

2009 CAFR

*Comprehensive Annual
Financial Report*

County of Monroe,
New York

For the Year Ended
December 31, 2009



Maggie Brooks
County Executive

Scott M. Adair, CPA
Chief Financial Officer

Susan L. Walsh, Esq.
Budget Director

Anthony Feroce
Controller

monroecounty.gov

County of Monroe, New York Comprehensive Annual Financial Report For the Year Ended December 31, 2009

**PREPARED BY
DEPARTMENT OF FINANCE**



**SCOTT M. ADAIR, CPA
CHIEF FINANCIAL OFFICER**

**ANTHONY FEROCCE
CONTROLLER**

INTRODUCTORY SECTION

This section contains the following:

- TABLE OF CONTENTS
- 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, 2009

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**COUNTY OF MONROE, NEW YORK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Department of Finance
Monroe County, New York

Maggie Brooks
County Executive

Scott Adair
Chief Financial Officer

May 25, 2010

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, 2009, 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 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 2009.

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 notes thereto, required supplementary information other than MD&A, and the underlying combining and individual fund financial statements and supporting schedules for the year ended December 31, 2009. The Statistical Section sets forth selected economic and demographic information for the County on a multi-year basis.

Pursuant to Article VI, Section C2-6C(11) of the Monroe County Charter, the basic financial statements of the County are independently audited each year by an independent Certified Public Accounting firm. KPMG, LLP has completed the independent audit for the year ended December 31, 2009 using generally accepted accounting principles and generally accepted auditing standards. The audited financial statements are included in the Financial Section of this report in its entirety and without edit.

Our independent auditors' have issued an unqualified opinion, stating that the basic financial statements, "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, 2009, 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." An unqualified opinion is the best opinion an independent auditor can give and this is what we strive to achieve and would expect to receive.

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 this 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.

PROFILE OF MONROE COUNTY GOVERNMENT

LOCATION

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.

GOVERNMENT STRUCTURE AND REPORTING ENTITY

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’s reporting entity is based on criteria set forth by the Governmental Accounting Standards Statement Nos. 5, 14 and 39 as discussed in Note 1 to the Basic Financial Statements. The County reports the following: governmental activities, business-type activities, discretely presented and blended component units, general fund, aggregate non-major governmental funds, five major enterprise funds, internal service funds type, private-purpose trust fund, and agency fund. 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).

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.

MAJOR INITIATIVES IN 2009

Environmental - Monroe County continues to strive protect the health of our environment and to make our County and our planet a healthier place to live. Monroe County's commitment to becoming a more sustainable community by "going green" includes several initiatives that help the County reduce energy-related expenses while increasing our reliance on renewable energy. The Department of Environmental Services continued and enhanced its commitment to "green" energy alternatives in 2009, receiving two (2) awards for "green" projects.

In August 2009, the County submitted the first part of a grant application for the federal Energy Efficiency and Conservation Block Grant (EECGB) Program; in response to that application, the United States Dept. of Energy (USDOE) awarded the County with a preliminary award in the amount of \$250,000 to finance the development of an Energy Efficiency and Conservation Strategy. DES anticipates subsequent awards from the USDOE up to a total of slightly more than two-million dollars (\$2,000,000). The overall grant monies awarded to the County will be used to implement energy saving enhancements in Monroe County facilities that will reduce the County's energy demand and increase our domestic supply of renewable energy. As a result of this program, the County will realize significant energy, operational and environmental improvements through investment in building technologies, sustained reduction in the County's CO2 emissions, new building codes with stricter energy-performance requirements, and the purchase of low-energy technologies.

DES applied for, and received, a three-million dollar (\$3,000,000) NYSERDA incentive award to construct a "green" roof on the Civic Center Plaza. This project involves the replacement of the roof of the Civic Center Plaza. Replacing the roof, which is located under the walking surface of the Civic Center Plaza, will involve removing the Plaza pavers and associated material. After the roof is replaced, approximately 45% of the pavers will be reinstalled on the Plaza. The remaining 55% of the Plaza will be covered with vegetative growth. Structural improvements and enhancements to the Civic Center Complex will also be undertaken in conjunction with the roof replacement project. The project will be completed in fall of 2011.

In 2009, the Airport began a Green Energy Initiative Project. The first project includes the installation of photo voltaic solar panels on the roof of the terminal building that will provide power from the sun to offset the power purchased from the municipal grid. A NYSERDA grant application has been submitted for potential project funding. The first project is anticipated to be completed by summer of 2010. The first project includes panel installation of a 50,000 watt collection system and has been designed for a future expansion to double the size to 100,000 watts upon completion and satisfactory performance.

Health Care - The Public Health Department focused on public health preparedness efforts as related to the nH1N1 pandemic. In November 2009, ten public health clinics were planned and operated, vaccinating over 17,000 Monroe County residents against the nH1N1 (Swine Flu) virus. Planning continues for 2010 nH1N1 public health clinics. Additionally, the programs successfully provided disease surveillance efforts in the community and local hospitals, as well as managed the vaccine storage and distribution to area medical practices. Ongoing public health medical guidance was distributed to all area medical providers regarding patient care and testing for the nH1N1 virus. Our Public Health Information Office led the communication effort with regard to the nH1N1 pandemic in Monroe County, leading to better informed residents, businesses, schools, churches and more.

Public Health developed a public health program model for school based influenza vaccination in collaboration with school districts, health providers and academic partners. The program administered the Youth Risk Behavior Survey in area public high schools. 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 citizens.

The Children's Pediatric Center project involves the design and construction of a new 22,226 square-foot, two-story building, to be located on the campus of Monroe Community Hospital. This new facility will provide a combination of pediatric health services, health care coordination, mental health services, developmental screening, a community visitation center, birth parent education, extended health care for children and youth in transition out of foster care, and supervised visitation to victims of domestic violence and their children. This project is scheduled for completion in fall of 2010.

Public Safety - The primary goal of the new Monroe County Public Safety Laboratory (Crime Lab) project is to ensure that law enforcement and public safety professionals have the best possible resources available to prevent and solve crimes. The existing Crime Lab is a regional resource that provides forensic analysis services to law enforcement and public safety agencies in Monroe, Genesee, Livingston, Ontario, Seneca, Wayne, Wyoming and Yates Counties. An expansion and modernization of the facility created nearly 400 construction jobs. The new Crime Lab will be a modern, state-of-the-art, 45,000 square-foot, four-story building located at the southeast corner of Plymouth Avenue and Broad Street, directly adjacent to the Civic Center Complex, in downtown Rochester. The renovated facility will accommodate the laboratory's increasing workload and expanding staff, and will be built in accordance with current design standards; the design of the new facility allows for future expansion. The project is scheduled for completion in 2011.

The District Attorney's Office, the Monroe County Sheriff's Office, and the Monroe County Office of Probation and Community Corrections continued to receive State funding for 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 and drug sales, and the violent crime that is often the direct result of these types of criminal behavior.

The Sheriff's Office deployed Livescan fingerprinting equipment to all city, town and village police departments in Monroe County to increase efficiency in the booking and identification process for all those arrested. For 2010, the Sheriff's Office is one of four sites designated by the State of New York Commission on Corrections to be a pilot location for the "Video Visitation Project." This project allows inmates to communicate conveniently and economically in a video format with the Public Defender's Office, private attorneys and other members of the Criminal Justice System from a secure location within the jail facility. This program will increase accessibility to these services by the inmate population and reduce time and expense associated with transporting and facilitating personal visits.

Economic Development - The Planning and Economic Development Department approved 88 projects that will result in the investment of over \$187 million for Monroe County businesses. These projects will create 960 new jobs over the next three years and retain 3,629 jobs in the County. Over 95% of the funds leveraged came from private funding sources. Staff from Economic Development contacted over 150 companies and made presentations to 57 service providers (bankers, CPAs, attorneys) and community organizations.

Parks and Recreation - A complete reconstruction of the historic main glass house of the Lamberton Conservatory was completed in 2009. An educational cell phone based audio tour was launched in May of 2009 highlighting the different sections of the Lamberton Conservatory and several varieties of lilacs during the Lilac festival.

Aviation - The \$49 million Terminal Improvement Program which began in 2003 continued throughout 2009. The improvements in this project are designed to facilitate passenger flow throughout the terminal and provide additional leaseable space for the airlines.

The construction program for an addition to the existing Ramp Garage started in 2008 and the project will be completed in January of 2010. 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. This project also improved the surface lot entry plazas and surface lot geometry.

Transportation - The Department of Transportation utilized American Recovery and Reinvestment Act funds for a range of highway improvements. This dedicated funding for road and bridge repairs will help maintain the county infrastructure.

ECONOMIC PROFILE AND OUTLOOK

Local Economy

A business-friendly infrastructure, a community centered on partnership and collaboration, nationally ranked colleges and universities, four-season weather and affordable housing are just a few of the many reasons people locate in Monroe County. A strong industrial history, emerging technology sector and an emphasis on high quality services, including higher education, ensure a technically sophisticated and

reliable workforce. In June 2009, *The Brookings Institution MetroMonitor* ranked the Rochester metropolitan area as one of the 20 strongest metropolitan areas in the United States.

The County is home to the University of Rochester/Strong Medical Center, Wegmans Food Markets, Eastman Kodak, Xerox, Bausch & Lomb and Paychex, as well as nearly 24,000 businesses with less than 500 employees.

Population - The County has a population of approximately 733,000 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 374,449 and its economy draws from an MSA labor force totaling approximately 559,427.

Industry Sectors - Until the last decade, Monroe County's economy was dominated by major manufacturers. As these companies restructured and transitioned, their highly skilled workers fueled the growth of numerous small and medium-sized firms in a range of industries. Today, 97% of the region's job growth is in small business, 51% of the companies in Monroe County have one to four employees, and Monroe County's manufacturing workforce is larger than any other county in New York State (NYS Department of Labor). The economy is largely private sector (Private 84%; Government 16%). Service producing employment accounts for 84% of the local economy, driven largely by Educational and Health Services (representing 22%). Manufacturing accounts for 13% of total non-agricultural employment. The total manufacturing workforce of approximately 64,500 is smaller than Health Care and Social assistance (76,100) and slightly larger than retail (57,200).

Monroe County 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, exporting more than \$5 billion.

Monroe County's higher education and medical services sectors continue to drive economic growth and job creation in the community. Within the next decade, new research and patient care investments will change the footprint of the University of Rochester Medical Center (URMC) as it aims to become one of the top 20 academic medical centers in the nation.

Housing - Homeownership is affordable in Monroe County. A variety of urban and suburban neighborhoods offer an array of housing options at reasonable prices. From downtown lofts to suburban subdivisions to rural farmhouses, high quality housing is within reach for Monroe County residents. According to the National Association of Realtors, median home prices for the metropolitan area remain well below the national median. In fact, when compared to other metropolitan areas throughout the country, the Rochester area ranks among the most reasonably priced.

Tourism - According to VisitRochester, Monroe County's tourism promotion agency, 1.8 million people visited the Monroe County area in 2008 generating more than \$963 million for the Monroe County economy. There are over 20,000 people employed in the local tourism industry.

Unemployment - The average unemployment rate for Monroe County rose to 7.6% in November 2009, up from 5.9% in November 2008. This compares with the national average of 9.4% (up from 6.5% in November 2008) and the State average of 8.4% (up from 6.1% in November 2008).

Significant Community Announcements

During 2009, many significant projects involved significant investments renovations and upgrading of in existing commercial stock for residential housing, services and manufacturing. Additionally, the local education and health care institutions made significant investments.

Erie Harbor LLC, in February 2009, began a \$27.5 million construction/renovation project of a mixed-income housing development located in the City of Rochester. The development, on a 7+ acre site will consist of approximately 106,000 square feet. The project will include 130 residential units with 80% of the units at market rate.

Alexander Monroe Associates, LLC (AMA) embarked on the second phase of the redevelopment of the former Genesee Hospital facility into a medical and healthcare related campus. Phase I of the project included the acquisition of the site, redevelopment of an existing office building, deferred maintenance and demolition of the former hospital. The \$17 million second phase includes the construction of 100,000 square feet of medical office space within two new buildings.

LiDestri Foods, Inc. is a private label and contract manufacturer of food products, primarily sauces, dips and salsas. After considering a facility in South Carolina, LiDestri opted to expand within Monroe County and purchased a 652,090 square foot facility in the Eastman Business Park (formerly Eastman Kodak) in the Town of Greece. The building purchase and renovation are projected to cost \$5.15 million. An additional \$5.35 million will be spent on equipment and other costs.

The University of Rochester's \$35 million Eastman Theater renovation was completed and the 38,000 square foot addition is projected to be completed in Spring 2011. On the main campus, the \$76 million Clinical and Translational Science Center construction project has begun, with a projected completion date of Summer 2011.

Rochester Institute of Technology completed the 54,000 square foot Administrative Services and Student Innovation Center. A \$9.7 million expansion to the School of American Crafts is projected to be completed in Fall 2010, along with the \$55 million Global Village project, which includes commercial and residential space.

FINANCIAL INFORMATION

Policies and Practices

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 Improvement Plan - 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 - 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.

ACKNOWLEDGEMENTS

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,

A handwritten signature in black ink, appearing to read "S.M. Adair".

Scott M. Adair
Chief Financial Officer

A handwritten signature in black ink, appearing to read "Anthony Feroce".

Anthony Feroce
Controller

COUNTY EXECUTIVE'S OFFICE

COUNTY EXECUTIVE

Maggie Brooks

DEPUTY COUNTY EXECUTIVE

Daniel M. DeLaus

ASSISTANT COUNTY EXECUTIVE

Jerry J. Helfer

ASSISTANT COUNTY EXECUTIVE

Kevin Finnerty

ELECTED COUNTY OFFICIALS

COUNTY EXECUTIVE

Maggie Brooks

COUNTY CLERK

Cheryl L. Dinolfo

DISTRICT ATTORNEY

Michael C. Green

SHERIFF

Patrick M. O'Flynn

2009 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 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

2009 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	Rick Antelli
District 8	Carmen F. Gumina
District 9	Debbie Drawe
District 10	Anthony Daniele
District 11	Michael Barker
District 12	Jeffrey R. Adair
District 13	John (Jack) G. Driscoll
District 14	Travis R. Heider
District 15	E. Daniel Quatro
District 16	Vincent J. Esposito
District 17	Edward (Ted) M. O'Brien
District 18	Ciaran 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 B. Bronson
District 25	Calvin Lee, Jr.
District 26	C. Stephen Eckel
District 27	Willie J. Lightfoot
District 28	Cynthia 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

William K. Taylor
307 County Office Building
(585) 753-1380

Legislature

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

Monroe Community Hospital

Todd C. Spring
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(585) 760-6500

Office of Management & Budget

Susan Walsh
302 County Office Building
(585) 753-1260

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, 2009, 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	—	37
Component units	100	100	100
Fund level:			
Hospital enterprise fund	100%	100%	100%
Aggregate remaining fund information	14	41	12

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, 2009, 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.

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 in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

May 25, 2010

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, 2009. 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, 2008 follows.

FINANCIAL HIGHLIGHTS

- The County overall finished 2009 with \$586.8 million in net assets, a decrease of \$5.2 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 capital assets. The County reports capital assets, net of depreciation, totaling approximately \$1.3 billion for both years ended December 31, 2009 and 2008. Of these capital assets, net of depreciation, infrastructure assets total approximately 55.0% and 57.2% for the years ended December 31, 2009 and 2008, respectively. Infrastructure assets primarily consist of the pure waters system, roads and bridges.
- The County's most significant liability classification is bonds payable. The County reports bonds payable totaling approximately \$676.5 million and \$646.1 million for the years ended December 31, 2009 and 2008, respectively. As of December 31, 2009, the County had exhausted 15.6% of its constitutional debt limit of \$2.5 billion, compared to 16.4% at December 31, 2008. The debt-contracting margin of the County at December 31, 2009 was \$2.2 billion, an increase of \$0.1 billion compared to the amount at December 31, 2008. The slight increase is due to an increase in the full value of taxable real property for the County.
- The County's governmental activities finished 2009 with \$161.8 million in net assets, an increase of \$9.1 million from the past year. The net assets of the County's governmental activities for 2009 are reported as \$454.6 million of capital assets, net of related debt, \$18.2 million of restricted and \$311.0 million of unrestricted deficit. The changes in each reported net asset category are: an increase of \$20.8 million in invested in capital assets, net of related debt; a decrease of \$0.9 million of restricted; and an increase of \$10.8 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, 2009 was \$224.2 million.
- The County's business-type activities finished 2009 with \$425.0 million in net assets, a decrease of \$14.3 million in net assets from the past year. The net assets of the County's business-type activities for 2009 are reported as \$414.3 million of capital assets, net of related debt, \$0.2 million of restricted and \$10.5 million of 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 2009, the County's governmental funds reported combined fund balances of \$34.0 million, an increase of \$21.7 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 was \$6.2 million as of December 31, 2009, compared to the December 31, 2008 fund equity deficit of \$1.1 million, an increase of \$7.3 million.

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

- As part of the America Reinvestment and Recovery Act (ARRA) passed by Congress, the County received stimulus funds in 2009 for various programs and initiatives. A significant portion of ARRA funds included funding of the Federal Medical Assistance Percentage (FMAP). New York State approved the distribution of these funds to local governments, including Monroe County.
- The County's discretely presented component units finished 2009 with \$379.2 million in net assets, an increase of \$10.2 million from the past year. The total net assets for each of these discretely presented component units are as follows: \$77.5 million for Monroe Community College (decrease of \$0.4 million from the prior year); \$17.6 million for Monroe County Airport Authority (increase of \$0.6 million from the prior year); \$280.9 million for Monroe County Water Authority (increase of \$10.5 million from the prior year); and \$3.2 million for the County of Monroe Industrial Development Agency (decrease of \$0.5 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:

- 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.

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

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" generally means collectible within the current period or within 60 days after year-end other than Federal or State aid. Reimbursements of expenditures due from other governments for Federal and State aid are recorded primarily when the qualifying expenditures have been incurred and all requirements have been met. 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 and 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.

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.

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

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					
	2009			2008		
	Governmental	Business-type	Total	Governmental	Business-type	Total
	Activities	Activities	Primary	Activities	Activities	Primary
	Activities	Activities	Government	Activities	Activities	Government
Current and other assets	\$332,382	76,752	409,134	\$305,109	58,409	363,518
Capital assets, net of accumulated depreciation	717,583	622,451	1,340,034	720,307	623,440	1,343,747
Total assets	1,049,965	699,203	1,749,168	1,025,416	681,849	1,707,265
Current liabilities	338,202	82,726	420,928	341,159	70,083	411,242
Non-current liabilities	549,957	191,461	741,418	531,595	172,416	704,011
Total liabilities	888,159	274,187	1,162,346	872,754	242,499	1,115,253
Invested in capital assets, net of related debt	454,550	414,340	868,890	433,694	392,625	826,319
Restricted	18,231	151	18,382	19,118	31,978	51,096
Unrestricted	(310,975)	10,525	(300,450)	(300,150)	14,747	(285,403)
Total net assets	\$161,806	425,016	586,822	\$152,662	439,350	592,012

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

Restricted net assets in the County's governmental activities for 2009 are \$18.2 million. This is comprised primarily of restriction for debt service in the sum of \$17.5 million, compared to \$17.8 million for 2008.

Unrestricted net assets in the County's governmental activities show a deficit of \$311.0 million at year-end 2009 due primarily to the \$227.4 million of bonds issued by the Monroe Tobacco Asset Securitization Corporation (MTASC) to refinance the purchase of the future right, title and interest to the tobacco settlement revenues. This is compared to the 2008 balance, when unrestricted net assets in the County's governmental activities had a \$300.1 million deficit due to MTASC recording a \$223.9 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)

	2009			2008		
	Governmental Activities	Business- type Activities	Primary Government	Governmental Activities	Business- type Activities	Primary Government
Revenues:						
Program revenues:						
Charges for services	\$69,337	159,664	229,001	\$66,265	159,463	225,728
Operating grants and contributions	406,172	1,706	407,878	376,555	2,404	378,959
Capital grants and contributions	23,233	19,688	42,921	29,611	31,853	61,464
General revenues:						
Taxes and other tax items	747,026	---	747,026	764,514	---	764,514
Tobacco settlement	14,153	---	14,153	12,538	---	12,538
Investment income	440	---	440	3,184	28	3,212
Miscellaneous	3,594	9,444	13,038	3,719	8,755	12,474
Total revenues	1,263,955	190,502	1,454,457	1,256,386	202,503	1,458,889
Expenses:						
General government	320,086	---	320,086	341,375	---	341,375
Public safety	207,452	---	207,452	204,145	---	204,145
Health and welfare	553,751	---	553,751	572,712	---	572,712
Culture, recreation, and education	91,599	---	91,599	108,042	---	108,042
Transportation	51,013	---	51,013	46,370	---	46,370
Sanitation	75	---	75	75	---	75
Economic development	4,519	---	4,519	3,800	---	3,800
Interest on debt and notes payable	26,316	---	26,316	26,655	---	26,655
Refuse	---	17,215	17,215	---	17,313	17,313
Airport	---	31,340	31,340	---	26,865	26,865
Hospital	---	68,007	67,977	---	66,664	66,664
Sewer	---	75,797	75,797	---	76,496	76,496
Utilities	---	12,477	12,477	---	14,010	14,010
Total expenses	1,254,811	204,836	1,459,647	1,303,174	201,348	1,504,522
Excess (Deficiency) of revenues over expenses before special items	9,144	(14,334)	(5,190)	(46,788)	1,155	(45,633)
Special Items						
Gain on Sale of Tax Liens	---	---	---	855	---	855
Change in net assets	9,144	(14,334)	(5,190)	(45,933)	1,155	(44,778)
Net assets-beginning	152,662	439,350	592,012	198,595	438,195	636,790
Net assets-ending	<u>\$161,806</u>	<u>425,016</u>	<u>586,822</u>	<u>\$152,662</u>	<u>439,350</u>	<u>592,012</u>

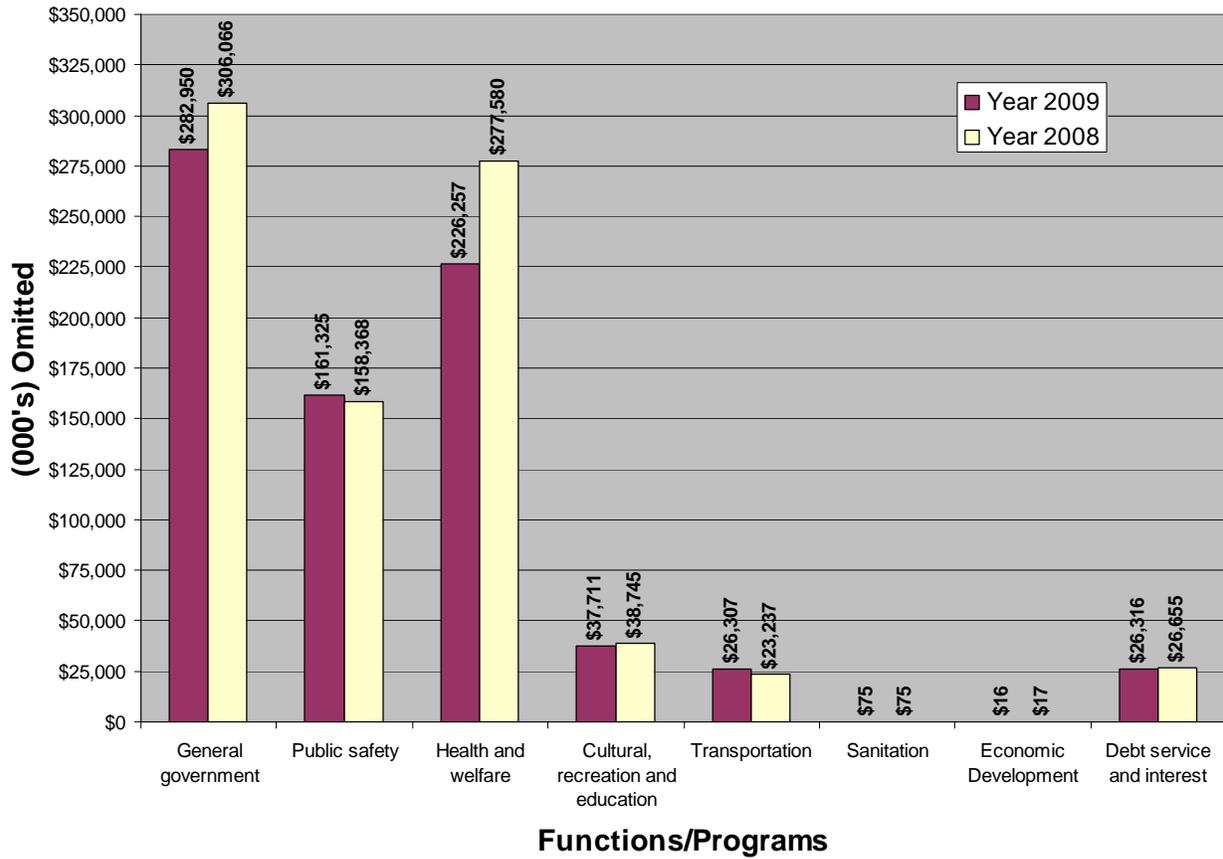
COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For governmental activities, overall net assets increased by \$9.1 million for the year ended December 31, 2009 (see Table 2), while unrestricted net assets decreased by \$10.8 million. This decrease was primarily caused by a \$13.5 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 decreased the County's net assets by \$14.3 million for the year ended December 31, 2009. Net asset increases in the Airport and Monroe Community Hospital were offset by net asset decreases in Pure Waters and Solid Waste. A portion of this decrease was caused by a \$3.6 million increased OPEB liability.

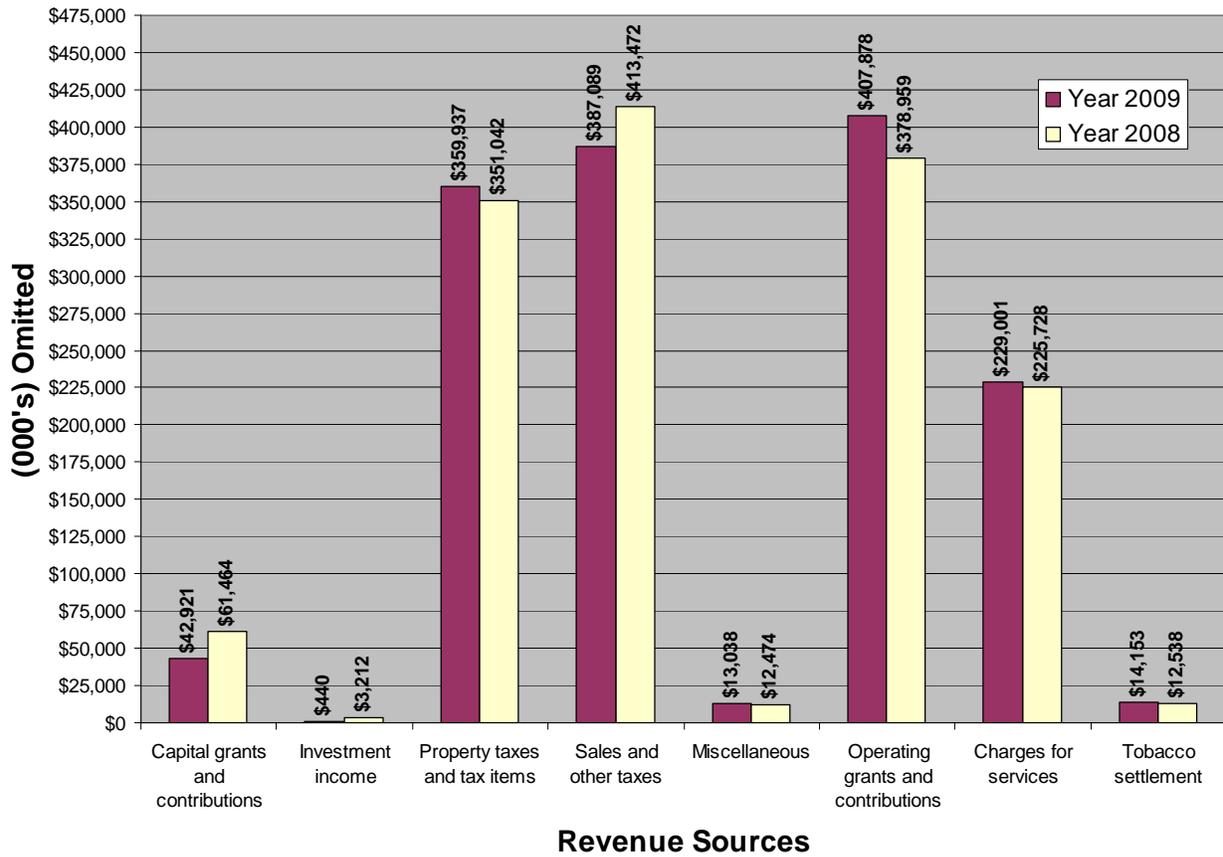
The following chart (*000's omitted*) compares the net cost (defined as expenses less program revenues) of each County function/program within the governmental activities of the primary government:

**Primary Government
 Governmental Activities - Net Cost
 Years Ending December 31, 2009 and 2008**



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

**Primary Government
Revenues by Source
Years Ending December 31, 2009 and 2008**



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

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds

As of December 31, 2009, the County's governmental funds reported total governmental fund balances of \$34.0 million.

The County's general fund equity was \$6.2 million as of December 31, 2009, compared to the December 31, 2008 fund equity deficit of \$1.1 million, an increase in the fund equity of \$7.3 million. The unreserved fund deficit of the general fund was \$3.1 million as of December 31, 2009, compared to the December 31, 2008 unreserved fund deficit of \$10.0 million, a decrease in the unreserved fund deficit of \$6.9 million.

In 2009, general fund revenues exceeded expenditures primarily driven by the County's decision to elect the Medicaid swap in 2007. In 2009, the State experienced a significant decline in overall sales tax receipts. The impact was felt by municipalities across the State, including our County. The election of the Medicaid swap, where Medicaid costs are directly associated with sales tax receipts for the County, lowered our Medicaid general fund expense in 2009 from 2008 by approximately \$9.1 million.

The different results of the governmental activities and governmental funds are due primarily to the basis of accounting and measurement focus of these accounting units. 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 reconciliations of the governmental funds balance sheet and the statement of revenues, expenditures and changes in fund balance.

The non-major governmental funds total fund balance was \$27.8 million as of December 31, 2009, compared to a total fund balance of \$13.4 million as of December 31, 2008, an increase of \$14.4 million. At the fund level, this increase is primarily due to timing of capital financing, in that the issuance of long term financing for capital projects in the form of Bonds allows 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)						
	2009			2008		
	General Fund	Non- major Funds	Total Governmental Funds	General Fund	Non- major Funds	Total Governmental Funds
Fund Balances, beginning	\$ (1,070)	13,376	12,306	\$ 1,702	35,661	37,363
Revenues	1,186,662	55,600	1,242,262	1,170,220	66,049	1,236,269
Expenditures	(1,126,959)	(126,806)	(1,253,765)	(1,124,636)	(161,154)	(1,285,790)
Other financing sources, net	(52,395)	85,610	33,215	(48,356)	72,820	24,464
Fund balances, ending	<u>\$ 6,238</u>	<u>27,780</u>	<u>34,018</u>	<u>\$ (1,070)</u>	<u>13,376</u>	<u>12,306</u>

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

Proprietary Funds

As of December 31, 2009, the County's proprietary funds reported combined net assets for the enterprise funds of \$425.0 million and internal service funds of \$5.5 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)							
2009							
	Business-type Activities - Enterprise Funds						Governmental
	Solid			Pure			Activities
	Waste	Airport	Hospital	Waters	Energy	Total	Internal Service
							Funds
Net assets (deficits)							
December 31, 2008	\$ 7,827	154,161	(17,308)	294,636	34	439,350	5,009
Total operating revenues	12,824	17,301	71,282	55,240	12,705	169,352	57,571
Total operating expenses	(16,789)	(30,207)	(66,353)	(70,417)	(12,477)	(196,243)	(56,971)
Operating income (loss)	(3,965)	(12,906)	4,929	(15,177)	228	(26,891)	600
Total nonoperating expenses, net	(185)	(780)	(1,634)	(4,532)	---	(7,131)	(2,096)
Income (loss) before contributions and transfers	(4,150)	(13,686)	3,295	(19,709)	228	(34,022)	(1,496)
Capital contributions	---	19,664	---	24	---	19,688	---
Net transfers	---	---	---	---	---	---	1,948
Net assets (deficits)							
December 31, 2009	\$ 3,677	160,139	(14,013)	274,951	262	425,016	5,461

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

Table 4, continued
2008

	Business-type Activities - Enterprise Funds					Governmental Internal Service Funds	
	Solid Waste	Airport Fund	Hospital	Pure Waters	Energy		Total
Net assets (deficits) December 31, 2007	\$ <u>12,013</u>	<u>131,440</u>	<u>(19,499)</u>	<u>314,274</u>	<u>(33)</u>	<u>438,195</u>	<u>7,906</u>
Total operating revenues	12,710	17,625	68,827	55,390	14,077	168,629	54,606
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)	(3,274)	(8,430)	3,821	(15,713)	67	(23,529)	(4,149)
Total nonoperating expenses, net	<u>(912)</u>	<u>(418)</u>	<u>(1,630)</u>	<u>(3,925)</u>	<u>---</u>	<u>(6,885)</u>	<u>(444)</u>
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	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>1,696</u>
Net assets (deficits) December 31, 2008	\$ <u><u>7,827</u></u>	<u><u>154,161</u></u>	<u><u>(17,308)</u></u>	<u><u>294,636</u></u>	<u><u>34</u></u>	<u><u>439,350</u></u>	<u><u>5,009</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 \$4.0 million and \$3.3 million for 2009 and 2008, 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 \$6.0 million. The operating loss of \$12.9 million is comparable to the previous year's operating loss of \$8.4 million. This year's operating loss was offset by capital contributions of \$19.7 million, resulting in the net asset increase.

Hospital Fund: Net assets increased by \$3.3 million. The operating gain of \$4.9 million is comparable to the previous year's operating gain of \$3.8 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 \$19.7 million, primarily due to a planned spend down. The 2009 operating loss of \$15.2 million, which includes depreciation expense, compares to a 2008 operating loss of \$15.7 million. This 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 \$228 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 increased by \$452 thousand. The 2009 operating income of \$600 thousand compares to a 2008 operating loss of \$4.1 million which had included an increase in the worker's compensation liability.

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)						
	2009			2008		
	Adopted Budget	Modified Budget	Budget Basis Actual	Adopted Budget	Modified Budget	Budget Basis Actual
Real property tax						
levy and delinquencies	\$ 338,740	338,740	329,356	\$ 329,650	329,650	324,907
Sales taxes	84,268	84,268	78,446	82,910	82,910	87,740
Federal aid	94,276	142,482	134,281	99,722	124,496	109,203
State aid	228,490	250,112	196,697	226,489	266,734	221,285
Other revenues	124,428	124,480	94,464	91,298	91,401	95,339
Total Cash Receipts	\$ 870,202	940,082	833,244	\$ 830,069	895,191	838,474

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)						
	2009			2008		
	Adopted Budget	Modified Budget	Budget Basis Actual	Adopted Budget	Modified Budget	Budget Basis Actual
Health and welfare	\$ 384,480	433,048	393,856	389,291	437,146	396,561
Public safety	194,360	216,495	187,922	188,081	201,980	187,605
Culture, recreation, and education	61,192	61,244	62,081	54,381	58,938	58,229
General government	157,737	158,812	147,536	128,133	129,743	131,208
Transportation	3,524	3,524	3,524	3,524	3,524	3,524
Total Cash Disbursements	\$ 801,293	873,123	794,919	763,410	831,331	777,127

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 2009, the County had invested \$1.3 billion in a broad range of capital assets, including \$736.7 million in infrastructure, net of depreciation, which includes bridges, culverts and sewers.

	Governmental Activities	Business-type Activities	Total Primary Government	Percent of Total
Land	\$ 21,952	26,416	48,368	1.8%
Assets under construction	46,506	18,427	64,933	2.3%
Buildings	145,607	188,287	333,894	12.0%
Infrastructure	892,115	689,112	1,581,227	56.8%
Improvements other than buildings	170,898	369,583	540,481	19.4%
Machinery and equipment	<u>104,658</u>	<u>110,322</u>	<u>214,980</u>	<u>7.7%</u>
Total Capital Assets	1,381,736	1,402,147	2,783,883	100%
Accumulated depreciation	<u>(664,153)</u>	<u>(779,696)</u>	<u>(1,443,849)</u>	
Total Net Capital Assets	<u>\$ 717,583</u>	<u>622,451</u>	<u>1,340,034</u>	

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 roads, bridges, culverts and sewers.

	Governmental Activities	Business-type Activities	Total Primary Government	Percent of Total
Land	\$ 21,806	26,416	48,222	1.8%
Construction in progress	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	<u>92,421</u>	<u>109,144</u>	<u>201,565</u>	<u>7.4%</u>
Total Capital Assets	1,350,868	1,353,194	2,704,062	100%
Accumulated depreciation	<u>(630,561)</u>	<u>(729,754)</u>	<u>(1,360,315)</u>	
Total Net Capital Assets	<u>\$ 720,307</u>	<u>623,440</u>	<u>1,343,747</u>	

The 2009 increase in capital assets primarily relate to general County transportation projects and Airport improvement projects.

On July 14, 2009, the County Legislature adopted the 2010 - 2015 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 \$772.1 million. General obligation debt totaled \$544.8 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)				
2009				
	<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	\$ 58,000	17,000	75,000	9.7%
Total bond anticipation notes payable	4,591	16,000	20,591	2.7%
Total bonds payable	<u>262,904</u>	<u>186,255</u>	<u>449,159</u>	<u>58.2%</u>
Total general obligation debt	325,495	219,255	544,750	70.6%
Non-General Obligation Debt				
Total non-general obligation debt	<u>227,390</u>	---	<u>227,390</u>	<u>29.4%</u>
Total Debt Payable	<u>\$ 552,885</u>	<u>219,255</u>	<u>772,140</u>	<u>100.0%</u>
Total current debt payable	96,689	50,793	147,482	19.1%
Total long-term debt payable	456,196	168,462	624,658	80.9%
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%

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

The County issued a total of \$176.9 million of debt obligations in 2009. This included bonds totaling \$81.3 million (two issues in July 2009) which were used to redeem outstanding bond anticipation notes (\$30.8 million) and provide new funds (\$50.5 million) for various capital projects. Bond anticipation notes (\$20.6 million) were also issued in July 2009 to provide new funds for capital projects (\$16.0 million) and funds to renew outstanding bond anticipation notes (\$4.6 million).

\$75.0 million in revenue anticipation notes were issued in October 2009 providing \$58.0 million in working capital for the general fund and \$17.0 million for the Monroe Community Hospital enterprise fund. At December 31, 2009, \$ 337.8 million of debt remained unauthorized and unissued for various capital projects.

The three nationally-recognized credit rating agencies continue to monitor the County's economic and financial conditions. In April 2010, Moody's upgraded the County's rating to A2 as part of its recalibration of credit for all U.S. state and local governments. Also in April, Fitch upgraded the County's rating to A- as part of its *Recalibration of U.S. Public Finance Ratings*. Finally, Standard and Poor's maintained the County's BBB+ rating issued in June of 2009.

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, 2009
(000's Omitted)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 7,389	20,683	28,072	49,004
Investments	---	---	---	61,106
Accounts receivable, net	62,210	24,782	86,992	22,107
Interest receivable	---	221	221	---
Internal balances	13,800	(13,800)	---	---
Due from other governments	197,622	19,914	217,536	1,576
Inventories	2,952	3,878	6,830	1,230
Unamortized bond issue costs	311	22	333	---
Other	1,295	1,274	2,569	1,586
Total current assets	<u>285,579</u>	<u>56,974</u>	<u>342,553</u>	<u>136,609</u>
Noncurrent assets:				
Accounts receivables, net	---	4,975	4,975	---
Restricted assets:				
Cash and cash equivalents	38,856	9,973	48,829	16,418
Funds held by trustee	48	2,930	2,978	47,889
Custodial accounts	---	515	515	---
Securities and retained percentages	341	307	648	---
Capital assets, net of accumulated depreciation	717,583	622,451	1,340,034	443,338
Unamortized bond issue costs	7,558	1,078	8,636	666
Other	---	---	---	3,546
Total noncurrent assets	<u>764,386</u>	<u>642,229</u>	<u>1,406,615</u>	<u>511,857</u>
Total assets	<u>1,049,965</u>	<u>699,203</u>	<u>1,749,168</u>	<u>648,466</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	123,020	24,063	147,083	18,938
Accrued interest payable	17,343	2,336	19,679	2,427
Due to other governments	97,159	3,810	100,969	---
Unearned revenue	3,949	---	3,949	10,965
Notes payable	62,591	33,000	95,591	---
Current portion of:				
Capital leases payable	42	1,724	1,766	1,082
Bonds payable	34,098	17,793	51,891	13,800
Total current liabilities	<u>338,202</u>	<u>82,726</u>	<u>420,928</u>	<u>47,212</u>
Noncurrent liabilities:				
Capital leases payable	47	9,780	9,827	6,543
Bonds payable	456,196	168,462	624,658	192,271
Patient funds held in trust	---	515	515	---
Other long-term liabilities	93,714	12,704	106,418	23,256
Total noncurrent liabilities	<u>549,957</u>	<u>191,461</u>	<u>741,418</u>	<u>222,070</u>
Total liabilities	<u>888,159</u>	<u>274,187</u>	<u>1,162,346</u>	<u>269,282</u>
NET ASSETS				
Invested in capital assets, net of related debt	454,550	414,340	868,890	240,918
Restricted for:				
Debt service	17,450	151	17,601	7,742
Nonexpendable	---	---	---	5,761
Expendable	---	---	---	8,511
Grants	781	---	781	---
Passenger facility charges	---	---	---	90
Unrestricted (deficit)	<u>(310,975)</u>	<u>10,525</u>	<u>(300,450)</u>	<u>116,162</u>
Total net assets	<u>\$ 161,806</u>	<u>425,016</u>	<u>586,822</u>	<u>379,184</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, 2009
(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	\$ 320,086	27,792	9,138	5,094	(278,062)	---	(278,062)	---
Public safety	207,452	10,658	34,296	1,173	(161,325)	---	(161,325)	---
Health and welfare	553,751	3,970	323,511	13	(226,257)	---	(226,257)	---
Culture, recreation and education	91,599	21,763	29,009	3,116	(37,711)	---	(37,711)	---
Transportation	51,013	5,154	5,715	13,837	(26,307)	---	(26,307)	---
Sanitation	75	---	---	---	(75)	---	(75)	---
Economic development	4,519	---	4,503	---	(16)	---	(16)	---
Interest on debt and notes payable	26,316	---	---	---	(26,316)	---	(26,316)	---
Total governmental activities	<u>\$ 1,254,811</u>	<u>69,337</u>	<u>406,172</u>	<u>23,233</u>	<u>(756,069)</u>	<u>---</u>	<u>(756,069)</u>	<u>---</u>
Business-type activities:								
Refuse	17,215	5,831	241	---	---	(11,143)	(11,143)	---
Airport	31,340	17,294	353	19,664	---	5,971	5,971	---
Hospital	68,007	69,470	20	---	---	1,483	1,483	---
Sewer	75,797	54,608	848	24	---	(20,317)	(20,317)	---
Utilities	12,477	12,461	244	---	---	228	228	---
Total business-type activities	<u>204,836</u>	<u>159,664</u>	<u>1,706</u>	<u>19,688</u>	<u>---</u>	<u>(23,778)</u>	<u>(23,778)</u>	<u>---</u>
Total primary government	<u>\$ 1,459,647</u>	<u>229,001</u>	<u>407,878</u>	<u>42,921</u>	<u>(756,069)</u>	<u>(23,778)</u>	<u>(779,847)</u>	<u>---</u>
Component units:								
Community College	154,025	49,217	105,652	446				1,290
Airport Authority	29,249	29,662	---	(21)				392
Water Authority	45,813	52,176	---	3,722				10,085
Industrial Development Agency	2,020	1,314	189	---				(517)
Total component units	<u>\$ 231,107</u>	<u>132,369</u>	<u>105,841</u>	<u>4,147</u>				<u>11,250</u>
General revenues:								
Taxes:								
Property tax and tax items					359,937	---	359,937	---
Sales and other taxes					387,089	---	387,089	---
Tobacco settlement revenues					14,153	---	14,153	---
Unrestricted interest earnings					440	---	440	(1,030)
Miscellaneous revenue					3,594	9,444	13,038	---
Total general revenues					<u>765,213</u>	<u>9,444</u>	<u>774,657</u>	<u>(1,030)</u>
Change in net assets					9,144	(14,334)	(5,190)	10,220
Net assets-beginning					<u>152,662</u>	<u>439,350</u>	<u>592,012</u>	<u>368,964</u>
Net assets-ending					<u>\$ 161,806</u>	<u>425,016</u>	<u>586,822</u>	<u>379,184</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, 2009
(000's Omitted)

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 99	7,155	7,254
Accounts receivables, net:			
Taxes and assessments	27,583	---	27,583
Returned school taxes	18,711	---	18,711
Other receivables	1,771	14,019	15,790
Due from other funds	39,366	16,902	56,268
Due from other governments:			
State and Federal - social services	92,619	---	92,619
State and Federal - other	71,580	14,933	86,513
Local governments	15,137	408	15,545
Inventories	1,514	973	2,487
Restricted assets:			
Cash and cash equivalents	10,000	27,235	37,235
Funds held by trustee	---	48	48
Securities and retained percentages	---	341	341
Other assets	365	888	1,253
Total assets	<u><u>\$ 278,745</u></u>	<u><u>82,902</u></u>	<u><u>361,647</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	71,015	10,218	81,233
Due to other funds	19,900	29,768	49,668
Due to other governments	95,435	1,498	96,933
Unearned revenue	28,157	12,134	40,291
Notes payable	58,000	1,504	59,504
Total liabilities	<u><u>272,507</u></u>	<u><u>55,122</u></u>	<u><u>327,629</u></u>
Fund balances:			
Reserved for:			
Debt service	---	17,122	17,122
Encumbrances	7,091	34,653	41,744
Grants	781	---	781
Inventories	1,514	973	2,487
Unreserved fund balance (deficits) reported in:			
General fund	(3,148)	---	(3,148)
Special revenue funds	---	7,297	7,297
Debt service funds	---	720	720
Capital projects funds	---	(32,985)	(32,985)
Total fund balances	<u><u>6,238</u></u>	<u><u>27,780</u></u>	<u><u>34,018</u></u>
Total liabilities and fund balances	<u><u>\$ 278,745</u></u>	<u><u>82,902</u></u>	<u><u>361,647</u></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, 2009
(000's Omitted)

Total fund balances - governmental funds \$34,018

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	21,309	
Assets under construction	19,709	
	41,018	

Depreciable assets:

Buildings	97,538	
Infrastructure	892,115	
Improvements other than buildings	119,023	
Machinery and equipment	94,164	
Accumulated depreciation	(587,435)	
	615,405	

Total capital assets 656,423

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. 5,461

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. 38,190

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. 7,574

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	(25,274)	
Bonds payable	(454,070)	
Capital leases payable	(78)	
Accrued interest on bonds	(17,100)	
Long-term retirement costs	(7,096)	
Post-employment benefits other than pensions	(44,053)	
Sales tax payable	(27,717)	
NYS public assistance chargebacks	(4,472)	
Total long-term liabilities	(579,860)	

Net assets of governmental activities \$161,806

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, 2009
(000's Omitted)

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:			
Real property tax	\$ 339,906	---	339,906
Sales and other taxes	387,089	---	387,089
Federal aid	148,762	17,861	166,623
State aid	218,109	10,505	228,614
Charges for services	18,772	5,597	24,369
Intergovernmental	32,524	2,952	35,476
Interdepartmental	3,319	32	3,351
Use of money and property	5,372	1,130	6,502
Repayments and refunds	18,030	143	18,173
Payments in lieu of taxes	7,557	---	7,557
Tobacco settlement	---	13,397	13,397
Miscellaneous	7,222	3,983	11,205
	<hr/>	<hr/>	<hr/>
Total revenues	1,186,662	55,600	1,242,262
EXPENDITURES:			
Current:			
Health and welfare	552,824	---	552,824
Public safety	191,782	2,187	193,969
Culture, recreation and education	71,719	10,336	82,055
General government	307,110	152	307,262
Transportation	3,524	17,796	21,320
Economic development	---	4,519	4,519
Debt service:			
Principal retirement	---	30,222	30,222
Interest and fiscal charges	---	23,970	23,970
Capital outlay	---	37,624	37,624
	<hr/>	<hr/>	<hr/>
Total expenditures	1,126,959	126,806	1,253,765
Excess (deficiency) of revenues over expenditures	<hr/>	<hr/>	<hr/>
	59,703	(71,206)	(11,503)
OTHER FINANCING SOURCES (USES):			
Bonds issued	---	35,163	35,163
Transfers in	75	69,554	69,629
Transfers out	(52,470)	(19,107)	(71,577)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(52,395)	85,610	33,215
Net change in fund balances	7,308	14,404	21,712
Fund balances (deficits) at beginning of year	<hr/>	<hr/>	<hr/>
	(1,070)	13,376	12,306
Fund balances at end of year	<hr/>	<hr/>	<hr/>
	\$ 6,238	27,780	34,018

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, 2009
(000's Omitted)

Net change in fund balances - total governmental funds \$21,712

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 of activities.

Proceeds of bonds	(35,163)	
Premium on bond issuance	(208)	
Bond refunding gain/loss	(66)	
Total proceeds/additions		(35,437)

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 of activities.

Principal retirement	30,222	
Interest accreted on capital appreciation debt	465	
Bond Issuance costs	509	
Total repayments/deductions		31,196

Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net assets of the internal service funds are reported in governmental activities. 452

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. 10,791

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	25,204	
Capital grants and contributions	4,888	
Loss on retirement of capital assets	(3,172)	
Depreciation expense	(34,465)	
Excess of capital outlay over depreciation expense		(7,545)

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	(3,256)	
Change in capital leases payable	36	
Change in compensated absences	383	
Change in long-term retirement costs	1,223	
Change in post-employment benefits other than pensions	(13,241)	
Change in sales tax payable	1,353	
Change in NYS public assistance chargebacks	1,477	
Total additional expenditures		(12,025)

Change in net assets of governmental activities \$9,144

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

**COUNTY OF MONROE, NEW YORK
STATEMENT OF NET ASSETS (DEFICITS)
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2009
(000's Omitted)**

Business-type Activities - Enterprise Funds

	Solid Waste	Airport	Hospital	Pure Waters	Energy	Total	Governmental Activities - Internal Service Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 39	95	57	20,431	61	20,683	135
Accounts receivables, net	4,714	---	19,614	418	36	24,782	126
Interest receivable	221	---	---	---	---	221	---
Due from other funds	---	2,200	---	---	---	2,200	12,500
Due from other governments:							
State and Federal - other	---	873	---	3	---	876	1,024
Local governments	---	16,414	---	11	2,613	19,038	73
Inventories	---	---	508	3,319	51	3,878	465
Unamortized bond issue costs	22	---	---	---	---	22	4
Other	35	---	331	---	908	1,274	42
Total current assets	5,031	19,582	20,510	24,182	3,669	72,974	14,369
Noncurrent assets:							
Accounts receivables, net	4,975	---	---	---	---	4,975	---
Restricted assets:							
Cash and cash equivalents	214	2,966	1,359	5,434	---	9,973	1,621
Funds held by trustee	2,649	---	281	---	---	2,930	---
Custodial accounts	---	---	515	---	---	515	---
Securities and retained percentages	---	250	---	57	---	307	---
Capital assets, net of accumulated depreciation	27,833	188,300	31,192	375,126	---	622,451	61,160
Unamortized bond issue costs	157	366	99	456	---	1,078	291
Total noncurrent assets	35,828	191,882	33,446	381,073	---	642,229	63,072
Total assets	\$ 40,859	211,464	53,956	405,255	3,669	715,203	77,441

(continued)

COUNTY OF MONROE, NEW YORK
STATEMENT OF NET ASSETS (DEFICITS)
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2009
(000's Omitted)

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Solid Waste	Airport	Hospital	Pure Waters	Energy	Total	
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	\$ 2,560	5,213	8,801	5,782	1,707	24,063	25,822
Accrued interest payable	328	360	704	944	---	2,336	243
Due to other funds	11,400	---	2,900	---	1,700	16,000	5,300
Due to other governments	7	1,887	1,267	649	---	3,810	226
Notes payable	---	16,000	17,000	---	---	33,000	3,087
Current portion of:							
Capital leases payable	1,080	---	476	168	---	1,724	10
Bonds payable	3,459	1,801	4,036	8,497	---	17,793	4,777
Total current liabilities	<u>18,834</u>	<u>25,261</u>	<u>35,184</u>	<u>16,040</u>	<u>3,407</u>	<u>98,726</u>	<u>39,465</u>
Noncurrent liabilities:							
Capital leases payable	570	---	8,903	307	---	9,780	1
Bonds payable	17,775	24,032	17,218	109,437	---	168,462	31,447
Patient funds held in trust	---	---	515	---	---	515	---
Other long-term liabilities	3	2,032	6,149	4,520	---	12,704	1,067
Total noncurrent liabilities	<u>18,348</u>	<u>26,064</u>	<u>32,785</u>	<u>114,264</u>	<u>---</u>	<u>191,461</u>	<u>32,515</u>
Total liabilities	<u>37,182</u>	<u>51,325</u>	<u>67,969</u>	<u>130,304</u>	<u>3,407</u>	<u>290,187</u>	<u>71,980</u>
NET ASSETS (DEFICIT)							
Invested in capital assets, net of related debt	5,341	145,837	2,535	260,627	---	414,340	21,206
Restricted for:							
Debt service	---	151	---	---	---	151	328
Unrestricted	(1,664)	14,151	(16,548)	14,324	262	10,525	(16,073)
Total net assets (deficit)	<u>\$ 3,677</u>	<u>160,139</u>	<u>(14,013)</u>	<u>274,951</u>	<u>262</u>	<u>425,016</u>	<u>5,461</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 (DEFICITS)
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009
(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	\$ 5,829	17,286	69,223	54,532	12,461	159,331	215
Interdepartmental	---	---	247	---	---	247	57,002
Repayments and refunds	2	8	---	76	244	330	5
Miscellaneous	6,993	7	1,812	632	---	9,444	349
Total operating revenues	<u>12,824</u>	<u>17,301</u>	<u>71,282</u>	<u>55,240</u>	<u>12,705</u>	<u>169,352</u>	<u>57,571</u>
Operating expenses:							
Personnel services	138	4,963	27,214	12,745	---	45,060	4,468
Employee benefits	53	2,256	13,547	6,131	---	21,987	2,531
Contractual	12,519	4,021	5,948	12,756	12,477	47,721	34,494
Depreciation and amortization	3,747	13,703	4,736	29,915	---	52,101	3,776
Other	332	5,264	14,908	8,870	---	29,374	11,702
Total operating expenses	<u>16,789</u>	<u>30,207</u>	<u>66,353</u>	<u>70,417</u>	<u>12,477</u>	<u>196,243</u>	<u>56,971</u>
Operating income (loss)	<u>(3,965)</u>	<u>(12,906)</u>	<u>4,929</u>	<u>(15,177)</u>	<u>228</u>	<u>(26,891)</u>	<u>600</u>
Nonoperating revenues (expenses):							
Federal aid	---	306	---	---	---	306	---
Use of money and property	241	47	20	848	---	1,156	55
Interest and fiscal charges	(418)	(1,117)	(1,654)	(5,277)	---	(8,466)	(2,223)
Loss on disposal of capital assets	---	(19)	---	(33)	---	(52)	(303)
Other income (expense)	(8)	3	---	(70)	---	(75)	375
Total nonoperating revenues (expenses)	<u>(185)</u>	<u>(780)</u>	<u>(1,634)</u>	<u>(4,532)</u>	<u>---</u>	<u>(7,131)</u>	<u>(2,096)</u>
Income (loss) before contributions and transfers	<u>(4,150)</u>	<u>(13,686)</u>	<u>3,295</u>	<u>(19,709)</u>	<u>228</u>	<u>(34,022)</u>	<u>(1,496)</u>
Capital contributions	---	19,664	---	24	---	19,688	---
Transfers in	---	---	---	---	---	---	1,980
Transfers out	---	---	---	---	---	---	(32)
Change in net assets	<u>(4,150)</u>	<u>5,978</u>	<u>3,295</u>	<u>(19,685)</u>	<u>228</u>	<u>(14,334)</u>	<u>452</u>
Total net assets (deficit) at beginning of year	7,827	154,161	(17,308)	294,636	34	439,350	5,009
Total net assets (deficit) at end of year	<u>\$ 3,677</u>	<u>160,139</u>	<u>(14,013)</u>	<u>274,951</u>	<u>262</u>	<u>425,016</u>	<u>5,461</u>

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

COUNTY OF MONROE, NEW YORK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009
(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	\$ 6,109	17,286	68,753	54,923	12,989	160,060	208
Cash received from other funds for services	---	---	---	---	---	---	57,066
Payments to or on behalf of employees	(191)	(7,219)	(40,994)	(18,876)	---	(67,280)	(6,890)
Payments to suppliers	(11,584)	(4,160)	(17,439)	(9,990)	(12,738)	(55,911)	(23,803)
Payments for interfund services	(332)	(5,264)	---	(8,870)	---	(14,466)	(9,490)
Claims paid	---	---	---	---	---	---	(8,894)
Other receipts (payments)	9,308	(362)	---	908	(185)	9,669	(1,549)
Net cash provided by operating activities	<u>3,310</u>	<u>281</u>	<u>10,320</u>	<u>18,095</u>	<u>66</u>	<u>32,072</u>	<u>6,648</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Federal aid	---	306	---	---	---	306	---
Proceeds from revenue anticipation notes	---	---	17,000	---	---	17,000	---
Principal payments on revenue anticipation notes	---	---	(17,000)	---	---	(17,000)	---
Receipts from other funds	---	(2,200)	---	(3)	---	(2,203)	(8,800)
Payments to other funds	1,200	(8,400)	(2,900)	---	(100)	(10,200)	1,700
Transfers in	---	---	---	---	---	---	1,980
Transfers out	---	---	---	---	---	---	(32)
Net cash provided by (used in) noncapital financing activities	<u>1,200</u>	<u>(10,294)</u>	<u>(2,900)</u>	<u>(3)</u>	<u>(100)</u>	<u>(12,097)</u>	<u>(5,152)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Interest paid	(1,168)	(1,117)	(2,152)	(5,445)	---	(9,882)	(1,729)
Change in securities and retainage	---	(250)	---	(57)	---	(307)	113
Proceeds from the issuance of notes	---	16,000	---	---	---	16,000	3,087
Proceeds from the issuance of bonds	665	14,200	2,382	18,300	---	35,547	10,590
Principal paid on notes	(690)	(3,000)	(795)	(5,000)	---	(9,485)	(8,767)
Principal paid on bonds	(3,449)	(1,681)	(3,584)	(7,653)	---	(16,367)	(4,199)
Bond issue costs paid	(23)	(353)	---	(425)	---	(801)	(192)
Capital contributions	---	19,664	---	24	---	19,688	---
CAB/Zero Bonds	(184)	---	---	---	---	(184)	---
Principal paid on capital leases	(995)	---	(177)	(168)	---	(1,340)	(8)
Proceeds from the sale of capital assets	---	---	---	---	---	---	232
Disposals of capital assets	863	34,706	---	12,684	---	48,253	---
Additions to capital assets, net	(869)	(67,293)	(4,425)	(26,769)	---	(99,356)	(9,129)
Other payments	---	---	---	---	---	---	1
Net cash provided by (used in) capital and related financing activities	<u>\$ (5,850)</u>	<u>10,876</u>	<u>(8,751)</u>	<u>(14,509)</u>	<u>---</u>	<u>(18,234)</u>	<u>(10,001)</u>

(continued)

**COUNTY OF MONROE, NEW YORK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009
(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	\$ 2	---	1,282	---	---	1,284	---
Receipts from use of money and property	325	398	20	1,271	---	2,014	56
Net cash provided by investing activities	327	398	1,302	1,271	---	3,298	56
Net increase (decrease) in cash and cash equivalents	(1,013)	1,261	(29)	4,854	(34)	5,039	(8,449)
Cash and cash equivalents, beginning of year	1,266	1,800	1,445	21,011	95	25,617	10,205
Cash and cash equivalents, end of year	<u>253</u>	<u>3,061</u>	<u>1,416</u>	<u>25,865</u>	<u>61</u>	<u>30,656</u>	<u>1,756</u>
Classified as:							
Cash and cash equivalents - unrestricted	39	95	57	20,431	61	20,683	135
Cash and cash equivalents - restricted	214	2,966	1,359	5,434	---	9,973	1,621
Total cash and cash equivalents	<u>253</u>	<u>3,061</u>	<u>1,416</u>	<u>25,865</u>	<u>61</u>	<u>30,656</u>	<u>1,756</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:							
Operating income (loss)	(3,965)	(12,906)	4,929	(15,177)	228	(26,891)	600
Adjustments to reconcile operating income (loss) to net cash provided by operations:							
Depreciation and amortization	3,747	13,703	4,736	29,915	---	52,101	3,776
Other revenue	2,310	---	---	---	---	2,310	338
Change in:							
Accounts receivable	280	---	(3,696)	391	243	(2,782)	9
Due from other governments	---	(1,535)	---	154	41	(1,340)	48
Inventories	---	---	(36)	161	67	192	43
Other assets	4	---	(33)	---	(252)	(281)	(17)
Accounts payable, accrued and other liabilities	935	(139)	4,656	2,766	(261)	7,957	1,892
Due to other governments	(1)	1,158	(236)	(115)	---	806	(41)
Net cash provided by operating activities	<u>\$ 3,310</u>	<u>281</u>	<u>10,320</u>	<u>18,095</u>	<u>66</u>	<u>32,072</u>	<u>6,648</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, 2009
(000's Omitted)

	Private Purpose Trusts	Agency
ASSETS		
Cash and cash equivalents	\$ 75	18,254
Accounts receivable	---	2
	75	18,256
LIABILITIES		
Accounts payable and accrued expenses	---	18,256
	---	18,256
NET ASSETS		
Held in trust for private purpose	\$ 75	---

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, 2009
(000's Omitted)

	Private Purpose Trusts
ADDITIONS	
Miscellaneous revenue	\$ 4
Total additions	4
DEDUCTIONS	
Payments in accordance with trust agreements	21
Change in net assets	(17)
Net assets at beginning of year	92
Net assets at end of year	\$ 75

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, 2009
(000's Omitted)

	Community College (Year End 8/31/09)	Airport Authority	Water Authority	Industrial Development Agency	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 4,677	17,458	23,695	3,174	49,004
Investments	52,919	---	8,187	---	61,106
Accounts receivables, net	9,934	2,878	9,242	53	22,107
Due from other governments	---	1,576	---	---	1,576
Inventories	---	---	1,230	---	1,230
Other	1,220	---	366	---	1,586
Total current assets	68,750	21,912	42,720	3,227	136,609
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	8,290	7,457	671	---	16,418
Funds held by trustee	6,911	7,071	33,907	---	47,889
Capital assets, net of accumulated depreciation	140,768	47,415	255,154	1	443,338
Unamortized bond issue costs	---	666	---	---	666
Other	3,546	---	---	---	3,546
Total noncurrent assets	159,515	62,609	289,732	1	511,857
Total assets	228,265	84,521	332,452	3,228	648,466
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	8,155	947	8,297	32	17,431
Accrued interest payable	---	1,791	636	---	2,427
Unearned revenue	10,640	325	---	---	10,965
Other	594	913	---	---	1,507
Current portion of:					
Capital leases payable	---	---	1,082	---	1,082
Bonds payable	5,790	5,045	2,965	---	13,800
Total current liabilities	25,179	9,021	12,980	32	47,212
Noncurrent liabilities:					
Capital leases payable	---	---	6,543	---	6,543
Bonds payable	105,189	57,930	29,152	---	192,271
Other long-term liabilities	20,411	---	2,845	---	23,256
Total noncurrent liabilities	125,600	57,930	38,540	---	222,070
Total liabilities	150,779	66,951	51,520	32	269,282
NET ASSETS					
Invested in capital assets, net of related debt	41,065	(15,560)	215,412	1	240,918
Restricted for:					
Debt service	---	7,071	671	---	7,742
Nonexpendable	5,761	---	---	---	5,761
Expendable	8,511	---	---	---	8,511
Passenger facility charges	---	90	---	---	90
Other	---	---	---	---	---
Unrestricted	22,149	25,969	64,849	3,195	116,162
Total net assets	\$ 77,486	\$ 17,570	280,932	3,196	379,184

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, 2009
(000's Omitted)**

	<u>Community College (Year End 8/31/09)</u>	<u>Airport Authority</u>	<u>Water Authority</u>	<u>Industrial Development Agency</u>	<u>Total</u>
Expenses	\$ 154,025	29,249	45,813	2,020	231,107
Program revenues:					
Charges for services	49,217	29,662	52,176	1,314	132,369
Operating grants and contributions	105,652	---	---	189	105,841
Capital grants and contributions	446	(21)	3,722	---	4,147
Total program revenues	<u>155,315</u>	<u>29,641</u>	<u>55,898</u>	<u>1,503</u>	<u>242,357</u>
Net program revenue (expense)	<u>1,290</u>	<u>392</u>	<u>10,085</u>	<u>(517)</u>	<u>11,250</u>
General revenues:					
Unrestricted investment earnings (loss)	(1,651)	171	432	18	(1,030)
Change in net assets	<u>(361)</u>	<u>563</u>	<u>10,517</u>	<u>(499)</u>	<u>10,220</u>
Total net assets at beginning of year	<u>77,847</u>	<u>17,007</u>	<u>270,415</u>	<u>3,695</u>	<u>368,964</u>
Total net assets at end of year	<u>\$ 77,486</u>	<u>17,570</u>	<u>280,932</u>	<u>3,196</u>	<u>379,184</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, 2009

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, 2009

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.

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, 2009 were approximately \$17.3 million. 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. 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 \$7.8 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, 2009

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 Iola 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 hospital fund had a fund deficit of \$14.0 million at December 31, 2009. The hospital fund increased its net assets in 2009 by \$3.3 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, 2009

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. Administrative overhead charges are included in function expenses. 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, 2009

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, 2009

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. The three primary revenue sources which are treated as susceptible to accrual are: (1) property tax recorded when collected during the current period or within 60 days after year end; (2) reimbursements of expenditures due from other governments recorded primarily when the qualifying expenditures have been incurred and all other grant requirements have been met; 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, 2009

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, 2009

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

L. Due to Other Governments

In the 2009 government-wide and fund financial statements, the category “*due to other governments*” includes primarily sales tax collections of \$48.4 million and school tax collections of \$19.2 million that are due to other municipalities within the County. It also includes \$15.1 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, 2009 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. In the governmental fund financial statements, issuance costs are reported as debt service expenditures during the current period.

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, 2009 these restrictions and reserves include:

Restricted Net Assets:

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 2009, the general fund reserve of \$781 thousand includes State mandated reserves for unexpended Driving While Intoxicated Program costs of \$595 thousand and unexpended proceeds from handicapped parking ticket surcharges of \$186 thousand.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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.

Reserved Fund Balances:

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, 2009 the County has no designated fund balance.

R. Accounting and Reporting Change

In November 2007, the Governmental Accounting Standard Board (GASB) issued GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. The statement improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. This Statement, effective for the fiscal year ending December 31, 2009, had no effect on the County's financial statements.

In March 2009, GASB issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The County must adopt the provisions of this statement for the year ended December 31, 2011 and is currently assessing the impact this standard will have on its financial statements.

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, 2009

2. Real Property Tax (continued)

The computation pursuant to such constitutional provision for the December 31, 2009 budget is (*000's omitted*):

Five year average full valuation of taxable real property	\$	35,108,215
Tax limit (1.5% of 5-year average full valuation of property)		526,623
Total Tax Levy		320,039
Less: Exclusions from tax limit		<u>42,885</u>
Total tax levy subject to taxing power limit		<u>277,154</u>
Tax margin (Unused Taxing Power)	\$	<u>249,469</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, March 31, and April 30.

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 2010 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, 2011.

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 percent), villages (1.25 percent) and school districts (5 percent) 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, 2009

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, with interest, will be repaid over five years starting in 2010. The current portion of this liability has been recognized in the governmental funds and on the government-wide financial statements and as an expenditure in the governmental funds in 2009. The remaining amount appears as a long term 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
Year Ended December 31, 2009

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, 2009, \$51.9 million of the County's deposits of \$88.6 million, which are included in cash and cash equivalents, 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. In addition, as of December 31, 2009, \$283 thousand of MTASC's cash and cash equivalents of \$13.6 million was insured by the Federal Deposit Insurance Act with the balance invested in a money market fund held by the bank's trust department and fully guaranteed.

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 2009.

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 \$515 thousand of funds owned by its patients and residents at the end of 2009.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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 cash and United States Treasury Bills.

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 \$281 thousand 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, 2009 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	\$ -	\$ 10,000	-	-	\$ 10,000
Non-major Governmental Funds:					
Debt Service	-	17,557	-	-	17,557
Capital Projects	9,678	-	-	-	9,678
Total Nonmajor Governmental Funds	9,678	17,557	-	-	27,235
Internal Service	1,293	328	-	-	1,621
Total Governmental Activities	10,971	27,885	-	-	38,856
BUSINESS-TYPE ACTIVITIES:					
Solid Waste	214	-	-	-	214
Airport	2,815	151	-	-	2,966
Hospital	1,239	120	-	-	1,359
Pure Waters	5,434	-	-	-	5,434
Total Business-type Activities	9,702	271	-	-	9,973
Fiduciary Funds	-	-	18,254	75	18,329
TOTAL	\$ 20,673	28,156	18,254	75	67,158

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, 2009

8. Receivables and Payables

A. Receivables

As of December 31, 2009 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	\$ 27,583	\$ 18,711	\$ 1,771	-	\$ 48,065
Nonmajor Governmental:					
Special Revenue	-	-	1,085	-	1,085
Debt Service	-	-	34,711	(22,577)	12,134
Capital Projects	-	-	800	-	800
Total Nonmajor Governmental	-	-	36,596	(22,577)	14,019
Internal Service	-	-	126	-	126
Total Governmental Activities	27,583	18,711	38,493	(22,577)	62,210
BUSINESS-TYPE ACTIVITIES:					
Solid Waste	-	-	9,689	-	9,689
Hospital	-	-	21,214	(1,600)	19,614
Pure Waters	-	-	1,034	(616)	418
Energy	-	-	36	-	36
Total Business-type Activities	-	-	31,973	(2,216)	29,757
TOTAL ACCOUNTS RECEIVABLE	\$ 27,583	\$ 18,711	\$ 70,466	\$ (24,793)	\$ 91,967

Accounts receivable as of December 31, 2009 for governmental activities are comprised mainly of property taxes and assessments of \$27.6 million and of returned school taxes of \$18.7 million. The nonmajor governmental funds receivable of \$36.6 million is comprised primarily of an amount billed to the Greater Rochester Outdoor Sports Facility Corporation for stadium related debt service, of which \$22.6 million is in the allowance for doubtful accounts, and Tobacco Settlement Revenues due to MTASC of \$12.1 million. Business-type activity accounts receivable are comprised primarily of \$7.4 million attributable to the sale of operating rights in the solid waste fund; \$19.6 million, net relating to patient accounts and third-party settlements in the Hospital; and \$418 thousand of receivables in Pure Waters.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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 measurable but not available to finance current operations have been deferred.

Major revenues accrued by the County in the general fund as of December 31, 2009 include: accounts receivable of property tax and assessments of \$27.6 million; returned school taxes of \$18.7 million and other accounts receivable of \$1.8 million; and due from other governments of state and federal assistance for social services of \$92.6 million; other state and federal aid (including grants) of \$71.6 million; and amounts due from local governments of \$15.1 million.

C. Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities balances in governmental activities include approximately 56 percent payable to vendors and 44 percent accrued salaries and benefits. The accounts payable and accrued liabilities in the business-type activities include approximately 69 percent payable to vendors and 31 percent accrued salaries and benefits.

The accounts payable and accrued liabilities balances in governmental funds include approximately 80 percent payable to vendors and 20 percent accrued salaries and benefits. The accounts payable and accrued liabilities balances in proprietary funds approximate 39 percent payable to vendors and 61 percent accrued salaries and benefits.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

9. Capital Assets

Capital asset activity for the County's **primary government** consists of the following for the year ended December 31, 2009 (*000's omitted*):

Capital Asset Activity – Governmental Activities					
	Beginning Balance	Additions	Capitalization of AuC	Retirements	Ending Balance
GOVERNMENTAL ACTIVITIES:					
Nondepreciable Assets:					
Land	\$ 21,806	\$ 146	-	-	\$ 21,952
Assets under Construction	46,746	27,383	(27,623)	-	46,506
Total Nondepreciable Assets	68,552	27,529	(27,623)	-	68,458
Depreciable Assets:					
Buildings	146,160	-	-	(553)	145,607
Infrastructure	884,362	11,378	-	(3,625)	892,115
Improvements other than Buildings	159,373	11,525	-	-	170,898
Machinery and Equipment	92,421	17,083	-	(4,846)	104,658
Total Depreciable Assets	1,282,316	39,986	-	(9,024)	1,313,278
Total Investments in Capital Assets	1,350,868	67,515	(27,623)	(9,024)	1,381,736
Less Accumulated Depreciation:					
Buildings	(74,668)	(4,040)	-	255	(78,453)
Infrastructure	(411,087)	(18,723)	-	2,044	(427,766)
Improvements other than Buildings	(82,444)	(7,157)	-	-	(89,601)
Machinery and Equipment	(62,362)	(8,351)	-	2,380	(68,333)
Total Accumulated Depreciation	(630,561)	(38,271)	-	4,679	(664,153)
CAPITAL ASSETS, NET	\$ 720,307	\$ 29,244	\$ (27,623)	\$ (4,345)	\$ 717,583

Assets under Construction (AUC) 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, 2009 as follows (*000's omitted*):

Depreciation Expense Charged to Functions / Programs	
Governmental Activities:	Amount
General government	\$ 5,942
Public safety	9,882
Health and welfare	292
Culture, recreation and education	2,930
Transportation	19,150
Sanitation	75
Total	\$ 38,271

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

9. **Capital Assets (continued)**

Capital asset activity of the County's **primary government** consists of the following for the year ended December 31, 2009 (*000's omitted*):

Capital Asset Activity – Business-type Activities					
	Beginning Balance	Additions	Capitalization of AuC	Retirements	Ending Balance
BUSINESS-TYPE ACTIVITIES:					
Nondepreciable Assets:					
Land	\$ 26,416	\$ -	-	-	\$ 26,416
Assets under Construction	29,197	49,403	(60,173)	-	18,427
Total Nondepreciable Assets	55,613	49,403	(60,173)	-	44,843
Depreciable Assets:					
Buildings	177,259	11,149	-	(121)	188,287
Infrastructure	689,112	-	-	-	689,112
Improvements other than Buildings	322,066	48,234	-	(717)	369,583
Machinery and Equipment	109,144	2,599	-	(1,421)	110,322
Total Depreciable Assets	1,297,581	61,982	-	(2,259)	1,357,304
Total Investments in Capital Assets	1,353,194	111,385	(60,173)	(2,259)	1,402,147
Less Accumulated Depreciation:					
Buildings	(115,989)	(6,394)	-	92	(122,291)
Infrastructure	(393,295)	(23,502)	-	-	(416,797)
Improvements other than Buildings	(126,429)	(18,558)	-	717	(144,270)
Machinery and Equipment	(94,041)	(3,518)	-	1,221	(96,338)
Total Accumulated Depreciation	(729,754)	(51,972)	-	2,030	(779,696)
CAPITAL ASSETS, NET	\$ 623,440	\$ 59,413	\$ (60,173)	\$ (229)	\$ 622,451

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, 2009

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, 2009 (*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	1,240	6	(863)	-	383
Total Nondepreciable Assets	7,564	6	(863)	-	6,707
Depreciable Assets:					
Buildings	10,882	-	-	-	10,882
Improvements other than Buildings	56,499	863	-	-	57,362
Machinery and Equipment	3,038	-	-	(179)	2,859
Total Depreciable Assets	70,419	863	-	(179)	71,103
Total Investments in Capital Assets	77,983	869	(863)	(179)	77,810
Less Accumulated Depreciation:					
Buildings	(8,665)	(560)	-	-	(9,225)
Improvements other than Buildings	(35,638)	(2,844)	-	-	(38,482)
Machinery and Equipment	(2,227)	(222)	-	179	(2,270)
Total Accumulated Depreciation	(46,530)	(3,626)	-	179	(49,977)
CAPITAL ASSETS, NET	\$ 31,453	\$ (2,757)	(863)	-	\$ 27,833

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, 2009

9. **Capital Assets (continued)**

Capital asset activity of the County's **airport enterprise fund** consists of the following for the year ended December 31, 2009 (000's omitted):

Airport Enterprise Fund – Capital Asset Activity					
	Beginning Balance	Additions	Capitalization of AuC	Retirements	Ending Balance
BUSINESS-TYPE ACTIVITIES:					
Nondepreciable Assets:					
Land	\$ 18,414	\$ -	-	-	\$ 18,414
Assets under Construction	5,931	32,127	(34,705)	-	3,353
Total Nondepreciable Assets	24,345	32,127	(34,705)	-	21,767
Depreciable Assets:					
Buildings	22,723	-	-	-	22,723
Improvements other than Buildings	202,063	34,686	-	(717)	236,032
Machinery and Equipment	10,501	540	-	(607)	10,434
Total Depreciable Assets	235,287	35,226	-	(1,324)	269,189
Total Investments in Capital Assets	259,632	67,353	(34,705)	(1,324)	290,956
Less Accumulated Depreciation:					
Buildings	(11,290)	(866)	-	-	(12,156)
Improvements other than Buildings	(70,935)	(12,056)	-	717	(82,274)
Machinery and Equipment	(7,971)	(785)	-	530	(8,226)
Total Accumulated Depreciation	(90,196)	(13,707)	-	1,247	(102,656)
CAPITAL ASSETS, NET	\$ 169,436	\$ 53,646	\$ (34,705)	\$ (77)	\$ 188,300

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, 2009

9. **Capital Assets (continued)**

Capital asset activity of the County's **hospital enterprise fund** consists of the following for the year ended December 31, 2009 (000's omitted):

Hospital Enterprise Fund—Capital Asset Activity					
	Beginning <u>Balance</u>	<u>Additions</u>	Capitalization <u>of AuC</u>	<u>Retirements</u>	Ending <u>Balance</u>
BUSINESS-TYPE ACTIVITIES:					
Nondepreciable Assets:					
Land	\$ 109	-	-	-	\$ 109
Assets under Construction	8,289	4,078	(11,920)	-	447
Total Nondepreciable Assets	<u>8,398</u>	<u>4,078</u>	<u>(11,920)</u>	<u>-</u>	<u>556</u>
Depreciable Assets:					
Buildings	75,469	11,149	-	-	86,618
Infrastructure	2,565	-	-	-	2,565
Machinery and Equipment	43,824	1,117	-	-	44,941
Total Depreciable Assets	<u>121,858</u>	<u>12,266</u>	<u>-</u>	<u>-</u>	<u>134,124</u>
Total Investments in Capital Assets	<u>130,256</u>	<u>16,344</u>	<u>(11,920)</u>	<u>-</u>	<u>134,680</u>
Less Accumulated Depreciation:					
Buildings	(58,545)	(3,556)	-	-	(62,101)
Infrastructure	(2,231)	(41)	-	-	(2,272)
Machinery and Equipment	(37,977)	(1,138)	-	-	(39,115)
Total Accumulated Depreciation	<u>(98,753)</u>	<u>(4,735)</u>	<u>-</u>	<u>-</u>	<u>(103,488)</u>
CAPITAL ASSETS, NET	<u>\$ 31,503</u>	<u>\$ 11,609</u>	<u>\$ (11,920)</u>	<u>-</u>	<u>\$ 31,192</u>

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, 2009

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, 2009 (*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	13,737	13,192	(12,685)	-	14,244
Total Nondepreciable Assets	15,306	13,192	(12,685)	-	15,813
Depreciable Assets:					
Buildings	68,185	-	-	(121)	68,064
Infrastructure	686,547	-	-	-	686,547
Improvements other than Buildings	63,504	12,685	-	-	76,189
Machinery and Equipment	51,781	942	-	(635)	52,088
Total Depreciable Assets	870,017	13,627	-	(756)	882,888
Total Investments in Capital Assets	885,323	26,819	(12,685)	(756)	898,701
Less Accumulated Depreciation:					
Buildings	(37,489)	(1,412)	-	92	(38,809)
Infrastructure	(391,064)	(23,461)	-	-	(414,525)
Improvements other than Buildings	(19,856)	(3,658)	-	-	(23,514)
Machinery and Equipment	(45,866)	(1,373)	-	512	(46,727)
Total Accumulated Depreciation	(494,275)	(29,904)	-	604	(523,575)
CAPITAL ASSETS, NET	\$ 391,048	\$ (3,085)	\$ (12,685)	\$ (152)	\$ 375,126

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, 2009

10. Indebtedness and Certain Long-term Obligations

A. Short Term Indebtedness

The County had a total of \$95.6 million in outstanding notes payable as of December 31, 2009. This was comprised of \$20.6 million of bond anticipation notes (BANS) and \$75 million of revenue anticipation notes.

During 2009, the County issued a total \$20.6 million bond anticipation notes which provided \$16.0 million of new funds to pay for the cost or part of the cost of various capital projects and \$4.6 million to renew previously-issued bond anticipation notes. The County also issued a total of \$75 million of revenue anticipation notes, which provided \$58 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, 2009 (*000's omitted*):

Changes in Notes Payable – Primary Government				
	Beginning Balance	Additions	Deductions	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Capital Project Funds-Bond Anticipation Notes	\$ 23,913	\$ 1,504	\$ (23,913)	\$ 1,504
Internal Service Funds-Bond Anticipation Notes	8,767	3,087	(8,767)	3,087
General Fund-Revenue Anticipation Notes	63,000	58,000	(63,000)	58,000
TOTAL GOVERNMENTAL ACTIVITIES	<u>95,680</u>	<u>62,591</u>	<u>(95,680)</u>	<u>62,591</u>
BUSINESS-TYPE ACTIVITIES:				
Solid Waste-Bond Anticipation Notes	690	0	(690)	0
Airport-Bond Anticipation Notes	3,000	16,000	(3,000)	16,000
Hospital-Bond Anticipation Notes	795	0	(795)	0
Hospital-Revenue Anticipation Notes	17,000	17,000	(17,000)	17,000
Pure Waters-Bond Anticipation Notes	5,000	0	(5,000)	0
TOTAL BUSINESS-TYPE ACTIVITIES	<u>26,485</u>	<u>33,000</u>	<u>(26,485)</u>	<u>33,000</u>
TOTAL NOTES PAYABLE	<u>\$ 122,165</u>	<u>\$ 95,591</u>	<u>\$ (122,165)</u>	<u>\$ 95,591</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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, 2009 (*000's omitted*):

Notes Payable – Primary Government				
	Issue Date	Interest Rate	Final Maturity	Amount
GOVERNMENTAL ACTIVITIES:				
General Fund:				
Revenue Anticipation Notes	10/28/09	1.91%	04/15/10	\$ 58,000
Internal Service Funds:				
Public Improvement Bond Anticipation Notes	07/14/09	2.57%	07/14/10	3,087
Capital Project Funds:				
Public Improvement Bond Anticipation Notes	07/14/09	2.57%	07/14/10	<u>1,504</u>
TOTAL GOVERNMENTAL ACTIVITIES				<u>62,591</u>
BUSINESS-TYPE ACTIVITIES:				
Airport:				
Public Improvement Bond Anticipation Notes	07/14/09	2.57%	07/14/10	5,710
Public Improvement Bond Anticipation Notes	07/14/09	3.50%	07/14/10	10,290
Hospital:				
Revenue Anticipation Notes	10/28/09	1.91%	04/15/10	<u>17,000</u>
TOTAL BUSINESS-TYPE ACTIVITIES				<u>33,000</u>
TOTAL NOTES PAYABLE				\$ <u>95,591</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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, 2009 (*000's omitted*):

Long-term Liabilities – Primary Government					
	Beginning Balance	Additions	Deductions	Current Portion	Long term Portion
GOVERNMENTAL ACTIVITIES:					
Capital Leases Payable	\$ 133	\$ -	\$ (44)	\$ 42	\$ 47
Bonds Payable	<u>478,674</u>	<u>45,753</u>	<u>(34,133)</u>	<u>34,098</u>	<u>456,196</u>
Other Long-term Liabilities:					
Due to New York State Retirement System	23,539	12,874	(16,443)	12,874	7,096
Postemployment benefits other than pension	31,549	13,472	-	-	45,021
NYS Public Assistance Chargebacks	5,949	-	(48)	1,429	4,472
Sales Tax due to school districts	29,070	5,509	-	6,862	27,717
Compensated Absences	<u>26,263</u>	<u>-</u>	<u>(434)</u>	<u>16,421</u>	<u>9,408</u>
Total Other Long-term Liabilities	<u>116,370</u>	<u>31,855</u>	<u>(16,925)</u>	<u>37,586</u>	<u>93,714</u>
Total Governmental Long-term Liabilities	<u>\$ 595,177</u>	<u>77,608</u>	<u>(51,102)</u>	<u>71,726</u>	<u>549,957</u>
BUSINESS-TYPE ACTIVITIES:					
Capital Leases Payable	\$ 12,844	-	(1,340)	1,724	9,780
Bonds Payable	167,410	35,547	(16,702)	17,793	168,462
Patient funds held in trust	<u>511</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>515</u>
Other Long-term Liabilities:					
Due to New York State Retirement System	2,636	2,233	(2,636)	2,233	-
Postemployment benefits other than pension	8,069	3,567	-	-	11,636
Pollution Remediation	1,000	-	(200)	200	600
Compensated Absences	<u>2,266</u>	<u>-</u>	<u>(136)</u>	<u>1,662</u>	<u>468</u>
Total Other Long-term Liabilities	<u>13,971</u>	<u>5,800</u>	<u>(2,972)</u>	<u>4,095</u>	<u>12,704</u>
Total Business-Type Long-term Liabilities	<u>\$ 194,736</u>	<u>\$ 41,351</u>	<u>\$ (21,014)</u>	<u>\$ 23,612</u>	<u>\$ 191,461</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, 2010. 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, 2009

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, 2009 (*000's omitted*):

Bonds Payable – Primary Government					
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
GOVERNMENTAL ACTIVITIES:					
Governmental Funds	\$ 449,320	35,163	\$ (30,413)	\$ 454,070	\$ 29,321
Internal Service Funds	29,354	10,590	(3,720)	36,224	4,777
TOTAL GOVERNMENTAL ACTIVITIES	<u>478,674</u>	<u>45,753</u>	<u>(34,133)</u>	<u>490,294</u>	<u>34,098</u>
BUSINESS-TYPE ACTIVITIES:					
Solid Waste	24,854	665	(4,285)	21,234	3,459
Airport	12,972	14,200	(1,339)	25,833	1,801
Hospital	22,560	2,382	(3,688)	21,254	4,036
Pure Waters	107,024	18,300	(7,390)	117,934	8,497
TOTAL BUSINESS TYPE ACTIVITIES	<u>167,410</u>	<u>35,547</u>	<u>(16,702)</u>	<u>186,255</u>	<u>17,793</u>
TOTAL BONDS PAYABLE	<u>\$ 646,084</u>	<u>81,300</u>	<u>\$ (50,835)</u>	<u>\$ 676,549</u>	<u>\$ 51,891</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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, 2009 (*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	\$ 14
Public Improvement-1993	59,293	08/19/93	5.10%	2010	2,378
Public Improvement-1994	28,731	08/24/94	5.90%/6.15%	2016	5
Public Improvement-1996	33,313	07/02/96	5.75%/5.80%	2016	139
Public Improvement Refunding-1996-A	56,613	12/01/96	5.125%/6.00%	2019	6186
Public Improvement Refunding-1996-B	13,984	12/01/96	5.00%/5.35%	2012	7
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	10,640
Public Improvement-2002	61,091	03/14/02	4.00%/5.00%	2019	34,356
Public Improvement-2003	37,152	07/24/03	4.00%/4.50%	2023	23,078
General Obligation-2004	36,385	10/21/04	5.00%	2014	19,612
Public Improvement-2005	29,369	07/15/05	4.125%/4.25%	2025	25,175
Public Improvement-2007	36,959	07/15/07	4.25%/4.375%	2027	31,089
General Obligation Refunding Bonds – 2008-A	20,032	06/19/08	3.25%/5.00%	2017	10,906
General Obligation Refunding Bonds – 2008-B	1,485	06/19/08	5.00%	2013	1,050
General Obligation Refunding Bonds – 2008-C	2,570	06/19/08	3.00%/4.00%	2017	2,275
Public Improvement-2009-A	27,253	07/14/09	2.00%/5.00%	2029	<u>27,253</u>
					194,297
Add: Accretion of capital appreciation bonds					1,822
Unamortized bond premium					2,417
Unamortized gain on refinancing					625
Less: Unamortized loss on refinancing					<u>(775)</u>
TOTAL BONDS ISSUED BY THE COUNTY					<u>198,386</u>
<u>Bonds Issued by MTASC:</u>					
MTASC Series-2005	220,820	08/25/05	5.00%/6.65%	2060	212,811
MTASC Series-2006	14,579	02/07/06	7.70%	2061	<u>14,579</u>
TOTAL BONDS ISSUED BY MTASC					<u>\$ 227,390</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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	\$ 736
Public Improvement Refunding -1996-A	2,895	12/01/96	5.125%/6.00%	2019	134
Public Improvement - 1997-Series A	3,400	12/01/97	4.70%/5.00%	2017	21
Public Improvement - 2002	10,506	03/14/02	4.00%/5.00	2019	5,498
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	4,664
Public Improvement - 2005	1,328	07/15/05	4.125%/4.25%	2025	1,128
Public Improvement - 2007	654	07/15/07	4.25%/4.375%	2027	300
General Obligation Refunding Bonds – 2008-A	2,073	06/19/08	3.25%/5.00%	2017	1,664
Public Improvement – 2009 – A	7,910	07/14/09	2.00%/5.00%	2029	7,911
					<u>27,904</u>
Add: Unamortized bond premium					351
Unamortized gain on refinancing					54
Less: Unamortized loss on refinancing					<u>(15)</u>
TOTAL BONDS ISSUED BY THE COUNTY FOR MCC					28,294
TOTAL GOVERNMENTAL FUNDS					<u>454,070</u>
<u>Internal Service Funds</u>					
Public Improvement - 1993	4,345	08/19/93	5.10%	2010	95
Public Improvement Refunding – 1996 - A	6,128	12/01/96	5.125%/6.00%	2019	373
Public Improvement - 1999	21,025	05/27/99	4.50%	2015	4
Public Improvement - 2002	9,646	03/14/02	4.00%/5.00%	2019	5,807
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	7,631
Public Improvement - 2007	8,358	07/15/07	4.25%/4.375%	2027	7,388
General Obligation Refunding Bonds – 2008-A	4,825	06/19/08	3.25%/5.00%	2017	2,395
Public Improvement – 2009 –A	10,590	07/14/09	2.00%/5.00%	2029	10,590
					<u>35,968</u>
Add: Unamortized bond premium					323
Unamortized gain on refinancing					21
Less: Unamortized loss on refinancing					<u>(88)</u>
TOTAL INTERNAL SERVICE FUNDS					36,224
TOTAL GOVERNMENTAL ACTIVITIES					<u>\$ 490,294</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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 -1993	\$ 5,528	08/19/93	5.10%	2010	\$ 349
Public Improvement-1993-B	12,367	09/15/93	5.05%/5.20%	2013	7
Public Improvement-1994	59,717	08/24/94	5.95%/6.15%	2016	379
EFC Public Improvement Refunding-1995	15,005	06/01/95	4.20%	2015	5,620
Public Improvement Refunding-1996-A	46,343	12/01/96	5.125%/6.00%	2019	5,674
Public Improvement Refunding-1996-B	15,471	12/01/96	5.00%/5.35%	2012	2,763
Public Improvement -1997 Series A	5,714	12/01/97	4.75%/5.00%	2017	436
Public Improvement -1999	6,825	05/27/99	4.50%	2015	301
Public Improvement - 2002	15,359	03/14/02	4.00%/5.00%	2019	114
Public Improvement -2005	4,570	07/15/05	4.125%/4.25%	2025	3,867
Public Improvement -2007	123	07/15/07	4.25%/4.375%	2027	107
General Obligation Refunding Bonds-2008-A	770	06/19/08	3.25%/5.00%	2017	650
Public Improvement-2009-A	665	07/14/09	2.00%/5.00%	2029	665
					<u>\$ 20,932</u>
Add: Accretion of capital appreciation bonds					649
Unamortized bond premium					37
Less: Unamortized loss on refinancing					<u>(384)</u>
TOTAL SOLID WASTE FUND					<u>\$ 21,234</u>
<u>Airport Fund:</u>					
Public Improvement-2002	\$ 15,359	03/14/02	4.00%/5.00%	2019	\$ 2,244
Public Improvement-2003	2,825	07/24/03	4.00%/4.50%	2023	1,954
Public Improvement-2005	3,555	07/15/05	4.125%/4.25%	2025	3,073
Public Improvement -2007	4,556	07/15/07	4.25%/4.375%	2027	3,220
General Obligation Refunding Bonds - 2008-A	1,155	06/19/08	3.00%/4.00%	2017	785
Public Improvement-2009-B	14,200	07/14/09	3.75%/5.25%	2029	14,200
					<u>25,476</u>
Add: Unamortized bond premium					377
Less: Unamortized loss on refinancing					<u>(20)</u>
TOTAL AIRPORT FUND					<u>\$ 25,833</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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	\$ 56
Public Improvement - 1993	5,528	08/19/93	5.10%	2010	156
Public Improvement - 1994	59,717	08/24/94	5.95%/6.15%	2016	265
Public Improvement - 2002	15,359	03/14/02	4.00%/5.00%	2019	2,941
Public Improvement - 2003	1,545	07/24/03	4.00%/4.50%	2023	545
Public Improvement - 2005	1,515	07/15/05	4.125%/4.25%	2025	1,296
Public Improvement - 2007	1,332	07/15/07	4.25%/4.375%	2027	721
General Obligation Refunding Bonds-2008-A	595	06/19/08	3.25%/5.00%	2017	325
General Obligation Refunding Bonds-2008-B	14,140	06/19/08	5.00%	2013	11,900
Public Improvement – 2009 – A	2,382	07/14/09	2.00%/5.00%	2029	2,382
					\$ 20,587
Add: Unamortized bond premium					431
Unamortized gain on refinancing					236
TOTAL HOSPITAL FUND					\$ 21,254

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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>
Pure Waters Fund:					
Pure Waters Districts -1990 A	\$ 5,000	12/01/90	7.20%	2010	\$ 300
Pure Waters Districts -1990B	12,215	12/01/90	7.20%	2011	1,455
Public Improvement - 1993B	12,367	09/15/93	5.05%/5.20%	2013	1,823
Public Improvement - 1994	59,217	08/24/94	5.95%/6.15%	2016	5
Public Improvement - 1996	2,850	07/02/96	5.75%/5.80%	2016	526
Public Improvement Refunding-1996A	46,343	12/01/96	5.125%/6.00%	2019	20,163
Public Improvement - 1997A	5,714	12/01/97	4.75%/5.00%	2017	360
Environmental Improvement Bonds- 1999	16,046	03/31/99	4.18%/4.905%	2018	8,060
Environmental Improvement Bonds - 2001	19,999	07/26/01	4.235%/5.154%	2021	13,190
Environmental Improvement Bonds -2002	2,287	03/14/02	3.932%/4.982%	2021	1,460
Public Improvement - 2002	15,359	03/14/02	4.00%/5.00%	2019	4,958
Public Improvement - 2003	2,020	07/24/03	4.00/4.50%	2023	1,509
General Obligation Refunding Bonds - 2004	1,242	10/21/04	5.00%	2014	650
Public Improvement - 2005	25,698	07/15/05	4.125%/4.250%	2025	21,723
Public Improvement - 2007	23,903	07/15/07	4.25%/4.375%	2027	22,331
General Obligation Refunding Bonds - 2008A	665	06/19/08	3.25%/5.00%	2017	595
Public Improvement – 2009 – A	18,300	07/14/09	2.00%/5.00%	2029	<u>18,300</u>
TOTAL PURE WATERS FUND					117,408
Add: Accretion of capital appreciation bonds					161
Unamortized bond premium					443
Less: Unamortized loss on refinancing					<u>(78)</u>
TOTAL PURE WATERS FUND					<u>117,934</u>
TOTAL BUSINESS-TYPE ACTIVITIES					<u>186,255</u>
TOTAL PRIMARY GOVERNMENT					\$ <u>676,549</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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, 2009 (*000's omitted*):

Principal Payments – Primary Government							
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>				Total Primary Government
	Governmental Funds	Internal Service	Solid Waste	Airport	Hospital	Pure Waters	
PRINCIPAL							
2010	\$ 29,321	\$ 4,777	\$ 3,459	\$ 1,801	\$ 4,036	\$ 8,497	\$ 51,891
2011	24,922	2,844	3,463	2,227	3,863	8,519	45,838
2012	23,681	2,924	2,821	1,730	3,891	8,062	43,109
2013	23,478	2,435	2,463	1,775	3,919	8,259	42,329
2014	21,752	3,299	2,410	1,861	773	8,103	38,198
2015-2019	67,347	10,116	4,855	7,123	3,263	43,778	136,482
2020-2024	26,255	6,133	1,219	4,937	761	21,615	60,920
2025-2029	34,099	3,440	242	4,022	81	10,575	52,459
2030-2034	-	-	-	-	-	-	-
2035-2039	-	-	-	-	-	-	-
2040-2044	118,755	-	-	-	-	-	118,755
2045-2049	35,465	-	-	-	-	-	35,465
2050-2054	5,387	-	-	-	-	-	5,387
2055-2059	8,924	-	-	-	-	-	8,924
2060-2061	30,205	-	-	-	-	-	30,205
TOTAL							
PRINCIPAL	\$ 449,591	\$ 35,968	\$ 20,932	\$ 25,476	\$ 20,587	\$ 117,408	\$ 669,962

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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, 2009 (*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	Pure Waters	
INTEREST							
2010	\$ 19,964	\$ 1,490	\$ 997	\$ 1,123	\$ 884	\$ 5,515	\$ 29,973
2011	18,532	1,333	838	1,039	694	5,114	27,550
2012	17,503	1,215	622	959	509	4,636	25,444
2013	16,678	1,103	498	887	322	4,256	23,744
2014	15,404	975	553	811	209	3,867	21,819
2015-2019	67,457	3,280	947	2,998	563	12,885	88,130
2020-2024	55,291	1,486	179	1,598	93	4,714	63,361
2025-2029	47,288	321	5	489	2	932	49,037
2030-2034	42,499	-	-	-	-	-	42,499
2035-2039	42,499	-	-	-	-	-	42,499
2040-2044	21,739	-	-	-	-	-	21,739
2045-2049	887	-	-	-	-	-	887
2050-2054	66,578	-	-	-	-	-	66,578
2055-2059	193,791	-	-	-	-	-	193,791
2060-2061	<u>1,531,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,531,395</u>
TOTAL INTEREST	<u>2,157,505</u>	<u>11,203</u>	<u>4,639</u>	<u>9,904</u>	<u>3,276</u>	<u>41,919</u>	<u>2,228,446</u>
TOTAL PRINCIPAL AND INTEREST	<u>\$ 2,607,095</u>	<u>\$ 47,171</u>	<u>\$ 25,571</u>	<u>\$ 35,380</u>	<u>\$ 23,863</u>	<u>\$ 159,328</u>	<u>\$ 2,898,408</u>

Approximately \$411.8 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, 2009

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

D. **Advanced Refunding/Defeased Debt**

As of December 31, 2009, 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	\$ 1,060
Public Improvement-1994 (Capital Appreciation)	1,621
Public Improvement-2002	7,125
Public Improvement-2003	2,750
MTASC – Series 2000	<u>143,475</u>
TOTAL:	\$ <u>156,031</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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 \$74 thousand at December 31, 2009. 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, 2009 (*000's omitted*):

<u>Year</u>	<u>Payment</u>
2010	\$ 35
2011	37
2012	<u>10</u>
Total minimum lease payments	82
Less amounts representing interest at rates ranging from 3.0% to 8.9%	<u>(4)</u>
Net minimum lease payments	<u>\$ 78</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 \$7.7 million at December 31, 2009. 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, 2009 are as follows (*000's omitted*):

<u>Year</u>	<u>Payment</u>
2010	\$ 1,192
2011	<u>593</u>
Total minimum lease payments	1,785
Less amounts representing interest at 8.05%	<u>(135)</u>
Net minimum lease payments	<u>\$ 1,650</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, 2009

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 \$169 thousand at December 31, 2009. 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, 2009 (*000's omitted*):

<u>Year</u>	<u>Payment</u>
2010	\$ 186
2011	180
2012	<u>145</u>
Total minimum lease payments	511
Less amounts representing interest at rates ranging from 4.0% to 4.5%	<u>(36)</u>
Net minimum lease payments	<u>\$ 475</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 accumulated amortization of \$332 thousand at December 31, 2009 (*000's omitted*):

<u>Year</u>	<u>Payment</u>
2010	\$ 952
2011	952
2012	952
2013	952
Thereafter	<u>9,517</u>
Total minimum lease payments	13,325
Less amounts representing interest at 5.07%	<u>(3,946)</u>
Net minimum lease payments	<u>\$ 9,379</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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 \$19 thousand at December 31, 2009. 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, 2009 (*000's omitted*):

<u>Year</u>	<u>Payment</u>
2010	\$ 11
2011	<u>1</u>
Total minimum lease payments	12
Less amounts representing interest of 11.8%	<u>(1)</u>
Net minimum lease payments	<u>\$ 11</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>
2010	\$ 250
2011	<u>125</u>
Net minimum lease payments	<u>\$ 375</u>

Payments made under the agreement totaled \$436 thousand in 2009.

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, 2009

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
2009	\$ 18,993	\$ 176
2008	22,540	204
2007	25,368	200

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, 2009

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, 2009 by activity (*000's omitted*):

Retirement Liability				
	Year	2004 Elective Deferral	2009 Chapter 260	Total
GOVERNMENTAL ACTIVITIES				
	2010	\$ 1,223	\$ 11,651	\$ 12,874
	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>8,319</u>	<u>11,651</u>	<u>19,970</u>
TOTAL GOVERNMENTAL ACTIVITIES		\$ 8,319	11,651	19,970
BUSINESS-TYPE ACTIVITIES	2009	<u>-</u>	<u>2,233</u>	<u>2,233</u>
TOTAL RETIREMENT LIABILITY		<u>\$ 8,319</u>	<u>\$ 13,884</u>	<u>\$ 22,203</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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 2009 was \$20.8 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	\$ 30,654	\$ 7,154	\$ 37,808
Contributions made	(17,182)	(3,595)	(20,777)
Increase in Net OPEB Obligation	13,472	3,559	17,031
Net OPEB Obligation – beginning of year	31,549	8,055	39,604
Net OPEB Obligation – end of year	\$ 45,021	11,614	56,635
Annual OPEB Cost:			
2009	\$ 30,654	7,154	37,808
2008	30,343	6,921	37,264
2007	30,635	6,996	37,631
Percentage of Annual OPEB cost contributed:			
2009	56.0%	50.3%	55.0%
2008	50.1%	43.7%	48.9%
2007	46.4%	40.6%	45.3%

The net OPEB obligation at December 31, 2009 is recorded as follows (000's omitted):

	Governmental Activities	Business-Type Activities	Total Primary Government
Current assets – other	\$ -	\$ 22	\$ 22
Other long-term liabilities	45,021	11,636	56,657
Net OPEB Obligation	\$ 45,021	11,614	56,635

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

13. Post-Employment Health Care Benefits (continued)

Funded Status and Funding Progress

As of December 31, 2009, the actuarial accrued liability for benefits was \$488.7 million, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$236.3 million, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 206.8 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 12/31/2009 (unfunded)	\$ 404,543	\$ 84,127	\$ 488,670
Covered Payroll	189,694	46,606	236,300
Ratio of Unfunded AAL to Covered Payroll	213.3%	180.5%	206.8%

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, 2009
Actuarial Cost Method	Projected Unit Credit
Discount Rate	4%
Health Care Trends	10% 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, 2009

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%
01/01/2009	-	\$ 488,670	\$ 488,670	0.00%	\$ 236,300	206.8%

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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

Eighty four percent of the amount due to the general fund is a result of the overdraft of other funds' share of pooled cash, and sixteen percent is a result of initial financing of capital projects. The following is a summary of interfund receivables and payables as of December 31, 2009 (*000's omitted*):

Interfund Payables and Receivables					
Interfund Receivables:					
	Governmental Activities			Business-Type Activities	
	General Fund	Special Revenue – Nonmajor Funds	Internal Service Fund	Airport Fund	Total
Interfund Payables:					
GOVERNMENTAL ACTIVITIES:					
General Fund	\$ -	\$ 5,200	\$ 12,500	\$ 2,200	\$ 19,900
Nonmajor Governmental Funds:					
Special Revenue - Road	11,600	-	-	-	11,600
Capital Projects	6,466	11,702	-	-	18,168
Total Nonmajor Governmental Funds	18,066	11,702	-	-	29,768
Internal Service Funds	5,300	-	-	-	5,300
Total Governmental Activities	23,366	16,902	12,500	2,200	54,968
BUSINESS-TYPE ACTIVITIES:					
Solid Waste	11,400	-	-	-	11,400
Hospital	2,900	-	-	-	2,900
Energy	1,700	-	-	-	1,700
Total Business-type Activities	16,000	-	-	-	16,000
TOTAL GOVERNMENTAL / BUSINESS-TYPE ACTIVITIES	\$ 39,366	\$ 16,902	\$ 12,500	\$ 2,200	\$ 70,968

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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, 2009 (*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	\$ -	\$ 23,340	\$ 7,865	\$ 19,285	-	\$ 1,980	\$ 52,470
Non-major Governmental Funds:							
Special Revenue:							
Road	-	-	-	15,613	-	-	15,613
Library	28	-	-	1,245	-	-	1,273
Debt Service	15	-	-	-	714	-	729
Capital Projects	-	-	-	1,492	-	-	1,492
Total Nonmajor Governmental Funds	43	-	-	18,350	714	-	19,107
Internal Service Funds	32	-	-	-	-	-	32
Total Governmental Activities	75	23,340	7,865	37,635	714	1,980	71,609
TOTAL TRANSFERS	\$ 75	\$ 23,340	\$ 7,865	\$ 37,635	\$ 714	\$ 1,980	\$ 71,609

15. Miscellaneous Revenue

For the year ended December 31, 2009, the miscellaneous revenue for the primary government is \$13.0 million, consisting of \$3.6 million for governmental activities and \$9.4 million for business-type activities. This includes \$7.0 million in the solid waste fund for the sale of recycled materials and waste refuse complex fees and \$1.8 million in the hospital fund, consisting primarily of space rental.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2009

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, 2009 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, 2009, 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, 2009 are \$21.8 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, 2009.

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,
2009	\$ 21,707	\$ 8,960	\$ (8,894)	\$ 21,773
2008	20,514	10,358	(9,165)	21,707

Included in the internal service fund's liabilities as of December 31, 2009 is \$694 thousand, 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, 2009

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 remaining liability as of December 31, 2009 of \$800 thousand.

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.

**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, 2009
(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	\$ 338,740	338,740	329,356	(9,384)
Sales tax	84,268	84,268	78,446	(5,822)
Federal aid	94,276	142,482	134,281	(8,201)
State aid	228,490	250,112	196,697	(53,415)
Charges for services	18,832	18,832	18,772	(60)
Intergovernmental	33,133	33,154	32,524	(630)
Interdepartmental	3,517	3,517	3,319	(198)
Use of money and property	4,718	4,718	5,372	654
Repayments and refunds	13,177	13,177	18,030	4,853
Payments in lieu of taxes	6,290	6,290	7,557	1,267
Miscellaneous	44,761	44,792	8,890	(35,902)
	<u>870,202</u>	<u>940,082</u>	<u>833,244</u>	<u>(106,838)</u>
EXPENDITURES				
Health and welfare	384,480	433,048	393,856	39,192
Public safety	194,360	216,495	187,922	28,573
Culture, recreation and education	61,192	61,244	62,081	(837)
General government	157,737	158,812	147,536	11,276
Transportation	3,524	3,524	3,524	---
	<u>801,293</u>	<u>873,123</u>	<u>794,919</u>	<u>78,204</u>
Excess of revenues over expenditures	<u>68,909</u>	<u>66,959</u>	<u>38,325</u>	<u>(28,634)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	---	---	75	75
Transfers out	(68,909)	(66,959)	(66,920)	39
	<u>(68,909)</u>	<u>(66,959)</u>	<u>(66,845)</u>	<u>114</u>
Deficiency of revenues, other financing sources and special items over expenditures and other financing uses - budget basis	<u>\$ ---</u>	<u>\$ ---</u>	<u>(28,520)</u>	<u>(28,520)</u>
Add: Encumbrances at end of year included in actual			7,091	
Adjust for changes in:				
taxes and assessments			10,550	
due from other governments			40,087	
accounts payable and accrued liabilities			(15,986)	
due to other governments			3,384	
unearned revenue			(2,538)	
Less: Expenditure of prior year's encumbrances			<u>(6,760)</u>	
Excess of revenues and other financing sources over expenditures and other financing uses - GAAP basis			7,308	
Fund deficit at beginning of year			<u>(1,070)</u>	
Fund balance at end of year			<u>\$ 6,238</u>	

See accompanying notes to required supplementary information

COUNTY OF MONROE, NEW YORK
Notes to Required Supplementary Information (Unaudited)
Year Ended December 31, 2009

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 (Unaudited)
Year Ended December 31, 2009

Budgetary Basis Reporting (continued)

A summary of legally-adopted budgetary activity for the County's general fund for the year ended 2009 follows (000's omitted):

	<u>General Fund</u>
Original Revenue Budget:	
Revenues and Other Financing Sources	\$ 870,202
Authorized:	
Revisions and Transfers	38,965
Grant Reappropriations	<u>30,915</u>
Modified Revenue Budget-Budget Basis	<u>\$ 940,082</u>
Original Expenditures Budget:	
Expenditures and Other Financing Uses	\$ 870,202
Authorized:	
Revisions and Transfers	38,965
Grant Reappropriations	<u>30,915</u>
Modified Expenditure Budget-Budget Basis	<u>\$ 940,082</u>

Revisions and Transfers include new awards of state and federal funded programs, offset by grant returns. In addition, reappropriations of \$30.9 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, 2009
(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	\$ 6,872	---	283	---	---	---	---	---	7,155
Accounts receivables, net	1,085	---	12,134	---	---	---	---	800	14,019
Due from other funds	16,902	---	---	---	---	---	---	---	16,902
Due from other governments:									
State and Federal - other	1,691	---	---	---	868	10,741	135	1,498	14,933
Local governments	371	---	---	---	---	37	---	---	408
Inventories	973	---	---	---	---	---	---	---	973
Restricted assets:									
Cash and cash equivalents	---	4,214	13,343	198	4,792	2,217	1,670	801	27,235
Funds held by trustee	---	48	---	---	---	---	---	---	48
Securities and retained percentages	---	---	---	---	161	---	---	180	341
Other assets	---	---	2	---	---	886	---	---	888
Total assets	\$ 27,894	4,262	25,762	198	5,821	13,881	1,805	3,279	82,902
LIABILITIES AND FUND BALANCES (DEFICITS)									
Liabilities:									
Accounts payable and accrued liabilities	5,893	48	---	11	934	1,999	334	999	10,218
Due to other funds	11,600	---	---	295	666	11,702	788	4,717	29,768
Due to other governments	1,498	---	---	---	---	---	---	---	1,498
Unearned revenue	---	---	12,134	---	---	---	---	---	12,134
Notes payable	---	---	---	---	---	1,504	---	---	1,504
Total liabilities	18,991	48	12,134	306	1,600	15,205	1,122	5,716	55,122
Fund balances (deficits):									
Reserved for:									
Debt service	---	3,779	13,343	---	---	---	---	---	17,122
Encumbrances	633	---	---	480	16,317	15,932	548	743	34,653
Inventories	973	---	---	---	---	---	---	---	973
Unreserved (deficits)	7,297	435	285	(588)	(12,096)	(17,256)	135	(3,180)	(24,968)
Total fund balances (deficits)	8,903	4,214	13,628	(108)	4,221	(1,324)	683	(2,437)	27,780
Total liabilities and fund balances	\$ 27,894	4,262	25,762	198	5,821	13,881	1,805	3,279	82,902

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, 2009

	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	\$ 4,860	---	---	---	868	12,091	42	---	17,861
State aid	6,902	---	---	64	---	1,542	(56)	2,053	10,505
Charges for services	5,597	---	---	---	---	---	---	---	5,597
Intergovernmental	1,459	1,493	---	---	---	---	---	---	2,952
Interdepartmental	32	---	---	---	---	---	---	---	32
Use of money and property	202	925	3	---	---	---	---	---	1,130
Repayments and refunds	143	---	---	---	---	---	---	---	143
Tobacco settlement	---	---	13,397	---	---	---	---	---	13,397
Miscellaneous	2,608	356	---	1	1	180	2	835	3,983
Total revenues	21,803	2,774	13,400	65	869	13,813	(12)	2,888	55,600
EXPENDITURES:									
Public safety	2,187	---	---	---	---	---	---	---	2,187
Culture, recreation and education	10,336	---	---	---	---	---	---	---	10,336
General government	71	---	81	---	---	---	---	---	152
Transportation	17,796	---	---	---	---	---	---	---	17,796
Economic development	4,519	---	---	---	---	---	---	---	4,519
Debt service:									
Principal retirement	---	27,332	2,890	---	---	---	---	---	30,222
Interest and fiscal charges	---	13,382	10,588	---	---	---	---	---	23,970
Capital Projects	---	---	---	831	8,226	20,785	2,575	5,207	37,624
Total expenditures	34,909	40,714	13,559	831	8,226	20,785	2,575	5,207	126,806
Excess (deficiency) of revenues over expenditures	(13,106)	(37,940)	(159)	(766)	(7,357)	(6,972)	(2,587)	(2,319)	(71,206)
OTHER FINANCING SOURCES (USES):									
Bonds issued	---	---	---	1,340	13,120	8,801	3,992	7,910	35,163
Transfers in	31,205	37,635	---	62	147	117	---	388	69,554
Transfers out	(16,886)	(729)	---	---	(54)	(1,438)	---	---	(19,107)
Total other financing sources (uses)	14,319	36,906	---	1,402	13,213	7,480	3,992	8,298	85,610
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,213	(1,034)	(159)	636	5,856	508	1,405	5,979	14,404
Fund balances (deficits) at beginning of year	7,690	5,248	13,787	(744)	(1,635)	(1,832)	(722)	(8,416)	13,376
Fund balances (deficits) at end of year	<u>\$ 8,903</u>	<u>4,214</u>	<u>13,628</u>	<u>(108)</u>	<u>4,221</u>	<u>(1,324)</u>	<u>683</u>	<u>(2,437)</u>	<u>27,780</u>

See accompanying independent auditors' report

**COUNTY OF MONROE, NEW YORK
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009
 (000's Omitted)**

	Road	Special Grants	Green Space Initiative	Jail Funds	Golf Course Funds	Zoo Admissions	Library System Automation	Library
ASSETS								
Cash and cash equivalents	\$ 67	158	939	4,434	4	10	290	31
Accounts receivables, net	---	961	---	57	---	---	---	67
Due from other funds	11,702	---	---	---	---	---	---	5,200
Due from other governments:								
State and Federal - other	1,444	247	---	---	---	---	---	---
Local governments	368	---	---	---	---	---	---	---
Inventories	973	---	---	---	---	---	---	---
Total assets	\$ 14,554	1,366	939	4,491	4	10	290	5,298
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	998	71	39	327	---	---	---	4,372
Due to other funds	11,600	---	---	---	---	---	---	---
Due to other governments	203	1,295	---	---	---	---	---	---
Total liabilities	12,801	1,366	39	327	---	---	---	4,372
Fund balances:								
Reserved for:								
Encumbrances	26	---	554	39	---	---	---	---
Inventories	973	---	---	---	---	---	---	---
Unreserved:								
Undesignated	754	---	346	4,125	4	10	290	926
Total fund balances	1,753	---	900	4,164	4	10	290	926
Total liabilities and fund balances	\$ 14,554	1,366	939	4,491	4	10	290	5,298

(continued)

**COUNTY OF MONROE, NEW YORK
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009
(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	\$ 268	53	58	336	40	10	174	6,872
Accounts receivables, net	---	---	---	---	---	---	---	1,085
Due from other funds	---	---	---	---	---	---	---	16,902
Due from other governments:								
State and Federal - other	---	---	---	---	---	---	---	1,691
Local governments	---	---	---	3	---	---	---	371
Inventories	---	---	---	---	---	---	---	973
Total assets	<u>\$ 268</u>	<u>53</u>	<u>58</u>	<u>339</u>	<u>40</u>	<u>10</u>	<u>174</u>	<u>27,894</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	51	2	---	---	---	---	33	5,893
Due to other funds	---	---	---	---	---	---	---	11,600
Due to other governments	---	---	---	---	---	---	---	1,498
Total liabilities	<u>51</u>	<u>2</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>33</u>	<u>18,991</u>
Fund balances:								
Reserved for:								
Encumbrances	---	---	4	10	---	---	---	633
Inventories	---	---	---	---	---	---	---	973
Unreserved:								
Undesignated	217	51	54	329	40	10	141	7,297
Total fund balances	<u>217</u>	<u>51</u>	<u>58</u>	<u>339</u>	<u>40</u>	<u>10</u>	<u>141</u>	<u>8,903</u>
Total liabilities and fund balances	<u>\$ 268</u>	<u>53</u>	<u>58</u>	<u>339</u>	<u>40</u>	<u>10</u>	<u>174</u>	<u>27,894</u>

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009
(000's Omitted)

	Road	Special Grants	Green Space Initiative	Jail Funds	Golf Course Funds	Zoo Admissions	Library System Automation	Library
REVENUES:								
Federal aid	\$ 691	4,169	---	---	---	---	---	---
State aid	5,023	---	---	---	---	---	---	1,879
Charges for services	4,425	3	---	1,042	---	---	---	---
Intergovernmental	562	---	---	12	---	---	---	885
Interdepartmental	32	---	---	---	---	---	---	---
Use of money and property	---	---	2	138	---	---	---	27
Repayments and refunds	135	---	---	8	---	---	---	---
Miscellaneous	66	331	---	1,407	344	---	---	253
Total revenues	<u>10,934</u>	<u>4,503</u>	<u>2</u>	<u>2,607</u>	<u>344</u>	<u>---</u>	<u>---</u>	<u>3,044</u>
EXPENDITURES:								
Culture, recreation and education	---	---	---	---	349	---	---	9,718
General government	---	---	71	---	---	---	---	---
Public safety	---	---	---	2,142	---	---	---	---
Transportation	17,796	---	---	---	---	---	---	---
Economic development	---	4,503	---	---	---	---	---	---
Total expenditures	<u>17,796</u>	<u>4,503</u>	<u>71</u>	<u>2,142</u>	<u>349</u>	<u>---</u>	<u>---</u>	<u>9,718</u>
Excess (deficiency) of revenues over expenditures	<u>(6,862)</u>	<u>---</u>	<u>(69)</u>	<u>465</u>	<u>(5)</u>	<u>---</u>	<u>---</u>	<u>(6,674)</u>
OTHER FINANCING SOURCES (USES):								
Transfers in	23,340	---	---	---	---	---	---	7,865
Transfers out	(15,613)	---	---	---	---	---	---	(1,273)
Total other financing sources (uses)	<u>7,727</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>6,592</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	865	---	(69)	465	(5)	---	---	(82)
Fund balances at beginning 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>
Fund balances at end of year	<u>\$ 1,753</u>	<u>---</u>	<u>900</u>	<u>4,164</u>	<u>4</u>	<u>10</u>	<u>290</u>	<u>926</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, 2009
 (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	\$ ---	---	---	---	---	---	---	4,860
State aid	---	---	---	---	---	---	---	6,902
Charges for services	---	---	---	112	15	---	---	5,597
Intergovernmental	---	---	---	---	---	---	---	1,459
Interdepartmental	---	---	---	---	---	---	---	32
Use of money and property	---	---	---	---	---	---	35	202
Repayments and refunds	---	---	---	---	---	---	---	143
Miscellaneous	31	69	---	---	---	---	107	2,608
Total revenues	31	69	---	112	15	---	142	21,803
EXPENDITURES:								
Culture, recreation and education	80	48	2	---	---	1	138	10,336
General government	---	---	---	---	---	---	---	71
Public safety	---	---	---	---	7	---	38	2,187
Transportation	---	---	---	---	---	---	---	17,796
Economic development	---	---	---	---	---	---	16	4,519
Total expenditures	80	48	2	---	7	1	192	34,909
Excess (deficiency) of revenues over expenditures	(49)	21	(2)	112	8	(1)	(50)	(13,106)
OTHER FINANCING SOURCES (USES):								
Transfers in	---	---	---	---	---	---	---	31,205
Transfers out	---	---	---	---	---	---	---	(16,886)
Total other financing sources (uses)	---	---	---	---	---	---	---	14,319
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(49)	21	(2)	112	8	(1)	(50)	1,213
Fund balances at beginning of year	266	30	60	227	32	11	191	7,690
Fund balances at end of year	\$ 217	51	58	339	40	10	141	8,903

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See accompanying independent auditors' report

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF NET ASSETS (DEFICITS)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009
(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>
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 1	38	36	55	5	135
Accounts receivables, net	---	126	---	---	---	126
Due from other funds	600	---	2,800	400	8,700	12,500
Due from other governments	---	1,094	---	3	---	1,097
Inventories	139	---	21	305	---	465
Unamortized bond issue costs	---	4	---	---	---	4
Other assets	---	---	---	---	42	42
Total current assets	<u>740</u>	<u>1,262</u>	<u>2,857</u>	<u>763</u>	<u>8,747</u>	<u>14,369</u>
Noncurrent assets:						
Restricted assets						
Cash and cash equivalents	---	1,238	383	---	---	1,621
Securities and retained percentages	---	---	---	---	---	---
Capital assets, net of accumulated depreciation	---	59,561	1,560	39	---	61,160
Unamortized bond issue costs	---	252	38	1	---	291
Total noncurrent assets	<u>---</u>	<u>61,051</u>	<u>1,981</u>	<u>40</u>	<u>---</u>	<u>63,072</u>
TOTAL ASSETS	<u>740</u>	<u>62,313</u>	<u>4,838</u>	<u>803</u>	<u>8,747</u>	<u>77,441</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	88	3,294	660	250	21,773	26,065
Due to other funds	---	5,300	---	---	---	5,300
Due to other governments	15	73	138	---	---	226
Notes payable	---	3,087	---	---	---	3,087
Current portion of:						
Capital leases payable	---	---	10	---	---	10
Bonds payable	---	3,218	1,529	30	---	4,777
Total current liabilities	<u>103</u>	<u>14,972</u>	<u>2,337</u>	<u>280</u>	<u>21,773</u>	<u>39,465</u>
Noncurrent liabilities:						
Capital lease obligations	---	---	1	---	---	1
Bonds payable	---	29,449	1,975	23	---	31,447
Other long-term liabilities	93	638	277	59	---	1,067
Total noncurrent liabilities	<u>93</u>	<u>30,087</u>	<u>2,253</u>	<u>82</u>	<u>---</u>	<u>32,515</u>
Total liabilities	<u>196</u>	<u>45,059</u>	<u>4,590</u>	<u>362</u>	<u>21,773</u>	<u>71,980</u>
NET ASSETS (DEFICITS)						
Invested in capital assets, net of related debt	---	22,804	(1,585)	(13)	---	21,206
Restricted for:						
Debt service	---	326	2	---	---	328
Capital projects	---	---	---	---	---	---
Unrestricted (deficits)	<u>544</u>	<u>(5,876)</u>	<u>1,831</u>	<u>454</u>	<u>(13,026)</u>	<u>(16,073)</u>
Total net assets (deficits)	<u>\$ 544</u>	<u>17,254</u>	<u>248</u>	<u>441</u>	<u>(13,026)</u>	<u>5,461</u>

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, 2009
(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	\$ ---	122	---	29	64	215
Interdepartmental	1,638	25,095	15,534	3,323	11,412	57,002
Repayments and refunds	---	5	---	---	---	5
Miscellaneous	4	333	10	2	---	349
Total operating revenues	<u>1,642</u>	<u>25,555</u>	<u>15,544</u>	<u>3,354</u>	<u>11,476</u>	<u>57,571</u>
Operating expenses:						
Personnel services	313	1,468	2,687	---	---	4,468
Employee benefits	169	1,192	1,095	75	---	2,531
Contractual	795	12,847	9,500	420	10,932	34,494
Depreciation and amortization	---	2,950	801	25	---	3,776
Other	392	7,671	504	2,597	538	11,702
Total operating expenses	<u>1,669</u>	<u>26,128</u>	<u>14,587</u>	<u>3,117</u>	<u>11,470</u>	<u>56,971</u>
Operating income (loss)	<u>(27)</u>	<u>(573)</u>	<u>957</u>	<u>237</u>	<u>6</u>	<u>600</u>
Nonoperating revenues (expenses):						
Use of money and property	---	21	1	1	32	55
Interest and fiscal charges	---	(2,057)	(163)	(3)	---	(2,223)
Gain (loss) on disposal of capital assets	---	4	---	(307)	---	(303)
Other income (expense)	---	337	1	37	---	375
Total nonoperating revenues (expenses)	<u>---</u>	<u>(1,695)</u>	<u>(161)</u>	<u>(272)</u>	<u>32</u>	<u>(2,096)</u>
Income (loss) before transfers	<u>(27)</u>	<u>(2,268)</u>	<u>796</u>	<u>(35)</u>	<u>38</u>	<u>(1,496)</u>
Transfers in	---	1,980	---	---	---	1,980
Transfers out	---	---	---	---	(32)	(32)
Change in net assets	<u>(27)</u>	<u>(288)</u>	<u>796</u>	<u>(35)</u>	<u>6</u>	<u>452</u>
Total net assets (deficits) at beginning of year	571	17,542	(548)	476	(13,032)	5,009
Total net assets (deficits) at end of year	<u>\$ 544</u>	<u>17,254</u>	<u>248</u>	<u>441</u>	<u>(13,026)</u>	<u>5,461</u>

See accompanying independent auditors' report

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009
(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	\$ ---	180	---	28	---	208
Cash received from other funds for services	1,638	25,095	15,534	3,323	11,476	57,066
Payments to or on behalf of employees	(469)	(2,537)	(3,827)	(57)	---	(6,890)
Payments to suppliers	(775)	(11,163)	(9,634)	(273)	(1,958)	(23,803)
Payments for interfund services	(239)	(7,368)	(491)	(854)	(538)	(9,490)
Claims paid	---	---	---	---	(8,894)	(8,894)
Other receipts (payments)	(80)	357	(40)	(1,755)	(31)	(1,549)
Net cash provided by operating activities	<u>75</u>	<u>4,564</u>	<u>1,542</u>	<u>412</u>	<u>55</u>	<u>6,648</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Federal aid	---	---	---	---	---	---
Receipts from other funds	(600)	---	(2,800)	(400)	(5,000)	(8,800)
Payments to other funds	---	1,700	---	---	---	1,700
Transfers in	---	1,980	---	---	---	1,980
Transfers out	---	---	---	---	(32)	(32)
Net cash provided by (used in) noncapital financing activities	<u>(600)</u>	<u>3,680</u>	<u>(2,800)</u>	<u>(400)</u>	<u>(5,032)</u>	<u>(5,152)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Interest paid	---	(1,563)	(163)	(3)	---	(1,729)
Changes in securities and retainage	---	113	---	---	---	113
Proceeds from the issuance of notes	---	3,087	---	---	---	3,087
Proceeds from the issuance of bonds	---	9,787	803	---	---	10,590
Principal paid on notes	---	(8,482)	(285)	---	---	(8,767)
Principal paid on bonds	---	(2,791)	(1,371)	(37)	---	(4,199)
Bond issue costs paid	---	(192)	---	---	---	(192)
Principal paid on capital leases	---	---	(8)	---	---	(8)
Proceeds from the sale of capital assets	---	---	232	---	---	232
Additions to capital assets, net	---	(8,736)	(393)	---	---	(9,129)
Other receipts (payments)	---	1	---	---	---	1
Net cash provided by (used in) capital and related financing activities	<u>---</u>	<u>(8,776)</u>	<u>(1,185)</u>	<u>(40)</u>	<u>---</u>	<u>(10,001)</u>

(continued)

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009
(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	\$ ---	21	2	1	32	56
Net cash provided by investing activities	---	21	2	1	32	56
Net increase (decrease) in cash and cash equivalents	(525)	(511)	(2,441)	(27)	(4,945)	(8,449)
Cash and cash equivalents, beginning of year	526	1,787	2,860	82	4,950	10,205
Cash and cash equivalents, end of year	<u>1</u>	<u>1,276</u>	<u>419</u>	<u>55</u>	<u>5</u>	<u>1,756</u>
Classified as:						
Cash and cash equivalents - unrestricted	1	38	36	55	5	135
Cash and cash equivalents - restricted	---	1,238	383	---	---	1,621
Total cash and cash equivalents	<u>1</u>	<u>1,276</u>	<u>419</u>	<u>55</u>	<u>5</u>	<u>1,756</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	(27)	(573)	957	237	6	600
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:						
Depreciation and amortization	---	2,950	801	25	---	3,776
Other expense (revenue)	---	337	1	---	---	338
Change in:						
Accounts receivable	---	9	---	---	---	9
Due from other governments	---	49	---	(1)	---	48
Inventories	72	---	(15)	(14)	---	43
Other assets	---	---	---	---	(17)	(17)
Accounts payable and accrued liabilities	33	1,807	(179)	165	66	1,892
Due to other governments	(3)	(15)	(23)	---	---	(41)
Net cash provided by operating activities	<u>\$ 75</u>	<u>4,564</u>	<u>1,542</u>	<u>412</u>	<u>55</u>	<u>6,648</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 Eight Years
(accrual basis of accounting and 000's omitted)

	For the year ended December 31,							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities								
Invested in capital assets, net								
of related debt	\$ 574,576	\$ 534,273	\$ 478,163	\$ 447,552	\$ 440,162	\$ 406,161	\$ 433,694	\$ 454,550
Restricted	27,710	19,829	24,296	25,058	23,966	24,103	19,118	18,231
Unrestricted	(180,850)	(159,456)	(140,550)	(169,373)	(217,469)	(231,669)	(300,150)	(310,975)
Total governmental activities	\$ 421,436	\$ 394,646	\$ 361,909	\$ 303,237	\$ 246,659	\$ 198,595	\$ 152,662	\$ 161,806
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	\$ 414,340
Restricted	26,092	12,668	10,491	6,157	15,135	32,690	31,978	151
Unrestricted	23,148	8,821	28,146	28,308	19,687	28,564	14,747	10,525
Total business-type activities	\$ 545,338	\$ 510,594	\$ 492,975	\$ 462,772	\$ 442,800	\$ 438,195	\$ 439,350	\$ 425,016
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	\$ 868,890
Restricted	53,802	32,497	34,787	31,215	39,101	56,793	51,096	18,382
Unrestricted	(157,702)	(150,635)	(112,404)	(141,065)	(197,782)	(203,105)	(285,403)	(300,450)
Total primary government	\$ 966,774	\$ 905,240	\$ 854,884	\$ 766,009	\$ 689,459	\$ 636,790	\$ 592,012	\$ 586,822

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

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

	For the year ended December 31							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses								
Governmental activities:								
General government	\$ 63,942	\$ 66,509	\$ 51,985	\$ 316,365	\$ 314,852	\$ 325,666	\$ 341,375	\$ 320,086
Public safety	171,335	180,060	173,298	179,394	188,233	199,815	204,145	207,452
Health and welfare	555,615	529,123	562,795	541,100	545,490	535,354	572,712	553,751
Culture, recreation and education	74,251	93,314	82,069	80,920	81,245	88,842	108,042	91,599
Transportation	74,523	60,157	67,667	55,545	43,050	45,130	46,370	51,013
Sanitation	-	736	645	625	74	74	75	75
Economic development	3,878	4,481	2,988	3,239	3,567	3,757	3,800	4,519
Interest on long-term debt	18,097	12,427	11,392	33,531	27,200	24,263	26,655	26,316
Total government activities	<u>961,641</u>	<u>946,807</u>	<u>952,839</u>	<u>1,210,719</u>	<u>1,203,711</u>	<u>1,222,901</u>	<u>1,303,174</u>	<u>1,254,811</u>
Business-type activities:								
Refuse	20,560	16,346	14,912	16,092	19,928	20,140	17,313	17,215
Airport	19,334	20,685	23,059	23,734	24,519	25,905	26,865	31,340
Hospital	58,089	60,264	61,832	61,779	63,622	66,191	66,664	68,007
Sewer	69,734	70,061	72,487	74,254	75,733	75,855	76,496	75,797
Utilities	6,523	12,175	10,747	15,464	10,308	11,176	14,010	12,477
Total business-type activities	<u>174,240</u>	<u>179,531</u>	<u>183,037</u>	<u>191,323</u>	<u>194,110</u>	<u>199,267</u>	<u>201,348</u>	<u>204,836</u>
Total primary government	<u>\$ 1,135,881</u>	<u>\$ 1,126,338</u>	<u>\$ 1,135,876</u>	<u>\$ 1,402,042</u>	<u>\$ 1,397,821</u>	<u>\$ 1,422,168</u>	<u>\$ 1,504,522</u>	<u>\$ 1,459,647</u>
Program Revenues								
Governmental activities								
Charges for services:								
General government	\$ 38,717	\$ 33,653	\$ 31,782	\$ 28,645	\$ 25,621	\$ 25,261	\$ 25,129	\$ 27,792
Public safety	10,625	11,476	11,667	13,244	9,184	10,085	10,365	10,658
Health and welfare	2,948	2,576	3,588	5,069	3,538	3,529	3,981	3,970
Culture, recreation and education	2,740	5,426	5,687	6,083	6,783	6,950	22,564	21,763
Transportation	2,503	3,189	1,910	1,783	1,021	1,054	4,226	5,154
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	406,172
Capital grants and contributions	111,197	80,449	24,651	10,115	7,815	11,500	29,611	18,345
Total governmental activities	<u>508,893</u>	<u>496,234</u>	<u>458,809</u>	<u>428,980</u>	<u>417,614</u>	<u>411,389</u>	<u>472,431</u>	<u>493,854</u>

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

	For the year ended December 31,							
	2002	2003	2004	2005	2006	2007	2008	2009
Business-type activities								
Charges for services:								
Refuse	7,430	7,285	6,428	6,701	6,700	5,978	5,814	5,831
Airport	12,174	13,107	14,789	14,566	16,374	16,982	17,529	17,294
Hospital	84,760	68,863	74,753	53,193	58,667	58,872	67,298	69,470
Sewer	42,676	44,238	46,198	51,032	52,617	54,454	54,783	54,608
Utilities	6,523	12,175	-	15,536	10,021	11,358	14,039	12,461
Operating grants and contributions	6,336	2,465	18,207	4,683	4,582	4,340	2,404	1,706
Capital grants and contributions	9,234	7,674	16,092	10,305	16,576	31,943	31,853	19,688
Total business-type activities	<u>169,133</u>	<u>155,807</u>	<u>176,467</u>	<u>156,016</u>	<u>165,537</u>	<u>183,927</u>	<u>193,720</u>	<u>181,058</u>
Total primary government	<u>\$ 678,026</u>	<u>\$ 652,041</u>	<u>\$ 635,276</u>	<u>\$ 584,996</u>	<u>\$ 583,151</u>	<u>\$ 595,316</u>	<u>\$ 666,151</u>	<u>\$ 674,912</u>
Net (Expense)/Revenue								
Governmental activities	\$ (452,748)	\$ (450,573)	\$ (494,030)	\$ (781,739)	\$ (786,097)	\$ (811,512)	\$ (830,743)	\$ (760,957)
Business-type activities	(5,107)	(23,724)	(6,570)	(35,307)	(28,573)	(15,340)	(7,628)	(23,778)
Total primary government	<u>\$ (457,855)</u>	<u>\$ (474,297)</u>	<u>\$ (500,600)</u>	<u>\$ (817,046)</u>	<u>\$ (814,670)</u>	<u>\$ (826,852)</u>	<u>\$ (838,371)</u>	<u>\$ (784,735)</u>
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	\$ 748,252
Tobacco settlement revenues	16,524	13,950	12,493	11,469	11,356	11,638	12,538	14,153
Investment earnings	1,845	810	2,512	4,198	4,137	6,291	3,184	440
Miscellaneous	6,493	3,878	3,095	8,702	2,710	3,691	3,719	3,594
Transfers	33,238	20,026	13,810	-	-	505	-	-
Special items	5,273	9,541	-	-	-	(3,801)	855	3,662
Total governmental activities	<u>425,086</u>	<u>423,783</u>	<u>449,107</u>	<u>722,067</u>	<u>730,519</u>	<u>763,448</u>	<u>784,810</u>	<u>770,101</u>
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	9,444
Transfers	(33,238)	(20,026)	(13,810)	-	-	(505)	-	-
Special items	43,839	-	-	-	-	-	-	-
Total business-type activities	<u>18,399</u>	<u>(11,020)</u>	<u>(11,049)</u>	<u>5,104</u>	<u>9,851</u>	<u>10,735</u>	<u>8,783</u>	<u>9,444</u>
Total primary government	<u>\$ 443,485</u>	<u>\$ 412,763</u>	<u>\$ 438,058</u>	<u>\$ 727,171</u>	<u>\$ 740,370</u>	<u>\$ 774,183</u>	<u>\$ 793,593</u>	<u>\$ 779,545</u>
Change in Net Assets								
Governmental activities	\$ (27,662)	\$ (26,790)	\$ (44,923)	\$ (59,672)	\$ (55,578)	\$ (48,064)	\$ (45,933)	\$ 9,144
Business-type activities	13,292	(34,744)	(17,619)	(30,203)	(18,722)	(4,605)	1,155	(14,334)
Total primary government	<u>\$ (14,370)</u>	<u>\$ (61,534)</u>	<u>\$ (62,542)</u>	<u>\$ (89,875)</u>	<u>\$ (74,300)</u>	<u>\$ (52,669)</u>	<u>\$ (44,778)</u>	<u>\$ (5,190)</u>

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

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

For the year ended December 31,

	2002	2003	2004	2005	2006	2007	2008	2009
General Fund								
Reserved	\$ 6,733	\$ 4,743	\$ 5,916	\$ 5,082	\$ 8,420	\$ 11,079	\$ 8,957	\$ 9,386
Unreserved	(19,463)	(6,041)	(25,442)	9,770	(7,903)	(9,377)	(10,027)	(3,148)
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>	<u>\$ 6,238</u>
All Other Governmental Funds								
Reserved	\$ 69,392	\$ 46,015	\$ 37,598	\$ 37,832	\$ 31,683	\$ 42,253	\$ 34,577	\$ 52,748
Unreserved, reported in:								
Special revenue funds	6,524	5,604	4,735	3,709	3,633	4,360	6,750	7,297
Capital projects funds	(27,195)	(11,863)	(18,172)	1,946	(11,840)	(10,861)	(29,474)	(32,985)
Debt service funds	461	99	(871)	(1,013)	(1,529)	(91)	1,523	720
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>	<u>\$ 27,780</u>

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

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

	For the year ended December 31,							
	2002	2003	2004	2005	2006	2007	2008	2009
Revenues								
Taxes	\$ 351,339	\$ 363,256	\$ 404,563	\$ 687,434	\$ 699,007	\$ 727,594	\$ 739,655	\$ 726,995
Federal aid	132,310	132,271	129,783	118,825	125,689	100,252	127,223	166,623
State aid	221,858	236,405	248,897	231,472	219,974	232,275	245,078	228,614
Charges for services	19,182	22,528	20,559	20,852	19,429	19,904	22,386	24,369
Intergovernmental	16,382	16,535	17,372	15,911	19,280	18,508	34,987	35,476
Interdepartmental	13,087	15,929	15,986	15,671	2,312	3,184	3,293	3,351
Use of money and property	8,976	7,315	9,338	10,505	10,650	13,522	10,112	6,502
Repayments and refunds	16,336	12,891	14,235	13,001	15,403	15,027	17,211	18,173
Payments in lieu of taxes	5,193	5,370	6,421	5,967	6,304	6,710	7,858	7,557
Tobacco settlement	16,524	13,950	12,323	12,497	11,434	11,899	12,148	13,397
Sale of Tax Liens	-	-	-	-	-	21,277	-	-
Miscellaneous	8,687	8,949	8,045	14,170	10,280	17,546	16,318	11,205
Total revenues	809,874	835,399	887,522	1,146,305	1,139,762	1,187,698	1,236,269	1,242,262
Expenditures								
Health and welfare	520,027	530,261	561,739	542,881	546,223	530,888	563,305	552,824
Public safety	155,766	156,187	161,426	171,768	179,166	187,227	191,529	193,969
Culture, recreation and education	62,870	68,367	71,708	73,549	74,915	78,291	85,468	82,055
General government	42,365	41,086	37,994	301,548	303,000	309,554	293,235	307,262
Transportation	22,293	23,339	20,287	19,619	19,000	19,415	20,020	21,320
Sanitation	-	661	586	550	-	-	-	-
Economic development	3,878	4,481	2,988	3,239	3,584	3,774	3,800	4,519
Debt service:								
Principal	19,324	21,695	18,900	24,425	15,468	21,948	54,588	30,222
Interest	18,821	19,281	20,145	35,333	24,851	23,019	25,217	23,970
Capital outlay	71,626	48,545	39,191	20,791	22,416	35,518	48,628	37,624
Total expenditures	916,970	913,903	934,964	1,193,703	1,188,623	1,209,634	1,285,790	1,253,765
Other Financing Sources (Uses)								
Bonds Issued	71,336	45,709	44,067	251,517	14,579	37,614	26,160	35,163
Payments to Escrow Agent	-	-	-	-	-	-	-	-
BANs redeemed from appropriations	2,593	-	-	-	-	-	-	-
Transfers in	82,254	104,477	63,632	101,213	60,559	61,840	63,860	69,629
Transfers out	(43,533)	(85,918)	(95,050)	(251,770)	(61,139)	(62,619)	(65,556)	(71,577)
Special Items	-	16,341	-	-	-	-	-	-
Total other financing sources (uses)	112,650	80,609	12,649	100,960	13,999	36,835	24,464	33,215
Net change in fund balances	\$ 5,554	\$ 2,105	\$ (34,793)	\$ 53,562	\$ (34,862)	\$ 14,899	\$ (25,057)	\$ 21,712
Debt service as a percentage of noncapital expenditures	4.3%	4.7%	4.4%	5.3%	3.5%	3.8%	6.5%	4.5%

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

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

	For the Year Ended December 31,							
	2002	2003	2004	2005	2006	2007	2008	2009
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	\$ 35,108,215
Constitutional Property Tax Limit	449,762	454,724	462,106	483,337	468,477	485,888	505,678	526,623
Total Tax Levy Subject to Constitutional Limit	192,855	204,183	240,983	258,576	239,426	250,714	270,522	277,154
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>	<u>\$ 249,469</u>
Percent of Taxing Power Used	42.9%	44.9%	52.1%	53.5%	51.1%	51.6%	53.5%	52.6%

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 Eight 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>
2009	\$27,735,326	\$ 5,739,968	\$ 791,581	\$ 2,767,154	\$ 7,257,722	\$37,034,029	\$37,679,657	8.99
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
<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 Eight 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
2009	\$ 600,762	\$ 338,740	\$ 588,710	98.0%	\$ 4,452	\$ 593,162	98.7%
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:

¹Does 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 Seven Years Prior
(000's omitted)

Taxpayer	2009			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	\$1,369,147	1	3.63%	\$ 763,710	1	3.11%
Frontier Telephone / Citizens Communications (formerly Rochester Telephone Corp.)	286,454	2	0.76%	172,316	4	0.70%
Wilmore Management	199,018	3	0.53%	----	---	----
Farash	142,476	4	0.38%	111,218	5	0.45%
Morgan Management	142,450	5	0.38%	----	---	----
Wegmans	121,984	6	0.32%	70,944	9	0.29%
Xerox Corp.	108,059	7	0.29%	176,316	3	0.72%
Eastman Kodak	99,728	8	0.26%	286,588	2	1.17%
Mark IV Enterprises	89,643	9	0.24%	----	---	----
Hub Properties	87,561	10	0.23%	----	---	----
Greece Ridge LLC	----	---	----	75,153	8	0.31%
Hylan Flying Services	----	---	----	77,280	7	0.31%
New York Central Lines	----	---	----	46,444	10	0.19%
RAM Limited Partnership	----	---	----	97,415	6	0.40%
Total	<u>\$ 2,646,520</u>		<u>7.02%</u>	<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 Eight Years
 (000's omitted)

	For the Year Ended December 31,							
	2002	2003	2004	2005	2006	2007	2008	2009
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	\$36,321,487
Constitutional Debt Limit	1,996,421	2,062,812	2,120,889	2,186,224	2,267,477	2,359,829	2,457,575	2,542,504
Total Net Debt Applicable to Limit	384,209	410,173	412,495	416,936	415,109	417,331	403,825	396,661
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>	<u>\$2,145,843</u>
Percent of Debt Limit Used	19.2%	19.9%	19.4%	19.1%	18.3%	17.7%	16.4%	15.6%

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

Source: Monroe County Department of Finance - Finance Division

County of Monroe, New York
Ratios of Outstanding Debt by Type and Activity
Last Eight 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			
2009	\$ 262,904	\$ 4,591	\$ 58,000	\$ 89	\$ 186,255	\$ 16,000	\$ 17,000	\$ 11,504	\$ 556,343	1.48%	\$ 759.24
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 Eight 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>
2009	\$ 262,904	\$ 4,214	\$ 258,690	0.69%	\$ 353.03
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:

¹ Amounts 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 Eight 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
2009	732,762	\$ 28,768,865	\$ 39,314	\$ 50,050	7.9%
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 2009.

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 2002-2008 reflect county population estimates available as of July 2008.

³New York State Department of Labor

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

Employer	2009			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	19,441	1	3.48%	13,000	2	2.40%
Eastman Kodak Co	8,500 ²	2	1.52%	22,000	1	4.06%
Xerox Corp	6,935	3	1.24%	10,050	3	1.86%
Wegmans Food Market, Inc	5,604	4	1.00%	5,647	4	1.04%
Rochester General Health System	5,021	5	0.90%	----	----	----
Lifetime Healthcare Co.	3,542	6	0.63%	2,932	6	0.54%
Unity Helath System	3,394	7	0.61%	2,931	7	0.54%
Paychex, Inc.	3,331	8	0.60%	----	----	----
Rochester Institute of Tech.	2,980	9	0.53%	2,712	9	0.50%
Harris Corp RF Comm. Div.	2,300	10	0.41%	----	----	----
Delphi Energy & Engine Management Systems	----	----	----	2,740	8	0.51%
Frontier Corp., a Citizens Comm. Company	----	----	----	2,300	10	0.42%
Via Health				4,404	5	0.81%
Total	61,048		10.92%	68,716		12.68%

Notes:

Table only includes the top ten firms for the referenced year. If firm was not in the top ten for that year, no comparative figure is presented. 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, 2010. 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 Eight Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Aviation	100	95	98	99	100	104	108.5	107.5
Board of Elections	44	44	44	44	44	48	55.0	53.0
Communications	9	9	9	6	6	5	5.5	5.5
County Executive	6	5	5	4	5	5	5.0	5.0
Finance	86	116	115	92	91	91	91.5	89.0
Human Resources	32	29	29	29	29	29	36.5	33.5
Human Services	1,060	912	929	964	963	963	976.3	1,035.3
Information Services	67	45	45	50	50	46	48.0	46.0
Law	163	151	152	147	151	150	150.5	146.5
Monroe Community Hospital	636	634	638	637	637	637	724.8	711.8
Management and Budget	0	0	0	9	10	11	11.0	10.0
Planning and Development	30	25	26	26	26	25	23.5	22.0
Public Defender	86	81	81	81	81	84	85.0	84.0
Public Health	372	285	292	212	214	215	248.0	239.5
Public Safety	277	276	272	254	301	282	301.5	294.5
Environmental Services	452	386	384	377	370	367	382.5	371.5
Parks	130	79	79	75	75	74	143.3	141.3
Transportation	108	82	81	81	77	77	79.5	78.0
Veterans Service	7	6	5	5	5	5	5.0	4.0
County Clerk	85	85	88	86	86	85	110.5	107.5
County Legislature	55	56	56	53	53	53	58.0	58.0
District Attorney	140	142	136	140	141	140	143.5	143.0
Sheriff	901	1,020	1,020	1,003	1,034	1,025	1,087.0	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 Eight Years

	2002	2003	2004	2005	2006	2007	2008	Est. 2009
Transportation								
Lane Miles Sealed	50	77	83	112	145	98	107	89
Lane Miles Resurfaced	44	52	48	38	51	44	44	101
Signs Fabricated ¹	53,100	30,000	36,000	35,200	9,300	6,000	4,839	6,000
Traffic Signs Installed - New	6,743	4,773	5,869	6,927	6,500	5,000	5,628	6,000
Signal Locations Serviced (all types)	796	772	767	770	770	786	794	795
County Clerk								
Land Records	132,236	169,000	128,910	111,505	103,248	103,313	87,251	95,018
Vehicle Registration	227,372	255,168	258,972	252,499	239,240	242,276	232,702	240,820
Passports	19,002	13,770	10,186	9,233	6,801	11,603	8,503	10,256
Learner Permits	14,097	18,670	20,789	20,824	20,819	20,846	21,609	23,568
Planning and Development								
Jobs Created (over next 3 years)	1,787	1,100	972	4,073	1,857	1,925	1,870	1,600
Housing Rehab Projects	99	45	61	62	91	94	101	94
First-time Home Buyer Purchase Subsidy	9	29	30	31	33	20	20	40
Health Department								
Clinics/Visits - Tuberculosis	18,153	18,700	15,993	15,630	17,054	20,600	15,215	15,000
Clinics/Visits - STD	15,481	15,319	14,401	15,087	14,560	14,177	13,754	11,245
Clinics/Visits - Immunization	6,886	5,759	4,475	5,756	4,233	5,817	6,012	5,000
Clinics/Visits - Foster Care	3,551	3,261	3,419	3,334	3,241	3,080	2,769	2,800
Sheriff								
Calls for Service	231,117	224,325	208,480	174,215	162,000	143,002	146,697	149,000
Safety Education Presentations	1,002	963	963	1,206	1,150	1,012	1,157	1,200
DARE Classrooms	4,516	4,100	3,969	4,210	4,210	3,910	3,102	3,250
SWAT Activations	8	14	13	9	8	4	2	9
Hostage Recovery Team Activations	6	10	7	5	9	7	3	8
Hazardous Device Team Activations	38	53	47	50	58	56	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	1,030,031	1,082,818
Police Events Dispatched	1,002,279	1,001,798	1,006,779	1,002,279	974,591	1,025,282	1,037,798	1,038,111
Fire Events Dispatched	66,121	72,987	76,379	66,121	77,789	83,374	88,065	88,122
EMS Events Dispatched	82,973	88,444	89,934	82,973	95,114	100,100	105,542	106,210
District Attorney								
Local Court Arraignments	33,949	31,726	32,013	30,400	30,702	29,613	33,962	31,900
STOP-DWI Felony Cases Screened	600	555	555	603	583	766	879	850
Aviation								
Passengers Boarded	1,188,068	1,248,731	1,378,079	1,457,573	1,430,418	1,443,352	1,396,522	1,260,000
Takeoffs and Landings	145,509	139,407	139,035	136,553	137,601	114,487	106,051	104,000

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 Eight Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Streets (Center Line Miles) ¹	650.9	650.4	649.5	648.9	648.9	663.0	661.0	662.5
3-Color Traffic Signals ¹	600.0	604.0	612.0	614.0	614.0	620.0	627.0	625.0
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	1,246.0
Vehicles ²	845.0	845.0	845.0	813.0	775.0	750.0	674.0	679.0

Sources:

¹Monroe County Department of Transportation

²Monroe County Department of Environmental Services, Fleet Services