



Maggie Brooks
County Executive

Arrivals

FLIGHT	GATE	NOW AT	ARRIVING FROM	CLAS
U.S AIRWAYS 3445	A9	12:59P	BOSTON	4
NORTHWEST 5855	B7	1:07P	DETROIT	2
Continental Airlines 2457	B2	12:17P	CLEVELAND	2
U.S AIRWAYS 3844	A11	1:16P	PHILADELPHIA	2
UNITED 7945	B8	1:31P	WASHINGTON DULLES	2
JetBlue 672	A5	2:00P	ORLANDO	5
Continental 589	A4	1:47P	ATLANTA	2
U.S AIRWAYS 4032	A10	2:08P	WASHINGTON-REAGAN	4
UNITED 7944	B6	2:10P	CHICAGO	2
Continental Airlines 2642	B2	2:26P	NEWARK	4
DELTA 4482	B10	2:27P	ATLANTA	4
U.S AIRWAYS 4501	A6	2:31P	NYC-LAGUARDIA	2
NORTHWEST 5856	B3	2:20P	DETROIT	2
JetTran 458	A4	3:12P	BALTIMORE / WASH.	4
DELTA 5059	B9	3:17P	NYC-KENNEDY	4
U.S AIRWAYS 4604	A6	4:35P	PHILADELPHIA	2
American Airlines 4015	B7	3:50P	CHICAGO	2
Continental Airlines 2516				

Greater Rochester International Airport 2006-07 Annual Report





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Monroe County Executive





The Greater Rochester International Airport continues to drive economic growth in Monroe County. The Airport is responsible for 8,000 jobs and brings \$500 million into our local economy each year.

Affordable air travel directly benefits employers in Monroe County and throughout our region, connecting them to worldwide markets and helping them compete in the global economy. Affordable air travel is also a critical component in our ongoing efforts to attract and retain jobs and investment in our community.

In 2007, passenger boardings at the Greater Rochester International Airport totaled 1,457,573. 2007 was the second highest year on record for passenger boardings behind that of 2005. In addition, our September 2007 and November 2007 enplanements were the highest on record for each month respectively.

In August 2007, we launched new non-stop flight service to Las Vegas, Nevada aboard AirTran Airways. 19 percent of all passengers who fly out of the Greater Rochester International Airport use AirTran Airways, making it the second most traveled airline out of Rochester. Up until this year, GRIA had not offered direct flights to Las Vegas.

In November 2007, we also started offering a new non-stop flight to Orlando, Florida aboard JetBlue Airways. 15 percent of all passengers who fly out of the Greater Rochester International Airport use JetBlue Airways, making it the third most traveled airline out of Rochester.

The presence of low-cost carriers such as AirTran Airways and JetBlue Airways is important for reduced airfare out of Rochester and contributes to increased economic development for our community. I want to thank our federal and state officials for their continued commitment to keeping our Airport competitive through low-cost air travel.

Our modern, state-of-the-art facility has positioned our Airport for future growth. Completed at no cost to local taxpayers, the improvements made to the terminal in 2007 offer better and more convenient services for both business and leisure travelers. In 2008 we will continue to provide even more "first-class" amenities for travelers.

The Greater Rochester International Airport is your gateway to the world. We encourage all residents to take advantage of this great resource in the years to come.

Maggie Brooks

Maggie Brooks
Monroe County Executive



Director of Aviation

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In 2007, the Greater Rochester International Airport completed renovations to the Frederick Douglass Concourse A. This concourse is home to the airport's three largest carriers by passenger share - US Airways, AirTran Airways and JetBlue Airways.

Concourse A improvements include a new state-of-the-art Business Center sponsored by Frontier offering individual work stations, conference rooms and free wireless Internet. There is also a new "Fly Kids" children's play area sponsored by Preferred Care featuring child-safe airplane-themed foam toys.

The complimentary business center is designed to accommodate both the business and leisure traveler. It contains individual work stations, conference rooms, electrical outlets for laptops and cell phones,

internet access and comfortable, quiet seating areas where passengers can work or relax. The center takes the place of airline clubs.

The children's play area is a first for our Airport and offers a safe location for parents with young children to entertain their children while they wait for their departing flights. The area has an aviation theme and soft foam airplanes children can play with. Plans are underway for a play area in Concourse B.

Visual paging has also been installed in Concourse A to better serve deaf and hard of hearing passengers. This service displays airlines' audio paging announcements in text form on flight information screens. Other improvements include new gate counters and seating areas, restrooms and an elevator.

In addition, a new Visitors Services kiosk is centrally located in the baggage claim area, and is staffed by the Greater Rochester Visitors Association. This kiosk provides information on everything our area has to offer, from local restaurants and festivals to day-trip destinations, like the Finger Lakes region's wineries.

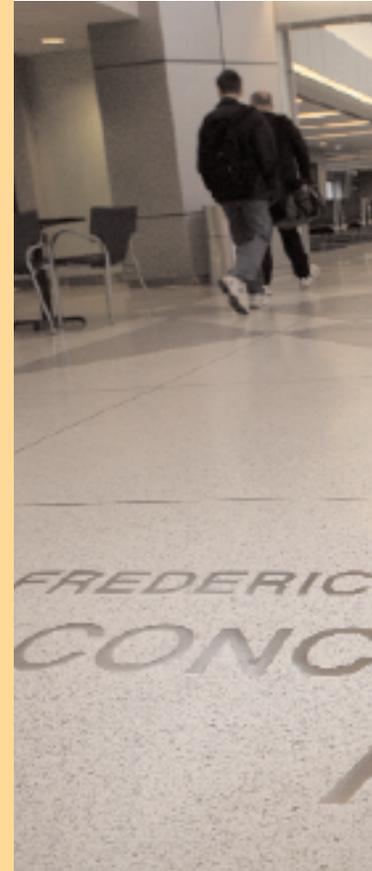
In 2008, passengers can expect to see continued renovations to our ticketing lobby and baggage claim. Improvements to come include: enhanced lighting, new terrazzo flooring, new ticketing counters, relocation of the elevators so that they are more accessible to passengers, expansion of our visual paging system and a new design for the baggage handling process for both passengers and airline personnel.

At GRIA, passenger needs come first. We remain committed to providing the resources necessary for convenient, safe and affordable air travel.



A handwritten signature in black ink, appearing to read "David P. Damelio".

David P. Damelio
Director of Aviation





In 2007, nearly 3 million passengers used the Greater Rochester International Airport. We take pride in improving our facility for future growth because our Airport gives visitors their first impression of our City and County.

Last year, the Airport unveiled new renovations to Frederick Douglass Concourse A. The Airport, along with the entire project team, is extremely proud of the important renovations. 300 jobs and 15 regional firms were a part of the project team. The design team included Clough Harbour & Associates, Christa Construction and William Nicholas Bodouva & Associates. The prime contractors were Steve General, Landry Mechanical, JW Danforth and Kaplan Schmidt Electric. The sub-contractors included AJ Glass, EG Sackett Company, Schindler Elevator, the Kimmel Company, Catone Enterprises, ComNet, CME Testing and Rochester Stair & Rail.

Aircraft operations in 2007 totaled 114,487, which included commercial flights, military operations, corporate and general aviation. Monroe County and GRIA work closely with the business community to encourage competitive low fare air service from Rochester to many cities throughout the United States. The Airport continues to develop informational outreach programs to educate Rochester area travel managers and professionals on the latest in airline industry trends.

In 2007, the Greater Rochester International Airport issued a Request for Qualifications and selected Seabury Airline Planning Group, LLC to provide the Airport with professional services to enhance and develop air carrier services in our market. The Airport Administration Office plans to work closely with Seabury's staff to uncover potential opportunities where air service may exist to continue our goal of attracting affordable air service, particularly to western destinations.



Members of the Monroe County Airport Authority Board are left to right, front: Vice Chairperson Nicholas Juskiw, Chairperson James G. Vazzana, Esq. and Administrative Director David P. Damelio. Standing: Secretary Daniel M. DeLaus, Jr., Esq., Don Johnson, Bernard J. Iacovangelo, Esq., Hon. Stephen Tucciarello and Valerie Christianson. Not pictured: Hon. Willie J. Lightfoot and Treasurer Stephen Gleason.



Employee Salute

Friendly, knowledgeable and skilled employees provide passengers with the quality customer service they deserve. We take pride in the fact that our employees make the visitor experience at our Airport a positive one.

Providing passengers with a safe and secure travel environment is a primary goal of GRIA. Our Airport continues to serve as a national model for private screening as one of five airports in the nation for private screening initiatives and technology. McNeil Security, Inc., based in Springfield, Virginia, handles the Airport's private screening. McNeil Security personnel are contracted and trained by the Transportation Security Administration (TSA). Passenger evaluations of screening in Rochester have resulted in positive feedback.

The Greater Rochester International Airport Aircraft Rescue and Firefighting (ARFF) Unit consist of 22 New York State Certified Career Firefighters. ARFF operates 24 hours a day, 365 days a year. In 2007, the group responded to 569 calls. All ARFF Firefighters are certified NYS EMT-D. Their unit continually trains to maintain its required 100 hours of mandated state training and 140 hours of mandated FAA training. They also facilitate CPR, Right to Know and Fire Extinguisher training programs for all airport employees.

On behalf of the County of Monroe, the Monroe County Airport Authority Board and the Airport Administration, we would like to thank all of our Airport employees for their dedication and hard work in 2007.



In 2007, the annual number of passengers traveling through GRIA was only 0.9 percent below the total from 2006. In total, over 2.88 million passengers traveled through GRIA in 2007. The percentage of seats filled (airline load factors) increased in 2007, totaling 74.3 percent compared to 69 percent in 2006. In 2007, 54,254.1 tons of cargo passed through GRIA cargo facilities, compared to 69,006 tons in 2006.

Led by David P. Damelio, Director of Aviation, signatory operating agreements at GRIA were extended for three more years. Airlines serving GRIA include American Eagle, AirTran Airways, Continental Airlines, Delta/Comair, JetBlue, Northwest Airlines, United Airlines and US Airways.

In 2007, the Monroe County Airport Authority amended an Airline Incentive Program designed to encourage all airlines serving the Greater Rochester International Airport to inaugurate new air service from the airport. Air carriers that initiated new service during the Incentive Program time frame were eligible to take part in it.

The Airline Incentive Program allocated \$1,000,000 to be used to reimburse airline landing fees on eligible flights provided by the airlines. Eligible flights consisted of new, additional non-stop flights between Rochester and a new or existing market destination for an airline.

The Incentive Program was highly effective and both of the low cost carriers serving the Greater Rochester International Airport took advantage of it. AirTran Airways began offering non-stop flights to Las Vegas, Nevada, and JetBlue Airways started non-stop service to Orlando, Florida.

In 2007, the Airport added a new free Cell Phone Lot for motorists picking up people flying into GRIA. This Cell Phone Lot is an added convenience for people picking up family, friends and business associates. The lot also reinforces safety by helping to ensure that no vehicles are parked or waiting on terminal roadways, in compliance with Federal Regulations.

The new Cell Phone Lot also reduces congestion on terminal roads and keeps traffic running smoothly. Motorists can follow terminal roadway signs to the free Cell Phone Lot, stage their vehicle, wait for their passenger to call them on their cell phone, and then proceed to the terminal for pick up. A driver must be present at all times in vehicles parked in the Cell Phone Lot.

The Airport has also added Auto Pay at every parking exit plaza. The fully automated option accepts cash, credit and debit. The lanes are open 24 hours a day and have customer assistance available via the intercom and cameras. Passengers can now use Auto Pay to speed up their transaction process.



Community Outreach

The Greater Rochester International Airport (GRIA) averaged 1.5 tours of the facility per day in 2007. These tours are for school-aged groups, and usually consist of 30 to 50 participants per tour. During the terminal tour, students get a first hand, behind the scenes look at the Airport Communications Center, Airport Sheriff's Division, baggage system, security screening procedures, Regional Transportation Operations Center (RTOC), New York Army National Guard and the Airport Rescue and Firefighting (ARFF) facility. Tours are free of charge and can be tailored to any age.

In addition to the daily tours provided at the Airport, over 20 Girl Scout and Boy Scout troops held sleepovers at the Airport in the International Arrivals Hall in 2007. Each Scout sleepover was attended by approximately 60 children, parents, guardians and Scout leaders. Scouts get a first-hand look at Airport Operations and have the opportunity to earn an Aviation Merit Badge.

The Airport Administration Public Affairs and Marketing staff participated in the Greece Career Day at Athena High School. Over 1,400 Greece juniors and

seniors were given information on careers in the exciting world of aviation and airport management.

The Airport also participated in Monroe County's annual "Take Your Child to Work Day," giving County employees' children the opportunity to tour our facility and explore what their parents do on a daily basis at work. Over 150 employees and their children toured the Airport as part of "Take Your Child to Work Day" and enjoyed lunch with the Director of Aviation, David P. Damelio, in the International Arrivals Hall. In an effort to reduce fear and apprehension toward flying, the Airport continued the "Fearful Flyers" course in 2007 taught by a local relaxation therapist and stress management consultant with over 35 years of experience. The four week course culminates in a graduation flight from ROC to New York John F. Kennedy Airport aboard a JetBlue flight. Three sessions of the course were completed in 2007 and many participants successfully completed the course. Our Airport is now their gateway to fearless air travel.

Various special summer events at GRIA continue to draw crowds. The Airport was again the site of the 8th

annual Lifetime Assistance Foundation Airport 5K Benefit Run/Walk. A crowd of over 500 runners and walkers participated in the 5K held on the most unique race course in our area - an Airport runway. The event has grown substantially over the years and is now regarded by area runners as a premier event.

Rochester Wings 2007, upstate New York's Largest General Aviation Expo, continued its tradition of offering safety seminars, free flight instruction and guided bus tours to familiarize pilots with the latest in airfield signage, markings and other airfield improvements. The Airport again supported this important safety oriented event in an effort to continue to reduce runway incursions through pilot education. The event, free and open to the public, included static aircraft displays and free flights for children through the Experimental Aircraft Association (EAA) Young Eagles Program. It also created new opportunities for new aircraft sales and other aviation vendors. It was also the seventh year the Airport participated in the holiday "Fantasy Flight and Winter Wonderland" program. Children from Alternatives for Battered Women, ARC of Monroe,

Camp Good Days, CASA at Rochester/Monroe County, Inc., COMPEER, CURE Childhood Cancer Association, Golisano Children's Hospital at Strong, Hillside Children's Center, Lifetime Assistance, Muscular Dystrophy, St. Joseph's Villa and other organizations enjoyed a special visit from Santa as well as other holiday activities such as cookie decorating, face painting, holiday movies and a visit from their favorite furry friends from the Seneca Park Zoo. Each child had the opportunity to talk to Santa and take home a small gift.

This event is a wonderful opportunity for young people and their families to enjoy a few hours of holiday joy outside of their daily challenges. The program is hosted in partnership with Monroe County, GRIA, 98 PXY, Continental Express (Express Jet), Home Depot, Landmark Aviation, Norcross Aviation, Starbucks and many other agencies.

The Greater Rochester International Airport is also home to Kodak Aviation, US Airports Flight Support, New York Army National Guard Flight Facility and Landmark Aviation.



The Monroe County Airport Authority (the Authority) is a public benefit corporation that was created to finance, construct, develop, operate and maintain aviation and other related facilities and services within the County of Monroe (the County), and is included in the reporting entity of the County. The Authority is organized under the Public Authorities Law of the State of New York. The oversight body is the Authority Board, which is approved by the County Legislature on the recommendation of the County Executive. The Chairperson, James G. Vazzana, Esq. is appointed by the County Executive. The County's Director of Finance Stephen Gleason serves as Treasurer of the Authority and the County's Attorney Daniel M. DeLaus, Jr., Esq. serves as Secretary of the Authority. David P. Damelio, Director of Aviation is the Administrative Director of the Authority. The Authority leases the Greater Rochester International Airport (GRIA) from the County and operates under

the terms of an agreement dated September 15, 1989. Operating revenues in 2007 totaled \$27.9 million. Landing fees and rental fees, including building rent, comprise 53.1 percent of the operating revenue at GRIA. The landing fee and rental revenues are the result of calculations pursuant to provisions of airline operating and terminal building lease agreements. Revenue from non-airline sources such as car rental commissions, parking commissions, concessions and fuel farm commissions comprise the other 46.9 percent.

Operating expenses in 2007 totaled \$22.5 million.

Financial performance of an airport is measured by average cost per enplaned passenger. "Cost per enplanement" is calculated by dividing total fees paid by scheduled airlines by the number of passengers boarded. The cost per enplanement at GRIA for the year 2007 was \$8.81.

Airfield Construction

Runway 10/28 Safety Area Improvements were completed in 2007. The Runway Safety Area Project, funded by a \$17 million Federal grant made the eastern end of Runway 10/28 near Interstate 390 compliant with Federal Aviation Administration (FAA) regulations.

The Runway Safety Area is the zone surrounding a runway that is intended to improve public safety and reduce the risk of aircraft damage in the event of an incident. The FAA requires that all runway safety areas must have a minimum of 1,000 feet of runway safety area beyond the runway end and must also be free of obstructions and vehicular traffic.

The project included the construction of two road tunnels to remove vehicle obstructions from the runway safety area. One road tunnel is located in the secure interior airfield road accessible to fueling trucks and airfield maintenance vehicles. The other road tunnel is located along the public access road that runs between Interstate 390 and the Airport between the terminal and Scottsville Road. The road tunnels are able to withstand the weight of an aircraft.



The Airport completed reconstruction of Taxiway D from Taxiway E to Taxiway H and a rehabilitation of Runway 7-25, the general aviation runway. Both projects were almost fully funded with Airport Improvement Program (AIP) grant money.

Also, 2007 marked the completion of the first phase of the Airport's North Ramp rehabilitation which had contained some of the oldest concrete at the Airport. The project removed and replaced the concrete apron airside of the terminal, between Concourse A and Concourse B. The project impacted airplane movement minimally and is a safety improvement for the airlines. Federal grant funding covered the rehabilitation.

All of the airfield construction projects described above were supported by Federal Aviation Administration (FAA) and New York State Department of Transportation (NYSDOT) grants.

**MONROE COUNTY AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE COUNTY OF MONROE, NEW YORK)**

**Financial Statements
As of December 31, 2007 and 2006
Together with
Independent Auditors' Report**

MONROE COUNTY AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF MONROE, NEW YORK)

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INDEPENDENT AUDITORS' REPORT

March 15, 2008

To the Members of
Monroe County Airport Authority:

We have audited the accompanying financial statements of Monroe County Airport Authority (the Authority) (a public benefit corporation of the State of New York and a discretely presented component unit of the County of Monroe, New York) as of and for the years ended December 31, 2007 and 2006, as listed in the foregoing table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Monroe County Airport Authority as of December 31, 2007 and 2006, and the change in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2008 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 2 through 11 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States. 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.

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MONROE COUNTY AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF MONROE, NEW YORK)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2007 AND 2006

The Management's Discussion and Analysis (MD&A) of the Monroe County Airport Authority (the Authority) provides an introduction and overview of the financial statements of the Authority for the years ended December 31, 2007 and 2006. Following this MD&A are the financial statements of the Authority together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of the Authority are prepared using the economic resources measurement focus and the accrual basis of accounting, which requires that transactions be recorded when they occur, not when its related cash receipt or disbursement occurs.

The Statements of Net Assets present information on the Authority's assets and liabilities, with the differences between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statements of Revenues, Expenses and Changes in Net Assets report the operating revenues and expenses and non-operating revenues and expenses of the Authority for the year with the difference, income before capital contributions, being combined with capital contributions to determine the change in net assets for the year. That change, combined with the previous year's net asset total, reconciles to the net asset total at the end of the year.

The Statements of Cash Flows report cash activities for the year resulting from operating activities, investing activities, and capital and related financing activities. The net result of these activities, added to the beginning of the year cash balance, reconciles to the total cash balance at the end of the year.

AVIATION FACTORS EFFECTING FINANCIALS

Enplanement Consistency

Between 2005 and 2007, the Authority experienced its historically highest enplanements, the number of commercial air carrier passengers departing from the Greater Rochester International Airport (the GRIA, the Airport). Enplanement numbers affect both operating revenues and Passenger Facility Charges (PFCs) and are used in the Aviation industry to rank the size of an airport. In 2006, the most recent year the report from the Federal Aviation Administration is available, the GRIA ranked 78th nationally. This is the same ranking as the previous report in 2005.

In 2005, enplanements reached the current record of 1,457,573, and combined with deplanements of 1,459,683, also the highest on record. This meant that for the first time a record total of 2,917,256 ticketed passengers utilized this Airport in 2005. Although this number was not equaled in 2006, enplanements were 1,430,418, a decrease of only 27,155 passengers or (1.9%). In 2007, enplanements nearly matched those of 2005, totaling 1,443,352, an increase of 12,934 from 2006 and only 14,221 less than 2005. This consistency in passenger traffic has resulted in a stable operating budget with relatively small but steady increases in operating revenues to offset the small and steady increases in operating expenses.

AVIATION FACTORS EFFECTING FINANCIALS (Continued)

TICKETED PASSENGER ACTIVITY

<u>Year</u>	<u>Enplanements (Departing)</u>	<u>Deplanements (Arriving)</u>	<u>Total Passengers</u>
2005	1,457,573	1,459,683	2,917,256
2006	1,430,418	1,433,101	2,863,519
2007	1,443,352	1,423,251	2,866,603

Passenger Facility Charge (PFC) Fees

Enplanements affect the amount of PFC fees that are collected from the airlines each year. The more ticketed passengers flying from Rochester, the greater the amount of PFCs collected. During 2007, a total of \$6,176,256 in PFCs was collected from airline passengers. Interest earned was \$435,493 and is reported in a restricted account. Of these collections, the Authority contributed \$12,377,786 to the County towards the cost of capital improvements at the Airport, resulting in a Capital Contribution, Net of (\$5,766,037) as shown in Table A-1. A description of PFCs is provided in Note 2, to the financial statements. In 2006, \$6,074,967 in PFCs was collected from airline passengers and earned interest in a restricted cash account was \$387,488. Of these collections, the Authority contributed \$5,007,496 to the County towards the cost of capital improvements at the Airport. In 2005, \$6,049,159 in PFCs was collected, of which \$2,444,802 was contributed to the County for capital improvements at the Airport.

2005 Airline-Airport Use and Lease Agreement

Revenues from airlines are determined by annual calculations in accordance with the Signatory Airline Use and Lease Agreement, effective January 1, 2005. Therefore, the Landing Fees, which are entirely paid by airlines, and the Rentals, which are predominately paid by airlines, are regulated by the annual Rates and Charges (Table A-1). At year-end, actual payments are reconciled to actual costs to determine the final amounts owed by the airlines. See Note 2 of the financial statements, Revenues and Expenses.

SUMMARY OF FINANCIAL HIGHLIGHTS

Change in Net Assets

The Authority's total assets exceed total liabilities; however, the Authority had an overall change in net assets for the 2007 year of approximately (\$3.9 million) compared to \$3.2 million in 2006 and \$4.9 million in 2005. At December 31, 2007 the Authority's total assets exceeded total liabilities by \$18,105,070, which is a decrease of \$3,922,005, or (17.8%), from the balance of \$22,027,075 at December 31, 2006. December 31, 2006 net assets increased \$3,194,385, or 17.0%, from the balance of \$18,832,690 at December 31, 2005. (Refer to Tables A-1 and A-4).

Overall between 2005 and 2007 the growth in revenues has consistently exceeded expenses as shown by comparing the Income before Capital Contributions in Table A-1 of \$1,844,032 in 2007, \$1,739,426 in 2006, and \$1,193,955 in 2005. The comparative changes in revenues and expenses will be discussed below; however, only one line item, Capital Contributions, Net - PFCs is identified as the primary reason for the 2007 decrease in Net Assets. As described in Note 2 of the financial statements, PFCs are collected by the Authority each year and paid out to Monroe County (the County) as reimbursement for capital improvements. Between the annual collection and the annual payment, the PFCs are held in a restricted account and interest earned is added to the total PFCs collected. Because of the negative imbalance in 2007 of (\$5,766,037) between annual collections by the Authority and annual payment to the County, and the method of recording the pass-through, the Authority's Net Assets are negatively affected.

SUMMARY OF FINANCIAL HIGHLIGHTS (Continued)**Change in Net Assets (Continued)****Revenues, Expenses, and Changes in Net Assets
Table A-1**

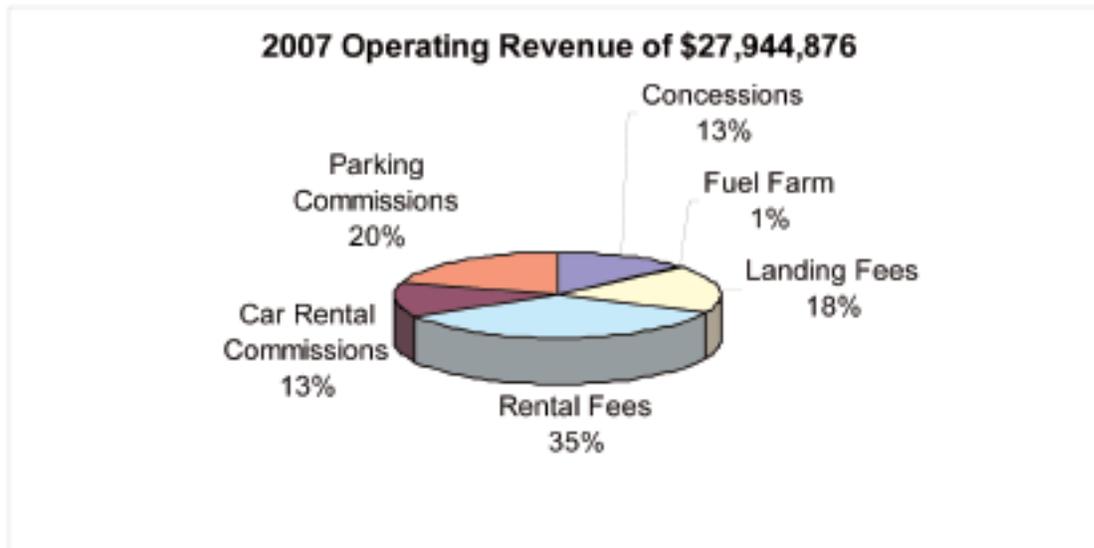
	<u>2007</u>	<u>2006</u>	<u>2005</u>
OPERATING REVENUES:			
Landing and rental fees	\$ 14,832,226	\$ 14,561,235	\$ 14,606,321
Commissions	9,228,896	8,481,980	8,400,919
Other	<u>3,883,754</u>	<u>3,859,073</u>	<u>3,556,465</u>
Total operating revenues	<u>27,944,876</u>	<u>26,902,288</u>	<u>26,563,705</u>
OPERATING EXPENSES:			
Operating and maintenance expenses - Monroe County	15,502,676	14,808,858	14,192,596
Rent expense - Monroe County and other	2,383,582	2,277,636	1,381,516
Depreciation and amortization	<u>4,572,335</u>	<u>4,562,660</u>	<u>4,528,124</u>
Total operating expenses	<u>22,458,593</u>	<u>21,649,154</u>	<u>20,102,236</u>
NONOPERATING REVENUES (EXPENSES)	<u>(3,642,251)</u>	<u>(3,513,708)</u>	<u>(5,267,514)</u>
Income before capital contributions	1,844,032	1,739,426	1,193,955
CAPITAL CONTRIBUTIONS, net - PFCs	<u>(5,766,037)</u>	<u>1,454,959</u>	<u>3,753,131</u>
CHANGE IN NET ASSETS	<u>\$ (3,922,005)</u>	<u>\$ 3,194,385</u>	<u>\$ 4,947,086</u>

SUMMARY OF FINANCIAL HIGHLIGHTS (Continued)

Change in Net Assets (Continued)

Net Assets, when compared with 2006, were impacted in a positive way in 2007 by the following:

1. an increase in car rental commissions of 15.5%;
2. an increase in Airport parking revenue of 4.7%
3. a decrease in Monroe County rent expense of 5.5%
4. an increase in interest revenue of 4.6%;
5. a decrease in interest expense of 4.7%; and
6. an increase of \$127,335 in recovery of bad debt.



Net Assets, when compared with 2005, were impacted in a positive way in 2006 by the following:

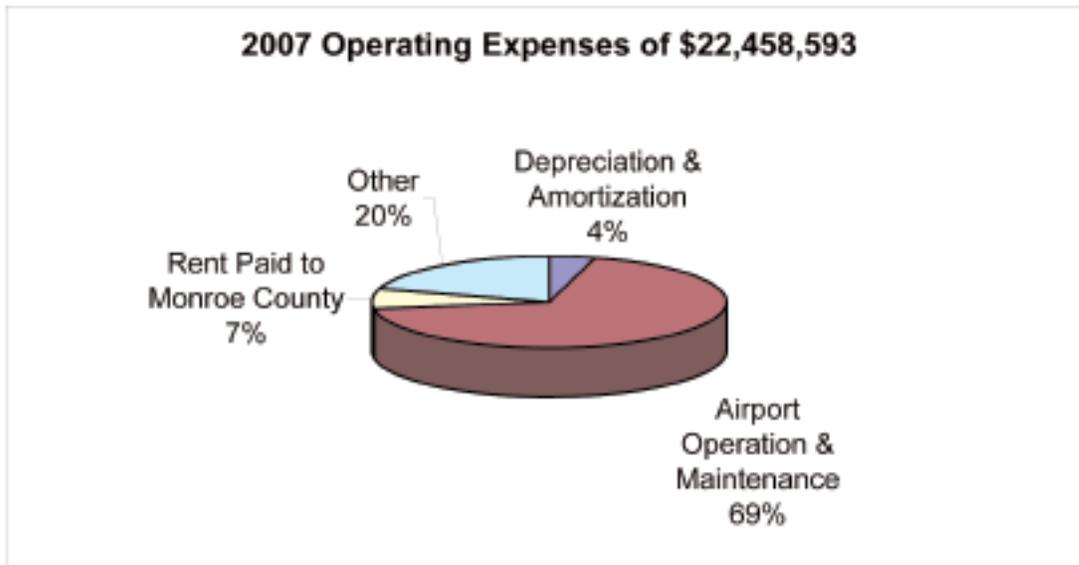
1. an increase in car rental commission of 5.9%;
2. an increase in concession revenue of 9.1%;
3. an increase in interest revenue of 98.9%;
4. a decrease in Local share of capital projects - Monroe County of 80.7%;
5. a decrease in bad debt expense of 101.4%; and
6. a decrease in loss on sale of assets of 100.0%

Net Assets, compared to 2006 were impacted in a negative way in 2007, in addition to the Capital Contribution, Net discussed above, by the following:

1. an increase in local share of Monroe County capital projects of 442.8%;
2. an increase in other expense of 26.9%;
3. an increase in operation and maintenance expense payments to Monroe County of 4.7%

SUMMARY OF FINANCIAL HIGHLIGHTS (Continued)

Change in Net Assets (Continued)



Net assets, compared to 2005 were impacted in a negative way in 2006 by the following:

1. an increase in rent expense - Monroe County of 114.6%;
2. an increase of other expense of 9.3%;
3. an increase in maintenance and operating expense payments to Monroe County of 4.3%;
4. an increase in depreciation and amortization of 0.1%; and
5. decrease in capital contributions, net of 61.2%

FINANCIAL ANALYSIS

In 2007, the changes in revenues and expenses were the result of the following items; however, as previously discussed, Capital Contributions, Net is identified as the main reason for the 2007 decrease in Net Assets:

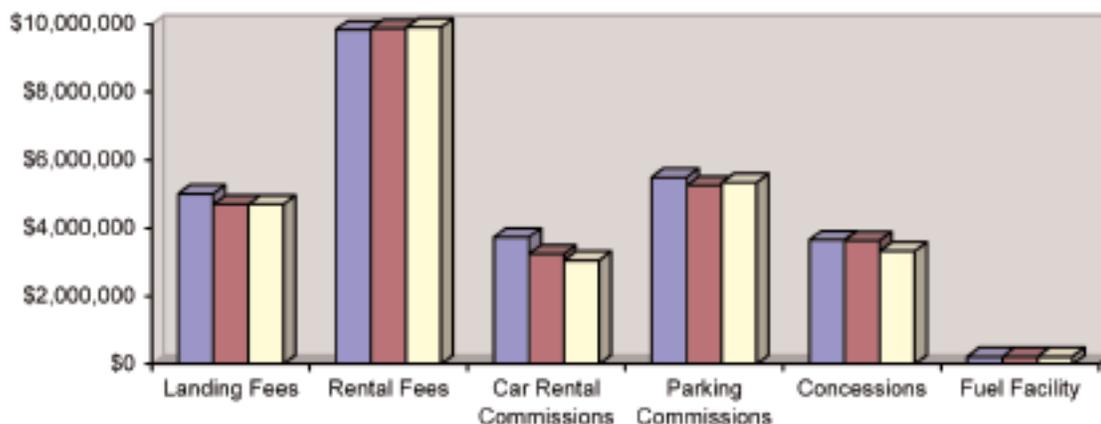
- An increase in car rental commissions of \$501,288 reflects the annual increase in the minimum annual guarantees as bid by the car rental companies for the new five-year contracts that took effect October 1, 2006;
- An increase in parking revenue of \$245,628 reflects a full year under the new Management Contract for Airport Public Parking Facilities effective January 1, 2007 with a new Agent;
- An increase in interest revenue of \$66,909 that reflects the continued aggressive investment approach which took advantage of the improved interest rate environment in 2006 and early 2007;
- A decrease in rent expense paid to Monroe County of \$85,631 which reflects a decreased reimbursement to the County for its long-term general obligation debt for prior capital improvements as well as less short-term borrowings issued by the County for current general aviation projects;
- An increase in operating and maintenance expense payments to the County of \$693,818 reflects increased airport operational costs.

SUMMARY OF FINANCIAL HIGHLIGHTS (Continued)

FINANCIAL ANALYSIS (Continued)

- Increases in other expense of \$191,577 and depreciation and amortization expense of \$9,675 which are the result of normal operations and scheduled accounting valuations;
- Increase of \$554,940 in the Airport's local share of Monroe County capital projects reflecting an increase in the number of completed Airport projects in 2007;
- The increase in bad debt recovery of \$127,355 reflects the collection of past due amounts as a result of the Authority holding performance bonds of two defaulting airlines, one of which terminated its national business operations in 2006. Of the four major commercial carriers in bankruptcy in 2005 all four have emerged from bankruptcy and continue to provide air service to this Airport.

Comparison of Operating Revenue Sources 2005-2007



	Landing Fees	Rental Fees	Car Rental Commissions	Parking Commissions	Concessions	Fuel Facility
2007	\$ 5,005,169	\$ 9,827,057	\$ 3,736,542	\$ 5,492,354	\$ 3,658,754	\$ 225,000
2006	\$ 4,697,896	\$ 9,863,339	\$ 3,235,254	\$ 5,246,728	\$ 3,634,073	\$ 225,000
2005	\$ 4,703,722	\$ 9,902,599	\$ 3,056,218	\$ 5,344,701	\$ 3,331,465	\$ 225,000

Comparatively, the 2006 increase in net assets from 2005 was a result of four items: (1) an increase in car rental commissions of 5.9%; (2) an increase in food, beverage, advertising and retail concessions revenue of 9.1%; (3) an increase in interest earnings from investments of 98.9%; and (4) a decrease in the local share of capital projects - Monroe County of 80.7%.

These were offset in 2006 by: (1) an increase in rent expense paid to Monroe County; (2) increases in other expenses and depreciation and amortization expense; and (3) an increase in operating and maintenance expense payments to the County.

In addition, for the years ended December 31, 2007, 2006 and 2005, the impact of recording depreciation and amortization and limited capital additions is the primary reason for the decreases in capital assets. As a result of regularly scheduled annual principal payments on the outstanding debt, the debt outstanding, net of discounts and deferred amounts, at December 31, 2007, 2006 and 2005 decreased by \$3,834,095 (5.1%), \$3,614,539 (4.6%), and \$3,361,147 (4.1%), respectively. This decrease is also reflected in the decrease in the portion of net assets that is invested in capital assets net of related debt.

SUMMARY OF FINANCIAL HIGHLIGHTS (Continued)

FINANCIAL ANALYSIS (Continued)

Two operating revenues show a modest but consistent upward trend from 2005 to 2007: (1) car rental commission and (2) concessions. Three operating expenses show a modest but continuing upward trend from 2005 to 2007: (1) Operating and maintenance expenses paid to the County, (2) Depreciation and amortization and (3) Other expenses.

Operating Expenses

Although total operating expenses (including depreciation) increased from \$21,649,154 in 2006 to \$22,458,593 in 2007, the increase was only \$809,439 (3.7%) in 2007, a 48% reduction from the 2006 increase of \$1,546,918 which was a 7.7% increase from 2005.

Rent to the County decreased in 2007 by \$85,631, while payments to the County for operating and maintenance expenses increased by \$693,818 due mainly to an increase in air field maintenance expenses for snow removal, fuel and equipment maintenance of Airport vehicles (brooms, sweepers, plows, snow blowers and trucks) and for the maintenance of the Terminal facility.

Comparatively, the larger total increase in 2006 in overall operating expenses compared to 2005 of \$1,451,933, was due to increases in rent to the County and in all the operating expense lines.

Other expenses increased the most proportionately from \$712,522 in 2006 to \$904,099 in 2007, a 27% increase. These other increased expenses include payment from the County's Capital Expenditure fund from airline revenues for rehabilitation of airport land to be used as future rental property and costs of the airline incentive program to encourage the development of new flight destinations from Rochester.

Non-Operating Expenses

Non-operating expenses in 2007 included the Airport's local share of capital projects reimbursed to the County of \$680,259, an increase of \$554,940 (442.8%) from 2006, compared to an increase of only \$31,225 from 2005 to 2006. These dramatic changes from year to year in project reimbursement are not unusual and often pre-determined. The Authority's local share of 2.5% becomes due to the County when a capital project is completed. Below is a list of the projects completed in 2007 and the Authority's local share:

Taxiway B improvement	\$ 187,168
Vortec relocation and new construction	83,333
Construction Security	136,942
Paved Area Security	16,002
Equipment	85,417
South Field improvements	<u>171,397</u>
	<u>\$ 680,259</u>

The balance of the cost of each project is from state and federal sources.

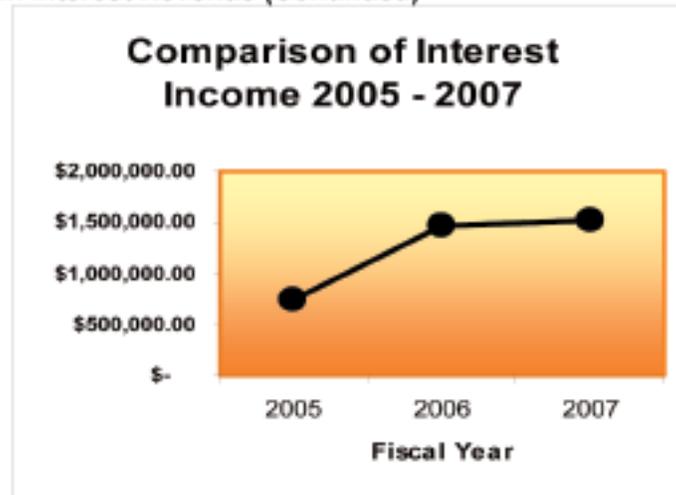
Continued Increase in Interest Revenue

Interest revenue (included within non-operating revenues and expense) was \$1,530,342 in 2007, \$1,463,433 in 2006 and \$735,868 in 2005. This is a 4.6% increase in 2007, a 98.9% increase in 2006, and a 16.4% increase in 2005 from each of the respective prior years. In 2006 a more aggressive investment policy was pursued taking advantage of higher certificate-of-deposit rates. In 2005, maturing investments were reinvested at higher rates, reflective of an overall market improvement in earned interest rates.

SUMMARY OF FINANCIAL HIGHLIGHTS (Continued)

FINANCIAL ANALYSIS (Continued)

Continued Increase in Interest Revenue (Continued)



Capital Assets

Leased

The Authority leases the Airport facilities, except those that were financed through the 1989 bond issuance, from the County. The Authority is required to make annual rental payments to the County equal to the principal and interest due for the year on Airport-related debt issued by the County, both prior and subsequent to the inception of the Authority, net of earnings on related debt service. These rental payments totaled \$1,479,483 in 2007, \$1,565,114 in 2006 and \$729,386 in 2005.

Purchases and Retirements

Most improvements to the Airport facilities are planned and funded through the County's capital improvement program. In 2007 the Authority invested \$27,617 and retired assets with a net book value of \$60,654 that were fully depreciated. In 2006 the Authority invested \$193,132 with no retirements of capital assets. The total costs of capital assets have varied by only \$160,094 from 2005 to 2007. Year-end total cost in capital assets was \$124,341,306, \$124,374,343, and \$124,181,211 at December 31, 2007, 2006 and 2005 respectively (See Table A-2).

**Summary of Capital Assets
Table A-2**

	<u>Capital Assets</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
January 1, 2006	\$ 124,181,211	\$ (80,058,567)	\$ 64,122,644
Increases	<u>193,132</u>	<u>(4,562,660)</u>	<u>(4,369,528)</u>
December 31, 2006	124,374,343	(84,621,227)	59,753,116
Increases	27,617	(4,572,335)	(4,544,718)
Decreases	<u>(60,654)</u>	<u>60,654</u>	<u>-</u>
December 31, 2007	<u>\$ 124,341,306</u>	<u>\$ (69,132,908)</u>	<u>\$ 55,208,398</u>

Purchases and Retirements

More detailed information about the Authority's capital assets is presented in Note 5 to the financial statements.

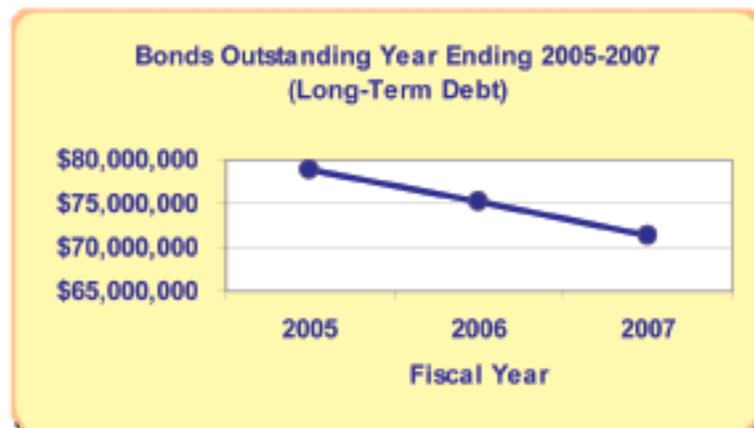
SUMMARY OF FINANCIAL HIGHLIGHTS (Continued)

FINANCIAL ANALYSIS (Continued)

Debt Administration

Continued Decrease in Long-Term Debt

The Authority had bonds outstanding of \$71,407,402 in 2007, \$75,241,497 in 2006 and \$78,856,036 in 2005. Principal payments, net of discounts and deferred amounts, were \$3,834,095 (5.1%) in 2007 and \$3,614,539 (4.6%) in 2006. The bonds are composed of (1) net long-term debt of \$66,857,402 in 2007, \$70,906,497 in 2006 and \$74,711,036 in 2005, and (2) current portion of \$4,550,000, \$4,335,000 and \$4,145,000 in 2007, 2006 and 2005, respectively.



**Summary of Long-Term Debt
Table A-3**

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Serial Bonds, issued in 1999, which refunded part of 1989 bonds	\$ 63,075,000	\$ 59,985,000	\$ 56,735,000
Serial Bonds, issued in 2004, which refunded 1993 bonds	19,875,000	18,820,000	17,735,000
Unamortized bond discount	(302,148)	(263,004)	(226,039)
Deferred amount of refunding	<u>(3,791,816)</u>	<u>(3,300,499)</u>	<u>(2,836,559)</u>
Total long-term debt	<u>\$ 78,856,036</u>	<u>\$ 75,241,497</u>	<u>\$ 71,407,402</u>

More detailed information about the Authority's long-term debt is presented in Note 6 to the financial statements.

SUMMARY OF FINANCIAL HIGHLIGHTS (Continued)

FINANCIAL ANALYSIS (Continued)

**2005-2007 Comparative Summary of Authority's Net Assets
Table A-4**

	<u>2007</u>	<u>2006</u>	<u>2005</u>
ASSETS:			
Current and other assets	\$ 39,873,440	\$ 45,625,959	\$ 39,908,075
Capital assets	<u>55,208,398</u>	<u>59,753,116</u>	<u>64,122,644</u>
Total assets	<u>95,081,838</u>	<u>105,379,075</u>	<u>104,030,719</u>
LIABILITIES:			
Debt outstanding	71,407,402	75,241,497	78,856,036
Other liabilities	<u>5,569,366</u>	<u>8,110,503</u>	<u>6,341,993</u>
Total liabilities	<u>79,976,768</u>	<u>83,352,000</u>	<u>85,198,029</u>
NET ASSETS:			
Invested in capital assets, net of related debt	(16,199,004)	(15,488,381)	(14,733,392)
Restricted	19,606,410	26,668,567	18,801,637
Unrestricted	<u>14,697,664</u>	<u>10,846,889</u>	<u>14,764,445</u>
Total net assets	<u>\$ 18,105,070</u>	<u>\$ 22,027,075</u>	<u>\$ 18,832,690</u>

2008 BUDGET

The Authority's 2008 budget has been approved and contains no significant changes from the operational results for 2007. No known matters exist at this time that would have a significant effect on the financial position of the Authority or on its expected results of operations for the coming year.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Treasurer, Monroe County Airport Authority, at 1200 Brooks Avenue, Rochester, New York 14624 or through the website, www.MonroeCounty.gov.

MONROE COUNTY AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF MONROE, NEW YORK)

STATEMENTS OF NET ASSETS
DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
CURRENT ASSETS:		
Cash, cash equivalents and unrestricted investment	\$ 12,661,565	\$ 9,269,018
Accounts receivable - net of allowance for doubtful accounts of \$100,000 in both 2007 and 2006, respectively	1,469,896	2,877,006
Accrued interest receivable	<u>-</u>	<u>75,715</u>
Total current assets	<u>14,131,461</u>	<u>12,221,739</u>
NONCURRENT ASSETS:		
Restricted cash, cash equivalents and investments	10,728,386	16,780,918
Cash and investments, which are restricted funds held by trustee - principal and interest fund	14,067,848	15,522,942
Capital assets, net	55,208,398	59,753,116
Bond issuance costs, net of accumulated amortization of \$1,216,112 and \$1,061,497 in 2007 and 2006, respectively	<u>945,745</u>	<u>1,100,360</u>
Total noncurrent assets	<u>80,950,377</u>	<u>93,157,336</u>
Total assets	<u>\$ 95,081,838</u>	<u>\$ 105,379,075</u>

	<u>2007</u>	<u>2006</u>
CURRENT LIABILITIES:		
Payable from unrestricted assets -		
Accounts payable	\$ 610,735	\$ 779,724
Deferred revenue	483,973	338,868
Due to Monroe County	<u>257,723</u>	<u>2,502,236</u>
Total payable from unrestricted assets	<u>1,352,431</u>	<u>3,620,828</u>
Payable from restricted assets -		
Premium on bonds, net	1,297,886	1,510,014
Accrued interest on bonds	2,036,191	2,145,234
Current maturities of long-term debt	4,550,000	4,335,000
Security deposits	352,033	352,840
Other liabilities	<u>530,825</u>	<u>481,587</u>
Total payable from restricted assets	<u>8,766,935</u>	<u>8,824,675</u>
Total current liabilities	10,119,366	12,445,503
LONG-TERM DEBT, net of current portion	<u>66,857,402</u>	<u>70,906,497</u>
Total liabilities	<u>\$ 76,976,768</u>	<u>\$ 83,352,000</u>
Concentrations, commitments and contingencies (notes 4, 8 and 9)		
NET ASSETS:		
Invested in capital assets, net of related debt	\$ (16,199,004)	\$ (15,488,381)
Restricted -		
Restricted for debt service	14,067,848	15,522,942
Restricted for passenger facility projects	2,360,394	8,126,431
Other	3,178,168	3,019,194
Unrestricted	<u>14,697,664</u>	<u>10,846,889</u>
Total net assets	<u>\$ 18,105,070</u>	<u>\$ 22,027,075</u>

The accompanying notes are an integral part of these statements.

MONROE COUNTY AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF MONROE, NEW YORK)

STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
OPERATING REVENUES:		
Landing fees	\$ 5,005,169	\$ 4,697,896
Rental fees	9,827,057	9,863,339
Car rental commissions	3,736,542	3,235,254
Parking commissions	5,492,354	5,246,726
Concessions	3,658,754	3,634,073
Fuel farm	<u>225,000</u>	<u>225,000</u>
Total operating revenues	<u>27,944,876</u>	<u>26,902,288</u>
OPERATING EXPENSES:		
Operating and maintenance expenses - Monroe County	15,502,676	14,808,858
Rent expense - Monroe County	1,479,483	1,565,114
Depreciation and amortization of capital assets	4,572,335	4,562,660
Other	<u>904,099</u>	<u>712,522</u>
Total operating expenses	<u>22,458,593</u>	<u>21,649,154</u>
Operating income	<u>5,486,283</u>	<u>5,253,134</u>
NONOPERATING REVENUES (EXPENSES):		
Interest revenue	1,530,342	1,463,433
Interest expense	(4,181,435)	(4,387,406)
Recovery of bad debts	132,493	5,158
Amortization of bond issuance costs, premiums and deferred losses, net	(443,392)	(469,574)
Local share of capital projects - Monroe County	<u>(680,259)</u>	<u>(125,319)</u>
Total nonoperating revenues (expenses)	<u>(3,642,251)</u>	<u>(3,513,708)</u>
Income before capital contributions	1,844,032	1,739,426
CAPITAL CONTRIBUTIONS, net	<u>(5,766,037)</u>	<u>1,454,959</u>
CHANGE IN NET ASSETS	(3,922,005)	3,194,385
NET ASSETS - beginning of year	<u>22,027,075</u>	<u>18,832,690</u>
NET ASSETS - end of year	<u>\$ 18,105,070</u>	<u>\$ 22,027,075</u>

The accompanying notes are an integral part of these statements.

MONROE COUNTY AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF MONROE, NEW YORK)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Cash received from providing services	\$ 29,678,015	\$ 25,732,089
Cash paid to suppliers	<u>(20,299,760)</u>	<u>(15,187,165)</u>
Net cash flow from operating activities	<u>9,378,255</u>	<u>10,544,924</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of capital assets	(27,617)	(193,132)
Capital contributions, net	(5,766,037)	1,454,959
Payment of bond principal	(4,335,000)	(4,145,000)
Payment of bond interest expense	(4,290,478)	(4,484,344)
Deposits into trustee principal and interest fund	1,390,102	(6,480,234)
Local share of capital projects - Monroe County	<u>(680,259)</u>	<u>(125,319)</u>
Net cash flow from capital and related financing activities	<u>(13,709,289)</u>	<u>(13,973,070)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	1,606,057	1,473,455
Proceeds from sale of investments	<u>64,992</u>	<u>150,946</u>
Net cash flow from investing activities	<u>1,671,049</u>	<u>1,624,401</u>
CHANGE IN CASH, CASH EQUIVALENTS AND INVESTMENTS	(2,659,985)	(1,803,745)
CASH, CASH EQUIVALENTS AND INVESTMENTS - beginning of year	<u>26,049,936</u>	<u>27,853,681</u>
CASH, CASH EQUIVALENTS AND INVESTMENTS - end of year	<u>\$ 23,389,951</u>	<u>\$ 26,049,936</u>
Classified as:		
Cash, cash equivalents and unrestricted investment	\$ 12,661,565	\$ 9,269,018
Restricted cash, cash equivalents and investments	<u>10,728,386</u>	<u>16,780,918</u>
Total cash and cash equivalents	<u>\$ 23,389,951</u>	<u>\$ 26,049,936</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES:		
Operating income	\$ 5,486,283	\$ 5,253,134
Adjustments to reconcile operating income to net cash flow from operating activities:		
Depreciation and amortization of capital assets	4,572,335	4,562,660
Changes in:		
Accounts receivable	1,539,603	(1,360,924)
Deferred revenue	145,105	121,248
Due to Monroe County	(2,244,513)	1,385,184
Other current liabilities	<u>(120,558)</u>	<u>583,622</u>
Net cash flow from operating activities	<u>\$ 9,378,255</u>	<u>\$ 10,544,924</u>

The accompanying notes are an integral part of these statements.

MONROE COUNTY AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF MONROE, NEW YORK)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

1. ORGANIZATION

The Monroe County Airport Authority (the Authority) is a public benefit corporation that was created to finance, construct, develop, operate, and maintain aviation and other related facilities and services within the County of Monroe (the County), and is included in the reporting entity of the County. The Authority is organized under the Public Authorities Law of the State of New York. The oversight body is the Authority board, which is approved by the County Legislature on the recommendation of the County Executive. The chairperson is appointed by the County Executive. The County's Director of Finance serves as Treasurer of the Authority. The Authority leases the Greater Rochester International Airport (the Airport) from the County and operates under the terms of a trust indenture (the indenture) dated September 15, 1989, as amended.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. In compliance with Governmental Accounting Standards Board (GASB) Statement No. 20, the Authority applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The Authority has elected not to adopt the provisions of paragraph 7 of GASB Statement No. 20.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

Revenues and Expenses

The Authority's principal sources of revenue are landing fees, terminal rentals from airlines using the Airport, car rental commissions, parking, and concession fees. Revenues are recognized upon provision of services. The Authority contracts with certain airlines via a signatory agreement that defines the use of, and rates charged for, airport space and facilities. Rates charged by the Authority to the airlines are intended to recover total budgeted operating costs, as defined by the signatory agreement, which excludes depreciation and amortization and accrued interest; but, includes principal and interest paid on related debt. At the end of each fiscal year, the budgeted amounts are reconciled with actual costs incurred and any resulting receivable or payable is settled with the signatory airlines. This revenue is recorded in accordance with agreements between the Authority and the airlines that expired December 31, 2007. The agreement was renewed under a three-year renewal period, which will expire December 31, 2010. The agreement includes one additional two-year renewal option.

Operating expenses include the cost of services provided, administrative expenses, and depreciation and amortization on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Equivalents and Unrestricted Investment

Cash equivalents include certificates of deposit, money market funds, U.S. Government securities and repurchase agreements with maturities of three months or less from the purchase date. Cash equivalents are stated at cost, which approximates fair value.

Investments

The Authority's investments consist of certificates of deposit with maturities greater than three months at the time of purchase and obligations of the U.S. Government. Investments are stated at cost, which approximates fair value. Investment instruments are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported on the accompanying financial statements.

Capital Assets

The Airport facilities, except those that were financed through the 1989 bond issuance, are owned by the County and leased to the Authority (Note 4). Facilities owned by the County (and the related debt) are not recorded in the Authority's financial statements but are recorded by the County. The Authority capitalizes facilities, property, and equipment acquired at an original cost greater than \$2,500 and a useful life greater than one year. The County carries insurance coverage on the facilities, property and equipment, which includes minimal deductible payments. Amortization for improvements to the leased airport facilities is provided on a straight-line basis over the remaining life of the lease from the time of acquisition. Depreciation and amortization is computed primarily on a straight-line basis over the estimated useful lives of the property and equipment, which range from two (2) to twenty (20) years.

Passenger Facility Charges

The Aviation Safety and Capacity Expansion Act of 1990 (Public Law 101-508, Title II, Subtitle B) authorized the imposition of local Passenger Facility Charges (PFC) and use of resulting PFC revenues for Federal Aviation Administration (FAA) approved projects. The PFCs that the Authority has been authorized by the FAA to collect are as follows:

<u>Rate</u>	<u>Effective Date</u>	<u>FAA Approved</u>
\$3.00	December 1, 1997	September 1997
\$3.00	April 1, 2004	November 1997
\$4.50	September 1, 2004	June 2004
\$4.50	September 1, 2013	July 2006

PFCs may only be collected one at a time and must be collected in consecutive order of their approval. The excess (deficit) of amounts collected over amounts expended in each year is recorded as capital contributions in the statements of revenues, expenses and change in net assets. Cumulative amounts collected, yet unexpended at December 31, are reflected as net assets restricted for passenger facility projects in the statements of net assets.

Deferred Bond Costs

Bond premiums, discounts, issuance costs, and the deferred amount on refinancing related to the issuance of the debt obligations are amortized over the terms of the respective bonds using a level yield method of amortization. Amortization in 2007 and 2006 was \$443,392 and \$469,574, respectively.

Taxes

As a public benefit corporation, the Authority is exempt from Federal and state income taxes, as well as from state and local property and sales taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Reclassifications

Certain prior year amounts have been reclassified to confirm with the current year presentation.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The guidelines established by the Authority permit the investment of funds held by the Authority and funds held in trust for the Authority to be invested in accordance with New York State Public Authorities Law. Investments must be in the form of obligations of the State of New York, or in general obligations of its political subdivisions; obligations of the United States or its agencies whose principal and interest payments are fully guaranteed by the federal government; and in collateralized time deposits or certificates of deposit issued by a commercial bank or trust company, which is a member of the Federal Deposit Insurance Corporation (FDIC). The Authority's investment policy limits its deposit and investment activity to time deposits, demand deposits, certificates of deposit, United States Government obligations and repurchase agreements.

The Authority's investment policy requires its deposits and investments, except repurchase agreements and direct purchases of obligations of New York State or its political subdivisions or guaranteed by the federal government, to be 100% collateralized through federal deposit insurance or other obligations. Obligations that may be pledged as collateral are obligations of, or guaranteed by, the United States or the State of New York. Collateral must be delivered to the Authority or an authorized custodial bank. The policy does not address credit risk specifically; however, risk associated with these investments has been minimized by the fact that they are held in a trust separate from the custodian's assets, which could be claimed by creditors.

Bank accounts at December 31, 2007 and 2006 are either fully insured by the FDIC or are fully collateralized. The investments outstanding as of December 31, 2007 and 2006 are held by the Authority's agents in the Authority's name.

Cash equivalents and investments that are unrestricted and those restricted as to use but maintained by the Authority consisted of the following for the years ended December 31:

	<u>2007</u>	<u>2006</u>
Money market	\$ 21,420,924	\$ 1,288,115
Certificates of deposit	<u>-</u>	<u>18,561,221</u>
	<u>\$ 21,420,924</u>	<u>\$ 19,849,336</u>

At December 31, 2007 and 2006, money market funds were held by Bank of America and Manufacturers and Traders Trust (M&T). Bank of America was rated P-1 for short-term investments by Moody's Investors Service (Moody's) while M&T had no similar short-term investment rating, although the institution as a whole was rated A2 by Moody's.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

At December 31, 2007, certificates of deposit were held by HSBC bank. HSBC was rated P-1 for short-term investments by Moody's.

Investments that are restricted include funds required to be maintained by the trustee pursuant to the indenture agreement related to the various bond issues of the Authority and are uncollateralized. Assets held by the trustee consisted of the following for the years ended December 31:

	<u>2007</u>	<u>2006</u>
U.S. Government securities	\$ 7,478,209	\$ 8,539,591
U.S. Government money market funds	<u>2,833</u>	<u>503,117</u>
	<u>\$ 7,481,042</u>	<u>\$ 9,042,708</u>

Investment in United States Treasury bills accounts for approximately 99.9% and 94.4% of assets held by the trustee at December 31, 2007 and 2006, respectively.

Custodial Credit Risk

For cash deposits or investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. United States Treasury obligations are exempt because they are backed by the United States government. The Authority's collateral related to the above is as follows for the years ended December 31:

	<u>2007</u>	<u>2006</u>
FDIC	\$ 407,137	\$ 605,564
Collateralized with securities held by pledging financial institution	<u>23,564,792</u>	<u>25,619,301</u>
	<u>\$ 23,971,929</u>	<u>\$ 26,224,865</u>

The following investments held with one financial institution represent five percent or more of the Authority's total investments subject to credit risk at either December 31, 2007 or 2006, or both:

	<u>2007</u>	<u>2006</u>
HSBC	\$ -	\$ 18,561,221
M&T	\$ 16,264,391	\$ -
Bank of America	\$ 5,156,533	\$ -

4. TRANSACTIONS WITH MONROE COUNTY

The Authority and the County entered into a lease and operating agreement in September 1989. The leased property includes all of the County's right, title, and interest in the Airport. Under this agreement, the County is to administer and operate the Airport. In return, the Authority is to reimburse the County for expenses incurred in the administration and operation of the Airport. All such expenses including payroll and related costs are reimbursed by the Authority using the accrual basis of accounting. Upon expiration or earlier termination of the lease term, the Airport reverts to the County. The lease expires 30 days after repayment of the Airport revenue bonds, which are scheduled to be repaid by January 1, 2019. Amounts due to/from Monroe County represent the net balances pursuant to the agreement.

The Authority is required to make annual rental payments to the County equal to the principal and interest due for the year on Airport-related debt issued by the County both prior and subsequent to the inception of the Authority, net of earnings on related debt service. In 2007 and 2006, the rental payments totaled \$1,479,483 and \$1,565,114, respectively. Estimated future minimum rental payments are as follows at December 31:

2008	\$ 2,064,444
2009	2,203,137
2010	2,253,592
2011	1,860,318
2012	1,252,955
2013 - 2017	5,368,565
2018 - 2022	2,446,479
2023 - 2025	<u>642,735</u>
	<u>\$ 18,092,225</u>

The above schedule presumes that the Authority's lease will continue beyond the lease's current expiration date.

In 2005, a resolution was passed by the County requiring the Authority to pay 3.5% interest on funds advanced by the County that is based on the County's expected return on other short-term investments. In 2007 and 2006, the Authority did not receive advances from the County, and therefore, no interest payments were made in 2007 or 2006, of required as of December 31, 2007 or 2006.

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated or amortized:				
Land and easements	<u>\$ 497,771</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 497,771</u>
Capital assets, being depreciated or amortized:				
Buildings and other facility equipment	121,113,857	-	-	121,113,857
Office furniture and equipment	1,682,238	-	(23,300)	1,658,938
Transportation equipment	<u>1,080,477</u>	<u>27,617</u>	<u>(37,354)</u>	<u>1,070,740</u>
Total capital assets, being depreciated or amortized	123,876,572	27,617	(60,654)	123,843,535
Less:				
Accumulated depreciation and amortization	<u>(64,621,227)</u>	<u>(4,572,335)</u>	<u>60,654</u>	<u>(69,132,908)</u>
Capital assets being depreciated or amortized, net	<u>59,255,345</u>	<u>(4,544,718)</u>	<u>-</u>	<u>54,710,627</u>
Capital assets, net	<u>\$ 59,753,116</u>	<u>\$ (4,544,718)</u>	<u>\$ -</u>	<u>\$ 55,208,398</u>

5. CAPITAL ASSETS (Continued)

Capital asset activity for the year ended December 31, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated or amortized:				
Land and easements	<u>\$ 497,771</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 497,771</u>
Capital assets, being depreciated or amortized:				
Buildings and other facility equipment	120,923,973	189,884	-	121,113,857
Office furniture and equipment	1,678,990	3,248	-	1,682,238
Transportation equipment	<u>1,080,477</u>	<u>-</u>	<u>-</u>	<u>1,080,477</u>
Total capital assets, being depreciated or amortized	123,683,440	193,132	-	123,876,572
Less:				
Accumulated depreciation and amortization	<u>(60,058,567)</u>	<u>(4,562,660)</u>	<u>-</u>	<u>(64,621,227)</u>
Capital assets being depreciated or amortized, net	<u>63,624,873</u>	<u>(4,369,528)</u>	<u>-</u>	<u>59,255,345</u>
Capital assets, net	<u>\$ 64,122,644</u>	<u>\$ (4,369,528)</u>	<u>\$ -</u>	<u>\$ 59,753,116</u>

6. LONG-TERM DEBT

Series 1993 and 2004 Bonds

In June 1993, the Authority issued Revenue Refunding Bonds to partially refund outstanding 1989 Series Bonds. The proceeds received, net of bond discount and issuance costs, were used to purchase U.S. Government securities to refund the 1989 Series Bonds, including an additional reserve requirement representing a deferred amount on refunding. The deferred amount on the refunding was being amortized over the term of the 1993 Series Bonds.

In March 2004, the Authority issued Revenue Refunding Bonds to refund the outstanding 1993 Series Bonds. The proceeds received, net of bond discount and issuance costs were used to purchase U.S. Government securities. The transaction resulted in a deferred amount on refunding to the Authority related to the difference between the reacquisition price and the net carrying amount of the 1993 Series Bonds at the date of issuance of the 2004 Series Bonds of \$2,112,215. This deferred amount on refunding is being amortized over the term of the Series 2004 Bonds.

The Series 2004 Bonds maturing after January 1, 2015, are subject to redemption by the Authority, in whole or in part, at any interest payment date on or after January 1, 2014.

6. LONG-TERM DEBT (Continued)

Series 1989 and 1999 Bonds

In October 1999, the Authority issued Revenue Refunding Bonds to partially refund outstanding 1989 Series Bonds. The proceeds received, net of bond discount and issuance costs were used to purchase U.S. Government securities to refund the 1989 Series Bonds.

The 1989 Series Bonds were the original debt issuance pursuant to the indenture, the purpose of which was to provide financing for the original construction of the Airport.

The 1999 Series Bonds maturing on and after January 1, 2019, are not subject to redemption prior to their maturity.

Bond activity for the year ended December 31, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Due Within One Year</u>	<u>Ending Balance</u>
Bonds issued as part of the 1999 refunding: Serial bonds maturing in annual amounts ranging from \$300,000 to \$6,330,000 from 2002 to 2019 bearing interest paid semi-annually at 4.750% to 5.875%	\$ 59,985,000	\$ -	\$ (3,250,000)	\$ (3,425,000)	\$53,310,000
Bonds issued as part of the 2004 refunding: Serial bonds maturing in annual amounts ranging from \$980,000 to \$1,860,000 from 2005 to 2019 bearing interest paid semi-annually at 2.000% to 4.000%	18,820,000	-	(1,085,000)	(1,125,000)	16,610,000
Less: Unamortized bond discount	(263,004)	-	36,965	-	(226,039)
Less: Deferred amount on refunding	<u>(3,300,499)</u>	<u>-</u>	<u>463,940</u>	<u>-</u>	<u>(2,836,559)</u>
Long-term debt	<u>\$ 75,241,497</u>	<u>\$ -</u>	<u>\$ (3,834,095)</u>	<u>\$ (4,550,000)</u>	<u>\$66,857,402</u>

6. LONG-TERM DEBT (Continued)

Bond activity for the year ended December 31, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Due Within One Year</u>	<u>Ending Balance</u>
Bonds issued as part of the 1999 refunding: Serial bonds maturing in annual amounts ranging from \$300,000 to \$6,330,000 from 2002 to 2019 bearing interest paid semi-annually at 4.750% to 5.875%	\$ 63,075,000	\$ -	\$ (3,090,000)	\$ (3,250,000)	\$56,735,000
Bonds issued as part of the 2004 refunding: Serial bonds maturing in annual amounts ranging from \$980,000 to \$1,860,000 from 2005 to 2019 bearing interest paid semi-annually at 2.000% to 4.000%	19,875,000	-	(1,055,000)	(1,085,000)	17,735,000
Less: Unamortized bond discount	(302,148)	-	39,144	-	(263,004)
Less: Deferred amount on refunding	<u>(3,791,816)</u>	<u>-</u>	<u>491,317</u>	<u>-</u>	<u>(3,300,499)</u>
Long-term debt	<u>\$ 78,856,036</u>	<u>\$ -</u>	<u>\$ (3,614,539)</u>	<u>\$ (4,335,000)</u>	<u>\$70,906,497</u>

All outstanding Revenue Bonds were issued under the terms of a universal indenture agreement. The indenture pledges certain revenues and other income collected by the Authority, primarily for payment of principal and interest on the bonds. The indenture also requires the establishment of various trust funds to be held by the trustee and by the Authority.

Management believes the Authority is in compliance with all covenants under the indenture. The Authority is required to maintain at a minimum, certain financial ratios and balances, as defined in the agreements. The required and actual ratios and balances consisted of the following at December 31:

	<u>2007</u>		<u>2006</u>	
	<u>Required</u>	<u>Actual</u>	<u>Required</u>	<u>Actual</u>
Net revenue to debt service	1.25:1	1.52:1	1.25:1	1.46:1
Debt service reserve requirement	\$7,447,000	\$ 8,622,382	\$7,880,000	\$ 8,628,469
Operating and maintenance reserve requirement	\$2,678,168	\$ 2,865,259	\$2,519,194	\$ 2,709,631
Renewal and replacement requirement	\$ 500,000	\$ 4,596,366	\$ 500,000	\$ 5,109,558

The excess of actual renewal and replacement funds over the required amount is primarily due to funds transferred into the renewal and replacement fund for the purchase of capital expenditures.

6. LONG-TERM DEBT (Continued)

The indenture between the Authority and the trustee dated September 15, 1989, as amended, provides for the creation and maintenance of several bank subaccounts related to the debt issues. These subaccounts are aggregately reflected as a part of net assets in the accompanying statement of net assets. A brief description of each of these subaccounts is as follows:

- Revenue Account - Represents revenues of the Authority, net of certain transfers to the other accounts created under the indenture. The amounts designated for this account are included in unrestricted cash and cash equivalents in the accompanying statements of net assets.
- Principal and Interest Account - Represents amounts required to be reserved for debt service for each respective bond issue. The amounts designated for this account are reported as assets that are restricted funds, held by trustee in the accompanying statements of net assets.
- Construction Account - Represents an account required to be held by the trustee. The trustee establishes a separate project account for each construction project. The amounts designated for this account, to the extent that there are any, are reported as assets, that are restricted funds, held by trustee in the accompanying statements of net assets.
- Renewal and Replacement Account - Represents funds for anticipated capital expenditures. The amounts designated for this account are reported as a component of restricted cash and cash equivalents in the accompanying statements of net assets.
- Operating and Maintenance Reserve Account - Represents amounts to be reserved for at least one-sixth of the budgeted operating and maintenance expenses for the succeeding fiscal year. The amounts designated for this fund are reported as a component of restricted cash and cash equivalents in the accompanying statements of net assets.
- Surplus Account - Represents amounts defined by the indenture that are subject to use by the Authority, including transfers to other accounts, as appropriate.

Other

Payment of the principal and interest on the Authority's bonds is insured by the Municipal Bond Investors Assurance Corporation.

Maturities of revenue bonds for the fiscal years after December 31, 2007 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 4,550,000	\$ 3,955,694	\$ 8,505,694
2009	4,790,000	3,710,219	8,500,219
2010	5,045,000	3,443,384	8,488,384
2011	5,315,000	3,155,756	8,470,756
2012	5,625,000	2,847,869	8,472,869
2013 - 2017	33,195,000	9,052,950	42,247,950
2018 - 2019	<u>15,950,000</u>	<u>880,600</u>	<u>16,830,600</u>
	<u>\$ 74,470,000</u>	<u>\$ 27,046,472</u>	<u>\$ 101,516,472</u>

7. CAPITAL CONTRIBUTIONS

Of the \$98,371,527 that the Authority is authorized to collect in PFCs, \$42,248,837 and \$36,072,581, respectively, has been collected through December 31, 2007 and 2006. The net of collections, interest and expenditures is recorded as capital contributions.

	<u>2007</u>	<u>2006</u>
Balance - beginning of year	\$ 8,126,431	\$ 6,671,472
Collections	6,176,256	6,074,967
Interest earnings	435,493	387,488
Expended	<u>(12,377,786)</u>	<u>(5,007,496)</u>
Balance - end of year	<u>\$ 2,360,394</u>	<u>\$ 8,126,431</u>

As of December 31, 2007 and 2006, \$2,360,394 and \$8,126,431, respectively, are reflected as restricted net assets for passenger facility projects in the statement of net assets.

8. CONCENTRATIONS

In 2007, eight signatory airlines accounted for approximately 44% and 77% of the landing and rental fee revenues, respectively. Three signatory airlines accounted for approximately 51% of such revenue in 2007.

In 2006, eight signatory airlines accounted for approximately 48% and 67% of the landing and rental fee revenues, respectively. Three signatory airlines accounted for approximately 52% of such revenue in 2006.

Car rental commission revenue is generated from six agencies, one of which accounted for approximately 28% and 27% of such revenue in 2007 and 2006, respectively.

9. CONTINGENCIES

The Authority is subject to litigation in the ordinary conduct of its affairs. Management does not believe that such litigation, individually or in the aggregate, is likely to have a material adverse effect on the financial condition of the Authority.

10. LEASE AGREEMENTS

The Authority maintains certain non-cancellable lease agreements with various customers for terminal and other space that expire at various dates through 2037. The amounts expected to be collected under these agreements are as follows for the years ended December 31:

2008	\$	919,663
2009		919,663
2010		919,663
2011		919,313
2012		911,263
2013 - 2017		4,525,625
2018 - 2022		3,108,254
2023 - 2027		2,725,180
2028 - 2032		1,333,300
2033 - 2037		<u>967,413</u>
	\$	<u>17,249,337</u>

The above schedule presumes that the Authority's lease will continue beyond the lease's current expiration date.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

March 15, 2008

To the Members of
Monroe County Airport Authority:

We have audited the financial statements of the Monroe County Airport Authority (the Authority) as of and for the year ended December 31, 2007, as listed in the preceding table of contents, and have issued our report thereon dated March 15, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the Authority in a separate letter dated March 2008.

This report is intended solely for the information and use of management, the members of the Monroe County Airport Authority, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

Bonadio & Co., LLP



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