Safety offers technical support, staff services and coordination/liaison services to direct public safety service agencies throughout the County.

The National Incident Management System (NIMS) is a national standard that establishes uniformity and nationwide consistency for prevention, preparation, response and recovery for domestic incidents, regardless of cause, size or complexity. The NIMS Steering Group ensures that NIMS implementation conforms to County Public Safety program goals and federal objectives, including Homeland Security Presidential Directive-5 (HSPD-5), "*To prevent, prepare for, respond to, and recover from terrorist attacks, major disasters, and other emergencies,*" with the objective to "*ensure that all levels of government across the Nation have the capability to work efficiently and effectively together*" to integrate crisis and consequence management.

Monroe County has been instituting NIMS requirements prior to being designed as an Urban Area Security Initiative (UASI) in 2008. Along with NIMS compliance, UASI designation required formation and charter of an Urban Area Working Group (UAWG) which established Investment Justifications and local security strategy in conformity with National Priorities and the State Preparedness Report.

Communications is considered the 'lifeline' of the responder in the field. Another requirement of the UASI designation is to develop a Tactical Interoperable Communications Plan (TICP). In 2008, Monroe County was awarded a Public Safety Interoperable Communications grant and an Interoperable Emergency

Communications Technology grant which will provide funding to create and exercise the TICP and to allow for the purchase and coordination of interoperable communications regionally with the five surrounding counties and New York State agencies

Public Safety Communications took delivery of and commissioned for use a mobile communications vehicle to be deployed to provide on-scene interoperability within and outside Monroe County, as needed.

The division of 9-1-1, in conjunction with the Department of Information Technology and various responder agencies in Monroe County, issued a Request for Proposal, conducted vendor demonstrations and selected the vendor for the Computer Aided Dispatch and Public Safety Integrated Records Management Systems project.

Installation of wireless hardware devices and temporary use of wireless cards in police vehicles allows mobile operations expanded access to a variety of information to ensure officer safety and resource efficiency. Use of wireless cards has become a short-term solution as the Department of Environmental Services coordinates fiber optic deployment with Public Safety.

In 2008, the site selection of the new Crime Laboratory was determined to be 85.W. Broad Street. Design began with an expected 'ground breaking' anticipated for October 2009.

The County Executive's "Delete On-line Cruelty: A Community Summit on Cyber-Bullying" project produced an educational DVD, poster and brochure aimed at teachers, school staff and parents to enhance the efforts to recognize the symptoms of and recommend steps to address the cyber-bullying issue.

Monroe County Office of Probation and Community Corrections continues to participate in the coordinated effort of Operation IMPACT with the Monroe County Sheriff's Office, the Rochester Police Department, Monroe County District Attorney's Office, New York State Parole, the US Attorney's Office and various federal agencies to identify members of gangs and groups linked to illegal, violent activity. IMPACT's goals include continuing prior successes of building partnerships, using timely data and analysis and expanding the use of and sharing intelligence and information, with particular focus on gun crime and enhancing the utilization of intelligence and crime analysis in local crime fighting strategies. Through IMPACT, Probation Officers conducted numerous "saturation details", where specific high-crime neighborhoods were targeted for home visits and surveillance and "warrant details", where probation, parole and police officers worked together to apprehend high-risk wanted subjects. IMPACT patrols produced real-time intelligence information sharing, such as the deployment of Probation Officers to City schools during high-risk dismissal times.

Probation received a federally funded "Lead the Way" gang intervention program for young, high-risk gang members on probation, utilizing the evidence-based Phoenix Curriculum, with related intensive supervision and long-term monitoring and follow-up.

Probation has also assessed the application of a state-sponsored, adult Risk and Needs Assessment

tool and protocol (COMPAS) to assist Probation Officers and Judges in predicting offender behavior, making educated sentencing decisions and targeting appropriate treatment, and assist Probation Officers in efforts to classify offenders for appropriate levels of supervision.

Other Information

Independent Audit - Pursuant to Article VI, Section C2-6C(11) of the Monroe County Charter, the basic financial statements of the County have been independently audited for the year ended December 31, 2008. The basic financial statements and the Independent Auditors' Report thereon are included in this CAFR in its entirety and without edit.

Acknowledgments - The preparation of this report on a timely basis could not have been accomplished without the efforts of the entire Department of Finance, in particular the Office of the Controller, and the Department of Communications and Special Events.

We, therefore, transmit this report to you, the reader, in the spirit of accounting for our stewardship of the public's assets and interests.

Respectfully Submitted,



Scott M. Adair
Chief Financial Officer



Anthony Feroce
Controller

COUNTY EXECUTIVE'S OFFICE

COUNTY EXECUTIVE

Maggie Brooks

ACTING DEPUTY COUNTY EXECUTIVE

Daniel M. DeLaus

ASSISTANT COUNTY EXECUTIVE

Jerry J. Helfer

ELECTED COUNTY OFFICIALS

COUNTY EXECUTIVE

Maggie Brooks

COUNTY CLERK

Cheryl L. Dinolfo

DISTRICT ATTORNEY

Michael C. Green

SHERIFF

Patrick M. O'Flynn

2008 LEGISLATIVE LEADERSHIP AND STAFF

PRESIDENT

Wayne E. Zyra, District 2

VICE PRESIDENT

Jeffrey R. Adair, District 12

MAJORITY LEADER

Daniel E. Quatro, District 15

DEPUTY MAJORITY LEADERS

John (Jack) G. Driscoll, District 13

Jeffrey L. McCann, District 19

MINORITY LEADER

Harry D. Bronson, District 24

ASSISTANT MINORITY LEADERS

Calvin Lee, Jr. District 25

Carrie M. Andrews, District 21

CLERK OF THE LEGISLATURE

Lisa Polito Nicolay

REPUBLICAN MAJORITY CHIEF OF STAFF

Justin Feasel

DEMOCRATIC MINORITY STAFF DIRECTOR

Jennifer Skoog-Harvey

2008 LEGISLATORS

District 1	Richard Yolevich
District 2	Wayne E. Zyra
District 3	Mary A. Valerio
District 4	Steve Tucciarello
District 5	Mark J. Cassetti
District 6	Richard Beebe
District 7	Douglas B. Dobson
District 8	Carmen F. Gumina
District 9	R. Anthony LaFountain
District 10	Anthony J. Daniele
District 11	Michael G. Barker
District 12	Jeffrey R. Adair
District 13	John (Jack) G. Driscoll
District 14	Travis R. Heider
District 15	Daniel E. Quatro
District 16	Vincent J. Esposito
District 17	Edward (Ted) M. O'Brien
District 18	Ciaran T. Hanna
District 19	Jeffery L. McCann
District 20	Robert J. Colby
District 21	Carrie M. Andrews
District 22	Glenn J. Gamble
District 23	Paul E. Haney
District 24	Harry D. Bronson
District 25	Calvin Lee, Jr.
District 26	C. Stephen Eckel
District 27	Willie J. Lightfoot
District 28	Cynthia W. Kaleh
District 29	José A. Cruz

COUNTY DEPARTMENTS

County Executive

Maggie Brooks
110 County Office Building
(585) 753-1000

Aviation

David P. Damelio
1200 Brooks Avenue
(585) 753-7020

Board of Elections

Thomas F. Ferrarese
Peter M. Quinn
106 & 108 County Office Building
(585) 753-1550

Communications & Special Events

Noah Lebowitz
204 County Office Building
(585) 753-1080

County Clerk

Cheryl L. Dinolfo
101 County Office Building
(585) 753-1645

District Attorney

Michael C. Green
47 S. Fitzhugh St.
(585) 753-4500

Environmental Services

Mike Garland
7100 CityPlace
(585) 753-7610

Finance

Scott M. Adair
402 County Office Building
(585) 753-1157

Human Resources

Brayton M. Connard
210 County Office Building
(585) 753-1700

Human Services

Kelly Reed
111 Westfall Road
(585) 753-6298

Information Services

Nelson M. Rivera
6151A City Place
(585) 753-1790

Law

Daniel M. DeLaus, Jr.
307 County Office Building
(585) 753-1380

Legislature

Wayne E. Zyra
410 County Office Building
(585) 753-1953

Monroe Community Hospital

Todd C. Spring
435 E. Henrietta Road
(585) 760-6500

Parks

Lawrence A. Staub, Jr.
171 Reservoir Avenue
(585) 753-7276

Planning & Economic Development

Judy Seil
8100 CityPlace
(585) 753-2000

Public Defender

Timothy Donaher
10 N. Fitzhugh Street
(585) 753-4210

Public Health

Andrew S. Doniger, M.D.
111 Westfall Road
(585) 753-2991

Public Safety

Stephen C. Bowman
2100 CityPlace
(585) 753-3014

Sheriff

Patrick M. O'Flynn
47 S. Fitzhugh St.
(585) 753-4178

Transportation

Terrence J. Rice
6100 CityPlace
(585) 753-7720

Veterans Service Agency

James A. Carra
125 Westfall Road
(585) 753-6040

FINANCIAL SECTION

This section contains the following:

- INDEPENDENT AUDITORS' REPORT
- MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
- BASIC FINANCIAL STATEMENTS
- REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
- COMBINING FINANCIAL INFORMATION



KPMG LLP
265 Clinton Square
Rochester, NY 14604

Independent Auditors' Report

The County Executive and Members of the County Legislature
County of Monroe, New York:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Monroe, New York (the County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Monroe Community College, Monroe County Airport Authority, Monroe Community Hospital, Monroe Tobacco Asset Securitization Corporation, Monroe County Water Authority, and the County of Monroe Industrial Development Agency, which represent the percentages of total assets, net assets/fund balance, and total revenues of the respective opinion units as presented in the table below. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, is based solely on the reports of those auditors.

<u>Opinion units</u>	<u>Total assets</u>	<u>Net assets/ fund balance</u>	<u>Total revenues</u>
Government-wide:			
Governmental activities	3%	—%	1%
Business-type activities	8	—	34
Component units	100	100	100
Fund statements:			
Hospital enterprise fund	100%	100%	100%
Aggregate remaining fund information	15	75	10

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.



In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Monroe, New York, as of December 31, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in note 1(R) to the basic financial statements, effective January 1, 2008, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

The management's discussion and analysis and the required supplementary information on pages 3 through 18, and 81 through 83, respectively, are not a required part of the basic financial statements of the County but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Monroe, New York basic financial statements. The accompanying introductory section, combining financial information section, and statistical section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial information section has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

May 28, 2009

COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This Management's Discussion and Analysis (MD&A) of the County of Monroe, New York (the County) financial statements provides an overview of the County's financial activities for the year ended December 31, 2008. Please read it in conjunction with the County's financial statements and footnotes, which follow this section.

The basic financial statements are arranged to take the reader from a general overview of the entire County to very detailed information about particular funds. First, the financial highlights are provided through the MD&A. Second, an overall picture of the entire County is provided through the government-wide financial statements. Third, details about the major funds are provided through the fund financial statements.

This year's data and comparative data from the year ended December 31, 2007 follows.

FINANCIAL HIGHLIGHTS

- The County overall finished 2008 with \$592.0 million in net assets, a decrease of \$44.8 million during the year. The County's net assets are segregated into three components: (1) capital assets, net of related debt; (2) restricted; and (3) unrestricted.
- The County's most significant asset classification is its capital assets. The County reports capital assets, net of depreciation, totaling approximately \$1.3 billion for both years ended December 31, 2008 and 2007. Of these capital assets, net of depreciation, infrastructure assets total approximately 57.2% and 59.8% for the years ended December 31, 2008 and 2007, respectively. Infrastructure assets of the County primarily consist of the pure waters system, roads and bridges.
- The County's most significant liability classification is its bonds payable. The County reports bonds payable totaling approximately \$646.1 million and \$693.0 million for the years ended December 31, 2008 and 2007, respectively. As of December 31, 2008, the County had exhausted 16.4% of its constitutional debt limit of \$2.5 billion, compared to 17.7% at December 31, 2007. The debt-contracting margin of the County at December 31, 2008 was \$2.1 billion, an increase of \$0.1 billion compared to the amount at December 31, 2007. The slight increase is due to an increase in full value of taxable real property for the County.
- The County's governmental activities finished 2008 with \$152.7 million in net assets, a decrease of \$45.9 million from the past year. The net assets of the County's governmental activities for 2008 are reported as \$433.7 million of capital assets, net of related debt, \$19.1 million of restricted and \$300.1 million of unrestricted deficit. The changes in each reported net asset category are: an increase of \$27.5 million in invested in capital assets, net of related debt; an decrease of \$5.0 million of restricted; and an increase of \$68.4 million in the unrestricted deficit. The largest component of the unrestricted deficit is due to the reporting of the Monroe Tobacco Asset Securitization Corporation as a blended component unit. The Monroe Tobacco Asset Securitization unrestricted deficit at December 31, 2008 was \$223.9 million.
- The County's business-type activities finished 2008 with \$439.4 million in net assets, an increase of \$1.2 million from the past year. The net assets of the County's business-type activities for 2008 are reported as \$392.6 million of capital assets, net of related debt, \$32.0 million of restricted and \$14.7 million of unrestricted. The changes in each reported net asset category are: an increase of \$15.7 million in capital assets, net of related debt; a decrease of \$0.7 million of restricted; and a decrease of \$13.8 million in unrestricted. An explanation of each change by business-type activity is provided in the proprietary fund section of the MD&A on page 13.
- As of the close of 2008, the County's governmental funds reported combined fund balances of \$12.3 million, a decrease of \$25.1 million from the prior year. An explanation of changes in the governmental funds is provided in the governmental fund section of the MD&A on page 12.
- The County's general fund equity deficit was \$1.1 million as of December 31, 2008, compared to the December 31, 2007 fund equity balance of \$1.7 million, a decrease of \$2.8 million.

COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

- The County implemented Governmental Accounting Standards Board (GASB) Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations. This statement establishes accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. Implementation of this standard required a restatement of beginning net assets in the business-type activities – enterprise funds (Airport). More detailed information is presented in Note 17 to the financial statements.
- In 2008, Monroe County opted to participate in the New York State program to swap sales tax receipts to cover the local cost of Medicaid. The New York State Tax Commissioner determined that 1.61% of Monroe County sales tax rate (4.0%) would be used to pay for Medicaid. The remaining 2.39% of the sales tax rate was distributed to the County. In 2008, the County distribution to the City of Rochester, towns and villages was based on the pre-swap revenue amount, whereas the amount distributed to school districts was based on the post-swap revenue amount. The difference between the pre and post swap revenue amount for school districts amounted to \$29.1 million. Based on a settlement agreement between the County and the school districts, this amount will be repaid over five years starting in 2010. This amount appears as a liability on the government-wide financial statements.
- The County's discretely presented component units finished 2008 with \$369.0 million in net assets, an increase of \$10.3 million from the past year. The total net assets for each of these discretely presented component units are as follows: \$77.8 million for Monroe Community College (decrease of \$1.2 million from the prior year); \$17.0 million for Monroe County Airport Authority (decrease of \$1.1 million from the prior year); \$270.4 million for Monroe County Water Authority (increase of \$12.1 from the prior year); and \$3.7 million for the County of Monroe Industrial Development Agency (increase of \$0.4 million from the prior year).

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements provide the financial condition and results of operations of the primary government along with its discretely presented component units. The statement of net assets provides the financial condition of the County, while the statement of activities provides the results of operations. These statements focus on the two main types of activities carried out by the County: governmental and business-type.

Governmental activities include most of the County's basic services, such as public safety, culture, recreation and education, transportation, sanitation, economic development, health and welfare, and general government. These activities are financed through property taxes, sales taxes, and state and federal grants. Business-type activities include aviation, refuse, sewer, utilities and health services. These activities rely to a significant extent on user fees.

In addition to focusing on governmental and business-type activities, the government-wide financial statements also include the County's component units: Monroe Community College, Monroe County Airport Authority, Monroe County Water Authority and the County of Monroe Industrial Development Agency. Though these are separate legal entities, the County is financially accountable for their activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, which requires that a transaction be recorded when it occurs, not when its related cash receipt or disbursement occurs. Since these financial statements include all economic resources of the County, such as capital assets including infrastructure, as well as all liabilities including debt, they provide a long-term view of the County's financial position.

FUND FINANCIAL STATEMENTS

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances or net assets, revenues and expenditures or expenses as appropriate.

The County's funds are presented in separate fund financial statements. These funds are presented as governmental funds, proprietary funds and fiduciary funds. The County's major funds are presented in separate columns on the fund financial statements. The definition of a major fund is one that meets the following criteria:

COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10.0% of the corresponding total (assets, liabilities and so forth) for all funds of that category or type (that is, total governmental or total enterprise funds), and
- b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 5.0% of the corresponding total for all governmental and enterprise funds combined.

In addition to funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users may be reported as a major fund.

The funds that do not meet the criteria of a major fund are considered nonmajor funds and are combined into a single column on the fund financial statements.

The County utilizes three fund types to group its respective funds:

Governmental Funds – Most of the County's basic services are reported in governmental funds, which focus on resource flows into and out of those funds. The governmental funds statements provide a detailed short-term view of the County's general government operations and the basic services it provides. All governmental funds are accounted for using the modified accrual basis of accounting and current financial resources measurement focus. Under this basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred except for certain expenditures and liabilities such as debt service, compensated absences and claims and judgments which are recorded when due for payment.

The County's sole major governmental fund is the General Fund. All other governmental funds have been determined to be non-major and are as follows:

Road Fund – accounts for all revenues and expenditures related to the maintenance of County roads, bridges, snow removal, construction and reconstruction of County roads not recorded in a capital project fund.

Special Grants Fund – accounts for grants authorized under the Housing and Community Development Act of 1974.

Green Space Initiative Fund – accounts for fund established through Local Law No. 3 to finance a green space initiative program developed by the County.

Library Fund – accounts for the activities of the Monroe County Library System which exists to serve member libraries in the County.

Jail Funds – accounts for jail enhancements and jail commissary funds. The jail enhancements fund is supported through suspended inmate payments from the Social Security Administration benefits. This fund is used for jail projects, activities, programs and other initiatives not otherwise provided by other sources. The jail commissary fund is pursuant to New York State (NYS) law requiring all profit realized on commissary jail sales be used to purchase items to benefit jail inmates.

Golf Course Funds – accounts for equipment, leasing fees, and operating commissions pursuant to a contract with an outside third party operator of the golf courses.

Zoo Admissions Fund – accounts for funds to provide resources for improvements to the Seneca Park Zoo.

Highland Park Trust Fund – accounts for funds from special events, granting agencies and private donations. The funds are used for park improvements and recreation/educational opportunities. The funds provide an opportunity for private donors to make targeted donations for projects in Highland Park.

The Ontario Beach Park Trust Fund – accounts for funds from granting agencies, special events, and private donations. The funds are used for park improvements and recreation/educational opportunities. The funds provide an opportunity for private donors to make targeted donations for projects in Ontario Beach Park.

Library System Automation Fund – was established to record funds received from the member libraries of the Monroe County Library System for future automation projects.

Parkland Acquisition Fund – accounts for proceeds from sales of existing parkland to be used for future parkland development or acquisition.

COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Horticulture Division Fund – accounts for special projects within the County Parks department's horticulture division.

Historic Landscape Restoration Fund – accounts for a grant from the United States Department of Agriculture (USDA) Forest Service for Restoration of Historic Landscapes.

Stormwater Coalition Dues Fund – accounts for fees paid by members of the coalition to support efforts to keep municipalities in compliance with storm water regulations.

Hazmat Team Fund – accounts for all donation/payments and incurs expenditures to the team solely for the operational needs of the Hazmat Team.

Carousel Fund – accounts for the restoration of the Ontario Beach carousel.

The Excel Fund – accounts for corporate and private contributions for the expanded choices for elder lifestyles (Excel), which is primarily used to fund a walkathon.

The NYS Urban Development Corporation Fund – accounts for a grant/loan from NYS Urban Development Corp and the disbursing of funds for the KCPD (Clinical Products Division, Eastman Kodak) project.

The Monroe County RARES Fund – accounts for the sale of event tickets to County employees and payment to ticket vendors.

Debt Service Funds - accounts for reserve funds established for the retirement of outstanding debt, as well as activities in the County's coupon trust accounts. The funds are used to record and appropriate payment of principal and interest on serial bonds and bond anticipation notes, other than those accounted for in the capital projects funds, the proprietary funds and the discretely presented component unit. This includes Monroe Tobacco Securitization Corporation (MTASC), a special purpose local development corporation organized under the laws of the State of New York. MTASC is blended as a non-major governmental fund (debt service).

Capital Project Funds - accounts for financial resources to be used for the acquisition of major equipment items and the construction of major capital facilities other than those accounted for in the proprietary funds and the discretely presented component unit.

In addition, the Governmental Funds balance sheet and statement of revenues, expenditures and changes in fund balance are reconciled to the governmental activities statement of net assets and statement of activities due to the differing measurement focus and basis of accounting.

Proprietary Funds – When the County charges customers for the services it provides – whether to outside customers or to other funds of the County – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net assets and the statement of activities. Proprietary funds use the economic resources measurement focus and accrual basis of accounting. The major funds comprising the proprietary funds include the enterprise funds: solid waste, airport, hospital, pure waters and energy. The proprietary funds also include internal service funds, which are reported separately because the nature of their activity is primarily governmental.

Fiduciary Funds – These funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments or funds. They cannot be used to support the County's own programs. Fiduciary funds include private purpose trust funds that are used to report trust arrangements and agency funds, which are utilized in situations where the County's role is purely custodial.

The private purpose trust funds use the economic resource measurement focus and accrual basis of accounting. Agency funds, however, report only assets and liabilities, and thus have no measurement focus but do use the accrual basis of accounting to recognize receivables and payables.

COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Condensed Schedule of Net Assets

In the government-wide financial statements, net assets report the financial condition for both the governmental and business-type activities.

Table 1 summarizes the County's financial position related to each of these activities:

Table 1						
County of Monroe, New York						
Condensed Schedules of Net Assets						
As of December 31						
(000's omitted)						
	2008			2007		
	Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$305,109	58,409	363,518	\$315,645	74,843	390,488
Capital assets, net of accumulated depreciation	720,307	623,440	1,343,747	723,205	615,193	1,338,398
Total assets	1,025,416	681,849	1,707,265	1,038,850	690,036	1,728,886
Current liabilities	341,159	70,083	411,242	323,720	65,790	389,510
Non-current liabilities	531,595	172,416	704,011	516,535	186,051	702,586
Total liabilities	872,754	242,499	1,115,253	840,255	251,841	1,092,096
Invested in capital assets, net of related debt	433,694	392,625	826,319	406,161	376,941	783,102
Restricted	19,118	31,978	51,096	24,103	32,690	56,793
Unrestricted	(300,150)	14,747	(285,403)	(231,669)	28,564	(203,105)
Total net assets	\$152,662	439,350	592,012	\$198,595	438,195	636,790

COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Restricted net assets in the County's governmental activities for 2008 are \$19.1 million. This is comprised primarily of restrictions for debt service in the sum of \$17.8 million, grants of \$0.7 million and capital projects of \$0.6 million. This is compared to 2007 restrictions for debt service of \$23.0 million and capital projects of \$0.4 million.

Unrestricted net assets in the County's governmental activities show a deficit of \$300.1 million at year-end 2008. This is comprised primarily of the \$223.9 million deficit in the Monroe Tobacco Asset Securitization Corporation (MTASC). The MTASC deficit is due to the debt issued to refinance the purchase of the future right, title and interest to the tobacco settlement revenues. This is compared to the 2007 balance, when unrestricted net assets in the County's governmental activities had a \$231.7 million deficit due to MTASC recording a \$222.8 million deficit.

The non-current liabilities include pension costs, post-employment benefits other than pension (OPEB), accrued employee compensated absences and debt. These non-current liabilities will be funded in future budgets as they come due.

Condensed Schedule of Changes in Net Assets

In the government-wide financial statements, changes in net assets provide the results of operations for both the governmental and business-type activities for the past year. Table 2 summarizes these results:

COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Table 2
County of Monroe, New York
Condensed Schedules of Revenues, Expenses and Changes in Net Assets
for the Years Ended December 31,
(000's omitted)

	2008			2007		
	Governmental Activities	Business- type Activities	Primary Government	Governmental Activities	Business- type Activities	Primary Government
Revenues:						
Program revenues:						
Charges for services	\$66,265	159,463	225,728	\$46,879	147,644	194,523
Operating grants and contributions	376,555	2,404	378,959	353,010	4,340	357,350
Capital grants and contributions	29,611	31,853	61,464	11,500	31,943	43,443
General revenues:						
Taxes and other tax items	764,514	---	764,514	745,124	---	745,124
Tobacco settlement	12,538	---	12,538	11,638	---	11,638
Investment income	3,184	28	3,212	6,291	48	6,339
Miscellaneous	3,719	8,755	12,474	3,691	11,192	14,883
Transfers	---	---	---	505	(505)	---
Total revenues	<u>1,256,386</u>	<u>202,503</u>	<u>1,458,889</u>	<u>1,178,638</u>	<u>194,662</u>	<u>1,373,300</u>
General government	341,375	---	341,375	325,666	---	325,666
Public safety	204,145	---	204,145	199,815	---	199,815
Health and welfare	572,712	---	572,712	535,354	---	535,354
Culture, recreation, and education	108,042	---	108,042	88,842	---	88,842
Transportation	46,370	---	46,370	45,130	---	45,130
Sanitation	75	---	75	74	---	74
Economic development	3,800	---	3,800	3,757	---	3,757
Interest on debt and notes payable	26,655	---	26,655	24,263	---	24,263
Refuse	---	17,313	17,313	---	20,140	20,140
Airport	---	26,865	26,865	---	25,905	25,905
Hospital	---	66,664	66,664	---	66,191	66,191
Sewer	---	76,496	76,496	---	75,855	75,855
Utilities	---	14,010	14,010	---	11,176	11,176
Total expenses	<u>1,303,174</u>	<u>201,348</u>	<u>1,504,522</u>	<u>1,222,901</u>	<u>199,267</u>	<u>1,422,168</u>
Excess (Deficiency) of revenues over expenses before special items	<u>(46,788)</u>	<u>1,155</u>	<u>(45,633)</u>	<u>(44,263)</u>	<u>(4,605)</u>	<u>(48,868)</u>
Special Items						
Gain on Sale of Tax Liens	855	---	855	(3,801)	---	(3,801)
Change in net assets	<u>(45,933)</u>	<u>1,155</u>	<u>(44,778)</u>	<u>(48,064)</u>	<u>(4,605)</u>	<u>(52,669)</u>
Net assets-beginning, as restated	<u>198,595</u>	<u>438,195</u>	<u>636,790</u>	<u>246,659</u>	<u>442,800</u>	<u>689,459</u>
Net assets-ending	<u>\$152,662</u>	<u>439,350</u>	<u>592,012</u>	<u>\$198,595</u>	<u>438,195</u>	<u>636,790</u>

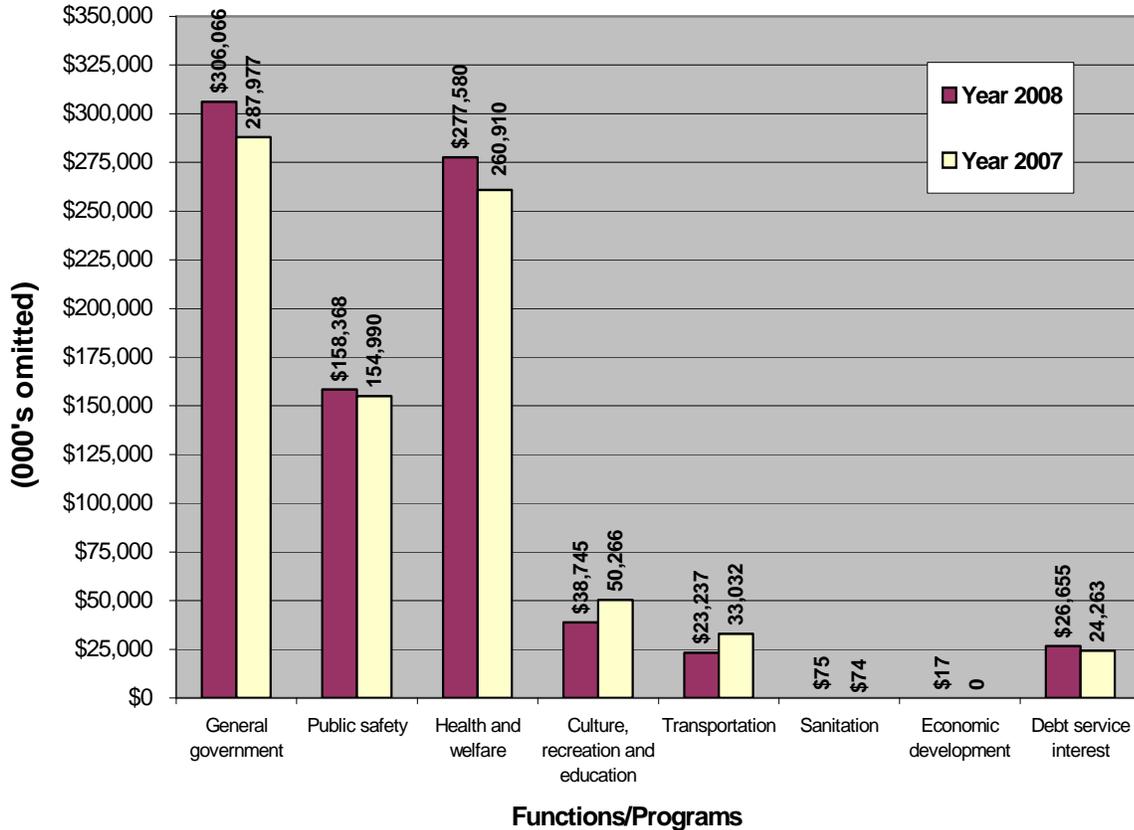
COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For governmental activities, net assets decreased by \$45.9 million for the year ended December 31, 2008 (see Table 2). There are two principal reasons for this decrease: 1) the \$29.1 million sales tax liability to the school districts; this amount will be paid to school districts over a five year period, beginning in 2010 and 2) the \$15.1 million increased liability incurred as a result of GASB Statement No. 45 which recognizes the County's costs associated with Post Employment Benefits Other than Pension (OPEB).

Business-type activities increased the County's net assets by \$1.2 million for the year ended December 31, 2008. Net asset increases in the Airport and Monroe Community Hospital were offset by net asset decreases in Pure Waters and Solid Waste.

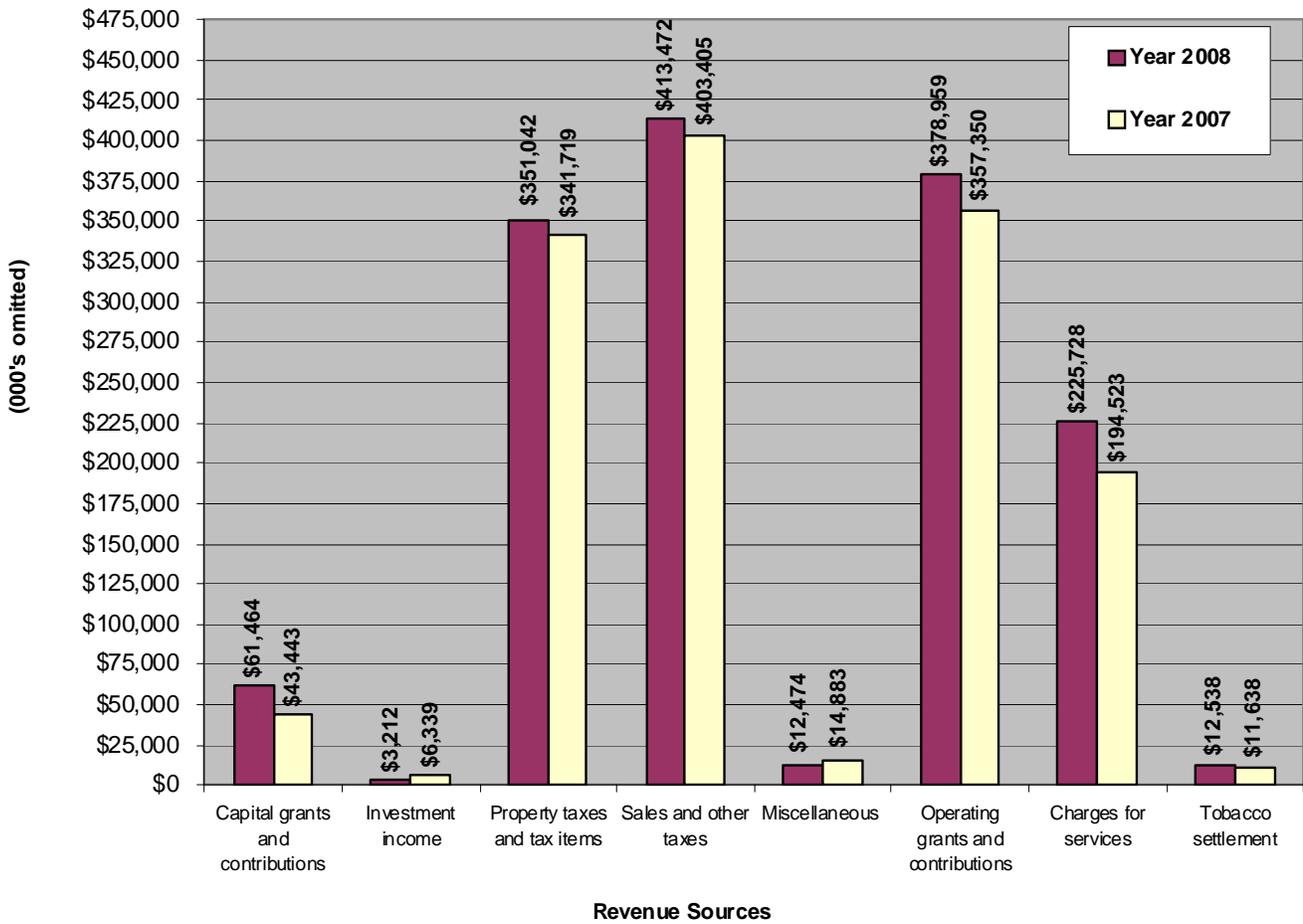
The following chart (*000's omitted*) compares the net cost (defined as expenses less program revenues) of each County function/program within the governmental activities of the primary government:

Primary Government-Governmental Activities-Net Cost
Years Ended December 31, 2008 and 2007



COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Primary Government-Revenues by Source
Years Ended December 31, 2008 and 2007



COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds

As of December 31, 2008, the County's governmental funds reported total governmental fund balances of \$12.3 million.

The County's general fund equity deficit was \$1.1 million as of December 31, 2008, compared to the December 31, 2007 fund equity of \$1.7 million, a decrease in the fund equity of \$2.8 million. The unreserved fund deficit of the general fund was \$10.0 million as of December 31, 2008, compared to the December 31, 2007 unreserved fund deficit of \$9.4 million, an increase in the unreserved fund deficit of \$0.6 million.

The increased and mid-year state aid cuts in the area of public assistance benefits was the major contributor to the decrease in fund equity in the general fund. The day care program, specifically, experienced state aid cuts during the year. Also, caseloads in the family assistance and safety net programs continued to increase reflecting the economic conditions of the community. The Administration and the county departments continue to work with the State to identify any and all possible opportunities to control costs in these areas.

The different results of the governmental activities and general fund are due exclusively to the basis of accounting and measurement focus of these accounting units. Other items that result in differences are accounting for debt, capital assets, depreciation and inclusion of internal service funds at the governmental activities level of reporting. All of the differences are noted in detail in the reconciliation of the statement of revenues, expenditures and changes in fund balance.

The non-major governmental funds total fund balance was \$13.4 million as of December 31, 2008, compared to a total fund balance of \$35.7 million as of December 31, 2007, a decrease of \$22.3 million. At the fund level, this decrease is primarily due to timing of capital financing, in that the issuance of short term financing for capital projects in the form of Bond Anticipation Notes doesn't allow for revenue recognition in these funds.

Table 3 summarizes the changes in the fund balances of the County's governmental funds as follows:

Table 3						
County of Monroe, New York						
Condensed Schedules of Governmental Funds						
Changes in Fund Balances						
as of December 31,						
(000's omitted)						
	2008			2007		
	General Fund	Non- major Funds	Total Governmental Funds	General Fund	Non- major Funds	Total Governmental Funds
Fund Balances, beginning	\$ 1,702	35,661	37,363	\$ 517	21,947	22,464
Revenues	1,170,220	66,049	1,236,269	1,142,895	44,803	1,187,698
Expenditures	(1,124,636)	(161,154)	(1,285,790)	(1,096,718)	(112,916)	(1,209,634)
Other financing sources, net	(48,356)	72,820	24,464	(44,992)	81,827	36,835
Fund balances, ending	<u>\$ (1,070)</u>	<u>13,376</u>	<u>12,306</u>	<u>\$ 1,702</u>	<u>35,661</u>	<u>37,363</u>

COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Proprietary Funds

As of December 31, 2008, the County's proprietary funds reported combined net assets for the enterprise funds of \$439.4 million and internal service funds of \$5.0 million.

Table 4 summarizes the changes in net assets for the County's proprietary funds as follows:

Table 4							
County of Monroe, New York							
Condensed Schedules of Proprietary Funds							
Changes in Net Assets (Deficits)							
as of December 31,							
(000's omitted)							
2008							
	Business-type Activities - Enterprise Funds						Governmental
	Solid Waste	Airport	Hospital	Pure Waters	Energy	Total	Internal Service Funds
Net assets (deficits) December 31, 2007	\$ 12,013	131,440	(19,499)	314,274	(33)	438,195	7,906
Total operating revenues	12,710	17,625	68,827	55,390	14,077	168,629	54,606
Total operating expenses	(15,984)	(26,055)	(65,006)	(71,103)	(14,010)	(192,158)	(58,755)
Operating income (loss)	(3,274)	(8,430)	3,821	(15,713)	67	(23,529)	(4,149)
Total nonoperating expenses, net	(912)	(418)	(1,630)	(3,925)	---	(6,885)	(444)
Income (loss) before contributions and transfers	(4,186)	(8,848)	2,191	(19,638)	67	(30,414)	(4,593)
Capital contributions	---	31,569	---	---	---	31,569	---
Net transfers	---	---	---	---	---	---	1,696
Net assets (deficits) December 31, 2008	\$ 7,827	154,161	(17,308)	294,636	34	439,350	5,009

COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Table 4, continued
2007

	Business-type Activities - Enterprise Funds						Governmental
	Solid Waste	Airport Fund	Hospital	Pure Waters	Energy	Total	Internal Service Funds
Net assets (deficits) December 31, 2006	\$ <u>16,597</u>	<u>107,481</u>	<u>(13,338)</u>	<u>332,275</u>	<u>(215)</u>	<u>442,800</u>	<u>8,550</u>
Total operating revenues	15,412	17,078	59,982	55,262	11,358	159,092	52,275
Total operating expenses	<u>(18,523)</u>	<u>(25,017)</u>	<u>(64,734)</u>	<u>(70,409)</u>	<u>(11,176)</u>	<u>(189,859)</u>	<u>(53,907)</u>
Operating income (loss)	(3,111)	(7,939)	(4,752)	(15,147)	182	(30,767)	(1,632)
Total nonoperating expenses, net	<u>(968)</u>	<u>(216)</u>	<u>(1,409)</u>	<u>(2,854)</u>	<u>---</u>	<u>(5,447)</u>	<u>(296)</u>
Loss before contributions and transfers	(4,079)	(8,155)	(6,161)	(18,001)	182	(36,214)	(1,928)
Capital contributions	---	32,114	---	---	---	32,114	---
Net transfers	<u>(505)</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(505)</u>	<u>1,284</u>
Net assets (deficits) December 31, 2007	\$ <u><u>12,013</u></u>	<u><u>131,440</u></u>	<u><u>(19,499)</u></u>	<u><u>314,274</u></u>	<u><u>(33)</u></u>	<u><u>438,195</u></u>	<u><u>7,906</u></u>

Proprietary Funds - Changes in Net Assets:

Solid Waste Fund: Net assets decreased by \$4.2 million, as part of a planned spend down. The operating loss was \$3.3 million and \$3.1 million for 2008 and 2007, respectively. The resources provided by the 2002 sale of operating rights to the Mill Seat Landfill for \$43.8 million allowed for the planned spend down. The Solid Waste Fund will continue to use these assets as well as review other opportunities to assist operations.

Airport Fund: Net assets increased by \$22.7 million. The operating loss of \$8.4 million is comparable to the previous year's operating loss of \$7.9 million. This year's operating loss was offset by capital contributions of \$31.6 million, resulting in the net asset increase.

Hospital Fund: Net assets increased by \$2.2 million. The operating gain of \$3.8 million is comparable to the previous year's operating loss of \$4.8 million. The increase in the Hospital's net assets was primarily the result of a funding change where the County subsidy was matched by the Federal government's Upper Medicaid Payment Limit Program.

Pure Waters Fund: Net assets decreased by \$19.6 million, primarily due to a planned spend down. The 2008 operating loss of \$15.7 million, which includes depreciation expense, compares to a 2007 operating loss of \$15.1 million. These planned spend down of net assets allowed the Pure Waters rates, a component of the County's Real Property Tax levy, to remain stable.

Energy Fund: Net assets increased by \$67 thousand. The Energy fund was established to record activities (transactions) relative to the County's movement into the energy supplier arena. As part of the process, the County offers energy to other municipalities at competitive rates.

Internal Services Fund: Net assets decreased by \$2.9 million, primarily the result of the increased liability for workers compensation claims, as of the most recent actuarial valuation completed for December 31, 2008.

COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

General Fund Budgetary Highlights

There are two components of the increase between the adopted budget and the modified budget. Those two components are: (1) newly awarded state and federal funded programs and grants; and (2) grant re-appropriations representing authorized grants from the prior year that will be expended in later years of multi-year funded federal and state grants. Additional details are provided in the notes to the Required Supplementary Information on the Budget Schedule.

Table 5 summarizes and compares actual general fund cash receipts by category to the adopted and modified budgets (receipts exclude interfund transfers), as follows:

Table 5 County of Monroe, New York Condensed Schedules of General Fund Cash Receipts Budget vs. Actual as of December 31, (000's omitted)						
	2008			2007		
	Adopted Budget	Modified Budget	Budget Basis Actual	Adopted Budget	Modified Budget	Budget Basis Actual
Real property tax						
levy and delinquencies	\$ 329,650	329,650	324,907	\$ 320,594	320,594	324,189
Sales taxes	82,910	82,910	87,740	123,503	123,503	126,309
Federal aid	99,722	124,496	109,203	88,150	111,105	90,910
State aid	226,489	266,734	221,285	210,488	246,001	223,523
Other revenues	91,298	91,401	95,339	102,884	103,745	102,956
Total Cash Receipts	\$ 830,069	895,191	838,474	\$ 845,619	904,948	867,887

Table 6 summarizes and compares actual general fund cash disbursements by function to the adopted and modified budgets as follows:

Table 6 County of Monroe, New York Condensed Schedules of General Fund Cash Disbursements Budget vs. Actual as of December 31, (000's omitted)						
	2008			2007		
	Adopted Budget	Modified Budget	Budget Basis Actual	Adopted Budget	Modified Budget	Budget Basis Actual
Health and welfare	\$ 389,291	437,146	396,561	522,220	567,988	527,326
Public safety	188,081	201,980	187,605	170,506	181,263	173,274
Culture, recreation, and education	54,381	58,938	58,229	53,167	55,030	53,232
General government	128,133	129,743	131,208	35,457	36,558	32,481
Transportation	3,524	3,524	3,524	3,524	3,524	3,524
Total Cash Disbursements	\$ 763,410	831,331	777,127	784,874	844,363	789,837

COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Table 7
County of Monroe, New York
Condensed Schedules of Capital Assets
(000's omitted)

At the end of 2008, the County had invested \$1.3 billion in a broad range of capital assets, including \$769.1 million in infrastructure, net of depreciation, which includes bridges, culverts and sewers.

	Governmental Activities	Business-type Activities	Total Primary Government	Percent of Total
Land	\$ 21,806	26,416	48,222	1.8%
Assets under construction	46,746	29,197	75,943	2.8%
Buildings	146,160	177,259	323,419	12.0%
Infrastructure	884,362	689,112	1,573,474	58.2%
Improvements other than buildings	159,373	322,066	481,439	17.8%
Machinery and equipment	92,421	109,144	201,565	7.4%
Total Capital Assets	1,350,868	1,353,194	2,704,062	100%
Accumulated depreciation	(630,561)	(729,754)	(1,360,315)	
Total Net Capital Assets	<u>\$ 720,307</u>	<u>623,440</u>	<u>1,343,747</u>	

At the end of 2007, the County had invested \$1.3 billion in a broad range of capital assets, including \$800.1 million in infrastructure, net of depreciation, which includes roads, bridges, culverts and sewers.

	Governmental Activities	Business-type Activities	Total Primary Government	Percent of Total
Land	\$ 21,799	23,621	45,420	1.7%
Construction in progress	47,325	90,011	137,336	5.2%
Buildings	146,160	176,794	322,954	12.3%
Infrastructure	876,443	688,408	1,564,851	59.5%
Improvements other than buildings	146,444	221,897	368,341	14.1%
Machinery and equipment	83,198	106,918	190,116	7.2%
Total Capital Assets	1,321,369	1,307,649	2,629,018	100.0%
Accumulated depreciation	(598,164)	(692,456)	(1,290,620)	
Total Net Capital Assets	<u>\$ 723,205</u>	<u>615,193</u>	<u>1,338,398</u>	

The 2008 increase in capital assets primarily relate to general County transportation projects and Airport improvement projects.

On July 8, 2008, the County Legislature adopted the 2009 - 2014 Capital Improvement Program (CIP).

More detailed information about the County's capital assets are presented in Note 9 to the financial statements.

COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Debt Administration

At year-end, total debt payable for the primary government was \$768.2 million. General obligation debt totaled \$538.0 million. These amounts of outstanding general obligation debt exclude amounts relating to the debt of the Monroe Tobacco Asset Securitization Corporation.

Table 9 summarizes the County's outstanding debt for the primary government, as reported in the statement of net assets as follows:

Table 8				
County of Monroe, New York				
Condensed Schedules of Outstanding Debt				
as of December 31,				
(000's omitted)				
2008				
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Percent of Total Debt Payable</u>
General Obligation Debt				
Total revenue anticipation notes payable	\$ 63,000	17,000	80,000	10.4%
Total bond anticipation notes payable	32,680	9,485	42,165	5.5%
Total bonds payable	<u>248,394</u>	<u>167,410</u>	<u>415,804</u>	<u>54.1%</u>
Total general obligation debt	344,074	193,895	537,969	70.0%
Non-General Obligation Debt				
Total non-general obligation debt	<u>230,280</u>	---	<u>230,280</u>	<u>30.0%</u>
Total Debt Payable	\$ <u>574,354</u>	<u>193,895</u>	<u>768,249</u>	<u>100.0%</u>
Total current debt payable	127,211	42,855	170,066	22.1%
Total long-term debt payable	447,143	151,040	598,183	77.9%
2007				
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Percent of Total Debt Payable</u>
General Obligation Debt				
Total revenue anticipation notes payable	\$ 68,000	17,000	85,000	10.7%
Total bond anticipation notes payable	11,620	7,795	19,415	2.4%
Total bonds payable	<u>277,881</u>	<u>182,543</u>	<u>460,424</u>	<u>57.7%</u>
Total general obligation debt	357,501	207,338	564,839	70.8%
Non-General Obligation Debt				
Total non-general obligation debt	<u>232,560</u>	-	<u>232,560</u>	<u>29.2%</u>
Total Debt Payable	\$ <u>590,061</u>	<u>207,338</u>	<u>797,399</u>	<u>100.0%</u>
Total current debt payable	108,285	39,918	148,203	18.6%
Total long-term debt payable	481,776	167,420	649,196	81.4%

COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The County issued a total of \$170.5 million of debt obligations during 2008. This included \$48.3 million of refunding bonds (three issues), \$42.2 million of bond anticipation notes (two issues), and \$80 million of revenue anticipation notes (one issue). At December 31, 2008, \$270.1 million of debt remained authorized and unissued for various capital projects.

The refunding bonds, along with other available funds, provided sufficient funding to refund \$50.2 million of outstanding County bonds. This resulted in a savings of \$2.5 million in debt service costs over the life of the issues. The bond anticipation notes provided \$28.6 million of new funds to pay for the cost or part of the cost of various capital projects and \$13.6 million to renew previously issued bond anticipation notes. The revenue anticipation notes provided \$63 million of working capital for the general fund and \$17 million for the Monroe Community Hospital enterprise fund. The issuance of the revenue anticipation notes was necessary due to the delay in receiving various state and federal aid.

The three nationally-recognized credit rating agencies continue to monitor the County's economic, administration and financial conditions. Moody's Investor Service reaffirmed the County's Baa2 rating with a negative outlook in April 2009. Also, in April 2009, Moody's issued a report assigning a negative outlook to all state and local governments. Standard and Poor's reaffirmed a BBB+ rating revising the outlook from negative to stable in March 2008. Fitch Ratings reaffirmed the County's existing BBB+ rating with a stable outlook in March 2008.

More detailed information about the County's debt obligations is presented in Note 10 to the financial statements.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

These financial statements are designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report, please contact the County of Monroe Department of Finance, 39 West Main St. Room 402, Rochester, New York 14614.

BASIC FINANCIAL STATEMENTS

COUNTY OF MONROE, NEW YORK
STATEMENT OF NET ASSETS
AS OF DECEMBER 31, 2008
(000's Omitted)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 18,529	16,551	35,080	34,398
Investments	---	---	---	56,464
Accounts receivable, net	51,842	22,687	74,529	21,854
Interest receivable	---	290	290	---
Internal balances	26,200	(26,200)	---	---
Due from other governments	151,728	18,571	170,299	368
Inventories	2,845	4,070	6,915	1,162
Unamortized bond issue costs	768	39	807	---
Other	1,215	992	2,207	1,999
Total current assets	<u>253,127</u>	<u>37,000</u>	<u>290,127</u>	<u>116,245</u>
Noncurrent assets:				
Accounts receivables, net	---	7,355	7,355	---
Restricted assets:				
Cash and cash equivalents	45,359	8,291	53,650	17,563
Funds held by trustee	30	4,989	5,019	57,497
Custodial accounts	---	511	511	---
Securities and retained percentages	210	---	210	---
Capital assets, net of accumulated depreciation	720,307	623,440	1,343,747	443,445
Unamortized bond issue costs	6,383	263	6,646	801
Other	---	---	---	4,957
Total noncurrent assets	<u>772,289</u>	<u>644,849</u>	<u>1,417,138</u>	<u>524,263</u>
Total assets	<u>1,025,416</u>	<u>681,849</u>	<u>1,707,265</u>	<u>640,508</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	100,812	20,236	121,048	18,551
Accrued interest payable	14,117	2,648	16,765	2,620
Due to other governments	96,562	3,004	99,566	---
Unearned revenue	2,415	---	2,415	10,535
Notes payable	95,680	26,485	122,165	---
Current portion of:				
Capital leases payable	42	1,340	1,382	1,090
Bonds payable	31,531	16,370	47,901	17,160
Total current liabilities	<u>341,159</u>	<u>70,083</u>	<u>411,242</u>	<u>49,956</u>
Noncurrent liabilities:				
Capital leases payable	91	11,504	11,595	7,613
Bonds payable	447,143	151,040	598,183	197,632
Patient funds held in trust	---	511	511	---
Other long-term liabilities	84,361	9,361	93,722	16,343
Total noncurrent liabilities	<u>531,595</u>	<u>172,416</u>	<u>704,011</u>	<u>221,588</u>
Total liabilities	<u>872,754</u>	<u>242,499</u>	<u>1,115,253</u>	<u>271,544</u>
NET ASSETS				
Invested in capital assets, net of related debt	433,694	392,625	826,319	234,207
Restricted for:				
Debt service	17,848	406	18,254	14,602
Capital projects	576	31,572	32,148	---
Nonexpendable	---	---	---	5,361
Expendable	---	---	---	8,220
Grants	694	---	694	---
Passenger facility charges	---	---	---	111
Unrestricted (deficit)	<u>(300,150)</u>	<u>14,747</u>	<u>(285,403)</u>	<u>106,463</u>
Total net assets	<u>\$ 152,662</u>	<u>439,350</u>	<u>592,012</u>	<u>368,964</u>

The notes to the basic financial statements are an integral part of this statement

COUNTY OF MONROE, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008
(000's Omitted)

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 341,375	25,129	9,197	983	(306,066)	---	(306,066)	---
Public safety	204,145	10,365	35,049	363	(158,368)	---	(158,368)	---
Health and welfare	572,712	3,981	291,151	---	(277,580)	---	(277,580)	---
Culture, recreation and education	108,042	22,564	31,901	14,832	(38,745)	---	(38,745)	---
Transportation	46,370	4,226	5,474	13,433	(23,237)	---	(23,237)	---
Sanitation	75	---	---	---	(75)	---	(75)	---
Economic development	3,800	---	3,783	---	(17)	---	(17)	---
Interest on debt and notes payable	26,655	---	---	---	(26,655)	---	(26,655)	---
Total governmental activities	<u>\$ 1,303,174</u>	<u>66,265</u>	<u>376,555</u>	<u>29,611</u>	<u>(830,743)</u>	<u>---</u>	<u>(830,743)</u>	<u>---</u>
Business-type activities:								
Refuse	17,313	5,814	513	24	---	(10,962)	(10,962)	---
Airport	26,865	17,529	408	31,634	---	22,706	22,706	---
Hospital	66,664	67,298	---	---	---	634	634	---
Sewer	76,496	54,783	1,445	195	---	(20,073)	(20,073)	---
Utilities	14,010	14,039	38	---	---	67	67	---
Total business-type activities	<u>201,348</u>	<u>159,463</u>	<u>2,404</u>	<u>31,853</u>	<u>---</u>	<u>(7,628)</u>	<u>(7,628)</u>	<u>---</u>
Total primary government	<u>\$ 1,504,522</u>	<u>225,728</u>	<u>378,959</u>	<u>61,464</u>	<u>(830,743)</u>	<u>(7,628)</u>	<u>(838,371)</u>	<u>---</u>
Component units:								
Community College	145,928	45,647	95,589	4,824	---	---	---	132
Airport Authority	28,999	29,435	---	(2,249)	---	---	---	(1,813)
Water Authority	45,964	53,132	---	3,484	---	---	---	10,652
Industrial Development Agency	1,433	1,575	186	---	---	---	---	328
Total component units	<u>\$ 222,324</u>	<u>129,789</u>	<u>95,775</u>	<u>6,059</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>9,299</u>
General revenues:								
Taxes:								
Property tax and tax items	---	---	---	---	351,042	---	351,042	---
Sales and other taxes	---	---	---	---	413,472	---	413,472	---
Tobacco settlement revenues	---	---	---	---	12,538	---	12,538	---
Unrestricted interest earnings	---	---	---	---	3,184	28	3,212	965
Miscellaneous revenue	---	---	---	---	3,719	8,755	12,474	---
Special Items: Gain on Sale of Tax Liens	---	---	---	---	855	---	855	---
Total general revenues and transfers	---	---	---	---	<u>784,810</u>	<u>8,783</u>	<u>793,593</u>	<u>965</u>
Change in net assets	---	---	---	---	(45,933)	1,155	(44,778)	10,264
Net assets-beginning as restated	---	---	---	---	<u>198,595</u>	<u>438,195</u>	<u>636,790</u>	<u>358,700</u>
Net assets-ending	---	---	---	---	<u>\$ 152,662</u>	<u>439,350</u>	<u>592,012</u>	<u>368,964</u>

The notes to the basic financial statements are an integral part of this statement

COUNTY OF MONROE, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2008
(000's Omitted)

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,565	8,548	10,113
Accounts receivables, net:			
Taxes and assessments	17,034	---	17,034
Returned school taxes	19,853	---	19,853
Other receivables	1,884	12,936	14,820
Due from other funds	36,862	4,659	41,521
Due from other governments:			
State and Federal - social services	62,581	---	62,581
State and Federal - other	61,531	11,907	73,438
Local governments	14,425	139	14,564
Inventories	1,503	834	2,337
Restricted assets:			
Cash and cash equivalents	15,000	28,570	43,570
Funds held by trustee	---	30	30
Securities and retained percentages	---	97	97
Other assets	436	754	1,190
Total assets	<u>\$ 232,674</u>	<u>68,474</u>	<u>301,148</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	54,008	6,391	60,399
Due to other funds	3,704	11,717	15,421
Due to other governments	94,597	1,698	96,295
Unearned revenue	18,435	11,379	29,814
Notes payable	63,000	23,913	86,913
Total liabilities	<u>233,744</u>	<u>55,098</u>	<u>288,842</u>
Fund balances:			
Reserved for:			
Debt service	---	17,512	17,512
Encumbrances	6,760	16,231	22,991
Grants	694	---	694
Inventories	1,503	834	2,337
Unreserved fund balance (deficits) reported in:			
General fund	(10,027)	---	(10,027)
Special revenue funds	---	6,750	6,750
Debt service funds	---	1,523	1,523
Capital projects funds	---	(29,474)	(29,474)
Total fund balances (deficits)	<u>(1,070)</u>	<u>13,376</u>	<u>12,306</u>
Total liabilities and fund balances	<u>\$ 232,674</u>	<u>68,474</u>	<u>301,148</u>

The notes to the basic financial statements are an integral part of this statement

COUNTY OF MONROE, NEW YORK
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
As of December 31, 2008
(000's Omitted)

Total fund balances - governmental funds \$12,306

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Nondepreciable assets:			
Land	21,163		
Construction in progress	24,136		
	45,299		
Depreciable assets:			
Buildings	97,560		
Infrastructure	884,362		
Improvements other than buildings	111,809		
Machinery and equipment	82,453		
Accumulated depreciation	(557,515)		
	618,669		
Total capital assets			663,968

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 5,009

Some of the county's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. 27,399

Certain items, including bond issuance costs, are fully expensed in the governmental fund statement, but amortized over a period of time in the statement of activities. 7,065

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those long-term liabilities included in the governmental activities in the statement of net assets consist of:

Compensated absences	(25,657)	
Bonds payable	(449,320)	
Capital leases payable	(114)	
Accrued interest on bonds	(13,844)	
Long-term retirement costs	(8,319)	
Post-employment benefits other than pensions	(30,812)	
Sales tax payable	(29,070)	
NYS public assistance chargebacks	(5,949)	
Total long-term liabilities		(563,085)

Net assets of governmental activities \$152,662

The notes to the basic financial statements are an integral part of this statement

COUNTY OF MONROE, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000's Omitted)

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:			
Real property tax	\$ 326,183	---	326,183
Sales and other taxes	413,472	---	413,472
Federal aid	111,724	15,499	127,223
State aid	225,312	19,766	245,078
Charges for services	17,258	5,128	22,386
Intergovernmental	31,946	3,041	34,987
Interdepartmental	3,205	88	3,293
Use of money and property	6,958	3,154	10,112
Repayments and refunds	17,123	88	17,211
Payments in lieu of taxes	7,858	---	7,858
Tobacco settlement	---	12,148	12,148
Miscellaneous	9,181	7,137	16,318
	<u>1,170,220</u>	<u>66,049</u>	<u>1,236,269</u>
EXPENDITURES:			
Current:			
Health and welfare	563,305	---	563,305
Public safety	189,645	1,884	191,529
Culture, recreation and education	75,016	10,452	85,468
General government	293,146	89	293,235
Transportation	3,524	16,496	20,020
Economic development	---	3,800	3,800
Debt service:			
Principal retirement	---	54,588	54,588
Interest and fiscal charges	---	25,217	25,217
Capital outlay	---	48,628	48,628
	<u>1,124,636</u>	<u>161,154</u>	<u>1,285,790</u>
Excess (deficiency) of revenues over expenditures	<u>45,584</u>	<u>(95,105)</u>	<u>(49,521)</u>
OTHER FINANCING SOURCES (USES):			
Bonds issued	---	26,160	26,160
Transfers in	269	63,591	63,860
Transfers out	(48,625)	(16,931)	(65,556)
	<u>(48,356)</u>	<u>72,820</u>	<u>24,464</u>
Net change in fund balances	(2,772)	(22,285)	(25,057)
Fund balances at beginning of year	<u>1,702</u>	<u>35,661</u>	<u>37,363</u>
Fund balances (deficits) at end of year	<u>\$ (1,070)</u>	<u>13,376</u>	<u>12,306</u>

The notes to the basic financial statements are an integral part of this statement

COUNTY OF MONROE, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the year ended December 31, 2008
(000's Omitted)

Net change in fund balances - total governmental funds (\$25,057)

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of debt provides current financial resources to governmental funds, while the repayment of the principal of debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, refunding gain/loss and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement activities.

Proceeds of bonds	(26,160)	
Premium on bond issuance	(560)	
Bond refunding gain/loss	(929)	
Total proceeds/additions	(27,649)	(27,649)

Repayment of bond principal is reported as an expenditure and an other financing use in governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. The principal payments reduce the liabilities in the statement of net assets and do not result in an expense or an other financing use in the statement of activities. Also, governmental funds report the effect of issuance costs, accreted interest and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement activities.

Principal retirement	54,588	
Interest accreted on capital appreciation debt	216	
Bond Issuance costs	201	
Total repayments/deductions	55,005	55,005

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of the internal service funds are reported in governmental activities. (2,897)

Because some revenues will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues increased by this amount this year. 14,422

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives.

Capital outlay	28,746	
Loss on retirement of capital assets	(2,915)	
Depreciation expense	(33,476)	
Excess of capital outlay over depreciation expense	(7,645)	(7,645)

Certain expenses reported in the statement of activities do not require the use of financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Change in accrued interest	(3,169)	
Change in capital leases payable	17	
Change in compensated absences	(311)	
Change in long-term retirement costs	1,165	
Change in post-employment benefits other than pensions	(14,795)	
Change in sales tax payable	(29,070)	
Change in NYS public assistance chargebacks	(5,949)	
Total additional expenditures	(52,112)	(52,112)

Change in net assets of governmental activities (\$45,933)

The notes to the basic financial statements are an integral part of this statement

**COUNTY OF MONROE, NEW YORK
STATEMENT OF NET ASSETS (DEFICIT)
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2008
(000's Omitted)**

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Solid Waste	Airport	Hospital	Pure Waters	Energy	Total	
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 86	51	86	16,233	95	16,551	8,416
Accounts receivables, net	4,924	---	16,675	809	279	22,687	135
Interest receivable	290	---	---	---	---	290	---
Due from other funds	---	---	---	---	---	---	3,700
Due from other governments:							
State and Federal - other	---	3,978	---	21	---	3,999	1,024
Local governments	---	11,774	---	144	2,654	14,572	121
Inventories	---	---	472	3,480	118	4,070	508
Unamortized bond issue costs	36	---	---	3	---	39	4
Other	39	---	297	---	656	992	25
Total current assets	5,375	15,803	17,530	20,690	3,802	63,200	13,933
Noncurrent assets:							
Accounts receivables, net	7,355	---	---	---	---	7,355	---
Restricted assets:							
Cash and cash equivalents	1,180	1,749	584	4,778	---	8,291	1,789
Funds held by trustee	2,651	---	2,338	---	---	4,989	---
Custodial accounts	---	---	511	---	---	511	---
Securities and retained percentages	---	---	---	---	---	---	113
Capital assets, net of accumulated depreciation	31,453	169,436	31,503	391,048	---	623,440	56,339
Unamortized bond issue costs	166	18	48	31	---	263	82
Total noncurrent assets	42,805	171,203	34,984	395,857	---	644,849	58,323
Total assets	\$ 48,180	187,006	52,514	416,547	3,802	708,049	72,256

(continued)

**COUNTY OF MONROE, NEW YORK
STATEMENT OF NET ASSETS (DEFICIT)
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2008
(000's Omitted)**

	<u>Business-type Activities - Enterprise Funds</u>						<u>Governmental Activities - Internal Service Funds</u>
	<u>Solid Waste</u>	<u>Airport</u>	<u>Hospital</u>	<u>Pure Waters</u>	<u>Energy</u>	<u>Total</u>	
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	\$ 1,536	5,801	6,690	4,241	1,968	20,236	24,105
Accrued interest payable	413	106	1,105	1,024	---	2,648	273
Due to other funds	10,200	8,400	5,800	---	1,800	26,200	3,600
Due to other governments	8	729	1,503	764	---	3,004	267
Notes payable	690	3,000	17,795	5,000	---	26,485	8,767
Current portion of:							
Capital leases payable	995	---	177	168	---	1,340	9
Bonds payable	3,449	1,682	3,585	7,654	---	16,370	4,199
Total current liabilities	<u>17,291</u>	<u>19,718</u>	<u>36,655</u>	<u>18,851</u>	<u>3,768</u>	<u>96,283</u>	<u>41,220</u>
Noncurrent liabilities:							
Capital leases payable	1,650	---	9,379	475	---	11,504	10
Bonds payable	21,405	11,290	18,975	99,370	---	151,040	25,155
Patient funds held in trust	---	---	511	---	---	511	---
Other long-term liabilities	7	1,837	4,302	3,215	---	9,361	862
Total noncurrent liabilities	<u>23,062</u>	<u>13,127</u>	<u>33,167</u>	<u>103,060</u>	<u>---</u>	<u>172,416</u>	<u>26,027</u>
Total liabilities	<u>40,353</u>	<u>32,845</u>	<u>69,822</u>	<u>121,911</u>	<u>3,768</u>	<u>268,699</u>	<u>67,247</u>
NET ASSETS (DEFICIT)							
Invested in capital assets, net of related debt	4,190	105,291	1,845	281,299	---	392,625	16,693
Restricted for:							
Debt service	254	152	---	---	---	406	336
Capital projects	---	31,572	---	---	---	31,572	576
Unrestricted	3,383	17,146	(19,153)	13,337	34	14,747	(12,596)
Total net assets (deficit)	<u>\$ 7,827</u>	<u>154,161</u>	<u>(17,308)</u>	<u>294,636</u>	<u>34</u>	<u>439,350</u>	<u>5,009</u>

The notes to the basic financial statements are an integral part of this statement

COUNTY OF MONROE, NEW YORK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (DEFICIT)
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000's Omitted)

	Business-type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Solid Waste	Airport	Hospital	Pure Waters	Energy	Total	
Operating revenues:							
Charges for services	\$ 5,814	17,529	67,092	54,783	14,039	159,257	239
Interdepartmental	65	72	206	---	---	343	53,811
Repayments and refunds	55	10	---	103	38	206	305
Miscellaneous	6,776	14	1,529	504	---	8,823	251
Total operating revenues	<u>12,710</u>	<u>17,625</u>	<u>68,827</u>	<u>55,390</u>	<u>14,077</u>	<u>168,629</u>	<u>54,606</u>
Operating expenses:							
Personnel services	140	5,104	26,981	13,008	---	45,233	4,517
Employee benefits	59	2,322	13,253	5,957	---	21,591	2,556
Contractual	11,417	4,714	5,883	14,804	14,010	50,828	36,280
Depreciation and amortization	3,777	8,865	4,358	28,841	---	45,841	3,592
Other	591	5,050	14,531	8,493	---	28,665	11,810
Total operating expenses	<u>15,984</u>	<u>26,055</u>	<u>65,006</u>	<u>71,103</u>	<u>14,010</u>	<u>192,158</u>	<u>58,755</u>
Operating income (loss)	<u>(3,274)</u>	<u>(8,430)</u>	<u>3,821</u>	<u>(15,713)</u>	<u>67</u>	<u>(23,529)</u>	<u>(4,149)</u>
Nonoperating revenues (expenses):							
Federal aid	---	326	---	---	---	326	---
State aid	---	---	---	801	---	801	---
Use of money and property	417	118	28	767	---	1,330	265
Interest and fiscal charges	(1,304)	(758)	(1,658)	(5,395)	---	(9,115)	(1,119)
Loss on disposal of capital assets	(25)	---	---	(31)	---	(56)	(176)
Other income (expense)	---	(104)	---	(67)	---	(171)	586
Total nonoperating revenues (expenses)	<u>(912)</u>	<u>(418)</u>	<u>(1,630)</u>	<u>(3,925)</u>	<u>---</u>	<u>(6,885)</u>	<u>(444)</u>
Income (loss) before contributions and transfers	<u>(4,186)</u>	<u>(8,848)</u>	<u>2,191</u>	<u>(19,638)</u>	<u>67</u>	<u>(30,414)</u>	<u>(4,593)</u>
Capital contributions	---	31,569	---	---	---	31,569	---
Transfers in	---	---	---	---	---	---	1,853
Transfers out	---	---	---	---	---	---	(157)
Change in net assets	<u>(4,186)</u>	<u>22,721</u>	<u>2,191</u>	<u>(19,638)</u>	<u>67</u>	<u>1,155</u>	<u>(2,897)</u>
Total net assets (deficit) at beginning of year as restated	12,013	131,440	(19,499)	314,274	(33)	438,195	7,906
Total net assets (deficit) at end of year	<u>\$ 7,827</u>	<u>154,161</u>	<u>(17,308)</u>	<u>294,636</u>	<u>34</u>	<u>439,350</u>	<u>5,009</u>

COUNTY OF MONROE, NEW YORK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000's Omitted)

	Business-type Activities - Enterprise Funds						Governmental Internal Service Funds
	Solid Waste	Airport	Hospital	Pure Waters	Energy	Total	
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from providing services	\$ 5,618	17,529	64,485	54,401	14,501	156,534	48
Cash received from other funds for services	65	72	---	---	---	137	53,876
Payments to or on behalf of employees	(199)	(7,426)	(40,321)	(18,965)	---	(66,911)	(8,043)
Payments to suppliers	(12,069)	(2,909)	(17,692)	(12,953)	(14,553)	(60,176)	(27,531)
Payments for interfund services	(589)	(5,050)	---	(8,493)	---	(14,132)	(9,019)
Claims paid	---	---	---	---	---	---	(9,165)
Other receipts (payments)	10,117	(10,853)	---	22	215	(499)	725
Net cash provided by (used in) operating activities	2,943	(8,637)	6,472	14,012	163	14,953	891
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Federal aid	---	326	---	---	---	326	---
State aid	---	---	---	801	---	801	---
Proceeds from revenue anticipation notes	---	---	17,000	---	---	17,000	---
Principal payments on revenue anticipation notes	---	---	(17,000)	---	---	(17,000)	---
Receipts from other funds	1,900	8,400	---	---	---	10,300	---
Payments to other funds	---	---	(400)	---	(200)	(600)	(1,500)
Transfers in	---	---	---	---	---	---	1,853
Transfers out	---	---	---	---	---	---	(157)
Net cash provided by (used in) noncapital financing activities	1,900	8,726	(400)	801	(200)	10,827	196
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Interest paid	(1,782)	(721)	(1,249)	(5,372)	---	(9,124)	(2,234)
Change in securities and retainage	---	740	---	96	---	836	(11)
Proceeds from the issuance of notes	690	3,000	795	5,000	---	9,485	8,767
Proceeds from the issuance of bonds	770	1,155	14,735	665	---	17,325	4,825
Principal paid on notes	(290)	(7,040)	(465)	---	---	(7,795)	(4,167)
Principal paid on bonds	(4,103)	(2,559)	(18,274)	(7,305)	---	(32,241)	(8,589)
Bond issue costs paid	(1)	(16)	---	(10)	---	(27)	(68)
Capital contributions	---	31,569	---	---	---	31,569	---
Principal paid on capital leases	(920)	---	---	(168)	---	(1,088)	(60)
Transfers in capital leases	---	---	---	---	---	---	(154)
Proceeds from the sale of capital assets	---	---	---	---	---	---	21
Additions to capital assets, net	(1)	(32,560)	(8,354)	(12,474)	---	(53,389)	(8,506)
Other payments	88	(20)	---	(71)	---	(3)	87
Net cash provided by (used in) capital and related financing activities	\$ (5,549)	(6,452)	(12,812)	(19,639)	---	(44,452)	(10,089)

(continued)

COUNTY OF MONROE, NEW YORK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000's Omitted)

	Business-type Activities - Enterprise Funds					Governmental Internal Service Funds	
	Solid Waste	Airport	Hospital	Pure Waters	Energy		Total
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts from/payments to trustee	\$ (27)	---	6,077	---	---	6,050	---
Receipts from use of money and property	484	119	28	767	---	1,398	264
Net cash provided by investing activities	457	119	6,105	767	---	7,448	264
Net decrease in cash and cash equivalents	(249)	(6,244)	(635)	(4,059)	(37)	(11,224)	(8,738)
Cash and cash equivalents, beginning of year	1,515	8,044	1,305	25,070	132	36,066	18,943
Cash and cash equivalents, end of year	<u>1,266</u>	<u>1,800</u>	<u>670</u>	<u>21,011</u>	<u>95</u>	<u>24,842</u>	<u>10,205</u>
Classified as:							
Cash and cash equivalents - unrestricted	86	51	86	16,233	95	16,551	8,416
Cash and cash equivalents - restricted	1,180	1,749	584	4,778	---	8,291	1,789
Total cash and cash equivalents	<u>1,266</u>	<u>1,800</u>	<u>670</u>	<u>21,011</u>	<u>95</u>	<u>24,842</u>	<u>10,205</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	(3,274)	(8,430)	3,821	(15,713)	67	(23,529)	(4,149)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:							
Depreciation and amortization	3,777	8,865	4,358	28,841	---	45,841	3,592
Other revenue	---	---	---	---	---	---	564
Change in:							
Accounts receivable	2,404	---	(4,936)	(382)	(279)	(3,193)	(9)
Due from other governments	690	(11,274)	---	(120)	462	(10,242)	(464)
Inventories	---	---	(34)	(434)	(93)	(561)	15
Other assets	(3)	---	34	---	549	580	23
Accounts payable, accrued and other liabilities	(652)	1,805	3,267	1,851	(543)	5,728	1,440
Due to other governments	1	397	(38)	(31)	---	329	(121)
Net cash provided by (used in) operating activities	<u>\$ 2,943</u>	<u>(8,637)</u>	<u>6,472</u>	<u>14,012</u>	<u>163</u>	<u>14,953</u>	<u>891</u>

The notes to the basic financial statements are an integral part of this statement

COUNTY OF MONROE, NEW YORK
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AS OF DECEMBER 31, 2008
(000's Omitted)

	Private Purpose Trusts	Agency
ASSETS		
Cash and cash equivalents	\$ 92	27,360
Accounts receivable	---	1
	92	27,361
LIABILITIES		
Accounts payable and accrued expenses	---	27,361
	---	27,361
NET ASSETS		
Held in trust for private purpose	\$ 92	---

The notes to the basic financial statements are an integral part of this statement

COUNTY OF MONROE, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000's Omitted)

		Private Purpose Trusts
ADDITIONS		
Investment earnings-interest	\$	3
Miscellaneous revenue		4
Total additions		7
DEDUCTIONS		
Payments in accordance with trust agreements		28
Change in net assets		(21)
Net assets at beginning of year		113
Net assets at end of year	\$	92

The notes to the basic financial statements are an integral part of this statement

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
AS OF DECEMBER 31, 2008
(000's Omitted)

	Community College (Year End 8/31/08)	Airport Authority	Water Authority	Industrial Development Agency	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 4,609	11,045	15,124	3,620	34,398
Investments	43,742	---	12,722	---	56,464
Accounts receivables, net	9,954	2,386	9,375	139	21,854
Due from other governments	---	368	---	---	368
Inventories	---	---	1,162	---	1,162
Other	1,275	---	724	---	1,999
Total current assets	59,580	13,799	39,107	3,759	116,245
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	7,875	8,807	881	---	17,563
Funds held by trustee	10,855	13,721	32,921	---	57,497
Capital assets, net of accumulated depreciation	141,526	51,539	250,377	3	443,445
Unamortized bond issue costs	---	801	---	---	801
Other	4,957	---	---	---	4,957
Total noncurrent assets	165,213	74,868	284,179	3	524,263
Total assets	224,793	88,667	323,286	3,762	640,508
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	7,982	973	7,332	67	16,354
Accrued interest payable	---	1,920	700	---	2,620
Unearned revenue	10,194	341	---	---	10,535
Other	1,098	1,099	---	---	2,197
Current portion of:					
Capital leases payable	---	---	1,090	---	1,090
Bonds payable	9,522	4,790	2,848	---	17,160
Total current liabilities	28,796	9,123	11,970	67	49,956
Noncurrent liabilities:					
Capital leases payable	---	---	7,613	---	7,613
Bonds payable	103,068	62,537	32,027	---	197,632
Other long-term liabilities	15,082	---	1,261	---	16,343
Total noncurrent liabilities	118,150	62,537	40,901	---	221,588
Total liabilities	146,946	71,660	52,871	67	271,544
NET ASSETS					
Invested in capital assets, net of related debt	43,193	(15,788)	206,799	3	234,207
Restricted for:					
Debt service	---	13,721	881	---	14,602
Nonexpendable	5,361	---	---	---	5,361
Expendable	8,220	---	---	---	8,220
Passenger facility charges	---	111	---	---	111
Unrestricted	21,073	18,963	62,735	3,692	106,463
Total net assets	\$ 77,847	\$ 17,007	270,415	3,695	368,964

The notes to the financial statements are an integral part of this statement

**COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000's Omitted)**

	Community College (Year End 8/31/08)	Airport Authority	Water Authority	Industrial Development Agency	Total
Expenses	\$ 145,928	28,999	45,964	1,433	222,324
Program revenues:					
Charges for services	45,647	29,435	53,132	1,575	129,789
Operating grants and contributions	95,589	---	---	186	95,775
Capital grants and contributions	4,824	(2,249)	3,484	---	6,059
Total program revenues	<u>146,060</u>	<u>27,186</u>	<u>56,616</u>	<u>1,761</u>	<u>231,623</u>
Net program revenue (expense)	<u>132</u>	<u>(1,813)</u>	<u>10,652</u>	<u>328</u>	<u>9,299</u>
General revenues:					
Unrestricted investment earnings (loss)	(1,310)	715	1,485	75	965
Change in net assets	<u>(1,178)</u>	<u>(1,098)</u>	<u>12,137</u>	<u>403</u>	<u>10,264</u>
Total net assets at beginning of year	<u>79,025</u>	<u>18,105</u>	<u>258,278</u>	<u>3,292</u>	<u>358,700</u>
Total net assets at end of year	<u>\$ 77,847</u>	<u>17,007</u>	<u>270,415</u>	<u>3,695</u>	<u>368,964</u>

The notes to the basic financial statements are an integral part of this statement

COUNTY OF MONROE, NEW YORK

Notes to Basic Financial Statements

Year Ended December 31, 2008

1. Background and Summary of Significant Accounting Policies

A. Background

The County of Monroe (County) was established in 1821 and is governed by the County Charter, general laws of the State of New York, and various local laws. The County is New York State's third largest industrial and commercial center. The County Executive is the Chief Executive Officer and the administrative head of the County with authority to approve or veto any local law, legalizing act or resolution adopted by the County Legislature. The County Executive is elected in a general county-wide election to serve a four year term. The County is divided into 29 legislative districts with an elected legislator representing each district in the County Legislature. County Legislators may serve for two four-year terms and one two-year term during a ten year cycle. The County Legislature is the legislative, appropriating and governing body of the County. The County provides its residents with diverse services. Programs provided are human services, public safety, public and mental health, wastewater management, public works, economic development, culture, education and recreation programs. Public facilities available are the Greater Rochester International Airport, Monroe Community Hospital (the Hospital), Monroe Community College (the College), and County parks.

The County's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB), which is the primary standard-setting body for establishing governmental accounting and financial reporting principles, is responsible for establishing GAAP for state and local governments through its Statements and Interpretations. The more significant accounting policies used by the County are discussed below.

B. Financial Reporting Entity

The financial reporting entity consists of the County (primary government) and organizations for which the primary government is financially accountable, and the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are in substance, part of the government's operations and are therefore reported within the County's financial statements. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Based upon the foregoing criteria and the significant factors presented below, the following organizations, functions, or activities are included as blended component units of the primary government, discretely presented component units or related organizations and joint ventures:

Monroe Community College - Discretely Presented Component Unit

Monroe Community College (the College) was founded in 1961 with the County of Monroe as the local sponsor under provisions of Article 126 of the New York State Education Law. The College is administered by a Board of Trustees consisting of ten voting members; five are appointed by the County Legislature, four by the Governor, and one student is elected by the student body. The College budget is subject to the approval of the County Executive and the County Legislature, with the County providing funding for one-half of the capital costs and approximately one-fifth of the operating costs for the College. A separate legal entity, the College is included as a discretely presented component unit within the County's basic financial statements.

The College has its own financial system, which is independent of the County's centralized financial system, which accounts for resources received and used. A fiscal year ending August 31 is mandated by state law for the College. Certain amounts have been reclassified to conform to the County's presentation. Requests for financial statements may be made in writing to Monroe Community College, Controller's Office, 1000 East Henrietta Road, Rochester, New York 14623.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

1. Background and Summary of Significant Accounting Policies (continued)

Monroe County Airport Authority – Discretely Presented Component Unit

The Monroe County Airport Authority (Airport Authority) is a public benefit corporation organized under the Public Authorities Law of the State of New York on October 1, 1989. The Airport Authority was created to finance, construct and develop aviation facilities. The oversight body is the Airport Authority board which is appointed by the County Legislature on the recommendation of the County Executive. The chairperson is appointed by the County Executive. Pursuant to a lease and operating agreement, the Airport Authority leases the properties comprising the Airport from the County. The lease expires 30 days after final repayment of the Airport Revenue Bonds, which are scheduled to be repaid by January 1, 2019. A separate legal entity, the Airport Authority is included as a discretely presented component unit within the County's basic financial statements.

Upon expiration or earlier termination of the lease term, the Airport reverts to the County and the County will continue to administer and operate the Airport. In return, the Airport Authority is to reimburse the County for expenses incurred in the administration and operation of the Airport. The charges to the Airport Authority for the year ended December 31, 2008 were approximately \$17.5 million. Separate financial statements may be obtained from the Monroe County Airport Authority, 1200 Brooks Avenue, Rochester, New York 14624.

Monroe County Water Authority - Discretely Presented Component Unit

The Monroe County Water Authority (Water Authority) was established in 1951 as a public benefit corporation created by and existing under Title 5 of Article 5 of the Public Authorities Law of the State of New York. The Water Authority is authorized under the act to acquire, construct, develop, operate and manage water supply and water distribution systems within the County and in the Town and Village of Bergen and the Town of LeRoy in Genesee County. The Water Authority maintains primary responsibility for the construction of water facilities. The Water Authority's seven-member board, which is appointed by the County Legislature, has complete responsibility for its management and financial operations. The County does not provide operating assistance to the Water Authority. However, the County Legislature's approval is needed for the Water Authority to issue bonded debt.

In 1969, the Water Authority entered into an agreement with the County whereby the Water Authority agreed to plan, construct, operate, manage, repair and maintain certain improvements to the water system which are financed and owned by the County and leased to the Water Authority for operation as part of the water system. The Water Authority's lease payments for such improvements are equal to the debt service costs associated with financing such improvements through the issuance of bonds or bond anticipation notes by the County. Currently, the County has approximately \$8.9 million of bonds outstanding under this lease program with the Water Authority. Based upon the financial interdependence of this agreement and because the County must authorize all debt issuances of the Water Authority, the Water Authority is included as a discretely presented component unit within the County's basic financial statements. Requests for financial statements should be addressed in writing to the Director of Finance and Business Services, Monroe County Water Authority, 475 Norris Drive, Rochester, New York 14610.

County of Monroe Industrial Development Agency (COMIDA) – Discretely Presented Component Unit

On June 6, 1972, the County of Monroe Industrial Development Agency (COMIDA) was established by a special act of the County Legislature under the New York State Industrial Development Act of 1969. COMIDA's purpose is to provide, develop, encourage and assist existing and new businesses to acquire, construct, reconstruct, improve, maintain, equip and furnish industrial facilities in the County. COMIDA is a New York State not-for-profit public benefit corporation. Based on the authority that the County Legislature has to appoint or remove COMIDA board members and significant influence the County can impose, COMIDA is included as a discretely presented component unit within the County's basic financial statements.

Requests for financial statements from COMIDA should be addressed in writing to COMIDA, Business Office, 50 West Main Street, Suite 8100, Rochester, New York 14614.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

1. Background and Summary of Significant Accounting Policies (continued)

Monroe Tobacco Asset Securitization Corporation - Blended Component Unit

Monroe Tobacco Asset Securitization Corporation (MTASC) is a special purpose, local development corporation organized under the laws of the State of New York. MTASC was established on May 11, 2000. MTASC is an instrumentality of the County, but is a separate legal entity from the County. MTASC will have not less than three nor more than five directors, consisting of two ex-officio positions including the County Executive and the Director of Finance, up to two additional directors selected by the member of MTASC (i.e. the County Executive, ex-officio, the "member") and one independent director appointed by the member of MTASC, and thus the County is able to impose its will on MTASC. Although legally separate from the County, MTASC is a component unit of the County and accordingly, is presented in the County's financial statements as a blended component unit due to the fact that it exclusively serves the County. MTASC is blended in the Governmental Activities and as a non-major governmental (debt service) fund. Separate financial statements may be obtained from the Monroe County Finance Department, 39 West Main Street, Rochester, New York 14614.

Related Organizations and Joint Ventures

Organizations for which a primary government is accountable because that government appoints a voting majority of the board, but is not financially accountable, are related organizations. The County has such a relationship with Monroe Newpower Corporation, formed in 2002 to buy the Lola Powerhouse from the County and to borrow funds to build natural gas-fired units as its replacement. Requests for financial statements from Monroe Newpower Corporation should be addressed in writing to: 39 West Main Street, Room 402, Rochester, New York 14614.

The Civic Center Monroe County Local Development Corporation (Civic Center LDC) is a related organization. The Civic Center LDC was formed in 2002 to purchase the Civic Center Garage and manage other surface parking lots. Requests for financial statements from Civic Center LDC should be addressed in writing to: 39 West Main Street, Room 402, Rochester, New York 14614.

The Soil and Water Conservation Board, which serves municipalities and landowners of the County, is also considered a related organization of the County. Requests for financial statements from Monroe County Soil and Water Conservation District should be addressed in writing to: 1200A Scottsville Road Suite 160, Rochester, New York 14624.

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate specific activity subject to joint control, in which the participants retain an ongoing financial interest or an ongoing financial responsibility. The Cultural Center Commission (the Commission), a joint venture, was established as a result of debt issued by the County and the City of Rochester. The Commission's operating expenses each year are offset by parking lot revenues and revenues from mortgages on properties. The Commission's budget is subject to approval each year by the City Council and the County Legislature. Requests for financial statements from the Commission should be addressed in writing to: Cultural Center Commission, City Hall, Room 005A, 30 Church Street, Rochester, New York 14614-1290.

C. Fund Deficits

The general fund had a fund deficit of \$1.1 million at December 31, 2008. General fund balance decreased by \$2.8 million from 2007. The primary cause of this decrease in 2008 was mid-year State aid cuts. The County remains committed to reviewing all areas of operation to control costs and maximize revenues. The hospital fund had a fund deficit of \$17.3 million at December 31, 2008. The hospital fund increased its net assets in 2008 by \$2.2 million, due in part to the receipt of a Medicaid Upper Payment Limit (UPL). In addition, the County Executive continues to be committed to a review of operations to gain efficiencies.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

1. **Background and Summary of Significant Accounting Policies (continued)**

D. **Basis of Presentation**

Government-wide Financial Statements

The government-wide financial statements (the statement of net assets and the statement of activities) concentrate on the County as a whole and do not emphasize fund types but rather a governmental or a business-type activities classification, which are presented in separate columns. The governmental activities and business-type activities comprise the primary government and are reported separately from the discretely presented component units for which the County is accountable. General governmental and intergovernmental revenues support the governmental activities, whereas the business-type activities are primarily supported by charges for services.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

The statement of activities reflects the expenses of a given function or segment and demonstrates the extent to which they are offset by program revenues. Program revenues are defined as charges for services, operating grants and contributions (which would include reimbursement for debt payments) and capital grants and contributions directly associated within a given function. Taxes and other revenues not associated with a specific function are reported under general revenues.

The effect of interfund activity has been removed from the government-wide financial statements. However, the interfund services between functions are not eliminated. The internal service activity has been eliminated except for the outside activity and is combined with the governmental activities on the government-wide financial statements.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity/net assets, revenues, and expenditures/expenses.

Governmental Fund Types

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers certain revenues (i.e. property taxes) to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and certain other long-term liabilities are recorded only when payment is due.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

1. **Background and Summary of Significant Accounting Policies (continued)**

The County has the following major governmental funds:

General Fund - is the County's principal operating fund. It is used to account for all financial resources except those required to be accounted for in other funds.

Proprietary Fund Types

All proprietary funds are major funds with the exception of the internal service fund, and are used to account for a government's business-type activities which are similar to those often found in the private sector. Proprietary fund types use the economic resources measurement focus and accrual basis of accounting. Proprietary funds are comprised of:

Enterprise Funds - The enterprise funds are used to account for operations that provide services primarily to customers other than governments outside the financial reporting entity and are financed primarily by user charges. The enterprise funds include:

Solid Waste Fund - accounts for the planning, development, operation and maintenance of County solid waste handling facilities. Substantially all revenues are from user fees and it is the County's intention that the solid waste operation be self-supporting.

Airport Fund - accounts for the operation and maintenance of the Greater Rochester International Airport. The primary revenue source for the Airport fund is reimbursement from the Airport Authority.

Hospital Fund - accounts for the County's medical facility which provides for the care and treatment of the chronically ill and is comprised of a residential health care facility. It also provides out-patient services.

Pure Waters Fund - accounts for financing of wastewater related public improvements as well as operation and maintenance services deemed to benefit the properties against which user fees are charged.

Energy Fund - accounts for the buying and selling of gas and electric commodities in large quantities for the consumption by the County and other local governments. With the onset of deregulation, it was determined that it would be beneficial to the County to buy and sell the gas and electric commodities at wholesale prices.

Internal Service Funds - The internal service funds are used to account for special activities or services provided by one department of the County to other departments, to agencies of the primary government and its component units, or to other governments, on a cost reimbursement basis. Internal service funds include: Central Services, Building Accounts, Information Services, Fleet Management, and Risk Management.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as agent for individuals, private organizations, other governments and/or funds. They cannot be used to support the government's own programs. Fiduciary funds are comprised of:

Private Purpose Funds - The Private Purpose funds are used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments.

Agency Funds - Agency funds account for situations where the government's role is purely custodial. Accordingly, all assets are offset by a liability to the authorized party.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

1. **Background and Summary of Significant Accounting Policies (continued)**

E. **Basis of Accounting/Measurement Focus**

The accounting basis for each fund is determined by its measurement focus. The measurement focus for governmental funds is based upon determination of current financial resources. Proprietary funds and private purpose trust funds are accounted for on a flow of economic resources measurement focus. Agency funds are custodial in nature (assets equal liabilities) and do not measure the results of operations.

The government-wide financial statements are prepared on a *full accrual basis* using the *economic resources measurement focus*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all of the eligibility requirements imposed by the provider have been met. Fiduciary fund financial statements are also prepared on an accrual basis.

Modified Accrual Basis - All governmental funds are accounted for using the *modified accrual basis* of accounting. Under this basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. The three primary revenue sources which are treated as susceptible to accrual are: (1) property tax to be collected within 60 days of the reporting period; (2) reimbursements of expenditures due from other governments; and (3) sales tax, which is recorded based on the date of sales. Expenditures are recognized when the related fund liability is incurred, except for principal and interest on long-term debt, which are recorded as expenditures when paid, and compensated absences and claims/judgments, which are recognized as a liability in the applicable fund if payable with current financial resources.

Allowances have been provided for any receivables where collection is doubtful. In addition, revenues relating to property taxes and revolving loans in the governmental funds which are not available to finance current operations have been deferred. At the government-wide level, these are recognized as revenues.

Accrual Basis – Proprietary and fiduciary fund types and discretely presented component units are accounted for using the *accrual basis* of accounting. Under this method, revenues, including unbilled amounts, are recognized when earned; expenses are recorded when the liabilities are incurred, regardless of the timing of related cash inflows and outflows. Capital assets, the related outstanding debt and other long-term liabilities related to activities of the proprietary and fiduciary fund types, and the discretely presented component units are recorded within these fund types.

Operating revenues and expenses generally result from the proprietary funds' principal operations, providing services and producing and delivering goods. Non-operating revenues and expenses are reported as capital and related financing activities, noncapital financing activities, or investing activities which normally would not be reported as components of operating income.

Enterprise funds apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedures. The County has elected not to adopt the option as allowed by paragraph 7 of GASB Statement No. 20 to adopt all FASB pronouncements issued after November 30, 1989.

F. **Cash Equivalents**

Cash equivalents include certificates of deposit, U.S. government securities and repurchase agreements with maturity dates of three months or less from the purchase date. Cash equivalents are stated at cost which approximates fair value.

G. **Investments**

Investments include certificates of deposit, U.S. government securities and repurchase agreements with maturities of more than three months from the purchase date. Investments are stated at fair value.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

1. Background and Summary of Significant Accounting Policies (continued)

H. Statement of Cash Flows

For the purpose of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all unrestricted and restricted cash and cash equivalents of those funds. The statement of cash flows is presented using the direct method of reporting.

I. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed by governmental funds, only.

Open encumbrances are reported as reservations of fund balances since the commitments will be honored through subsequent years' budget appropriations. Encumbrances do not constitute expenditures or liabilities.

J. Inventories

The County maintains inventories of various operational supplies.

Inventories for both governmental and proprietary funds are computed using the *purchase method*. Inventories are valued at cost using the first-in-first-out (FIFO) method.

K. Capital Assets

Primary Government

Capital assets purchased or acquired at an original cost of \$2.5 thousand or more are reported at historical cost or estimated historical cost for all governmental and business-type activities. Donated assets are reported at fair market value as of the date received. Capital assets recognized under capital lease arrangements are amortized over their expected useful life or the lease term, whichever is shorter.

Capital assets which are used for general governmental purposes and are not available for expenditure are accounted for and reported in the government-wide financial statements.

Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for routine repairs and maintenance is expensed as incurred. Depreciation on all assets is calculated using the straight-line method over estimated useful lives ranging from two to fifty-five years. The estimated useful lives for the major classes of depreciable capital assets include the following:

Class	Life in Years
Buildings	30-55
Improvements	10-20
Infrastructure	2-50
Machinery and Equipment	3-15

Hospital Fund (Monroe Community Hospital)

Capital assets are recorded at cost. Depreciation expense is computed on all depreciable assets based on the straight-line method utilizing estimated lives as established by the American Hospital Association, ranging from three to forty years.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

1. Background and Summary of Significant Accounting Policies (continued)

L. Due to Other Governments

In the 2008 government-wide and fund financial statements, the category “*due to other governments*” includes primarily sales tax collections of \$42.7 million and school tax collections of \$20.4 million that are due to other municipalities within the County. It also includes \$17.9 million due to the New York State and Local Employees’ Retirement System (ERS) and New York State Police and Firefighters’ Retirement System (PFRS).

M. Compensated Absences

At the governmental and business-type activities level, liabilities for compensated absences, such as vacation and unpaid overtime, are recorded when vested and earned by the employees and payment is not dependent upon a future event. The total compensated absence liabilities attributable to the proprietary fund types are recorded as an accrued liability in the respective funds. At the governmental fund level, liabilities for compensated absences are recorded when due and payable. The liabilities are recorded based on employees’ rates of pay as of December 31, 2008 and include all payroll related liabilities. Primarily, the general fund and the road fund are used to liquidate the liability for compensated absences in the governmental funds.

N. Unamortized Bond Issue Costs

Bond discount and expenses related to the issuance of debt obligations are amortized over the term of the respective bond issues for the governmental and business-type activities, and funds reporting on the full accrual basis.

O. Medicaid Claims

Physicians, hospitals, pharmacists, and others who provide services to public assistance recipients and other individuals enrolled in the Medical Assistance Program, are entitled to reimbursement of the defined cost of such services through the Federal, State and locally-funded Medicaid programs. The County participates in a state-wide system to process and pay such claims.

P. Restrictions of Net Assets and Reservations of Fund Balances

Restrictions and reserves represent funds that have been legally segregated for a specific use or are otherwise unavailable for appropriation by the primary government and component units. As of December 31, 2008 these restrictions and reserves include:

Debt Service - represents resources that have been legally restricted for debt service payments that will be made in future periods.

Capital Projects - represents funds restricted for major capital acquisitions and construction activities financed through borrowings or contributions.

Nonexpendable - represents the net assets whose use is subject to externally-imposed conditions and the County must maintain them in perpetuity.

Expendable – represents the net assets whose use is subject to externally imposed conditions that can be fulfilled by the actions or by the passage of time.

Grants - represents available fund balances being restricted to meet legal requirements under special grants and program agreements. In 2008, the general fund reserve of \$694 thousand includes State mandated reserves for unexpended Driving While Intoxicated Program costs of \$526 thousand and unexpended proceeds from handicapped parking ticket surcharges of \$168 thousand.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

1. Background and Summary of Significant Accounting Policies (continued)

Passenger Facility Charges - represents the cumulative unexpended passenger facility charge amounts reflected as restricted net assets to be used for Federal Aviation Administration approved projects.

Encumbrances - represents commitments related to unperformed (executory) contracts for goods or services.

Inventories – represents that portion of fund balance equal to the carrying value of the inventory.

Q. Fund Designation

Designation of fund balance represents tentative management plans that are subject to change. As of December 31, 2008 the County has no designated fund balance.

R. Accounting and Reporting Change

During November 2006, GASB issued Statement No. 49 *Accounting and Financial Reporting for Pollution Remediation Obligations (GASB Statement No. 49)*. This statement establishes accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The new requirement enhances the users' ability to assess governments' obligations by requiring more timely and complete reporting of obligations as their components become reasonably estimable. The County implemented Statement No. 49, effective for the fiscal year ending December 31, 2008.

In May 2007, GASB issued Statement No. 50 *Pension Disclosures*. This statement more closely aligns the financial reporting requirements for pensions with those for other post-employment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The County implemented Statement No. 50, effective for the fiscal year ending December 31, 2008, with no impact to financial operations, however the required disclosures have been expanded.

S. Use of Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses/expenditures during the year. Actual results could differ from those estimates.

2. Real Property Tax

In accordance with Section 10 of Article VIII of the State Constitution, the amount which may be raised in the County by taxes on real property in any fiscal year for County purposes, in addition to providing for the interest on and the principal of all indebtedness, may not exceed an amount equal to 1.5 percent of the five year average full valuation of taxable real property of the County, less certain deductions as prescribed therein.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

2. Real Property Tax (continued)

The computation pursuant to such constitutional provision for the December 31, 2008 budget is (*000's omitted*):

Five year average full valuation of taxable real property	\$	33,711,847
Tax limit (1.5% of 5-year average full valuation of property)		505,678
Total Tax Levy		309,188
Less: Exclusions from tax limit		<u>38,666</u>
Total tax levy subject to taxing power limit		<u>270,522</u>
Tax margin (Unused Taxing Power)	\$	<u>235,156</u>

Real property taxes include the property tax levy, delinquent taxes, and sales tax attributable to the towns in consideration for credits given the towns' residents on their property tax bills. County real property taxes are levied annually and become a lien on January 1. Taxes for County purposes are levied together with taxes for Town and Town special district purposes, and with user charges of the various Pure Waters districts. The Towns and special districts, as well as the Pure Waters districts, receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County issues a warrant to each Town's receiver or collector exclusively empowering them to collect both County and Town charges.

The warrants, which initially expire on January 31, may be (and are, as a matter of practice) extended to June 1, after which collection and enforcement procedures revert to the County Treasurer. The Monroe County Tax Act also empowers the City Treasurer to collect County taxes and user fees, levied on property situated within the City of Rochester, through February 15. Unlike procedures in effect for the towns, the County Treasurer also collects County taxes and fees on property situated in the City concurrently with the City Treasurer. Full payments are due before February 10. After February 10, interest accrues at a rate of 1.5% per month. The County also allows for installment payments with accrued interest on February 28 and March 31.

On August 20 of each year, the County purchases the tax liens on all properties for which there are unpaid property taxes. The tax lien, if still unpaid upon the expiration of one year from the August 20 tax sale date, qualifies the subject property for tax foreclosure proceedings. Unpaid taxes resulting from tax levies, which are identified as tax sale certificates, are required to be deferred on the basis that they are not available to finance current operations. Those collected within the first sixty days of 2009 are recorded as revenue at the governmental fund level. For the governmental activities, all uncollected tax sale certificates are recorded as revenue in the year levied.

3. Sales Tax

Monroe County and the State of New York each currently impose sales and use tax. The State of New York imposes a sales and use tax of four percent and the County imposes four percent making a total of eight percent imposed within the County. The County's sales and use tax is composed of an original three percent and an additional one percent authorized by State law. The current law provides for continuation of the additional one percent through November 30, 2009.

The County's original three percent tax is allocated through a complex formula among the City of Rochester (approximately 35.6 percent), the towns and villages (approximately 29.2 percent) and suburban school districts (approximately 17.5 percent) with the County retaining the balance (approximately 17.7 percent). The additional one percent tax is allocated through another sharing formula whereby the towns (3%), villages (1.25%) and school districts (5%) each receive a percentage share. The remaining balance of the additional one percent is divided between the City of Rochester and the county so that when added to the original three percent tax, the total share (4 percent) for the City of Rochester and the County is equal.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

3. Sales Tax (continued)

The County recognizes as sales tax revenue the entire four percent in the general fund. The subsequent payments to the County's partners are recognized as general fund general government expenditures. Sales tax swapped by New York State is recognized as general fund health and welfare expenditures.

In 2008, Monroe County opted to participate in the New York State program to swap sales tax receipts to cover the local cost of Medicaid. The New York State Tax Commissioner determined that 1.61% of Monroe County sales tax rate (4.0%) would be used to pay for Medicaid. The remaining 2.39% of the sales tax rate was distributed to the County. In 2008, the County distribution to the City of Rochester, towns and villages was based on the pre-swap revenue amount, whereas the amount distributed to school districts was based on the post-swap revenue amount. The difference between the pre and post swap revenue amount for school districts amounted to \$29.1 million. Based on a settlement agreement between the County and the school districts, this amount will be repaid over five years starting in 2010. This amount appears as a liability on the government-wide financial statements.

4. Deposits and Investments

A. Deposit and Investment Policies

The County maintains an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; provide sufficient liquidity of invested funds in order to meet obligations as they become due; and attainment of a market rate of return. Oversight of investment activity is the responsibility of the Director of Finance – Chief Financial Officer.

B. Interest Rate Risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

C. Credit Risk

New York State General Municipal Law and the County's Investment and Deposit Policy authorize the County to purchase the following types of investments:

- Obligations of the United States of America;
- Obligations guaranteed by the United States of America where payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York;
- Special time deposit accounts;
- Certificates of Deposits;
- Repurchase agreements limited to obligations of the United States of America, or obligations whose principal and interest are fully guaranteed, or insured by the United States of America. The term of each agreement shall generally not exceed 180 days. The agreement shall be confirmed in writing by the seller, and each security purchased under the agreement shall be specifically identified, segregated from the assets of the seller and delivered for safekeeping into an account designated and controlled by the County. Also, each seller shall enter into a master Repurchase Agreement with the County which shall specify the rights and obligations of the County and the Seller in all transactions;
- Obligations of public authorities, public housing authorities, urban renewal agencies, and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments; and
- Obligations issued pursuant to New York State Local Finance Law Section 24.00 and 25.00 (with approval of the New York State Comptroller) by any municipality, school district or district corporation other than the County of Monroe, New York.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
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D. Custodial Credit Risk

1. Deposits

For deposits, custodial credit risk is the risk that in the event of a failure of a depository financial institution, the County may not recover its deposits. In accordance with New York State General Municipal Law and the County's Investment and Deposit Policy, all deposits of the County including certificates of deposits and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by; a pledge of securities with an aggregate value equal to the aggregate amount of deposits. The County restricts the securities to the following eligible items; (a) obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation;

b) obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank; (c) obligations partially insured or guaranteed by any agency of the United States of America; (d) obligations issued or fully insured or guaranteed by the State of New York, obligations issued by municipal corporation, school district or district corporation of New York State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public monies; (e) obligations issued by states (other than the State of New York) of the United States rated in one of the two highest rating categories by at least one Nationally Recognized Statistical Rating Organization; (f) Obligations of Puerto Rico rated in the highest rating category by at least one Nationally Recognized Statistical Rating Organization; (g) obligations of counties, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the two highest categories by at least one Nationally Recognized Statistical Rating Organization; (h) obligations of domestic corporations rated in one of the two highest rating categories by at least one Nationally Recognized Statistical Rating Organization; and (i) Zero coupon obligations of the United States of America marketed as "treasury strips".

As of December 31, 2008, \$72.5 million of the County's cash and cash equivalents of \$116.2 million was exposed to custodial credit risk. This credit risk was uninsured and collateralized by securities held by the pledging bank's trust department not in the County's name. The difference is insured under the provisions of the Federal Deposit Insurance Act.

2. Investments

For Investments, custodial credit risk is the risk that a government will not be able to recover the value of an investment or collateral securities that are in the possession of an outside party if the counterparty to the transaction fails. The County's Investment and Deposit Policy requires that all investments be registered or insured in the County's name and held in the custody of the bank or the bank's trust department. The County requires that all repurchase agreements be limited to obligations of the United States of America or obligations whose principal and interest are fully guaranteed, or insured by the United States of America. At year end, the County had no custodial credit risk related to repurchase agreements since no repurchase agreements were purchased or outstanding during 2008.

E. Concentration of Credit Risk

The County places no limit on the amount that may be invested in any one issuer. At year end, the County had no investments.

5. **Custodial Accounts**

Custodial assets refer to cash and cash equivalents held by the County for a third party.

Hospital Fund: The Monroe Community Hospital holds \$511 thousand of funds owned by its patients and residents at the end of 2008.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

6. Funds Held By Trustee

Funds held by trustee for the primary government refer to cash and investments held by a third party for the County. The Funds held by trustee are not subject to the County's Investment and Deposit Policy.

Solid Waste Fund: Funds held by trustee include funds required to be held and administered by the trustee, pursuant to the trust agreement for the various costs associated with the acquisition and lease payments of the Monroe County Recycling Center and for costs related to the construction of a pump station and force main in the Gates Chili Ogden Sewer District. The \$2.6 million in funds held by the trustee, Manufacturers and Traders Trust Company (M&T), is in Vision Treasury Money Market Fund, managed by M&T, which invests in direct obligations of the U.S. Treasury or repurchase agreements secured by Treasury obligations.

Hospital Fund: Funds held by trustee include funds required to be held for costs related to energy enhancements at Monroe Community Hospital. The amount of \$2.3 million is held by of Manufacturers and Traders Trust Company. Siemens, the project manager, will use the funds to complete construction through an energy performance contract.

7. Restricted Cash and Cash Equivalents

Certain County cash and cash equivalents, excluding funds held by trustee, custodial accounts, and securities and retained percentages as of December 31, 2008 are restricted to the following uses (*000's omitted*):

Restricted Cash, Cash Equivalents and Investments					
	Capital Projects	Debt Service	Agency	Private Purpose Trust	Total
GOVERNMENTAL ACTIVITIES:					
General Fund	\$ -	\$ 15,000	-	-	\$ 15,000
Non-major Governmental Funds:					
Debt Service	-	18,808	-	-	18,808
Capital Projects	9,762	-	-	-	9,762
Total Nonmajor Governmental Funds	9,762	18,808	-	-	28,570
Internal Service	1,418	371	-	-	1,789
Total Governmental Activities	11,180	34,179	-	-	45,359
BUSINESS-TYPE ACTIVITIES:					
Solid Waste	925	255	-	-	1,180
Airport	1,736	13	-	-	1,749
Hospital	584	-	-	-	584
Pure Waters	4,778	-	-	-	4,778
Total Business-type Activities	8,023	268	-	-	8,291
Fiduciary Funds	-	-	27,360	92	27,452
TOTAL	\$ 19,203	34,447	27,360	92	81,102

Restrictions for capital projects mainly represent funds raised through debt issuances for this purpose. Restrictions for debt service represent interest earned, unexpended proceeds and/or other assets specifically required under New York State's Local Finance Law to reduce future debt service payments. Restrictions for agencies are primarily composed of third-party medical insurance and mortgage tax monies.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

8. Receivables and Payables

A. Receivables

As of December 31, 2008 receivables are summarized as follows (*000's omitted*):

Accounts Receivable					
	Taxes and Assessments	Returned School Taxes	Other Accounts Receivable	Less Allowance for Doubtful Accounts	Total
GOVERNMENTAL ACTIVITIES:					
General Fund	\$ 17,034	\$ 19,853	\$ 1,884	-	\$ 38,771
Nonmajor Governmental:					
Special Revenue	-	-	1,531	-	1,531
Debt Service	-	-	32,486	(21,107)	11,379
Capital Projects	-	-	26	-	26
Total Nonmajor Governmental	-	-	34,043	(21,107)	12,936
Internal Service	-	-	135	-	135
Total Governmental Activities	17,034	19,853	36,062	(21,107)	51,842
BUSINESS-TYPE ACTIVITIES:					
Solid Waste	-	-	12,569	-	12,569
Hospital	-	-	17,845	(1,170)	16,675
Pure Waters	-	-	809	-	809
Energy	-	-	279	-	279
Total Business-type Activities	-	-	31,502	(1,170)	30,332
TOTAL ACCOUNTS RECEIVABLE	\$ 17,034	\$ 19,853	\$ 67,564	\$ (22,277)	\$ 82,174

Accounts receivable as of December 31, 2008 for governmental activities are comprised mainly of returned school taxes of \$19.9 million and property taxes and assessments of \$17.0 million. The nonmajor governmental funds receivable of \$34.0 million is comprised primarily of an amount billed to the Greater Rochester Outdoor Sports Facility Corporation for stadium related debt service, of which \$21.1 million is in the allowance for doubtful accounts, and Tobacco Settlement Revenues due to MTASC of \$11.4 million. Business-type activity accounts receivable are comprised primarily of \$12.6 million attributable to the sale of operating rights in the solid waste fund; \$16.7 million, net relating to patient accounts and third-party settlements in the Hospital; and \$809 thousand of receivables in Pure Waters.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

8. Receivables and Payables (continued)

B. Revenue Accruals

Under the modified accrual basis of accounting, all major revenues of the County are considered "susceptible to accrual." Accordingly, property tax, sales tax, state and federal aid, and various grant program revenues are recorded in the accounting period in which they become available and objectively measurable. At the government-wide level, revenues are recorded when earned. At the fund level, revenues that are not available to finance current operations have been deferred.

Major revenues accrued by the County in the general fund as of December 31, 2008 include: returned school taxes of \$19.9 million; property tax and assessments of \$17.0 million; state and federal assistance for social services of \$62.6 million; other state and federal aid (including grants) of \$61.5 million; amounts due from local governments of \$14.4 million; and other accounts receivable of \$1.9 million.

C. Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities balances in governmental activities include approximately 50 percent payable to vendors and 50 percent accrued salaries and benefits. The accounts payable and accrued liabilities in the business-type activities include approximately 54 percent payable to vendors and 46 percent accrued salaries and benefits.

The accounts payable and accrued liabilities balances in governmental funds include approximately 82 percent payable to vendors, 17 percent accrued salaries and benefits, and 1 percent for bid and security deposits. The accounts payable and accrued liabilities balances in proprietary funds approximate 34 percent payable to vendors and 66 percent accrued salaries and benefits.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

9. Capital Assets

Capital asset activity for the County's **primary government** consists of the following for the year ended December 31, 2008 (*000's omitted*):

	Capital Asset Activity – Governmental Activities				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Capitalization of AuC</u>	<u>Retirements</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES:					
Nondepreciable Assets:					
Land	\$ 21,799	\$ 7	-	-	\$ 21,806
Assets under Construction	47,325	26,417	(26,996)	-	46,746
Total Nondepreciable Assets	69,124	26,424	(26,996)	-	68,552
Depreciable Assets:					
Buildings	146,160	-	-	-	146,160
Infrastructure	876,443	12,201	-	(4,282)	884,362
Improvements other than Buildings	146,444	12,929	-	-	159,373
Machinery and Equipment	83,198	13,047	-	(3,824)	92,421
Total Depreciable Assets	1,252,245	38,177	-	(8,106)	1,282,316
Total Investments in Capital Assets	1,321,369	64,601	(26,996)	(8,106)	1,350,868
Less Accumulated Depreciation:					
Buildings	(70,615)	(4,053)	-	-	(74,668)
Infrastructure	(394,975)	(18,548)	-	2,436	(411,087)
Improvements other than Buildings	(75,890)	(6,554)	-	-	(82,444)
Machinery and Equipment	(56,684)	(7,908)	-	2,230	(62,362)
Total Accumulated Depreciation	(598,164)	(37,063)	-	4,666	(630,561)
CAPITAL ASSETS, NET	\$ 723,205	\$ 27,538	\$ (26,996)	\$ (3,440)	\$ 720,307

Assets under Construction include work in progress on buildings and other equipment.

Depreciation expense was charged to functions/programs of the County for the year ended December 31, 2008 as follows (*000's omitted*):

Depreciation Expense Charged to Functions / Programs	
Governmental Activities:	Amount
General government	\$ 5,730
Public safety	9,239
Health and welfare	274
Culture, recreation and education	2,764
Transportation	18,981
Sanitation	75
Total	\$ 37,063

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
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9. **Capital Assets (continued)**

Capital asset activity of the County's **primary government** consists of the following for the year ended December 31, 2008 (000's omitted):

Capital Asset Activity – Business-type Activities					
	Beginning Balance	Additions	Capitalization of AuC	Retirements	Ending Balance
BUSINESS-TYPE ACTIVITIES:					
Nondepreciable Assets:					
Land	\$ 23,621	\$ 2,795	-	-	\$ 26,416
Assets under Construction	90,011	51,717	(112,531)	-	29,197
Total Nondepreciable Assets	<u>113,632</u>	<u>54,512</u>	<u>(112,531)</u>	<u>-</u>	<u>55,613</u>
Depreciable Assets:					
Buildings	176,794	639	-	(174)	177,259
Infrastructure	688,408	704	-	-	689,112
Improvements other than Buildings	221,897	106,931	-	(6,762)	322,066
Machinery and Equipment	106,918	4,214	-	(1,988)	109,144
Total Depreciable Assets	<u>1,194,017</u>	<u>112,488</u>	<u>-</u>	<u>(8,924)</u>	<u>1,297,581</u>
Total Investments in Capital Assets	<u>1,307,649</u>	<u>167,000</u>	<u>(112,531)</u>	<u>(8,924)</u>	<u>1,353,194</u>
Less Accumulated Depreciation:					
Buildings	(109,808)	(6,355)	-	174	(115,989)
Infrastructure	(369,795)	(23,500)	-	-	(393,295)
Improvements other than Buildings	(120,679)	(12,512)	-	6,762	(126,429)
Machinery and Equipment	(92,174)	(3,331)	-	1,464	(94,041)
Total Accumulated Depreciation	<u>(692,456)</u>	<u>(45,698)</u>	<u>-</u>	<u>8,400</u>	<u>(729,754)</u>
CAPITAL ASSETS, NET	<u>\$ 615,193</u>	<u>\$ 121,302</u>	<u>\$ (112,531)</u>	<u>\$ (524)</u>	<u>\$ 623,440</u>

Assets under Construction include work in progress on buildings and other equipment.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

9. **Capital Assets (continued)**

Capital asset activity of the County's **solid waste enterprise fund** consists of the following for the year ended December 31, 2008 (*000's omitted*):

Solid Waste Enterprise Fund – Capital Asset Activity					
	Beginning Balance	Additions	Capitalization of AuC	Retirements	Ending Balance
BUSINESS-TYPE ACTIVITIES:					
Nondepreciable Assets:					
Land	\$ 6,324	-	-	-	\$ 6,324
Assets under Construction	1,239	1	-	-	1,240
Total Nondepreciable Assets	7,563	1	-	-	7,564
Depreciable Assets:					
Buildings	10,882	-	-	-	10,882
Improvements other than Buildings	56,499	-	-	-	56,499
Machinery and Equipment	3,038	-	-	-	3,038
Total Depreciable Assets	70,419	-	-	-	70,419
Total Investments in Capital Assets	77,982	1	-	-	77,983
Less Accumulated Depreciation:					
Buildings	(8,105)	(560)	-	-	(8,665)
Improvements other than Buildings	(32,797)	(2,841)	-	-	(35,638)
Machinery and Equipment	(1,984)	(243)	-	-	(2,227)
Total Accumulated Depreciation	(42,886)	(3,644)	-	-	(46,530)
CAPITAL ASSETS, NET	\$ 35,096	\$ (3,643)	-	-	\$ 31,453

Assets under Construction include work in progress on buildings and other equipment.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

9. **Capital Assets (continued)**

Capital asset activity of the County's **airport enterprise fund** consists of the following for the year ended December 31, 2008 (000's omitted):

Airport Enterprise Fund – Capital Asset Activity					
	Beginning Balance	Additions	Capitalization of AuC	Retirements	Ending Balance
BUSINESS-TYPE ACTIVITIES:					
Nondepreciable Assets:					
Land	\$ 15,619	\$ 2,795	-	-	\$ 18,414
Assets under Construction	64,319	31,692	(90,080)	-	5,931
Total Nondepreciable Assets	79,938	34,487	(90,080)	-	24,345
Depreciable Assets:					
Buildings	22,897	-	-	(174)	22,723
Improvements other than Buildings	121,634	87,191	-	(6,762)	202,063
Machinery and Equipment	10,438	1,008	-	(945)	10,501
Total Depreciable Assets	154,969	88,199	-	(7,881)	235,287
Total Investments in Capital Assets	234,907	122,686	(90,080)	(7,881)	259,632
Less Accumulated Depreciation:					
Buildings	(10,351)	(1,113)	-	174	(11,290)
Improvements other than Buildings	(70,741)	(6,956)	-	6,762	(70,935)
Machinery and Equipment	(7,969)	(795)	-	793	(7,971)
Total Accumulated Depreciation	(89,061)	(8,864)	-	7,729	(90,196)
CAPITAL ASSETS, NET	\$ 145,846	\$ 113,822	\$ (90,080)	\$ (152)	\$ 169,436

Assets under Construction include work in progress on buildings and other improvements.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

9. **Capital Assets (continued)**

Capital asset activity of the County's **hospital enterprise fund** consists of the following for the year ended December 31, 2008 (000's omitted):

Hospital Enterprise Fund—Capital Asset Activity					
	Beginning Balance	Additions	Capitalization of AuC	Retirements	Ending Balance
BUSINESS-TYPE ACTIVITIES:					
Nondepreciable Assets:					
Land	\$ 109	-	-	-	\$ 109
Assets under Construction	2,021	8,194	(1,926)	-	8,289
Total Nondepreciable Assets	2,130	8,194	(1,926)	-	8,398
Depreciable Assets:					
Buildings	74,893	576	-	-	75,469
Infrastructure	2,550	15	-	-	2,565
Machinery and Equipment	42,329	1,497	-	(2)	43,824
Total Depreciable Assets	119,772	2,088	-	(2)	121,858
Total Investments in Capital Assets	121,902	10,282	(1,926)	(2)	130,256
Less Accumulated Depreciation:					
Buildings	(55,284)	(3,261)	-	-	(58,545)
Infrastructure	(2,186)	(45)	-	-	(2,231)
Machinery and Equipment	(36,924)	(1,055)	-	2	(37,977)
Total Accumulated Depreciation	(94,394)	(4,361)	-	2	(98,753)
CAPITAL ASSETS, NET	\$ 27,508	\$ 5,921	\$ (1,926)	-	\$ 31,503

Assets under Construction include work in progress on buildings and other improvements.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

9. **Capital Assets (continued)**

Capital asset activity of the County's **pure waters enterprise fund** consists of the following for the year ended December 31, 2008 (*000's omitted*):

Pure Waters Enterprise Fund—Capital Asset Activity					
	Beginning Balance	Additions	Capitalization of AuC	Retirements	Ending Balance
BUSINESS-TYPE ACTIVITIES:					
Nondepreciable Assets:					
Land	\$ 1,569	-	-	-	\$ 1,569
Assets under construction	22,432	11,830	(20,525)	-	13,737
Total Nondepreciable Assets	24,001	11,830	(20,525)	-	15,306
Depreciable Assets:					
Buildings	68,122	63	-	-	68,185
Infrastructure	685,858	689	-	-	686,547
Improvements other than Buildings	43,764	19,740	-	-	63,504
Machinery and Equipment	51,113	1,709	-	(1,041)	51,781
Total Depreciable Assets	848,857	22,201	-	(1,041)	870,017
Total Investments in Capital Assets	872,858	34,031	(20,525)	(1,041)	885,323
Less Accumulated Depreciation:					
Buildings	(36,068)	(1,421)	-	-	(37,489)
Infrastructure	(367,609)	(23,455)	-	-	(391,064)
Improvements other than Buildings	(17,141)	(2,715)	-	-	(19,856)
Machinery and Equipment	(45,297)	(1,238)	-	669	(45,866)
Total Accumulated Depreciation	(466,115)	(28,829)	-	669	(494,275)
CAPITAL ASSETS, NET	\$ 406,743	\$ 5,202	\$ (20,525)	\$ (372)	\$ 391,048

Assets under Construction include work in progress on buildings and other improvements.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

10. Indebtedness and Certain Long-term Obligations

A. Short Term Indebtedness

The County had a total of \$122.2 million in outstanding notes payable as of December 31, 2008. This was comprised of \$42.2 million of bond anticipation notes (BANS) and \$80 million of revenue anticipation notes.

During 2008, the County issued a total \$42.2 million bond anticipation notes which provided \$28.6 million of new funds to pay for the cost or part of the cost of various capital projects and \$13.6 million to renew previously-issued bond anticipation notes. The County also issued a total of \$80 million of revenue anticipation notes, which provided \$63 million of working capital for the general fund and \$17 million for the Monroe Community Hospital enterprise fund. The issuance of the revenue anticipation notes was necessary due to the delay in receiving various state and federal aid.

The following is a summary of changes in notes payable for the year ended December 31, 2008 (*000's omitted*):

Changes in Notes Payable – Primary Government				
	Beginning Balance	Additions	Deductions	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Capital Project Funds-Bond Anticipation Notes	\$ 7,297	\$ 23,913	\$ (7,297)	\$ 23,913
Internal Service Funds-Bond Anticipation Notes	4,323	8,767	(4,323)	8,767
General Fund-Revenue Anticipation Notes	68,000	63,000	(68,000)	63,000
TOTAL GOVERNMENTAL ACTIVITIES	79,620	95,680	(79,620)	95,680
BUSINESS-TYPE ACTIVITIES:				
Solid Waste-Bond Anticipation Notes	290	690	(290)	690
Airport-Bond Anticipation Notes	7,040	3,000	(7,040)	3,000
Hospital-Bond Anticipation Notes	465	795	(465)	795
Hospital-Revenue Anticipation Notes	17,000	17,000	(17,000)	17,000
Pure Waters-Bond Anticipation Notes	-	5,000	-	5,000
TOTAL BUSINESS-TYPE ACTIVITIES	24,795	26,485	(24,795)	26,485
TOTAL NOTES PAYABLE	\$ 104,415	\$ 122,165	\$ (104,415)	\$ 122,165

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

10. **Indebtedness and Certain Long-term Obligations (continued)**

A. **Short Term Indebtedness (continued)**

The following is a summary of notes payable as of December 31, 2008 (*000's omitted*):

Notes Payable – Primary Government				
	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES:				
General Fund:				
Revenue Anticipation Notes	10/28/08	4.25%	04/15/09	\$ 11,813
Revenue Anticipation Notes	10/28/08	6.50%	04/15/09	51,187
Internal Service Funds:				
Public Improvement Bond Anticipation Notes	07/15/08	3.25%	07/15/09	5,757
Public Improvement Bond Anticipation Notes	12/17/08	3.60%	07/15/09	2,460
Public Improvement Bond Anticipation Notes	12/17/08	4.25%	07/15/09	550
Capital Projects Funds:				
Public Improvement Bond Anticipation Notes	07/15/08	3.25%	07/15/09	8,933
Public Improvement Bond Anticipation Notes	12/17/08	3.60%	07/15/09	6,130
Public Improvement Bond Anticipation Notes	12/17/08	4.25%	07/15/09	8,850
TOTAL GOVERNMENTAL ACTIVITIES				<u>95,680</u>
BUSINESS-TYPE ACTIVITIES:				
Solid Waste:				
Public Improvement Bond Anticipation Notes	12/17/08	3.60%	07/15/09	290
Public Improvement Bond Anticipation Notes	12/17/08	4.25%	07/15/09	400
Airport:				
Public Improvement Bond Anticipation Notes	07/15/08	3.25%	07/15/09	2,000
Public Improvement Bond Anticipation Notes	12/17/08	4.25%	07/15/09	1,000
Hospital:				
Public Improvement Bond Anticipation Notes	07/15/08	3.25%	07/15/09	130
Public Improvement Bond Anticipation Notes	12/17/08	3.60%	07/15/09	465
Public Improvement Bond Anticipation Notes	12/17/08	4.25%	07/15/09	200
Revenue Anticipation Notes	10/28/08	4.25%	04/15/09	3,187
Revenue Anticipation Notes	10/28/08	6.50%	04/15/09	13,813
Pure Waters				
Public Improvement Bond Anticipation Notes	7/15/08	3.25%	07/15/09	<u>5,000</u>
TOTAL BUSINESS-TYPE ACTIVITIES				<u>26,485</u>
TOTAL NOTES PAYABLE				\$ <u>122,165</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

10. **Indebtedness and Certain Long-term Obligations (continued)**

B. Long-term Liabilities

The following is a summary of long-term liabilities for the primary government as of December 31, 2008 (*000's omitted*):

Long-term Liabilities – Primary Government					
	Beginning Balance	Additions	Deductions	Current Portion	Long term Portion
GOVERNMENTAL ACTIVITIES:					
Capital Leases Payable	\$ 386	\$ 17	\$ (270)	\$ 42	\$ 91
Bonds Payable	510,441	30,985	(62,752)	31,531	447,143
Other Long-term Liabilities:					
Due to New York State Retirement System	27,361	15,220	(19,042)	15,220	8,319
Postemployment benefits other than pension	16,419	15,130	-	-	31,549
NYS Public Assistance Chargebacks	-	5,949	-	-	5,949
Sales Tax due to school districts	-	29,070	-	-	29,070
Compensated Absences	<u>25,952</u>	<u>311</u>	<u>-</u>	<u>16,789</u>	<u>9,474</u>
Total Other Long-term Liabilities	<u>69,732</u>	<u>65,680</u>	<u>(19,042)</u>	<u>32,009</u>	<u>84,361</u>
Total Governmental Long-term Liabilities	<u>\$ 580,559</u>	<u>96,682</u>	<u>(82,064)</u>	<u>63,582</u>	<u>531,595</u>
BUSINESS-TYPE ACTIVITIES:					
Capital Leases Payable	\$ 13,241	691	(1,088)	1,340	11,504
Bonds Payable	182,543	17,325	(32,458)	16,370	151,040
Patient funds held in trust	520	-	(9)	-	511
Other Long-term Liabilities:					
Due to New York State Retirement System	2,675	2,636	(2,675)	2,636	-
Postemployment benefits other than pension	4,162	3,907	-	-	8,069
Pollution Remediation	1,250	-	(250)	200	800
Compensated Absences	<u>2,353</u>	<u>1</u>	<u>(88)</u>	<u>1,774</u>	<u>492</u>
Total Other Long-term Liabilities	<u>10,440</u>	<u>6,544</u>	<u>(3,013)</u>	<u>4,610</u>	<u>9,361</u>
Total Business-Type Long-term Liabilities	<u>\$ 206,744</u>	<u>\$ 24,560</u>	<u>\$ (36,568)</u>	<u>\$ 22,320</u>	<u>\$ 172,416</u>

The current portion of the amount Due to New York State Retirement System in the statement of net assets represents the next payment to the New York State Retirement System due on February 1, 2009. The current portion of compensated absences is included in accounts payable and accrued liabilities in the statement of net assets. The County borrows funds on a long-term basis for the purpose of financing acquisitions of land, equipment, construction of buildings and improvements. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The liability for long-term debt for governmental funds appears on the government-wide statements, and is shown on the reconciliation between the fund level and the government-wide statements. The liability for long-term debt for proprietary funds is presented in the statements both at the government-wide and the fund level. Interest expense for business-type activities that is directly related to the enterprise fund is included as a direct function expense.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

10. **Indebtedness and Certain Long-term Obligations (continued)**

B. Long-term Liabilities (continued)

The following is a summary of changes in bonds payable for the year ended December 31, 2008 (*000's omitted*):

Bonds Payable – Primary Government					
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
GOVERNMENTAL ACTIVITIES:					
Governmental Funds	\$ 476,475	26,160	\$ (53,315)	\$ 449,320	\$ 27,332
Internal Service Funds	33,966	4,825	(9,437)	29,354	4,199
TOTAL GOVERNMENTAL ACTIVITIES	<u>510,441</u>	<u>30,985</u>	<u>(62,752)</u>	<u>478,674</u>	<u>31,531</u>
BUSINESS-TYPE ACTIVITIES:					
Solid Waste	28,449	770	(4,365)	24,854	3,449
Airport	14,359	1,155	(2,542)	12,972	1,682
Hospital	26,099	14,735	(18,274)	22,560	3,585
Pure Waters	113,636	665	(7,277)	107,024	7,654
TOTAL BUSINESS TYPE ACTIVITIES	<u>182,543</u>	<u>17,325</u>	<u>(32,458)</u>	<u>167,410</u>	<u>16,370</u>
TOTAL BONDS PAYABLE	<u>\$ 692,984</u>	<u>48,310</u>	<u>\$ (95,210)</u>	<u>\$ 646,084</u>	<u>\$ 47,901</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

10. **Indebtedness and Certain Long-term Obligations (continued)**

B. Long-term Liabilities (continued)

The following is a summary of serial bonded indebtedness for the year ended December 31, 2008 (*000's omitted*):

Bonds Payable – Primary Government					
	<u>Original Amount</u>	<u>Date of Bonds</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
GOVERNMENTAL ACTIVITIES:					
Governmental Funds:					
<u>Bonds issued by the County:</u>					
Public Improvement-1992	\$ 62,377	03/01/92	6.10%	2012	\$ 18
Public Improvement-1993	59,293	08/19/93	5.10%	2010	3,125
Public Improvement-1994	28,731	08/24/94	5.90%/6.15%	2016	8
Public Improvement-1995	28,077	06/08/95	5.25%/5.45%	2009	247
Public Improvement-1996	33,313	07/02/96	5.50%/5.80%	2016	275
Public Improvement Refunding-1996 -A	56,613	12/01/96	5.125%/6.00%	2019	7,549
Public Improvement Refunding-1996- B	13,984	12/01/96	5.00%/5.35%	2012	11
Public Improvement-1997-Series A	25,580	12/01/97	4.70%/5.00%	2017	134
Public Stadium-1999	13,550	05/27/99	7.10%	2024	11,030
Public Improvement-2002	61,091	03/14/02	3.88%/5.00%	2019	36,295
Public Improvement-2003	37,152	07/24/03	4.00%/4.50%	2023	23,488
General Obligation-2004	36,385	10/21/04	5.00%	2014	24,039
Public Improvement-2005	29,369	07/15/05	4.125%/4.25%	2025	26,706
Public Improvement-2007	36,959	07/15/07	4.25%/4.375%	2027	35,115
General Obligation Refunding Bonds – 2008-A	20,032	06/19/08	3.00%/5.00%	2017	20,032
General Obligation Refunding Bonds – 2008-B	1,485	06/19/08	3.00%/5.00%	2013	1,485
General Obligation Refunding Bonds – 2008-C	2,570	06/19/08	3.00%/4.00%	2017	<u>2,570</u>
					192,127
Add: Accretion of capital appreciation bonds					2,287
Unamortized bond premium					2,355
Unamortized gain on refinancing					710
Less: Unamortized loss on refinancing					<u>(930)</u>
TOTAL BONDS ISSUED BY THE COUNTY					<u>196,549</u>
<u>Bonds Issued by MTASC:</u>					
MTASC Series-2005	220,820	08/25/05	5.00%/6.65%	2060	215,701
MTASC Series-2006	14,579	02/07/06	7.70%	2061	<u>14,579</u>
TOTAL BONDS ISSUED BY MTASC					\$ <u>230,280</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

10. **Indebtedness and Certain Long-term Obligations (continued)**

B. Long-term Liabilities (continued)

Bonds Payable – Primary Government (continued)					
	Original Amount	Date of Bonds	Interest Rate	Final Maturity	Outstanding Amount
<u>Bonds issued by the County for Monroe Community College:</u>					
Public Improvement - 1993	\$ 13,969	08/19/93	5.10%	2010	\$ 1,482
Public Improvement Refunding -1996-A	2,895	12/01/96	5.125%/6.00	2019	268
Public Improvement - 1997-Series A	3,400	12/01/97	4.70%/5.00%	2017	23
Public Improvement - 2002	10,506	03/14/02	3.88%/5.00	2019	6,021
Public Improvement - 2003	8,557	07/24/03	4.00%/4.50%	2023	5,848
General Obligation Refunding Bonds - 2004	4,823	10/21/04	5.00%	2014	4,823
Public Improvement - 2005	1,328	07/15/05	4.125%/4.25	2025	1,198
Public Improvement - 2007	654	07/15/07	4.25%/4.375	2027	506
General Obligation Refunding Bonds – 2008-A	2,073	06/19/08	3.00%/5.00%	2017	2,073
					<u>22,242</u>
Add: Unamortized bond premium					206
Unamortized gain on refinancing					61
Less: Unamortized loss on refinancing					<u>(18)</u>
TOTAL BONDS ISSUED BY THE COUNTY FOR MCC					22,491
TOTAL GOVERNMENTAL FUNDS					<u>449,320</u>
<u>Internal Service Funds</u>					
Public Improvement - 1993	4,345	08/19/93	5.10%	2010	118
Public Improvement - 1995	4,868	06/08/95	5.25%/5.45%	2009	74
Public Improvement - 1996	7,495	07/02/96	5.50%/5.80%	2016	229
Public Improvement Refunding – 1996 - A	6,128	12/01/96	5.125%/6.00	2019	451
Public Improvement - 1999	21,025	05/27/99	4.50%	2015	8
Public Improvement - 2002	9,646	03/14/02	3.88%/5.00%	2019	6,073
Public Improvement - 2003	2,401	07/24/03	4.00%/4.50%	2023	241
General Obligation Refunding Bonds - 2004	8,555	10/21/04	5.00%	2014	1,444
Public Improvement - 2005	8,880	07/15/05	4.125%/4.25	2025	8,094
Public Improvement - 2007	8,358	07/15/07	4.25%/4.375	2027	8,020
General Obligation Refunding Bonds – 2008-A	4,825	06/19/08	3.00%/5.00%	2017	4,825
					<u>29,577</u>
Add: Accretion of capital appreciation bonds					(301)
Unamortized bond premium					156
Unamortized gain on refinancing					25
Less: Unamortized loss on refinancing					<u>(103)</u>
TOTAL INTERNAL SERVICE FUNDS					29,354
TOTAL GOVERNMENTAL ACTIVITIES					<u>\$ 478,674</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

10. **Indebtedness and Certain Long-term Obligations (continued)**

B. **Long-term Liabilities (continued)**

Bonds Payable – Primary Government (continued)

	Original Amount	Date of Bonds	Interest Rate	Final Maturity	Outstanding Amount
BUSINESS-TYPE ACTIVITIES:					
Bonds issued by the County:					
<u>Solid Waste Fund:</u>					
Public Improvement - 1989B	\$ 5,696	06/01/89	7.00%	2009	\$ 15
Public Improvement - 1993	5,528	08/19/93	5.10%	2010	428
Public Improvement - 1993B	12,367	09/15/93	5.05%/5.20%	2013	16
Public Improvement - 1994	59,717	08/24/94	5.90%/6.15%	2016	504
Public Improvement - 1995	715	06/08/95	5.25%/5.45%	2009	64
EFC Public Improvement Refunding-1995	15,005	06/01/95	4.20%	2015	6,435
Public Improvement - 1996	2,850	07/02/96	5.50%/5.80%	2016	55
Public Improvement Refunding-1996A	46,343	12/01/96	5.125%/6.00%	2019	6,305
Public Improvement Refunding-1996B	15,471	12/01/96	5.00%/5.35%	2012	3,889
Public Improvement - 1997A	5,714	12/01/97	4.70%/5.00%	2017	490
Public Improvement - 1999	6,825	05/27/99	4.50%	2015	402
Public Improvement - 2002	15,359	03/14/02	3.88%/5.00%	2019	122
Public Improvement - 2005	4,570	07/15/05	4.125%/4.25%	2025	4,107
Public Improvement - 2007	123	07/15/07	4.25%/4.375%	2027	114
General Obligation Refunding Bonds - 2008-A	770	06/19/08	3.00%/5.00%	2017	770
					<u>\$ 23,716</u>
Add: Accretion of capital appreciation bonds					1,592
Unamortized bond premium					25
Less: Unamortized loss on refinancing					<u>(479)</u>
TOTAL SOLID WASTE FUND					\$ <u>24,854</u>
<u>Airport Fund:</u>					
Public Improvement - 2002	\$ 15,359	03/14/02	3.88%/5.00%	2019	\$ 2,407
Public Improvement - 2003	2,825	07/24/03	4.00%/4.50%	2023	2,127
Public Improvement - 2005	3,555	07/15/05	4.125%/4.25%	2025	3,258
Public Improvement - 2007	4,556	07/15/07	4.25%/4.375%	2027	4,010
General Obligation Refunding Bonds - 2008-A	1,155	06/19/08	3.00%/5.00%	2017	1,155
					<u>12,957</u>
Add: Unamortized bond premium					37
Less: Unamortized loss on refinancing					<u>(22)</u>
TOTAL AIRPORT FUND					\$ <u>12,972</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

10. **Indebtedness and Certain Long-term Obligations (continued)**

B. **Long-term Liabilities (continued)**

Bonds Payable – Primary Government (continued)					
	Original Amount	Date of Bonds	Interest Rate	Final Maturity	Outstanding Amount
<u>Hospital Fund:</u>					
Public Improvement - 1992	\$ 38,456	03/01/92	6.10%	2012	\$ 138
Public Improvement - 1993	5,528	08/19/93	5.10%	2010	238
Public Improvement - 1994	59,717	08/24/94	5.90%/6.15%	2016	402
Public Improvement - 2002	15,359	03/14/02	3.88%/5.00%	2019	3,155
Public Improvement - 2003	1,545	07/24/03	4.00%/4.50%	2023	660
Public Improvement - 2005	1,515	07/15/05	4.125%/4.25%	2025	1,375
Public Improvement - 2007	1,332	07/15/07	4.25%/4.375%	2027	1,087
General Obligation Refunding Bonds - 2008A	595	06/19/08	3.00%/5.00%	2017	595
General Obligation Refunding Bonds - 2008B	14,140	06/19/08	3.00%/5.00%	2013	14,140
					<u>\$ 21,790</u>
Add: Unamortized bond premium					476
Unamortized gain on refinancing					294
TOTAL HOSPITAL FUND					<u>\$ 22,560</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

10. **Indebtedness and Certain Long-term Obligations (continued)**

B. **Long-term Liabilities (continued)**

Bonds Payable – Primary Government (continued)					
	<u>Original</u>	<u>Date of</u>	<u>Interest Rate</u>	<u>Final</u>	<u>Outstanding</u>
	<u>Amount</u>	<u>Bonds</u>		<u>Maturity</u>	<u>Amount</u>
<u>Pure Waters Fund:</u>					
Pure Waters Districts -1990 A	\$ 5,000	12/01/90	7.20%	2010	\$ 595
Pure Waters Districts -1990B	12,215	12/01/90	7.20%	2011	2,160
Public Improvement - 1993B	12,367	09/15/93	5.05%/5.20%	2013	2,250
Public Improvement - 1994	59,217	08/24/94	5.90%/6.15%	2016	10
Public Improvement - 1996	2,850	07/02/96	5.50%/5.80%	2016	526
Public Improvement Refunding-1996A	46,343	12/01/96	5.125%/6.00%	2019	21,462
Public Improvement - 1997A	5,714	12/01/97	4.70%/5.00%	2017	363
Environmental Improvement Bonds- 1999	16,046	03/31/99	4.08%/4.905%	2018	8,870
Environmental Improvement Bonds - 2001	19,999	07/26/01	4.114%/5.154%	2021	14,105
Environmental Improvement Bonds -2002	2,287	03/14/02	3.802%/4.982%	2021	1,565
Public Improvement - 2002	15,359	03/14/02	3.88%/5.00%	2019	5,319
Public Improvement - 2003	2,020	07/24/03	4.00/4.50%	2023	1,607
General Obligation Refunding Bonds - 2004	1,242	10/21/04	5.00%	2014	854
Public Improvement - 2005	25,698	07/15/05	4.125%/4.250%	2025	23,071
Public Improvement - 2007	23,903	07/15/07	4.25%/4.375%	2027	23,340
General Obligation Refunding Bonds - 2008A	665	06/19/08	3.00%/5.00%	2017	665
TOTAL PURE WATERS FUND					<u>106,762</u>
Add: Accretion of capital appreciation bonds					328
Unamortized bond premium					21
Less: Unamortized loss on refinancing					<u>(87)</u>
TOTAL PURE WATERS FUND					<u>107,024</u>
TOTAL BUSINESS-TYPE ACTIVITIES					<u>167,410</u>
TOTAL PRIMARY GOVERNMENT					<u>\$ 646,084</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

10. **Indebtedness and Certain Long-term Obligations (continued)**

C. **Future Debt Service**

The following is a schedule of annual principal payments on bonds outstanding for the primary government as of December 31, 2008 (*000's omitted*):

Principal Payments – Primary Government							
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>				<u>Total Primary Government</u>
	<u>Governmental Funds</u>	<u>Internal Service</u>	<u>Solid Waste</u>	<u>Airport</u>	<u>Hospital</u>	<u>Pure Waters</u>	
PRINCIPAL							
2009	\$ 27,332	\$ 4,199	\$ 3,449	\$ 1,682	\$ 3,585	\$ 7,654	\$ 47,901
2010	27,078	3,952	3,355	1,801	3,884	7,805	47,875
2011	22,011	1,825	3,337	1,482	3,589	7,749	39,993
2012	20,584	2,091	2,681	925	3,590	7,273	37,144
2013	20,350	1,572	2,325	935	3,665	7,452	36,299
2014-2018	66,670	8,577	6,832	3,967	2,491	39,167	127,705
2019-2023	25,690	5,162	1,253	1,781	823	21,491	56,199
2024-2028	36,198	2,199	484	384	163	8,171	47,599
2029-2033	-	-	-	-	-	-	-
2034-2038	-	-	-	-	-	-	-
2039-2043	118,755	-	-	-	-	-	118,755
2044-2048	35,465	-	-	-	-	-	35,465
2049-2053	5,387	-	-	-	-	-	5,387
2054-2058	8,924	-	-	-	-	-	8,924
2059-2061	30,205	-	-	-	-	-	30,205
TOTAL							
PRINCIPAL	\$ 444,649	\$ 29,577	\$ 23,716	\$ 12,957	\$ 21,790	\$ 106,762	\$ 639,451

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

10. Indebtedness and Certain Long-term Obligations (continued)

C. Future Debt Service (continued)

The following is a schedule of annual interest payments on bonds outstanding for the primary government as of December 31, 2008 (*000's omitted*):

Interest Payments – Primary Government							
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>			Total Primary Government	
	Governmental Funds	Internal Service	Solid Waste	Airport	Hospital		
INTEREST							
2009	\$ 20,209	\$ 1,515	\$ 1,212	\$ 516	\$ 940	\$ 4,961	\$ 29,353
2010	18,603	1,032	973	444	782	4,672	26,506
2011	17,247	903	817	374	600	4,292	24,233
2012	16,335	820	606	324	426	3,845	22,356
2013	15,634	742	487	286	249	3,497	20,895
2014-2018	67,271	2,403	1,414	851	502	11,878	84,319
2019-2023	55,747	935	230	231	86	3,698	60,927
2024-2028	49,318	146	20	16	7	583	50,090
2029-2033	42,499	-	-	-	-	-	42,499
2034-2038	42,499	-	-	-	-	-	42,499
2039-2043	28,465	-	-	-	-	-	28,465
2044-2048	2,660	-	-	-	-	-	2,660
2049-2053	66,578	-	-	-	-	-	66,578
2054-2058	193,792	-	-	-	-	-	193,792
2059-2061	<u>1,531,396</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,531,396</u>
TOTAL INTEREST	<u>2,168,253</u>	<u>8,496</u>	<u>5,759</u>	<u>3,042</u>	<u>3,592</u>	<u>37,426</u>	<u>2,226,568</u>
TOTAL PRINCIPAL AND INTEREST	<u>\$ 2,612,902</u>	<u>\$ 38,073</u>	<u>\$ 29,475</u>	<u>\$ 15,999</u>	<u>\$ 25,382</u>	<u>\$ 144,188</u>	<u>\$ 2,866,019</u>

Approximately \$395.5 million of the total principal is anticipated to be financed by user charges or tobacco settlement revenues. The remainder will be financed through the real property tax levy, general County revenues or existing reserves available for the retirement of debt. All proprietary fund debt is secured by the County's full faith and credit.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

10. Indebtedness and Certain Long-term Obligations (continued)

D. Refunding

The County issued \$48.3 million of refunding bonds, which together with other available funds, provided resources to purchase U.S. Government State and Local Government Series securities that were temporarily placed in an irrevocable escrow account for the purpose of generating resources for all future debt service payments on \$50.2 million of general obligation bonds. Subsequently, all of the refunded bonds were called for early redemption during 2008 and the liability has been removed from the County's financial statements. The refunding was undertaken to reduce total debt service payments by \$2.5 million and resulted in an economic gain of \$1.1 million.

E. Advanced Refunding/Defeased Debt

As of December 31, 2008, the County's total outstanding defeased debt is as follows (*000's omitted*):

<u>Bond Issue</u>	<u>Outstanding Debt</u>
Public Improvement-1993 Series B	\$ 1,315
Public Improvement-1994 (Capital Appreciation)	1,983
Public Improvement-2002	8,730
Public Improvement-2003	5,180
MTASC – Series 2000	<u>146,095</u>
TOTAL:	\$ <u>163,303</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

11. Leases

A. Capital Lease Agreements – General Fund

Equipment under capitalized lease arrangements relating to the general fund has been recognized with an initial value of \$158 thousand and accumulated amortization of \$42 thousand at December 31, 2008. The following is a schedule of the future minimum lease payments under the capitalized leases together with the present value of the net minimum lease payments as of December 31, 2008 (*000's omitted*):

<u>Year</u>	<u>Payment</u>
2009	\$ 38
2010	38
2011	37
2012	<u>10</u>
Total minimum lease payments	123
Less amounts representing interest at rates ranging from 3.0% to 8.9%	<u>(9)</u>
Net minimum lease payments	<u>\$ 114</u>

B. Capital Lease Agreements - Enterprise Funds - Solid Waste

The County entered into a lease purchase agreement to finance the construction of a solid waste materials recycling and processing facility which is included in the solid waste fund, an enterprise fund of the County. Certificates of participation in the amount of \$11.3 million were issued on March 27, 1991 in connection with the lease purchase agreement. Each certificate represents a proportionate interest of the holder thereof in base rental payment to be made by the County pursuant to the lease. Facilities purchased under the capitalized lease arrangements relating to the enterprise fund have been recognized with an initial value of \$9.0 million and accumulated amortization of \$7.2 million at December 31, 2008. The future minimum base rental payments under this capitalized lease together with the present value of the net minimum base rental payments at December 31, 2008 are as follows (*000's omitted*):

<u>Year</u>	<u>Payment</u>
2009	\$ 1,188
2010	1,192
2011	<u>593</u>
Total minimum lease payments	2,973
Less amounts representing interest at 8.05%	<u>(328)</u>
Net minimum lease payments	<u>\$ 2,645</u>

The certificates of participation are not legally considered long-term debt of the County as the County's obligation under the certificates is limited to one year's rental under the lease purchase agreement.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

11. **Leases (continued)**

C. Capital Lease Agreements – Enterprise Funds – Pure Waters

Equipment under capitalized lease arrangements relating to the enterprise funds has been recognized with an initial value of \$776 thousand and accumulated amortization of \$25 thousand at December 31, 2008. The following is a schedule of the future minimum lease payments under the capitalized leases together with the present value of the net minimum lease payments as of December 31, 2008 (*000's omitted*):

<u>Year</u>	<u>Payment</u>
2009	\$ 192
2010	186
2011	180
2012	<u>145</u>
Total minimum lease payments	703
Less amounts representing interest at rates ranging from 4.0% to 4.5%	<u>(60)</u>
Net minimum lease payments	<u>\$ 643</u>

D. Capital Lease Agreements – Enterprise Funds – Monroe Community Hospital

Monroe Community Hospital entered into a lease agreement through Siemens with Premier National Investment Company, a subsidiary of Manufacturers and Traders Trust Company (M&T), on August 7, 2007, for energy enhancements at the Hospital. The lease agreement has been recognized with an initial value of \$9.6 million and no accumulated amortization at December 31, 2008 (*000's omitted*):

<u>Year</u>	<u>Payment</u>
2009	\$ 952
2010	952
2011	952
2012	952
Thereafter	<u>10,468</u>
Total minimum lease payments	14,276
Less amounts representing interest at 5.07%	<u>(4,720)</u>
Net minimum lease payments	<u>\$ 9,556</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

11. Leases (continued)

E. Capital Lease Agreements – Internal Service Funds

Equipment under capitalized lease arrangements relating to the internal service funds has been recognized with an initial value of \$28 thousand and accumulated amortization of \$11 thousand at December 31, 2008. The following is a schedule of the future minimum lease payments under the capitalized leases together with the present value of the net minimum lease payments as of December 31, 2008 (*000's omitted*):

<u>Year</u>	<u>Payment</u>
2009	\$ 10
2010	10
2011	<u>1</u>
Total minimum lease payments	21
Less amounts representing interest at rate of 11.8%	<u>(2)</u>
Net minimum lease payments	<u>\$ 19</u>

F. Operating Leases – Enterprise Funds – Pure Waters

Under an operating lease agreement between the County's Pure Waters District and the City of Rochester, the district has assumed an obligation to reimburse the City for all debt service payments made by the City for its indebtedness related to sewer facilities leased to the fund. The future minimum rental payments required under this arrangement are as follows (*000's omitted*):

<u>Year</u>	<u>Payment</u>
2009	\$ 436
2010	250
2011	<u>125</u>
Net minimum lease payments	<u>\$ 811</u>

Payments made under the agreement totaled \$478 thousand in 2008.

12. Employee Pension Plans

The County participates in the New York State and Local Employees' Retirement System (ERS) and New York State Police and Firefighters Retirement System (PFRS). Both ERS and PFRS are cost-sharing multiple-employee retirement plans that provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

12. Employee Pension Plans (continued)

Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of ERS and PFRS. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of ERS and PFRS and for the custody and control of their funds. ERS and PFRS issue publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244-0001.

ERS and PFRS are noncontributory except for employees who joined the New York State and Local Employee's Retirement System after July 27, 1976 and have less than ten years of credited service. These members contribute 3% of their salary. Prior to October 2000, all County and Water Authority employees who joined after July 27, 1976 were required to contribute 3%, but the laws were modified to forgive the 3% contribution for those with ten or more years of service time. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

Pursuant to Chapter 30 of the Laws of 1996, the State Legislature authorized local governments to make available retirement incentive programs. Pursuant to Chapter 86, Laws of 2001, the State Legislature authorized local governments to again make available early retirement incentive programs. The County declined to offer such a program in 2001. The County participated in the 2002 early retirement program and elected to pay an annual amount of \$2.3 million beginning in 2003, and each subsequent year until 2007.

The County of Monroe is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years for ERS and PFRS were as follows (*000's omitted*):

Required Contributions for ERS and PFRS				
Year		ERS		PFRS
2008	\$	22,540	\$	204
2007		25,368		200
2006		28,905		227

The County's contributions made to ERS and PFRS were equal to 100% of the contributions required for each year.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

12. Employee Pension Plans (continued)

ERS and PFRS effective with Chapter 260, Laws of 2004, changed the payment due date for participating employers from December 15th of the current year to February 1st of the subsequent year. The change in the Law provided participating employers alternative financing options. These options included: (1) amortizing a portion of the cost, based on a graduated scale, with the ERS or PFRS over 5 or 10 years, interest for the amortization is based on a rate established by the Comptroller using current market rates; (2) allowing participating employers to bond the costs.

In 2004, the County elected to amortize a portion of retirement costs over 10 years. The following is a breakdown of the retirement liability as of December 31, 2008 by activity (*000's omitted*):

Retirement Liability				
	Year	2004 Elective Deferral	2008 Chapter 260	Total
GOVERNMENTAL ACTIVITES	2009	\$ 1,165	\$ 14,055	\$ 15,220
	2010	1,223	-	1,223
	2011	1,284	-	1,284
	2012	1,349	-	1,349
	2013	1,416	-	1,416
	2014	1,486	-	1,486
	2015	1,561	-	1,561
		<u>9,484</u>	<u>14,055</u>	<u>23,539</u>
TOTAL GOVERNMENTAL ACTIVITIES		\$ 9,484	14,055	23,539
BUSINESS-TYPE ACTIVITIES	2009	-	2,636	2,636
		<u>-</u>	<u>2,636</u>	<u>2,636</u>
TOTAL RETIREMENT LIABILITY		\$ <u>9,484</u>	\$ <u>16,691</u>	\$ <u>26,175</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

13. Post-Employment Health Care Benefits

Plan Description

The County administers a single-employer defined benefit healthcare plan. The plan provides lifetime healthcare medical and dental insurance benefits for eligible retirees and their spouses. Eligibility requirements and benefit provisions are established through negotiations between the County and the various collective bargaining units and their employment agreements. The plan does not issue a publicly available financial report.

Funding Policy

The obligations of the plan are negotiated between the County and the applicable union representatives. The required contribution rates of the County and the members vary depending on the applicable agreement. The County currently contributes the amounts required to satisfy current obligations on a pay-as-you-go basis which for 2008 was \$18.2 million. The costs of administering the plan are paid by the County.

Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with generally accepted accounting principles. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year plus the amortization of the unfunded actuarial accrued liability over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the County's net OPEB obligation:

Annual OPEB Cost					
<i>(000's omitted)</i>					
	Governmental Activities		Business-Type Activities		Total Primary Government
Annual OPEB Cost	\$ 30,343	\$	6,921	\$	\$ 37,264
Contributions made	<u>(15,213)</u>		<u>(3,022)</u>		<u>(18,235)</u>
Increase in Net OPEB Obligation	15,130		3,899		19,029
Net OPEB Obligation – beginning of year	<u>16,419</u>		<u>4,156</u>		<u>20,575</u>
Net OPEB Obligation – end of year	\$ <u>31,549</u>		<u>8,055</u>		<u>39,604</u>
Annual OPEB Cost:					
2008	\$ 30,343	\$	6,921	\$	\$ 37,264
2007	30,635		6,996		37,631
Percentage of Annual OPEB cost contributed:					
2008	50.1%		43.7%		48.9%
2007	46.4%		40.6%		45.3%

The net OPEB obligation at December 31, 2008 is recorded as follows (000's omitted):

	Governmental Activities		Business-Type Activities		Total Primary Government
Current assets – other	\$ -	\$	14	\$	14
Other long-term liabilities	<u>31,549</u>		<u>8,069</u>		<u>39,618</u>
Net OPEB Obligation	\$ <u>31,549</u>		<u>8,055</u>		<u>39,604</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

13. Post-Employment Health Care Benefits (continued)

Funded Status and Funding Progress

As of December 31, 2008, the actuarial accrued liability for benefits was \$471.4 million, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$227.0 million, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 207.7 percent.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Accrued Liability

	<i>(000's omitted)</i>		
	Governmental Activities	Business- Type Activities	Total Primary Government
Actuarial Accrued Liability (AAL) at 12/31/2008 (unfunded)	\$ 392,320	\$ 79,062	\$ 471,382
Covered Payroll	181,991	44,997	226,988
Ratio of Unfunded AAL to Covered Payroll	215.6%	175.7%	207.7%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the employer and plan members and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following methods and assumptions were used:

Measurement Date	January 1, 2007
Actuarial Cost Method	Projected Unit Credit
Discount Rate	4%
Health Care Trends	12% initially, reduced by decrements to An ultimate rate of 5.0% after five years
Dental Care Costs	3.5 % increase per year
Unfunded Actuarial Accrued Liability	
Amortization Period	30 years
Amortization Method	Level Dollar
Amortization Basis	Open

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

13. **Post-Employment Health Care Benefits (continued)**

Schedule of Funding Progress

The schedule of funding progress presents information on the actuarial value of plan assets relative to the actuarial accrued liabilities for benefits. In the future, the schedule will provide multi-year trend information about the value of plan assets relative to the AAL.

Schedule of Funding Progress for the County Plan

(000's omitted)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) – (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/(c)
01/01/2007	-	\$ 471,382	\$ 471,382	0.00%	\$ 226,988	207.7%

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

14. Interfund Activity

Interfund activity is reported as loans, services provided, and reimbursements or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near-market rates, are treated as revenues and expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and recognizes revenue. All other interfund transactions are treated as transfers.

A. Receivables and Payables

Ninety three percent of the amount due to the general fund is a result of the overdraft of other funds' share of pooled cash, and seven percent is a result of initial financing of capital projects. The following is a summary of interfund receivables and payables as of December 31, 2008 (*000's omitted*):

Interfund Payables and Receivables				
Interfund Receivables:				
Governmental				
Activities				
General Fund	Special Revenue – Nonmajor Funds	Internal Service Fund	Total	
Interfund Payables:				
GOVERNMENTAL ACTIVITIES:				
General Fund	\$ -	\$ 4	\$ 3,700	\$ 3,704
Nonmajor Governmental Funds:				
Special Revenue - Road	4,500	-	-	4,500
Capital Projects	2,562	4,655	-	7,217
Total Nonmajor Governmental Funds	7,062	4,655	-	11,717
Internal Service Funds	3,600	-	-	3,600
Total Governmental Activities	10,662	4,659	3,700	19,021
BUSINESS-TYPE ACTIVITIES:				
Solid Waste	10,200	-	-	10,200
Airport	8,400	-	-	8,400
Hospital	5,800	-	-	5,800
Energy	1,800	-	-	1,800
Total Business-type Activities	26,200	-	-	26,200
TOTAL GOVERNMENTAL / BUSINESS-TYPE ACTIVITIES	\$ 36,862	\$ 4,659	\$ 3,700	\$ 45,221

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

14. Interfund Activity (continued)

B. Transfers

One hundred percent of transfers to road and library funds were from revenues collected in the general fund to finance various programs within the road and library funds. One hundred percent of transfers to the debt service fund are the result of moving receipts restricted to debt service to fund debt service payments as they come due. The following is a summary of interfund transfers for the year ended December 31, 2008 (*000's omitted*):

Governmental Activities							
Interfund Transfers to:							
Non-major Governmental Funds							
Interfund Transfers From:	General Fund	Special Revenue Funds		Debt Service Funds	Capital Projects Funds	Internal Service Funds	Total
		Road	Library				
Governmental Activities:							
General Fund	\$ -	\$ 22,565	\$ 7,778	\$ 16,429	-	\$ 1,853	\$ 48,625
Non-major Governmental Funds:							
Special Revenue:							
Road	-	-	-	14,507	-	-	14,507
Library	50	-	-	1,158	-	-	1,208
Debt Service	62	-	-	-	65	-	127
Capital Projects	-	-	-	1,089	-	-	1,089
Total Nonmajor Governmental Funds	112	-	-	16,754	65	-	16,931
Internal Service Funds	157	-	-	-	-	-	157
Total Governmental Activities	269	22,565	7,778	33,183	65	1,853	65,713
TOTAL TRANSFERS	\$ 269	\$ 22,565	\$ 7,778	\$ 33,183	\$ 65	\$ 1,853	\$ 65,713

15. Miscellaneous Revenue

For the year ended December 31, 2008, the miscellaneous revenue for the primary government is \$12.5 million, consisting of \$3.7 million for governmental activities and \$8.8 million for business-type activities. This includes \$6.8 million in the solid waste fund for the sale of recycled materials and waste refuse complex fees and \$1.5 million in the hospital fund, consisting primarily of space rental.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

16. Federal and State Funded Programs

The County participates in a number of Federal and New York State grant and assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial. Expenditures disallowed by completed audits have generally been immaterial in nature and, accordingly, have been reflected as adjustments to revenues in the year the expenditure was determined to be unallowable.

17. Risk Management/Insurance

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The internal service fund (risk management fund) is used to account for and finance the County's uninsured risks of loss. Under this program, the risk management fund provides self-insurance coverage for up to a maximum of \$2 million for each Workers' Compensation claim. The County purchases commercial insurance for claims in excess of self-insurance coverage provided by the fund and all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past twelve fiscal years.

In addition to the self-insured risks noted above, the County is also self-insured for any malpractice claims against the Monroe Community Hospital. As of December 31, 2008 there were no material claims pending against the Hospital. The County is a defendant in various claims and litigation. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, it is not possible to determine an exact measure of claim liabilities. The County Attorney is responsible for analyzing the County's claims and providing an opinion regarding the County's ability to cover its liabilities in the self-insurance program. Based on the analysis for the year ending December 31, 2008, the County Attorney has determined that the County is adequately covered through its insurance and self-insurance programs described above.

All funds of the County participate in the self-insurance program and make payments to the internal service fund. Payments from other funds and the component unit are determined by two methods. The first method reimburses the risk management fund for "small claims" (those under \$10 thousand) and insurance premiums by assessment against County organizations based upon actual payroll. The second method results in charges to County organizations based upon two factors: the number of vehicles assigned to the organization and claims history for the preceding three years (a rolling average). The estimated accrued claims in the internal service fund as of December 31, 2008 are \$21.7 million.

The internal service fund is maintained in accordance with the requirements of *GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that claim liabilities be recorded when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. All liabilities are recorded at their value as of December 31, 2008.

The table below illustrates changes in the fund's accrued claim liabilities for the last two years (*000's omitted*):

Risk Management Fund				
Year	Balance January 1,	Current-Year Claims and Changes In Estimates	Claim Payments	Balance December 31,
2008	\$ 20,514	\$ 10,358	\$ (9,165)	\$ 21,707
2007	19,826	8,701	(8,013)	20,514

Included in the internal service fund's liabilities as of December 31, 2008 is \$0.7 million, which is the County Attorney's estimate of general liability claims which may likely settle and \$20.8 million representing amounts payable for Workers' Compensation claims already reported and additional claims incurred but not yet reported. The County utilizes a third party administrator who is responsible for processing claims and estimating liabilities under this coverage.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2008

17. Risk Management/Insurance (continued)

In accordance with the adoption of GASB Statement No. 49, the County has determined the following pollution remediation obligations. Pollution remediation obligations are estimates and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws and regulations.

Airport Fuel Farm: The Greater Rochester International Airport (GRIA) Fuel Farm remediation site is located in the northeast portion of the GRIA property. The remediation site was the former fuel (jet, gasoline and diesel) farm at the airport which consisted of underground storage tanks and accompanying above ground facilities. Groundwater at the remediation site has been contaminated with jet, gasoline and diesel fuels as a result of the fueling operations that used to take place at the site. In August 2007, Monroe County took over operational responsibilities from the New York State Department of Environmental Conservation (DEC) to continue remediation of the site. The County took over responsibility for the operation, maintenance and monitoring (OM&M), including financial responsibility for any repairs of existing groundwater remediation systems. OM&M will be performed until the DEC deems an acceptable level of cleanup has been obtained. The remediation of the site can potentially take 5-7 years. The total cost of the remediation could reach \$1.45 million over 7 years (FY 2008 – 2014).

Calculating the liability using the expected cash flow technique results in a restatement of the Airport Fund total net assets at the beginning of the year of \$1.25 million. The estimated liability as of December 31, 2008 is \$1 million.

In addition to the estimated liability noted above, the State filed a claim seeking reimbursement of past costs that they have incurred for this remediation project. Also, the County is seeking to recover the costs from private companies that actually owned and operated the facility and discharged the fuel into the environment. Given the preliminary status of both of these actions and other factors, the County can not reasonably estimate its ultimate liability with respect to these areas.

The County is aware of other contamination sites and is working with NYS DEC on remediation methods. The County expects, at this time, that costs associated with remediation would be, if any, immaterial.

The adoption of GASB Statement No. 49 resulted in the restatement of total net assets at the beginning of the year as follows (000's omitted):

	<u>Airport Enterprise Fund</u>	<u>Business-Type Activities</u>
As originally reported	\$ 132,690	439,445
Adoption of GASB Statement No. 49	<u>(1,250)</u>	<u>(1,250)</u>
As restated	<u>\$ 131,440</u>	<u>438,195</u>

**REQUIRED
SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

**COUNTY OF MONROE, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008
(000's Omitted)**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Real property tax levy and delinquencies	\$ 329,650	329,650	324,907	(4,743)
Sales tax	82,910	82,910	87,740	4,830
Federal aid	99,722	124,496	109,203	(15,293)
State aid	226,489	266,734	221,285	(45,449)
Charges for services	18,591	18,591	17,258	(1,333)
Intergovernmental	31,894	31,939	31,946	7
Interdepartmental	3,694	3,694	3,205	(489)
Use of money and property	4,325	4,325	6,958	2,633
Repayments and refunds	12,482	12,482	17,123	4,641
Payments in lieu of taxes	6,376	6,376	7,858	1,482
Miscellaneous	13,936	13,994	10,991	(3,003)
	<u>830,069</u>	<u>895,191</u>	<u>838,474</u>	<u>(56,717)</u>
EXPENDITURES				
Health and welfare	389,291	437,146	396,561	40,585
Public safety	188,081	201,980	187,605	14,375
Culture, recreation and education	54,381	58,938	58,229	709
General government	128,133	129,743	131,208	(1,465)
Transportation	3,524	3,524	3,524	---
	<u>763,410</u>	<u>831,331</u>	<u>777,127</u>	<u>54,204</u>
Excess of revenues over expenditures	<u>66,659</u>	<u>63,860</u>	<u>61,347</u>	<u>(2,513)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	---	---	269	269
Transfers out	(66,659)	(63,860)	(62,875)	985
	<u>(66,659)</u>	<u>(63,860)</u>	<u>(62,606)</u>	<u>1,254</u>
Deficiency of revenues, other financing sources and special items over expenditures and other financing uses - budget basis	<u>\$ ---</u>	<u>\$ ---</u>	<u>(1,259)</u>	<u>(1,259)</u>
Add: Encumbrances at end of year included in actual			6,760	
Adjust for changes in:				
taxes and assessments			1,276	
due from other governments			6,519	
accounts payable and accrued liabilities			5,000	
due to other governments			(9,794)	
unearned revenue			(2,089)	
Less: Expenditure of prior year's encumbrances			<u>(9,185)</u>	
Deficiency of revenues and other financing sources over expenditures and other financing uses - GAAP basis			<u>(2,772)</u>	
Fund balance at beginning of year			<u>1,702</u>	
Fund balance (deficit) at end of year			<u>\$ (1,070)</u>	

See accompanying notes to required supplementary information

COUNTY OF MONROE, NEW YORK

Notes to Required Supplementary Information

Year Ended December 31, 2008

Budgetary Basis Reporting

The procedures governing the preparation, submission and adoption of the County's annual budget are stipulated in Article IV of the County Charter and in Article VI of the County Administrative Code.

The County Executive, with the assistance of the Office of Management and Budget (OMB), prepares the annual budget for submission to the County Legislature in a manner and form consistent with these articles. County departments and authorized agencies are required to submit their budget requests and revenue estimates to OMB. These requests are reviewed and analyzed, and the proposed budget is prepared for submission to the County Legislature.

The County Executive is required to submit the proposed budget to the Legislature on or before November 15th. The County Legislature must meet to deliberate on the budget and also must hold at least one public hearing prior to budget adoption. If the Legislature passes the budget as proposed, no further action is required on the part of the County Executive. If the Legislature changes the budget, the changes must be submitted to the County Executive for consideration. The County Executive then has 48 hours to approve or disapprove each of the Legislative changes. The Legislature can override a County Executive veto within the next 48 hours with a three-fifths majority vote.

If a budget has not been passed on or before the second Tuesday in December, the Legislature must meet daily until the budget is passed. If the budget is not passed by December 16th, then the budget as submitted by the County Executive, with any Legislative changes agreed to by the County Executive, becomes the adopted budget for the next year. The Office of Management and Budget has the authority to transfer budget amounts between accounts within any department up to and including \$10 thousand on an annual aggregate basis for all funds of the County. The County Legislature must approve amounts exceeding this limitation.

The general fund is the only major fund with a legally-adopted budget. Appropriations for all budgets lapse at fiscal year-end. The general fund's budget is adopted on a departmental and object level of expenditure basis in which expenditures may not legally exceed appropriations on a departmental and object of expenditure level. The debt service fund's budget consists primarily of transfers from the general and the special revenue fund budgets and funds received from the Water Authority for its debt service requirements under related County debt obligations and expenditures.

Individual governmental fund comparisons of budgetary and actual data at the legal level of control established by the adopted budget (i.e., minimally at the department and object level) are not presented in this report for those funds with annual adopted budgets due to the excessive detail involved.

COUNTY OF MONROE, NEW YORK
Notes to Required Supplementary Information
Year Ended December 31, 2008

Budgetary Basis Reporting (continued)

A summary of legally-adopted budgetary activity for the County's general fund for the year ended 2008 follows (000's omitted):

	<u>General Fund</u>
Original Revenue Budget:	
Revenues and Other Financing Sources	\$ 830,069
Authorized:	
Revisions and Transfers	35,354
Grant Reappropriations	<u>29,768</u>
Modified Revenue Budget-Budget Basis	<u>\$ 895,191</u>
Original Expenditures Budget:	
Expenditures and Other Financing Uses	\$ 830,069
Authorized:	
Revisions and Transfers	35,354
Grant Reappropriations	<u>29,768</u>
Modified Expenditure Budget-Budget Basis	<u>\$ 895,191</u>

Revisions and Transfers include new awards of state and federal funded programs, offset by grant returns. In addition, reappropriations of \$29.8 million represent authorized grants from the prior year that will be expended in later years of multi-year funded federal and state grants.

COMBINING FINANCIAL INFORMATION

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2008
(000's Omitted)**

	Special Revenue Funds	Debt Service Funds		Capital Projects				Total Nonmajor Governmental Funds	
		General	MTASC	General Government	Public Safety and Fire Protection	Transportation and Civic Center	Culture and Recreation		Education
ASSETS									
Cash and cash equivalents	\$ 8,334	---	214	---	---	---	---	---	8,548
Accounts receivables, net	1,531	---	11,379	---	---	26	---	---	12,936
Due from other funds	4,659	---	---	---	---	---	---	---	4,659
Due from other governments:									
State and Federal - other	1,150	---	---	---	---	9,604	219	934	11,907
Local governments	139	---	---	---	---	---	---	---	139
Inventories	834	---	---	---	---	---	---	---	834
Restricted assets:									
Cash and cash equivalents	---	5,248	13,560	266	3,788	2,387	1,589	1,732	28,570
Funds held by trustee	---	30	---	---	---	---	---	---	30
Securities and retained percentages	---	---	---	---	---	12	---	85	97
Other assets	---	---	13	---	---	741	---	---	754
Total assets	\$ 16,647	5,278	25,166	266	3,788	12,770	1,808	2,751	68,474
LIABILITIES AND FUND BALANCES (DEFICITS)									
Liabilities:									
Accounts payable and accrued liabilities	2,759	30	---	107	565	1,324	260	1,346	6,391
Due to other funds	4,500	---	---	1	191	4,655	550	1,820	11,717
Due to other governments	1,698	---	---	---	---	---	---	---	1,698
Unearned revenue	---	---	11,379	---	---	---	---	---	11,379
Notes payable	---	---	---	902	4,667	8,623	1,720	8,001	23,913
Total liabilities	8,957	30	11,379	1,010	5,423	14,602	2,530	11,167	55,098
Fund balances (deficits):									
Reserved for:									
Debt service	---	3,952	13,560	---	---	---	---	---	17,512
Encumbrances	106	---	---	470	4,760	9,839	238	818	16,231
Inventories	834	---	---	---	---	---	---	---	834
Unreserved (deficits)	6,750	1,296	227	(1,214)	(6,395)	(11,671)	(960)	(9,234)	(21,201)
Total fund balances (deficits)	7,690	5,248	13,787	(744)	(1,635)	(1,832)	(722)	(8,416)	13,376
Total liabilities and fund balances	\$ 16,647	5,278	25,166	266	3,788	12,770	1,808	2,751	68,474

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Special Revenue Funds	Debt Service Funds		Capital Projects					Total Nonmajor Governmental Funds
		General	MTASC	General Government	Public Safety and Fire Protection	Transportation and Civic Center	Culture and Recreation	Education	
REVENUES:									
Federal aid	\$ 3,704	---	---	---	---	11,265	530	---	15,499
State aid	7,152	---	---	41	---	1,349	71	11,153	19,766
Charges for services	5,128	---	---	---	---	---	---	---	5,128
Intergovernmental	1,460	1,581	---	---	---	---	---	---	3,041
Interdepartmental	88	---	---	---	---	---	---	---	88
Use of money and property	276	2,366	512	---	---	---	---	---	3,154
Repayments and refunds	88	---	---	---	---	---	---	---	88
Tobacco settlement	---	---	12,148	---	---	---	---	---	12,148
Miscellaneous	2,645	608	---	---	---	1,116	16	2,752	7,137
Total revenues	<u>20,541</u>	<u>4,555</u>	<u>12,660</u>	<u>41</u>	<u>---</u>	<u>13,730</u>	<u>617</u>	<u>13,905</u>	<u>66,049</u>
EXPENDITURES:									
Public safety	1,884	---	---	---	---	---	---	---	1,884
Culture, recreation and education	10,452	---	---	---	---	---	---	---	10,452
General government	3	---	86	---	---	---	---	---	89
Transportation	16,496	---	---	---	---	---	---	---	16,496
Economic development	3,800	---	---	---	---	---	---	---	3,800
Debt service:									
Principal retirement	---	52,308	2,280	---	---	---	---	---	54,588
Interest and fiscal charges	---	14,473	10,744	---	---	---	---	---	25,217
Capital Projects	---	---	---	948	8,970	17,662	2,592	18,456	48,628
Total expenditures	<u>32,635</u>	<u>66,781</u>	<u>13,110</u>	<u>948</u>	<u>8,970</u>	<u>17,662</u>	<u>2,592</u>	<u>18,456</u>	<u>161,154</u>
Excess (deficiency) of revenues over expenditures	<u>(12,094)</u>	<u>(62,226)</u>	<u>(450)</u>	<u>(907)</u>	<u>(8,970)</u>	<u>(3,932)</u>	<u>(1,975)</u>	<u>(4,551)</u>	<u>(95,105)</u>
OTHER FINANCING SOURCES (USES):									
Bonds issued	---	26,160	---	---	---	---	---	---	26,160
Transfers in	30,343	33,183	---	---	---	65	---	---	63,591
Transfers out	<u>(15,715)</u>	<u>(127)</u>	<u>---</u>	<u>(18)</u>	<u>(15)</u>	<u>(455)</u>	<u>(316)</u>	<u>(285)</u>	<u>(16,931)</u>
Total other financing sources (uses)	<u>14,628</u>	<u>59,216</u>	<u>---</u>	<u>(18)</u>	<u>(15)</u>	<u>(390)</u>	<u>(316)</u>	<u>(285)</u>	<u>72,820</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>2,534</u>	<u>(3,010)</u>	<u>(450)</u>	<u>(925)</u>	<u>(8,985)</u>	<u>(4,322)</u>	<u>(2,291)</u>	<u>(4,836)</u>	<u>(22,285)</u>
Fund balances (deficits) at beginning of year	<u>5,156</u>	<u>8,258</u>	<u>14,237</u>	<u>181</u>	<u>7,350</u>	<u>2,490</u>	<u>1,569</u>	<u>(3,580)</u>	<u>35,661</u>
Fund balances (deficits) at end of year	<u>\$ 7,690</u>	<u>5,248</u>	<u>13,787</u>	<u>(744)</u>	<u>(1,635)</u>	<u>(1,832)</u>	<u>(722)</u>	<u>(8,416)</u>	<u>13,376</u>

See accompanying independent auditors' report

COUNTY OF MONROE, NEW YORK
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2008
(000's Omitted)

	<u>Road</u>	<u>Special Grants</u>	<u>Green Space Initiative</u>	<u>Jail Funds</u>	<u>Golf Course Funds</u>	<u>Zoo Admissions</u>	<u>Library System Automation</u>	<u>Library</u>
ASSETS								
Cash and cash equivalents	\$ 17	274	969	3,875	9	10	290	2,081
Accounts receivables, net	6	1,129	---	---	---	---	---	396
Due from other funds	4,655	---	---	---	---	---	---	---
Due from other governments:								
State and Federal - other	686	464	---	---	---	---	---	---
Local governments	129	---	---	---	---	---	---	---
Inventories	834	---	---	---	---	---	---	---
Other assets	---	---	---	---	---	---	---	---
Total assets	<u>\$ 6,327</u>	<u>1,867</u>	<u>969</u>	<u>3,875</u>	<u>9</u>	<u>10</u>	<u>290</u>	<u>2,477</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	701	407	---	176	---	---	---	1,469
Due to other funds	4,500	---	---	---	---	---	---	---
Due to other governments	238	1,460	---	---	---	---	---	---
Total liabilities	<u>5,439</u>	<u>1,867</u>	<u>---</u>	<u>176</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>1,469</u>
Fund balances (deficits):								
Reserved for:								
Encumbrances	56	---	---	17	---	---	---	---
Inventories	834	---	---	---	---	---	---	---
Unreserved:								
Undesignated	(2)	---	969	3,682	9	10	290	1,008
Total fund balances	<u>888</u>	<u>---</u>	<u>969</u>	<u>3,699</u>	<u>9</u>	<u>10</u>	<u>290</u>	<u>1,008</u>
Total liabilities and fund balances	<u>\$ 6,327</u>	<u>1,867</u>	<u>969</u>	<u>3,875</u>	<u>9</u>	<u>10</u>	<u>290</u>	<u>2,477</u>

(continued)

COUNTY OF MONROE, NEW YORK
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2008
(000's Omitted)

	<u>Parkland Acquisition</u>	<u>Horticulture Division Fund</u>	<u>Historic Landscape Restoration</u>	<u>Stormwater Coalition Dues</u>	<u>Hazmat Team Fund</u>	<u>Carousel Fund</u>	<u>Miscellaneous Funds</u>	<u>Total Special Revenue Funds</u>
ASSETS								
Cash and cash equivalents	\$ 266	30	64	213	34	11	191	8,334
Accounts receivables, net	---	---	---	---	---	---	---	1,531
Due from other funds	---	---	---	4	---	---	---	4,659
Due from other governments:								
State and Federal - other	---	---	---	---	---	---	---	1,150
Local governments	---	---	---	10	---	---	---	139
Inventories	---	---	---	---	---	---	---	834
Other assets	---	---	---	---	---	---	---	---
Total assets	\$ 266	30	64	227	34	11	191	16,647
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	---	---	4	---	2	---	---	2,759
Due to other funds	---	---	---	---	---	---	---	4,500
Due to other governments	---	---	---	---	---	---	---	1,698
Total liabilities	---	---	4	---	2	---	---	8,957
Fund balances:								
Reserved for:								
Encumbrances	---	---	4	---	---	---	29	106
Inventories	---	---	---	---	---	---	---	834
Unreserved:								
Undesignated	266	30	56	227	32	11	162	6,750
Total fund balances	266	30	60	227	32	11	191	7,690
Total liabilities and fund balances	\$ 266	30	64	227	34	11	191	16,647

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000's Omitted)

	Road	Special Grants	Green Space Initiative	Jail Funds	Golf Course Funds	Zoo Admissions	Library System Automation	Library
REVENUES:								
Federal aid	\$ 533	3,171	---	---	---	---	---	---
State aid	4,941	---	---	---	---	---	---	2,211
Charges for services	3,546	---	---	1,163	343	---	---	---
Intergovernmental	505	---	---	93	---	---	---	862
Interdepartmental	88	---	---	---	---	---	---	---
Use of money and property	---	---	24	152	2	---	8	50
Repayments and refunds	87	---	---	---	---	---	---	1
Miscellaneous	69	612	---	1,266	---	---	---	488
Total revenues	<u>9,769</u>	<u>3,783</u>	<u>24</u>	<u>2,674</u>	<u>345</u>	<u>---</u>	<u>8</u>	<u>3,612</u>
EXPENDITURES:								
Culture, recreation and education	---	---	---	---	345	24	---	9,980
General government	---	---	---	---	---	---	---	---
Public safety	---	---	---	1,781	---	---	---	---
Transportation	16,496	---	---	---	---	---	---	---
Economic development	---	3,783	---	---	---	---	---	---
Total expenditures	<u>16,496</u>	<u>3,783</u>	<u>---</u>	<u>1,781</u>	<u>345</u>	<u>24</u>	<u>---</u>	<u>9,980</u>
Excess (deficiency) of revenues over expenditures	<u>(6,727)</u>	<u>---</u>	<u>24</u>	<u>893</u>	<u>---</u>	<u>(24)</u>	<u>8</u>	<u>(6,368)</u>
OTHER FINANCING SOURCES (USES):								
Transfers in	22,565	---	---	---	---	---	---	7,778
Transfers out	(14,507)	---	---	---	---	---	---	(1,208)
Total other financing sources (uses)	<u>8,058</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>6,570</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,331	---	24	893	---	(24)	8	202
Fund balances (deficits) at beginning of year	<u>(443)</u>	<u>---</u>	<u>945</u>	<u>2,806</u>	<u>9</u>	<u>34</u>	<u>282</u>	<u>806</u>
Fund balances at end of year	<u>\$ 888</u>	<u>---</u>	<u>969</u>	<u>3,699</u>	<u>9</u>	<u>10</u>	<u>290</u>	<u>1,008</u>

(continued)

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000's Omitted)

	Parkland Acquisition	Horticulture Division Fund	Historic Landscape Restoration	Stormwater Coalition Dues	Hazmat Team Fund	Carousel Fund	Miscellaneous Funds	Total Special Revenue Funds
REVENUES:								
Federal aid	\$ ---	---	---	---	---	---	---	3,704
State aid	---	---	---	---	---	---	---	7,152
Charges for services	---	---	---	73	3	---	---	5,128
Intergovernmental	---	---	---	---	---	---	---	1,460
Interdepartmental	---	---	---	---	---	---	---	88
Use of money and property	6	---	2	4	1	1	26	276
Repayments and refunds	---	---	---	---	---	---	---	88
Miscellaneous	20	55	---	---	---	---	135	2,645
Total revenues	<u>26</u>	<u>55</u>	<u>2</u>	<u>77</u>	<u>4</u>	<u>1</u>	<u>161</u>	<u>20,541</u>
EXPENDITURES:								
Culture, recreation and education	5	52	20	---	---	16	10	10,452
General government	---	---	---	---	---	---	3	3
Public safety	---	---	---	37	42	---	24	1,884
Transportation	---	---	---	---	---	---	---	16,496
Economic development	---	---	---	---	---	---	17	3,800
Total expenditures	<u>5</u>	<u>52</u>	<u>20</u>	<u>37</u>	<u>42</u>	<u>16</u>	<u>54</u>	<u>32,635</u>
Excess (deficiency) of revenues over expenditures	<u>21</u>	<u>3</u>	<u>(18)</u>	<u>40</u>	<u>(38)</u>	<u>(15)</u>	<u>107</u>	<u>(12,094)</u>
OTHER FINANCING SOURCES (USES):								
Transfers in	---	---	---	---	---	---	---	30,343
Transfers out	---	---	---	---	---	---	---	(15,715)
Total other financing sources (uses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>14,628</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>21</u>	<u>3</u>	<u>(18)</u>	<u>40</u>	<u>(38)</u>	<u>(15)</u>	<u>107</u>	<u>2,534</u>
Fund balances at beginning of year	<u>245</u>	<u>27</u>	<u>78</u>	<u>187</u>	<u>70</u>	<u>26</u>	<u>84</u>	<u>5,156</u>
Fund balances at end of year	<u>\$ 266</u>	<u>30</u>	<u>60</u>	<u>227</u>	<u>32</u>	<u>11</u>	<u>191</u>	<u>7,690</u>

06

See accompanying independent auditors' report

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF NET ASSETS (DEFICITS)
INTERNAL SERVICE FUNDS
AS OF DECEMBER 31, 2008
(000's Omitted)

	Central Services	Building Accounts	Information Services	Fleet Management	Risk Management	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 526	37	2,857	46	4,950	8,416
Accounts receivables, net	---	135	---	---	---	135
Due from other funds	---	---	---	---	3,700	3,700
Due from other governments	---	1,143	---	2	---	1,145
Inventories	211	---	6	291	---	508
Unamortized bond issue costs	---	4	---	---	---	4
Other assets	---	---	---	---	25	25
Total current assets	737	1,319	2,863	339	8,675	13,933
Noncurrent assets:						
Restricted assets						
Cash and cash equivalents	---	1,750	3	36	---	1,789
Securities and retained percentages	---	113	---	---	---	113
Capital assets, net of accumulated depreciation	---	53,787	2,218	334	---	56,339
Unamortized bond issue costs	---	46	35	1	---	82
Total noncurrent assets	---	55,696	2,256	371	---	58,323
TOTAL ASSETS	737	57,015	5,119	710	8,675	72,256
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	97	1,714	1,028	99	21,707	24,645
Due to other funds	---	3,600	---	---	---	3,600
Notes payable	---	8,482	285	---	---	8,767
Current portion of:						
Capital leases payable	---	---	9	---	---	9
Bonds payable	---	2,791	1,371	37	---	4,199
Total current liabilities	97	16,587	2,693	136	21,707	41,220
Noncurrent liabilities:						
Capital lease obligations	---	---	10	---	---	10
Bonds payable	---	22,387	2,715	53	---	25,155
Other long-term liabilities	69	499	249	45	---	862
Total noncurrent liabilities	69	22,886	2,974	98	---	26,027
Total liabilities	166	39,473	5,667	234	21,707	67,247
NET ASSETS (DEFICITS)						
Invested in capital assets, net of related debt	---	18,662	(2,213)	244	---	16,693
Restricted for:						
Debt service	---	334	2	---	---	336
Capital projects	---	576	---	---	---	576
Unrestricted (deficits)	571	(2,030)	1,663	232	(13,032)	(12,596)
Total net assets (deficits)	\$ 571	17,542	(548)	476	(13,032)	5,009

See accompanying independent auditors' report

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (DEFICITS)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000's Omitted)

	<u>Central Services</u>	<u>Building Accounts</u>	<u>Information Services</u>	<u>Fleet Management</u>	<u>Risk Management</u>	<u>Total</u>
Operating revenues:						
Charges for services	\$ ---	133	---	41	65	239
Interdepartmental	1,466	23,229	15,436	3,518	10,162	53,811
Repayments and refunds	11	66	51	2	175	305
Miscellaneous	4	230	13	4	---	251
Total operating revenues	<u>1,481</u>	<u>23,658</u>	<u>15,500</u>	<u>3,565</u>	<u>10,402</u>	<u>54,606</u>
Operating expenses:						
Personnel services	305	1,483	2,729	---	---	4,517
Employee benefits	183	1,213	1,080	80	---	2,556
Contractual	719	13,246	9,318	368	12,629	36,280
Depreciation and amortization	2	2,631	920	39	---	3,592
Other	339	7,296	636	3,001	538	11,810
Total operating expenses	<u>1,548</u>	<u>25,869</u>	<u>14,683</u>	<u>3,488</u>	<u>13,167</u>	<u>58,755</u>
Operating income (loss)	<u>(67)</u>	<u>(2,211)</u>	<u>817</u>	<u>77</u>	<u>(2,765)</u>	<u>(4,149)</u>
Nonoperating revenues (expenses):						
Use of money and property	---	104	17	1	143	265
Interest and fiscal charges	---	(947)	(166)	(6)	---	(1,119)
Gain (loss) on disposal of capital assets	(14)	(73)	(72)	(17)	---	(176)
Other income (expense)	---	561	3	22	---	586
Total nonoperating revenues (expenses)	<u>(14)</u>	<u>(355)</u>	<u>(218)</u>	<u>---</u>	<u>143</u>	<u>(444)</u>
Income (loss) before transfers	<u>(81)</u>	<u>(2,566)</u>	<u>599</u>	<u>77</u>	<u>(2,622)</u>	<u>(4,593)</u>
Transfers in	---	1,853	---	---	---	1,853
Transfers out	---	---	(14)	---	(143)	(157)
Change in net assets	<u>(81)</u>	<u>(713)</u>	<u>585</u>	<u>77</u>	<u>(2,765)</u>	<u>(2,897)</u>
Total net assets (deficits) at beginning of year	652	18,255	(1,133)	399	(10,267)	7,906
Total net assets (deficits) at end of year	<u>\$ 571</u>	<u>17,542</u>	<u>(548)</u>	<u>476</u>	<u>(13,032)</u>	<u>5,009</u>

See accompanying independent auditors' report

COUNTY OF MONROE, NEW YORK
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000's Omitted)

	<u>Central Services</u>	<u>Building Accounts</u>	<u>Information Services</u>	<u>Fleet Management</u>	<u>Risk Management</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from providing services	\$ ---	---	---	48	---	48
Cash received from other funds for services	1,466	23,229	15,436	3,518	10,227	53,876
Payments to or on behalf of employees	(456)	(2,306)	(3,708)	(60)	(1,513)	(8,043)
Payments to suppliers	(705)	(13,444)	(9,498)	(300)	(3,584)	(27,531)
Payments for interfund services	(199)	(6,909)	(534)	(839)	(538)	(9,019)
Claims paid	---	---	---	---	(9,165)	(9,165)
Other receipts (payments)	(104)	33	(51)	(2,177)	3,024	725
Net cash provided by (used in) operating activities	<u>2</u>	<u>603</u>	<u>1,645</u>	<u>190</u>	<u>(1,549)</u>	<u>891</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Receipts from other funds	---	2,400	---	(200)	(3,700)	(1,500)
Transfers in	---	1,853	---	---	---	1,853
Transfers out	---	---	(14)	---	(143)	(157)
Net cash provided by (used in) noncapital financing activities	<u>---</u>	<u>4,253</u>	<u>(14)</u>	<u>(200)</u>	<u>(3,843)</u>	<u>196</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Interest paid	---	(1,978)	(250)	(6)	---	(2,234)
Changes in securities and retainage	---	(11)	---	---	---	(11)
Proceeds from the issuance of notes	---	8,482	285	---	---	8,767
Proceeds from the issuance of bonds	---	2,286	2,532	7	---	4,825
Principal paid on notes	---	(4,132)	(35)	---	---	(4,167)
Principal paid on bonds	---	(4,427)	(4,118)	(44)	---	(8,589)
Bond issue costs paid	---	(32)	(36)	---	---	(68)
Principal paid on capital leases	---	---	(60)	---	---	(60)
Transfers in/(out) capital leases	---	---	(154)	---	---	(154)
Proceeds from the sale of capital assets	---	---	21	---	---	21
Additions to capital assets, net	---	(8,157)	(349)	---	---	(8,506)
Other receipts (payments)	---	(82)	169	---	---	87
Net cash provided by (used in) capital and related financing activities	<u>---</u>	<u>(8,051)</u>	<u>(1,995)</u>	<u>(43)</u>	<u>---</u>	<u>(10,089)</u>

(continued)

COUNTY OF MONROE, NEW YORK
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000's Omitted)

	<u>Central Services</u>	<u>Building Accounts</u>	<u>Information Services</u>	<u>Fleet Management</u>	<u>Risk Management</u>	<u>Total</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts from use of money and property	\$ ---	104	17	---	143	264
Net cash provided by (used in) investing activities	---	104	17	---	143	264
Net increase (decrease) in cash and cash equivalents	2	(3,091)	(347)	(53)	(5,249)	(8,738)
Cash and cash equivalents, beginning of year	524	4,878	3,207	135	10,199	18,943
Cash and cash equivalents, end of year	<u>526</u>	<u>1,787</u>	<u>2,860</u>	<u>82</u>	<u>4,950</u>	<u>10,205</u>
Classified as:						
Cash and cash equivalents - unrestricted	526	37	2,857	46	4,950	8,416
Cash and cash equivalents - restricted	---	1,750	3	36	---	1,789
Total cash and cash equivalents	<u>526</u>	<u>1,787</u>	<u>2,860</u>	<u>82</u>	<u>4,950</u>	<u>10,205</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	(67)	(2,211)	817	77	(2,765)	(4,149)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:						
Depreciation and amortization	2	2,631	920	39	---	3,592
Other expense (revenue)	---	561	3	---	---	564
Change in:						
Accounts receivable	---	(9)	---	---	---	(9)
Due from other governments	---	(471)	---	7	---	(464)
Inventories	32	---	---	(17)	---	15
Other assets	---	---	---	---	23	23
Accounts payable and accrued liabilities	46	192	(79)	88	1,193	1,440
Due to other governments	(11)	(90)	(16)	(4)	---	(121)
Net cash provided by (used in) operating activities	<u>\$ 2</u>	<u>603</u>	<u>1,645</u>	<u>190</u>	<u>(1,549)</u>	<u>891</u>

See accompanying independent auditors' report

STATISTICAL SECTION

This section contains the following:

- **FINANCIAL TRENDS** – These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.
- **REVENUE CAPACITY** – These schedules contain information to help the reader assess the County’s most significant local revenue sources, property and sales taxes.
- **DEBT CAPACITY** – These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue debt in the future.
- **DEMOGRAPHIC AND ECONOMIC INFORMATION** – These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.
- **OPERATING INFORMATION** – These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2002 and all schedules presented include information beginning in that year.

County of Monroe, New York
Net Assets by Component
Last Seven Years
(accrual basis of accounting and 000's omitted)

	For the year ended December 31,						
	2002	2003	2004	2005	2006	2007	2008
Governmental activities							
Invested in capital assets, net of related debt	\$ 574,576	\$ 534,273	\$ 478,163	\$ 447,552	\$ 440,162	\$ 406,161	\$ 433,694
Restricted	27,710	19,829	24,296	25,058	23,966	24,103	19,118
Unrestricted	(180,850)	(159,456)	(140,550)	(169,373)	(217,469)	(231,669)	(300,150)
Total governmental activities	<u>\$ 421,436</u>	<u>\$ 394,646</u>	<u>\$ 361,909</u>	<u>\$ 303,237</u>	<u>\$ 246,659</u>	<u>\$ 198,595</u>	<u>\$ 152,662</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 496,098	\$ 489,105	\$ 454,338	\$ 428,307	\$ 407,978	\$ 376,941	\$ 392,625
Restricted	26,092	12,668	10,491	6,157	15,135	32,690	31,978
Unrestricted	23,148	8,821	28,146	28,308	19,687	28,564	14,747
Total business-type activities	<u>\$ 545,338</u>	<u>\$ 510,594</u>	<u>\$ 492,975</u>	<u>\$ 462,772</u>	<u>\$ 442,800</u>	<u>\$ 438,195</u>	<u>\$ 439,350</u>
Primary government							
Invested in capital assets, net of related debt	\$1,070,674	\$1,023,378	\$ 932,501	\$ 875,859	\$ 848,140	\$ 783,102	\$ 826,319
Restricted	53,802	32,497	34,787	31,215	39,101	56,793	51,096
Unrestricted	(157,702)	(150,635)	(112,404)	(141,065)	(197,782)	(203,105)	(285,403)
Total primary government	<u>\$ 966,774</u>	<u>\$ 905,240</u>	<u>\$ 854,884</u>	<u>\$ 766,009</u>	<u>\$ 689,459</u>	<u>\$ 636,790</u>	<u>\$ 592,012</u>

Source: Monroe County Department of Finance - Controller's Division

County of Monroe, New York
 Changes in Net Assets
 Last Seven Years
 (accrual basis of accounting and 000's omitted)

	For the year ended December 31, 2008						
	2002	2003	2004	2005	2006	2007	2008
Expenses							
Governmental activities:							
General government	\$ 63,942	\$ 66,509	\$ 51,985	\$ 316,365	\$ 314,852	\$ 325,666	\$ 341,375
Public safety	171,335	180,060	173,298	179,394	188,233	199,815	204,145
Health and welfare	555,615	529,123	562,795	541,100	545,490	535,354	572,712
Culture, recreation and education	74,251	93,314	82,069	80,920	81,245	88,842	108,042
Transportation	74,523	60,157	67,667	55,545	43,050	45,130	46,370
Sanitation	-	736	645	625	74	74	75
Economic development	3,878	4,481	2,988	3,239	3,567	3,757	3,800
Interest on long-term debt	18,097	12,427	11,392	33,531	27,200	24,263	26,655
Total government activities	961,641	946,807	952,839	1,210,719	1,203,711	1,222,901	1,303,174
Business-type activities:							
Refuse	20,560	16,346	14,912	16,092	19,928	20,140	17,313
Airport	19,334	20,685	23,059	23,734	24,519	25,905	26,865
Hospital	58,089	60,264	61,832	61,779	63,622	66,191	66,664
Sewer	69,734	70,061	72,487	74,254	75,733	75,855	76,496
Utilities	6,523	12,175	10,747	15,464	10,308	11,176	14,010
Total business-type activities	174,240	179,531	183,037	191,323	194,110	199,267	201,348
Total primary government	\$ 1,135,881	\$ 1,126,338	\$ 1,135,876	\$ 1,402,042	\$ 1,397,821	\$ 1,422,168	\$ 1,504,522
Program Revenues							
Governmental activities							
Charges for services:							
General government	\$ 38,717	\$ 33,653	\$ 31,782	\$ 28,645	\$ 25,621	\$ 25,261	\$ 25,129
Public safety	10,625	11,476	11,667	13,244	9,184	10,085	10,365
Health and welfare	2,948	2,576	3,588	5,069	3,538	3,529	3,981
Culture, recreation and education	2,740	5,426	5,687	6,083	6,783	6,950	22,564
Transportation	2,503	3,189	1,910	1,783	1,021	1,054	4,226
Sanitation	-	662	593	551	304	-	-
Economic development	1	1	-	1	1	-	-
Operating grants and contributions	340,162	358,802	378,931	363,489	363,347	353,010	376,555
Capital grants and contributions	111,197	80,449	24,651	10,115	7,815	11,500	29,611
Total governmental activities	508,893	496,234	458,809	428,980	417,614	411,389	472,431
Business-type activities							
Charges for services:							
Refuse	7,430	7,285	6,428	6,701	6,700	5,978	5,814
Airport	12,174	13,107	14,789	14,566	16,374	16,982	17,529
Hospital	84,760	68,863	74,753	53,193	58,667	58,872	67,298
Sewer	42,676	44,238	46,198	51,032	52,617	54,454	54,783
Utilities	6,523	12,175	-	15,536	10,021	11,358	14,039
Operating grants and contributions	6,336	2,465	18,207	4,683	4,582	4,340	2,404
Capital grants and contributions	9,234	7,674	16,092	10,305	16,576	31,943	31,853
Total business-type activities	169,133	155,807	176,467	156,016	165,537	183,927	193,720
Total primary government	\$ 678,026	\$ 652,041	\$ 635,276	\$ 156,016	\$ 583,151	\$ 595,316	\$ 666,151
Net (Expense)/Revenue							
Governmental activities	\$ (452,748)	\$ (450,573)	\$ (494,030)	\$ (781,739)	\$ (786,097)	\$ (811,512)	\$ (830,743)
Business-type activities	(5,107)	(23,724)	(6,570)	(35,307)	(28,573)	(15,340)	(7,628)
Total primary government	\$ (457,855)	\$ (474,297)	\$ (500,600)	\$ (1,246,026)	\$ (814,670)	\$ (826,852)	\$ (838,371)
General Revenues and Other							
Changes in Net Assets							
Governmental activities							
Taxes	\$ 361,713	\$ 375,578	\$ 417,197	\$ 697,698	\$ 712,316	\$ 745,124	\$ 764,514
Tobacco settlement revenues	16,524	13,950	12,493	11,469	11,356	11,638	12,538
Investment earnings	1,845	810	2,512	4,198	4,137	6,291	3,184
Miscellaneous	6,493	3,878	3,095	8,702	2,710	3,691	3,719
Transfers	33,238	20,026	13,810	-	-	505	-
Special items	5,273	9,541	-	-	-	(3,801)	855
Total governmental activities	425,086	423,783	449,107	722,067	730,519	763,448	784,810
Business-type activities							
Investment earning	750	2,426	-	80	149	48	28
Miscellaneous	7,048	6,580	2,761	5,024	9,702	11,192	8,755
Transfers	(33,238)	(20,026)	(13,810)	-	-	(505)	-
Special items	43,839	-	-	-	-	-	-
Total business-type activities	18,399	(11,020)	(11,049)	5,104	9,851	10,735	8,783
Total primary government	\$ 443,485	\$ 412,763	\$ 438,058	\$ 727,171	\$ 740,370	\$ 774,183	\$ 793,593
Change in Net Assets							
Governmental activities	\$ (27,662)	\$ (26,790)	\$ (44,923)	\$ (59,672)	\$ (55,578)	\$ (48,064)	\$ (45,933)
Business-type activities	13,292	(34,744)	(17,619)	(30,203)	(18,722)	(4,605)	1,155
Total primary government	\$ (14,370)	\$ (61,534)	\$ (62,542)	\$ (89,875)	\$ (74,300)	\$ (52,669)	\$ (44,778)

Source: Monroe County Department of Finance - Controller's Division

County of Monroe, New York
Fund Balances, Governmental Funds
Last Seven Years
(modified accrual basis of accounting and 000's omitted)

	For the year ended December 31,						
	2002	2003	2004	2005	2006	2007	2008
General Fund							
Reserved	\$ 6,733	\$ 4,743	\$ 5,916	\$ 5,082	\$ 8,420	\$ 11,079	\$ 8,957
Unreserved	(19,463)	(6,041)	(25,442)	9,770	(7,903)	(9,377)	(10,027)
Total general fund	<u>\$ (12,730)</u>	<u>\$ (1,298)</u>	<u>\$ (19,526)</u>	<u>\$ 14,852</u>	<u>\$ 517</u>	<u>\$ 1,702</u>	<u>\$ (1,070)</u>
All Other Governmental Funds							
Reserved	\$ 69,392	\$ 46,015	\$ 37,598	\$ 37,832	\$ 31,683	\$ 42,253	\$ 34,577
Unreserved, reported in:							
Special revenue funds	6,524	5,604	4,735	3,709	3,633	4,360	6,750
Capital projects funds	(27,195)	(11,863)	(18,172)	1,946	(11,840)	(10,861)	(29,474)
Debt service funds	461	99	(871)	(1,013)	(1,529)	(91)	1,523
Total all other governmental funds	<u>\$ 49,182</u>	<u>\$ 39,855</u>	<u>\$ 23,290</u>	<u>\$ 42,474</u>	<u>\$ 21,947</u>	<u>\$ 35,661</u>	<u>\$ 13,376</u>

Source: Monroe County Department of Finance - Controller's Division

County of Monroe, New York
 Governmental Funds, Changes in Fund Balances
 Last Seven Years
 (modified accrual basis of accounting and 000's omitted)

	For the year ended December 31,						
	2002	2003	2004	2005	2006	2007	2008
Revenues							
Taxes	\$ 351,339	\$ 363,256	\$ 404,563	\$ 687,434	\$ 699,007	\$ 727,594	\$ 739,655
Federal aid	132,310	132,271	129,783	118,825	125,689	100,252	127,223
State aid	221,858	236,405	248,897	231,472	219,974	232,275	245,078
Charges for services	19,182	22,528	20,559	20,852	19,429	19,904	22,386
Intergovernmental	16,382	16,535	17,372	15,911	19,280	18,508	34,987
Interdepartmental	13,087	15,929	15,986	15,671	2,312	3,184	3,293
Use of money and property	8,976	7,315	9,338	10,505	10,650	13,522	10,112
Repayments and refunds	16,336	12,891	14,235	13,001	15,403	15,027	17,211
Payments in lieu of taxes	5,193	5,370	6,421	5,967	6,304	6,710	7,858
Tobacco settlement	16,524	13,950	12,323	12,497	11,434	11,899	12,148
Sale of Tax Liens	-	-	-	-	-	21,277	-
Miscellaneous	8,687	8,949	8,045	14,170	10,280	17,546	16,318
Total revenues	809,874	835,399	887,522	1,146,305	1,139,762	1,187,698	1,236,269
Expenditures							
Health and welfare	520,027	530,261	561,739	542,881	546,223	530,888	563,305
Public safety	155,766	156,187	161,426	171,768	179,166	187,227	191,529
Culture, recreation and education	62,870	68,367	71,708	73,549	74,915	78,291	85,468
General government	42,365	41,086	37,994	301,548	303,000	309,554	293,235
Transportation	22,293	23,339	20,287	19,619	19,000	19,415	20,020
Sanitation	-	661	586	550	-	-	-
Economic development	3,878	4,481	2,988	3,239	3,584	3,774	3,800
Debt service:							
Principal	19,324	21,695	18,900	24,425	15,468	21,948	54,588
Interest	18,821	19,281	20,145	35,333	24,851	23,019	25,217
Capital outlay	71,626	48,545	39,191	20,791	22,416	35,518	48,628
Total expenditures	916,970	913,903	934,964	1,193,703	1,188,623	1,209,634	1,285,790
Other Financing Sources (Uses)							
Bonds Issued	71,336	45,709	44,067	251,517	14,579	37,614	26,160
BANs redeemed from appropriations	2,593	-	-	-	-	-	-
Transfers in	82,254	104,477	63,632	101,213	60,559	61,840	63,860
Transfers out	(43,533)	(85,918)	(95,050)	(251,770)	(61,139)	(62,619)	(65,556)
Special Items	-	16,341	-	-	-	-	-
Total other financing sources (uses)	112,650	80,609	12,649	100,960	13,999	36,835	24,464
Net change in fund balances	\$ 5,554	\$ 2,105	\$ (34,793)	\$ 53,562	\$ (34,862)	\$ 14,899	\$ (25,057)
Debt service as a percentage of noncapital expenditures	4.3%	4.7%	4.4%	5.3%	3.5%	3.8%	6.5%

Source: Monroe County Department of Finance - Controller's Division

County of Monroe, New York
Taxing Power
Last Seven Years
(000's omitted)

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	For the Year Ended December 31,						
	2002	2003	2004	2005	2006	2007	2008
Five-Year Average Full Valuation of Taxable Property ¹	\$ 28,287,159	\$ 28,520,308	\$ 29,468,743	\$ 30,298,412	\$ 31,231,771	\$ 32,392,529	\$ 33,711,847
Constitutional Property Tax Limit	449,762	454,724	462,106	483,337	468,477	485,888	505,678
Total Tax Levy Subject to Constitutional Limit	192,855	204,183	240,983	258,576	239,426	250,714	270,522
Taxing Power Unused	<u>\$ 256,907</u>	<u>\$ 250,541</u>	<u>\$ 221,123</u>	<u>\$ 224,761</u>	<u>\$ 229,051</u>	<u>\$ 235,174</u>	<u>\$ 235,156</u>
Percent of Taxing Power Used	42.9%	44.9%	52.1%	53.5%	51.1%	51.6%	53.5%

Notes:

The Constitutional tax limit is the maximum amount of real property tax that may be levied by the County in any fiscal year. The Constitutional limit for Monroe County purposes, exclusive of debt service, is 1.5% of the preceding five year-average full value of taxable property. Cash capital expenditures can also be excluded from the levy for purposes of calculating compliance with the tax limit, but the County does not engage in this practice. The limit can be increased to a maximum of 2% of the five year average full value.

¹Based on full valuation calculated for the referenced tax year and prior four years.

Source: Monroe County Department of Finance - Finance Division

County of Monroe, New York
Assessed Value of Taxable Property
Last Seven Years
(000's omitted)

<u>Year Ended December 31,</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Other Property¹</u>	<u>Tax Exempt Property</u>	<u>Assessed Value of Taxable Property</u>	<u>Full Value of Taxable Property</u>	<u>Full Value Tax Rate²</u>
2008	\$26,134,635	\$ 5,470,262	\$ 797,681	\$ 2,553,599	\$ 7,056,274	\$34,956,177	\$36,668,517	8.99
2007	25,714,177	5,374,302	833,009	2,464,814	6,968,090	34,386,302	35,230,115	9.10
2006	24,273,284	5,224,518	1,259,649	2,179,628	6,356,571	32,937,079	33,535,276	9.10

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<u>Year Ended December 31,</u>	<u>Assessed Value of Taxable Property</u>	<u>Full Value of Taxable Property</u>	<u>Full Value Tax Rate²</u>
2005	\$31,833,026	\$32,434,345	9.10
2004	30,076,629	30,697,813	9.10
2003	29,722,346	30,071,929	8.03
2002	24,568,046	29,426,323	8.00

Notes:

Figures represent values for referenced tax year.

Properties are independently assessed by the City of Rochester and the 20 towns.

¹"Other Property" includes Agricultural, Amusement, Community Service, Forest, Public Service, and Vacant Lands.

²Tax Rate is per \$1,000 of full value.

Source: Monroe County Department of Finance - Division of Real Property

County of Monroe, New York
Property Tax Levies and Collections
Last Seven Years
(000's omitted)

Year ended December 31,	Total Tax Levy	Taxes Levied for County Purposes ¹	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Total Levy		Amount	Percentage of Total Levy
2008	\$ 579,708	\$ 329,650	\$ 569,700	98.3%	\$ 344	\$ 570,044	98.3%
2007	551,811	320,594	547,274	99.2%	16,789	564,063	102.2%
2006	515,377	305,171	508,162	98.6%	9,593	517,755	100.5%
2005	494,582	295,192	484,672	98.0%	10,106	494,778	100.0%
2004	461,390	279,284	451,839	97.9%	4,055	455,894	98.8%
2003	414,763	241,448	405,652	97.8%	6,436	412,088	99.4%
2002	388,343	235,500	380,013	97.9%	8,250	388,263	100.0%

Note:

¹ Does not include allowance for uncollectible taxes and deferred tax revenue.

Source: Monroe County Department of Finance - Treasury Division

County of Monroe, New York
Principal Property Tax Payers
Current Year and Six Years Prior
(000's omitted)

Taxpayer	2008			2002		
	Taxable Full Value (Dollars)	Rank	Percentage of Total County Taxable Full Value	Taxable Full Value (Dollars)	Rank	Percentage of Total County Taxable Full Value
Rochester Gas & Electric Corporation	\$1,756,639	1	4.79%	\$ 763,710	1	3.11%
Frontier Telephone / Citizens Communications (formerly Rochester Telephone Corp.)	273,578	2	0.75%	172,316	4	0.70%
Farash Corporation	128,178	3	0.35%	111,218	5	0.45%
Morgan Management	125,234	4	0.34%	---	---	---
Eastman Kodak Company	118,018	5	0.32%	286,588	2	1.17%
Xerox Corporation	114,256	6	0.31%	176,316	3	0.72%
Wegmans Enterprises, Inc.	111,895	7	0.31%	70,944	9	0.29%
Hylan Flying Services	99,402	8	0.27%	77,280	7	0.31%
HUB Properties Trust	85,412	9	0.23%	---	---	---
Greece Ridge LLC (formerly Greece Town Mall)	85,348	10	0.23%	75,153	8	0.31%
New York Central Lines	---	---	---	46,444	10	0.19%
RAM Limited Partnership	---	---	---	97,415	6	0.40%
Total	<u>\$ 2,897,960</u>		7.90%	<u>\$1,877,384</u>		<u>7.64%</u>

Source: Monroe County Department of Finance: Division of Real Property.

County of Monroe, New York
 Legal Debt Margin Information
 Last Seven Years
 (000's omitted)

	For the Year Ended December 31,						
	2002	2003	2004	2005	2006	2007	2008
Five-Year Average Full Valuation of Taxable Real Property ¹	\$ 28,520,308	\$ 29,468,743	\$ 30,298,412	\$ 31,231,771	\$ 32,392,529	\$ 33,711,847	\$ 35,108,215
Constitutional Debt Limit	1,996,421	2,062,812	2,120,889	2,186,224	2,267,477	2,359,829	2,457,575
Total Net Debt Applicable to Limit	384,209	410,173	412,495	416,936	415,109	417,331	403,825
Legal Debt Margin	<u>\$ 1,612,212</u>	<u>\$ 1,652,639</u>	<u>\$ 1,708,394</u>	<u>\$ 1,769,288</u>	<u>\$ 1,852,368</u>	<u>\$ 1,942,498</u>	<u>\$ 2,053,750</u>
Percent of Debt Limit Used	19.2%	19.9%	19.4%	19.1%	18.3%	17.7%	16.4%

Notes:

The Constitutional debt limit is the maximum amount of indebtedness that may be incurred by the County, as outlined in the State Constitution. The Constitutional limit for Monroe County purposes is 7% of the preceding five-year average full value of taxable property, subject to certain allowable exclusions and deductions, including current debt service. The Debt Limit of the County is computed in accordance with the provisions of Article VIII of the State Constitution and Article 2 of the Local Finance Law.

¹Based on full valuation determined as of December 31 of the referenced fiscal year and prior four years.

Source: Monroe County Department of Finance - Finance Division

County of Monroe, New York
Ratios of Outstanding Debt by Type and Activity
Last Seven Years
(000's omitted, except per capita)

Year ended December 31,	Governmental Activities ¹				Business-type Activities				Total Primary Government	Percentage of Full Value on Property	Per Capita
	General Obligation Bonds	Bond Anticipation Notes	Revenue Anticipation Notes	Capital Leases	Bonds Payable	Bond Anticipation Notes	Revenue Anticipation Notes	Capital Leases			
2008	\$ 248,394	\$ 32,680	\$ 63,000	\$ 133	\$ 167,410	\$ 9,485	\$ 17,000	\$ 12,844	\$ 550,946	1.50%	\$ 754.80
2007	277,881	11,620	68,000	386	182,543	7,795	17,000	13,241	578,466	1.58%	791.54
2006	258,071	27,440	71,000	473	167,111	24,650	14,000	4,415	567,160	1.61%	776.07
2005	279,432	6,240	45,000	912	182,119	12,930	10,000	5,200	541,833	1.62%	738.83
2004	261,053	22,004	80,000	2,387	161,076	35,566	10,000	6,152	578,238	1.78%	786.53
2003	281,691	3,719	65,000	2,603	175,513	17,211	10,000	6,829	562,566	1.83%	763.59
2002	255,950	10,805	85,000	2,533	182,160	11,795	10,000	7,434	565,677	1.88%	768.50

Note:

¹Amounts do not include blended component units of the primary government.

Source: Monroe County Department of Finance - Controller's Division

County of Monroe, New York
Ratios of Net General Obligation Bonded Debt Outstanding
Last Seven Years
(000's omitted, except per capita)

<u>Year ended December 31,</u>	<u>General Obligation Debt Outstanding¹</u>	<u>Less: Debt Service Funds</u>	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage of Full Value on Property</u>	<u>Per Capita</u>
2008	\$ 248,394	\$ 5,248	\$ 243,146	0.66%	\$ 333.11
2007	277,881	8,258	269,623	0.74%	368.94
2006	258,071	6,845	251,226	0.71%	343.77
2005	279,432	4,679	274,753	0.82%	374.65
2004	261,053	5,051	256,002	0.79%	348.22
2003	281,691	3,276	278,415	0.91%	377.90
2002	255,950	3,893	252,057	0.84%	342.43

Note:

¹Amounts do not include blended component units of the primary government.

Source: Monroe County Department of Finance - Finance Division

County of Monroe, New York
Demographic and Economic Statistics
Last Seven Years

Year ended December 31,	Population ¹	Total Personal Income ² (Dollars) <i>(000's omitted)</i>	Per Capita Personal Income ² (Dollars)	Median Household Income ¹ (Dollars)	Unemployment Rate ³
2008	729,921	\$ 28,099,299	\$ 38,496	\$ 49,374	5.5%
2007	730,807	26,399,273	36,062	47,339	4.3%
2006	730,807	26,399,273	36,062	47,339	4.0%
2005	733,366	26,399,273	36,062	44,891	4.8%
2004	735,177	25,431,131	34,606	46,412	5.4%
2003	735,774	24,191,939	32,881	44,891	5.6%
2002	735,128	23,987,737	32,580	44,891	5.6%

Sources:

¹U.S. Census Bureau. Most recent data available is for 2008.

Data derived from Population Estimates, Census of Population and Housing... Economic Census.

²U.S. Bureau of Economic Analysis. Per capita personal income was computed using Census Bureau midyear population estimates.

Data presented for 2000-2008 reflect county population estimates available as of April 2008.

³New York State Department of Labor

County of Monroe, New York
Principal Private-Sector Employers
Current Year and Six Years Prior

Employer	2008			2002		
	Number of Full-Time Employees ¹	Rank	Percentage of Total Local Area Employment	Number of Full-Time Employees	Rank	Percentage of Total Local Area Employment
University of Rochester / Strong Health	18,671 ²	1	3.52%	13,000	2	2.40%
Eastman Kodak Co.	9,200 ²	2	1.74%	22,000	1	4.06%
Xerox Corp.	7,636	3	1.44%	10,050	3	1.86%
Wegmans Food Markets, Inc.	5,624	4	1.06%	5,647	4	1.04%
ViaHealth	4,899	5	0.92%	4,404	5	0.81%
Lifetime Healthcare Co.	3,649 ²	6	0.69%	2,932	6	0.54%
Unity Health System	3,344	7	0.63%	2,931	7	0.54%
Paychex, Inc.	3,048	8	0.58%	----	----	----
Rochester Institute of Tech.	2,871	9	0.54%	2,712	9	0.50%
Hillside Family of Agencies	2,200 ²	10	0.42%	----	----	----
Delphi Energy & Engine Management Systems	----	----	----	2,740	8	0.51%
Frontier Corp., a Citizens Communications Company	----	----	----	2,300	10	0.42%
Total	61,142		11.54%	68,716		12.69%

Notes:

Certain of the companies presented in the above table may have performed layoffs and/or job increases that are not reflected in the numbers presented herein.

¹ Rochester Business Journal, The Lists, 2009. Employment data is for Monroe, Genesee, Livingston, Ontario, Orleans and Wayne Counties.

² Reports total number of employees. Separate numbers for full- and part-time employees were not available.

County of Monroe, New York
 Budgeted Full-Time County Employees by Department
 Last Seven Years

	2002	2003	2004	2005	2006	2007	2008
Aviation	100	95	98	99	100	104	108.5
Board of Elections	44	44	44	44	44	48	55.0
Communications	9	9	9	6	6	5	5.5
County Executive	6	5	5	4	5	5	5.0
Finance	86	116	115	92	91	91	91.5
Human Resources	32	29	29	29	29	29	36.5
Human Services	1,060	912	929	964	963	963	976.3
Information Services	67	45	45	50	50	46	48.0
Law	163	151	152	147	151	150	150.5
Monroe Community Hospital	636	634	638	637	637	637	724.8
Management and Budget	0	0	0	9	10	11	11.0
Planning and Development	30	25	26	26	26	25	23.5
Public Defender	86	81	81	81	81	84	85.0
Public Health	372	285	292	212	214	215	248.0
Public Safety	277	276	272	254	301	282	301.5
Environmental Services	452	386	384	377	370	367	382.5
Parks	130	79	79	75	75	74	143.3
Transportation	108	82	81	81	77	77	79.5
Veterans Service	7	6	5	5	5	5	5.0
County Clerk	85	85	88	86	86	85	110.5
County Legislature	55	56	56	53	53	53	58.0
District Attorney	140	142	136	140	141	140	143.5
Sheriff	901	1,020	1,020	1,003	1,034	1,025	1,087.0

Source: Monroe County Budget for the relevant year.
 Starting in 2008, figures represent "Full-Time Equivalents."

County of Monroe, New York
Operating Indicators
Last Seven Years

	2002	2003	2004	2005	2006	2007	Est. 2008
Transportation							
Lane Miles Sealed	50	77	83	112	145	98	94
Lane Miles Resurfaced	44	52	48	38	51	44	62
Signs Fabricated ¹	53,100	30,000	36,000	35,200	9,300	6,000	10,000
Traffic Signs Installed - New	6,743	4,773	5,869	6,927	6,500	5,000	6,000
Signal Locations Serviced (all types)	796	772	767	770	770	786	789
County Clerk							
Land Records	132,236	169,000	128,910	111,505	103,248	103,313	87,944
Vehicle Registration	227,372	255,168	258,972	252,499	239,240	242,276	239,661
Passports	19,002	13,770	10,186	9,233	6,801	11,603	12,804
Learner Permits	14,097	18,670	20,789	20,824	20,819	20,846	22,168
Planning and Development							
Jobs Created (over next 3 years)	1,787	1,100	972	4,073	1,857	1,925	1,600
Housing Rehab Projects	99	45	61	62	91	94	95
First-time Home Buyer Purchase Subsidy	9	29	30	31	33	20	30
Health Department							
Clinics/Visits - Tuberculosis	18,153	18,700	15,993	15,630	17,054	20,600	17,100
Clinics/Visits - STD	15,481	15,319	14,401	15,087	14,560	14,177	14,227
Clinics/Visits - Immunization	6,886	5,759	4,475	5,756	4,233	5,817	4,500
Clinics/Visits - Foster Care	3,551	3,261	3,419	3,334	3,241	3,080	3,100
Sheriff							
Calls for Service	231,117	224,325	208,480	174,215	162,000	143,002	149,000
Safety Education Presentations	1,002	963	963	1,206	1,150	1,012	1,200
DARE Classrooms	4,516	4,100	3,969	4,210	4,210	3,910	4,250
SWAT Activations	8	14	13	9	8	4	9
Hostage Recovery Team Activations	6	10	7	5	9	7	8
Hazardous Device Team Activations	38	53	47	50	58	56	55
Public Safety - 911							
Calls Received	1,011,255	1,032,776	1,004,859	1,071,679	1,206,530	1,116,878	1,125,000
Police Events Dispatched	1,002,279	1,001,798	1,006,779	1,002,279	974,591	1,025,282	1,044,150
Fire Events Dispatched	66,121	72,987	76,379	66,121	77,789	83,374	84,908
EMS Events Dispatched	82,973	88,444	89,934	82,973	95,114	100,100	101,942
District Attorney							
Local Court Arraignments	33,949	31,726	32,013	30,400	30,702	29,613	30,000
STOP-DWI Felony Cases Screened	600	555	555	603	583	766	800
Aviation							
Passengers Boarded	1,188,068	1,248,731	1,378,079	1,457,573	1,430,418	1,443,352	1,396,000
Takeoffs and Landings	145,509	139,407	139,035	136,553	137,601	114,487	107,600

¹In years, 2002-2005 signs fabricated were reported in "square feet." In subsequent years, signs fabricated are reported as "signs manufactured."

Source: Monroe County Budget for the relevant year.

County of Monroe, New York
Capital Asset Statistics
Last Seven Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Streets (Center Line Miles) ¹	650.9	650.4	649.5	648.9	648.9	663.0	661.0
3-Color Traffic Signals ¹	600.0	604.0	612.0	614.0	614.0	620.0	627.0
Sewer Pipe Miles ²	1,218.0	1,218.0	1,219.0	1,225.0	1,226.0	1,226.0	1,226.0
Vehicles ²	845.0	845.0	845.0	813.0	775.0	750.0	674.0

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Sources:

¹Monroe County Department of Transportation

²Monroe County Department of Environmental Services, Fleet Services