

2011 CAFR

*Comprehensive Annual
Financial Report*

County of Monroe,
New York

**For the Year Ended
December 31, 2011**



Maggie Brooks
County Executive

Scott M. Adair, CPA
Chief Financial Officer

Anthony Feroce
Controller

monroecounty.gov

County of Monroe, New York Comprehensive Annual Financial Report For the Year Ended December 31, 2011

Prepared by
Department of Finance
Office of the Controller



Scott M. Adair, CPA
Chief Financial Officer

Anthony Feroce
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, 2011

Table of Contents

Introductory Section (Unaudited)	Page
Letter of Transmittal.....	i
Profile of Monroe County Government	ii
Economic Profile and Outlook.....	vi
Financial Information.....	viii
Other Information	ix
County Executive's Office.....	x
Elected County Officials	x
Legislative Leadership and Staff	xi
Legislators	xii
County Departments.....	xiii
 Financial Section	
Independent Auditors' Report.....	1
Management's Discussion and Analysis (Unaudited)	3
 Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	19
Statement of Activities.....	20
Fund Financial Statements	
Governmental Funds Financial Statements	
Balance Sheet.....	21
Reconciliation of the Governmental Funds Balance Sheet to the	
Statement of Net Assets	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	24
Proprietary Funds Financial Statements	
Statement of Net Assets (Deficits).....	25
Statement of Revenues, Expenses and Changes in Net Assets (Deficits)	27
Statement of Cash Flows.....	28

continued

**COUNTY OF MONROE, NEW YORK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2011**

Table of Contents

Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Assets.....	30
Statement of Changes in Fiduciary Net Assets	31
Component Units Financial Statements	
Combining Statement of Net Assets	32
Combining Statement of Activities	33
Notes of the Basic Financial Statements	34
Required Supplementary Information (Unaudited)	
Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund – Budget and Actual.....	78
Notes to Required Supplementary Information.....	79
Combining Financial Information	
Combining Balance Sheet – Nonmajor Governmental Funds.....	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Nonmajor Governmental Funds.....	83
Combining Balance Sheet – Special Revenue Funds.....	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances- Special Revenue Funds	86
Combining Statement of Net Assets (Deficits) – Internal Service Funds	88
Combining Statement of Revenues, Expenses and Changes in Net Assets (Deficits) - Internal Service Funds	89
Statement of Cash Flows – Internal Service Funds.....	90
Statistical Section (Unaudited)	
Net Assets by Component.....	93
Changes in Net Assets	94
Fund Balances, Governmental Funds.....	96
Changes in Fund Balances, Governmental Funds.....	97
Taxing Power.....	98
Assessed Value of Taxable Property	99
Property Tax Levies and Collections	100
Principal Property Tax Payers	101
Legal Debt Margin Information	102
Ratio of Outstanding Debt by Type and Activity.....	103
Ratios of Net General Obligation Bonded Debt Outstanding	104
Demographic and Economic Statistics.....	105
Principal Employers.....	106
Budgeted Full-Time County Employees by Department	107
Operating Indicators	108
Capital Asset Statistics	109



Department of Finance
Monroe County, New York

Maggie Brooks
County Executive

Scott Adair
Chief Financial Officer

May 30, 2012

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, 2011, 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 County's financial position and results of operations for 2011.

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, 2011. 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, 2011 using generally accepted accounting principles and generally accepted auditing standards in the United States of America. The audited financial statements are included in the Financial Section of this report in its entirety and without edit.

On a yearly basis, we strive to achieve an unqualified opinion for the audited financial statements, which is the highest rated opinion that can be given by an independent auditor. 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 as of December 31, 2011, 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 County is also required to undergo an annual audit in conformance with the provisions of the Federal Single Audit Act (as amended) and the United States Office of Management and Budget's Circular A-133: *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this 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

The County is located in western New York State on the south shore of Lake Ontario and 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. The County is within 400 miles of many major metropolitan areas such as New York City, Toronto, Boston, Philadelphia 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 Board Statement Nos. 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), Monroe Security and Safety Systems Local Development Corporation (M3S), 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), MCC, and County parks.

MAJOR INITIATIVES AND ACCOMPLISHMENTS IN 2011

Environmental – The County continues to strive to protect the health of our environment and to make our County and our planet a healthier place to live. The County's commitment, under the direction of the County Executive, 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.

In 2011, the Department of Environmental Services (DES) continued its involvement in the Federal Energy Efficiency and Conservation Block Grant (EECBG) Program. DES is currently utilizing grant funding to improve its chillers and energy controls at the Civic Center Complex that houses the Hall of Justice and County Jail. These projects will reduce the County's energy demand and generate savings for taxpayers.

Construction continued on a "green" roof on the Civic Center Plaza. DES applied for, and received, an incentive award from the New York State Energy Research and Development Authority (NYSERDA) to construct the project. Replacing the roof, which is located under the walking surface of the Civic Center Plaza, will involve removing the Plaza pavers and associated material. 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 2012.

In 2011, Monroe County was recognized as the 2nd best "Green Fleet" in the nation when measured for fleet composition, fuel and emissions, policy and planning, fleet utilization, education, executive and employee involvement, and supporting programs. In addition, Monroe County Fleet completed construction of a permanent propane fueling facility at its Scottsville Rd Fueling Station in 2011.

The County began design for a second landfill-gas-to-electricity plant at its Mill Seat Landfill in the Town of Riga. The County anticipates design being complete in 2012 with the plant construction being complete in 2013. When completed, the plant will produce an additional 3.2 megawatts of electricity that will be sold or utilized by the County to the benefit of local taxpayers.

In 2011, DES's division of Solid Waste accomplished two milestone achievements: the addition of number "3" through "7" plastics to the County's recycling program and the opening of the Eco Park, which was established for the recycling of unique and difficult-to-recycle household items and hazardous wastes.

Health Care - The Public Health Department continued its focus on three main areas in 2011: community health improvement, service enhancement and process improvement.

In the area of community health improvement, staff administered the Youth Risk Behavior Survey to a sample of students in Monroe County High Schools. The survey enables schools and community groups to plan and evaluate interventions to improve health status of adolescents. The 2011 Monroe County Maternal Child Health Report Card and the Cancer Incidence and Mortality Report were completed. The department worked with community partners to raise public awareness of the increased incidence of HIV in youth.

In the area of service enhancements, Starlight Pediatrics became fully operational in its new location on East Henrietta Road adjacent to Monroe Community Hospital. The Maternal Child Health Division developed a strong community collaborative to enhance the coordination of the multiple perinatal home visiting programs that exist to serve high risk pregnant women.

In 2011, the Public Health Preparedness Office completed all of the local plans for the Community Preparedness Initiative (CPI). The goal of the CPI is the distribution and administration of medications or immunizations to the entire population of Monroe County in the event of a public health emergency.

In the area of process improvements, an employee database was created to catalogue employee contact information, computer hardware and software needs and mandatory employee training was completed.

Public Safety – In conjunction with the Department of Information Technology, Public Safety has been designing, building and planning the replacement of the public safety information systems. The implementation of the Computer Aided Dispatch (CAD) system is scheduled for May 2013. The project is intended to avoid duplication of efforts and integrate (police, fire & EMS) records management and jail/booking systems from data originating in CAD via multiple mediums.

The Crime Laboratory hosted its grand opening on June 16, 2011 spotlighting the state-of-the-art Leadership in Energy and Environmental Design (LEEDS) certified facility at 85 W. Broad Street. The new facility provides work efficiencies and offers new functionality such as Digital Evidence analysis, the capability to process fingerprint evidence and a garage to perform vehicle examinations.

The Fire Bureau instituted a new response program whereby county mutual aid fire responses into the City of Rochester have a more strategic approach. Monroe County Fire Bureau revised a strategic matrix that provides for strategic response, cross training and acquisition of specialized equipment needed when responding into City fire stations.

With grant funding, the Office of Emergency Management continued to support the efforts of Monroe Community College's Homeland Security Management Institute's Community Emergency Response Teams (CERT) training. CERT classes encompass citizen volunteers across the community to strengthen local municipal readiness with outreach to special populations.

The Office of Emergency Communications/9-1-1 celebrated its 25th anniversary of operations under a joint agreement with the City of Rochester in May 2011. During the year, 9-1-1 initiated a new program for handling calls involving missing or exploited children whereby the National Center for Missing and Exploited Children has designated the Monroe County/Rochester Emergency Communications Department as the first 911 Center in New York State to become a partner agency.

Economic Development - During 2011, The Planning and Economic Development Department approved 133 projects that will result in the investment of over \$794 million for Monroe County businesses. These projects will create 1,838 new jobs over the next three years and retain 17,792 jobs in the County. Over 99% of the funds leveraged came from private funding sources. Staff from Economic Development contacted over 210 companies and made presentations to 48 service providers (bankers, CPAs, attorneys) and community organizations.

Parks and Recreation – The world famous lilac collection at Highland Park continued to grow in 2011. Master Plan improvements to Greece Canal Park were constructed including a new lodge facility, a new labor center, improved trail/canal access, infrastructure improvements and parking facilities. The Parks Department officially closed its second full year of the Greece Canal dog park with nearly 1,000 new and renewed dog registrations. Construction continued on a brand new off-leash dog park in Ellison Park. Working with dedicated volunteers, trail maintenance for the 18 month pilot program continued for off-road cycling in both Tryon and Irondequoit Bay West Parks. The Ellison Wetlands Park was renamed Lucien Morin Park and dedicated to our first elected County Executive. Construction began on improvements to the Seneca Park Zoo's Elephant Exhibit as well as the brand new Lion Exhibit, with both exhibits opening in the spring of 2012.

Aviation - The final phase of the \$49 million Terminal Improvement Program design was completed and advanced to public bidding for construction in 2012. These improvements include a complete renovation of the terminal ticketing lobby. New Airline gate counters and e-ticket check in, as well as signage, lighting and passenger seating have been designed to facilitate passenger flow throughout the ticketing lobby and upper level roadway and provide additional leasable space for the airlines.

A parking garage lighting upgrade was completed in December 2011. This environmentally friendly project is expected to reduce energy consumption by 33%.

The Airport expanded its Green Energy Initiative Project to include 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 was obtained as part of the project funding.

The Airport developed and launched a mobile website, powered by FlightView, to enhance customer service for on-the-go passengers and airport users by enabling instant access to real-time flight information and other airport services.

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. The Greater Rochester area ranked first in job growth by Business Facilities Magazine, a leading trade publication targeted at site selectors.

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 23,000 businesses with less than 500 employees.

Population - The County has a population of approximately 744,000 people, according to the 2010 U.S. Census Bureau, and is the central county in the five county Rochester Metropolitan Statistical Area (MSA) which has a population of approximately 1.1 million. The labor force measures approximately 367,000 and its economy draws from an MSA labor force totaling approximately 528,000.

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, 50% of the companies have one to four employees, and our manufacturing workforce is second largest of any other county in New York State. The economy is largely private sector (Private 84%; Government 16%). Service producing employment accounts for 85% of the local economy, driven largely by Educational and Health Services (representing 23%). Manufacturing accounts for 12% of total non-agricultural employment. The total manufacturing workforce of approximately 60,900 is smaller than Health Care and Social assistance (74,200) and slightly larger than retail (59,000).

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 \$4.9 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. From downtown lofts to suburban subdivisions to rural farmhouses, high quality housing is within reach for our 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. The Rochester-area housing market, long praised by real estate professionals for stable values, has been named the third-best place in the U.S. to buy a home by Zillow Inc., a Seattle company that tracks real estate markets.

Tourism - According to VisitRochester, Monroe County's tourism promotion agency, visitors to the Monroe County area in 2011 generated more than \$933 million for our economy. There are over 21,000 people employed in the local tourism industry.

The Monroe County Sports Commission continues to attract and assist regional and national sporting events that in 2011 brought in over 65,000 visitors.

Unemployment - The unemployment rate for Monroe County was 7.3% in December 2011. This compares with the national average of 8.5% and the State average of 8.0%.

Significant Community Announcements

During 2011, many significant projects involved investments for renovations and upgrades to residential housing, services and manufacturing companies, and local education and health care institutions.

The University of Rochester Medical Center's (URMC) 2007-2012 Strategic Plan calls for investing nearly a half billion dollars in new recruitment, new technologies and upgraded facilities. The \$259 million Pediatric Replacement and Imaging Sciences Modernization (PRISM) project will be the most ambitious project undertaken in the Medical Center's history, and will enable URMC to emerge as a leader in translational medicine and provide optimal care for its community and the surrounding region.

ITT Space Systems, LLC (ITT) headquartered in Rochester, is an integral part of the US industrial base in the intelligence, surveillance, reconnaissance and space exploration. ITT operates in three locations throughout Monroe County. As a result of a multi-state site selection process ITT has chosen Monroe County as their future headquarters, investing nearly \$13 million and retaining 600 jobs.

International Business Machines will renovate and upgrade its 190,000-square-foot data center in the Canal Ponds Business Park in Greece. The \$5 million project will be accompanied by a \$35 million investment in computer-related equipment over five years.

Unity Hospital is moving forward with a modernization and expansion project. Construction work on the multi-year plan is expected to be completed in 2014. This will be the largest capital project of Unity Hospital since it opened in 1975; the estimated cost is \$204 million.

Rochester Precision Optics (RPO), a leading optics manufacturer providing components and full optical systems to both defense and commercial markets, was formed in 2005 when it acquired the manufacturing technology, intellectual properties and assets from Kodak Optical Imaging Systems, which

was closed due to downsizing. RPO invested approximately \$11 million in the acquisition of an existing vacant 64,500 square foot manufacturing facility, improvements and equipment, while saving 60 jobs. RPO has continued to grow to 146 employees and in 2011 announced plans to invest \$10.5 million in plant and equipment, and create 130 new jobs.

Franklin Properties, LLC announced plans to acquire and renovate the Lincoln Alliance Building, a prominent building in downtown Rochester. The \$21 million historic rehabilitation project will restore many key features of the 15-story, 190,000 square foot tower that was built in 1926. The building will be converted into a residential mixed-use facility with 40,000 square feet of commercial space and 113 market-rate one and two bedroom apartments.

Monro Muffler Brake, Inc. (Monro), founded in 1957, is a chain of more than 800 stores providing automotive repair and tire services across the country. Monro, with principal executive offices and primary warehouse located in the City of Rochester, will be investing \$4.5 million to expand their headquarters location, retaining 191 jobs, with an additional 15 new jobs projected.

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 and Internal Audit. As part of this effort, an internal auditing program to review and evaluate the adequacy and effectiveness of the County's internal controls has been developed.

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 County 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 by the County Legislature and each project is accounted for in a separate capital fund.

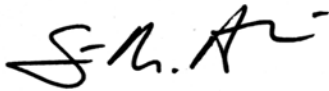
Cash Management - The County utilizes a pooled-cash concept to optimize its investment earnings. Earnings are allocated to the participating funds based upon their equity in the investment pool. All County investments are managed in accordance with New York State Law and the County Legislature's approved 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, its CAFR unit, including Michael Lombardo, Maryanne Fedison, Maureen Goho, Suzanne Plant, Mary Scumaci, Christopher Kovacic, Jodie O'Donnell and Amy Molinari, and the Department of Communications and Special Events.

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

Respectfully Submitted,



Scott M. Adair
Chief Financial Officer



Anthony Feroce
Controller

COUNTY EXECUTIVE'S OFFICE

COUNTY EXECUTIVE

Maggie Brooks

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

LEGISLATIVE LEADERSHIP AND STAFF

PRESIDENT

Jeffrey R. Adair, District 12

VICE PRESIDENT

Michael G. Barker, District 11

MAJORITY LEADER

E. Daniel Quatro, District 15

DEPUTY MAJORITY LEADERS

Jeffrey L. McCann, District 19
Stephen Tucciarello, District 4

MINORITY LEADER

Edward M. O'Brien, District 17

ASSISTANT MINORITY LEADERS

Calvin Lee, Jr. District 25
Carrie M. Andrews, District 21

CLERK OF THE LEGISLATURE

Cheryl M. Rozzi

REPUBLICAN MAJORITY CHIEF OF STAFF

Lisa Polito Nicolay

DEMOCRATIC MINORITY STAFF DIRECTOR

Jaime Romeo

LEGISLATORS

District 1	Richard Yolevich
District 2	Michael J. Rockow
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 J. Howland
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	Joshua Bauroth
District 25	Calvin Lee, Jr.
District 26	C. Stephen Eckel
District 27	Willie J. Lightfoot
District 28	Cynthia Kaleh
District 29	Saul A. Maneiro

COUNTY DEPARTMENTS

AVIATION	Angela Veltre, Acting Director
BOARD OF ELECTIONS	Peter M. Quinn, Commissioner Thomas F. Ferrarese, Commissioner
COMMUNICATIONS	Noah Lebowitz, Director
COUNTY CLERK	Cheryl Dinolfo, County Clerk
DISTRICT ATTORNEY	Michael C. Green, District Attorney
ENVIRONMENTAL SERVICES	Michael J. Garland, Director
FINANCE	Scott M. Adair, Chief Financial Officer
DEPARTMENT OF HUMAN SERVICES	Kelly A. Reed, Commissioner
HUMAN RESOURCES	Brayton M. Connard, Director
INFORMATION SERVICES	Nelson M. Rivera, Chief Information Officer
LAW	Dave VanVarick, County Attorney
MONROE COMMUNITY HOSPITAL	Todd C. Spring, Executive Health Director
PARKS	Lawrence A. Staub, Jr., Director
PLANNING & DEVELOPMENT	Judy A. Seil, Director
PUBLIC DEFENDER	Timothy P. Donaher, Public Defender
PUBLIC HEALTH	Andrew S. Doniger, M.D., Director
PUBLIC SAFETY	Stephen C. Bowman, Director
SHERIFF	Patrick M. O'Flynn, Sheriff
TRANSPORTATION	Terrence J. Rice, Director
VETERANS SERVICE AGENCY	James A. Carra, Director

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 14604-1701

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, 2011, 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, County of Monroe Industrial Development Agency, and the Monroe Security and Safety Systems Local Development Corporation, 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, are based 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	—	38
Component units	100	100	100
Fund level:			
Hospital enterprise fund	100%	100%	100%
Aggregate remaining fund information	11	51	8

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.



The County Executive and Members of the County Legislature
County of Monroe, New York
Page 2 of 2

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, 2011, 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.

U.S. generally accepted accounting principles require that the management's discussion and analysis and the required supplementary information on pages 3 through 17, and 78 through 80, respectively, be presented to supplement the basic financial statements. Such information although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 combining financial information section listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining financial information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the combining financial information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

KPMG LLP

May 30, 2012

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, 2011. 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, 2010 follows.

FINANCIAL HIGHLIGHTS

- The County overall finished 2011 with \$522.2 million in net assets, a decrease of \$48.5 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, 2011 and 2010. Of these capital assets, net of depreciation, infrastructure assets total approximately 51.4% and 52.8% for the years ended December 31, 2011 and 2010, 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 \$686.7 million and \$729.4 million for the years ended December 31, 2011 and 2010, respectively. As of December 31, 2011, the County had exhausted 15.5% of its constitutional debt limit of \$2.7 billion, compared to 16.4% at December 31, 2010. The debt-contracting margin of the County at December 31, 2011 was \$2.3 billion, compared to \$2.2 million at December 31, 2010.
- The County's governmental activities finished 2011 with \$146.0 million in net assets, a decrease of \$19.1 million from the past year. The net assets of the County's governmental activities for 2011 are reported as \$459.9 million of capital assets, net of related debt, \$27.2 million of restricted and \$341.0 million of unrestricted deficit. The changes in each reported net asset category are: an increase of \$9.8 million in invested in capital assets, net of related debt; an increase of \$10.4 million of restricted; and an increase of \$39.3 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, 2011 was \$233.6 million.
- The County's business-type activities finished 2011 with \$376.2 million in net assets, a decrease of \$29.4 million in net assets from the past year. The net assets of the County's business-type activities for 2011 are reported as \$374.4 million of capital assets, net of related debt, \$3.4 million of restricted and \$1.6 million of unrestricted deficit. 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 2011, the County's governmental funds reported combined fund balances of \$40.2 million, a decrease of \$17.8 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 11.
- The County's general fund equity was \$19.0 million as of December 31, 2011, compared to the December 31, 2010 fund equity of \$12.2 million, an increase of \$6.8 million.
- As part of the American Reinvestment and Recovery Act (ARRA) passed by Congress, the County received additional stimulus funds in 2011 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 has implemented Governmental and Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended December 31, 2011. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance

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

classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The fund equity portion of governmental funds balance sheet has been classified into the appropriate fund balance categories: nonspendable, restricted, committed, assigned and unassigned.

- The County's discretely presented component units finished 2011 with \$405.3 million in net assets, an increase of \$8.1 million from the past year. The total net assets for each of the major component units are as follows: \$85.2 million for Monroe Community College (increase of \$1.6 million from the prior year); \$18.9 million for Monroe County Airport Authority (increase of \$1.2 million from the prior year); \$299.0 million for Monroe County Water Authority (increase of \$4.8 million from the prior year). The non-major component units total net assets were \$2.1 million (increase 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 discretely presented component units: Monroe Community College, Monroe County Airport Authority, Monroe County Water Authority, the County of Monroe Industrial Development Agency, and Monroe Security and Safety Systems Local Development Corporation. 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.

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

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

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 include Debt Service Funds, Capital Projects Funds and Special Revenue Funds.

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, other than those accounted for in 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 and other capital assets other than those accounted for in the proprietary funds and the discretely presented component units.

Special Revenue Funds:

Road Fund – accounts for all revenues and expenditures related to the maintenance of County roads and 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 funds established through Local Law No. 3 to finance a green space initiative program developed by the County.

Jail Funds – accounts for jail enhancements, jail commissary funds and asset forfeiture 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. The asset forfeiture fund is pursuant to the US Department of Justice's Asset Forfeiture program and equitable sharing agreement requiring expenditures for law enforcement purposes.

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

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

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

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

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.

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

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

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

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

Carousel Fund – accounts for the funds used in the restoration of the historic Ontario Beach Park carousel.

Highland Park Trust Fund – accounts for funds from special events, 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 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 and Highland Park.

Northampton 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 Northampton Park.

Movies in the Park Trust Fund – accounts for funds from granting agencies. The funds are used to provide for the presentation of films to the general public at Ontario Beach Park.

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.

The Pediatrics and Visitation Center Fund – accounts for contributions from private corporations for the new Monroe County's Pediatric and Visitation Center, a facility that co-locates the County's medical services for foster children with a supervised visitation center.

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

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

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

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

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Condensed Schedule of Net Assets

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

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

Table 1						
County of Monroe, New York						
Condensed Schedules of Net Assets						
As of December 31,						
(000's omitted)						
	2011			2010		
	Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$370,369	69,293	439,662	\$376,025	82,702	458,727
Capital assets, net of accumulated depreciation	736,122	568,762	1,304,884	731,166	593,760	1,324,926
Total assets	1,106,491	638,055	1,744,546	1,107,191	676,462	1,783,653
Current liabilities	349,925	82,335	432,260	323,442	78,958	402,400
Non-current liabilities	610,540	179,488	790,028	618,578	191,854	810,432
Total liabilities	960,465	261,823	1,222,288	942,020	270,812	1,212,832
Invested in capital assets, net of related debt	459,858	374,431	834,289	450,049	395,359	845,408
Restricted	27,203	3,429	30,632	16,818	1,009	17,827
Unrestricted (deficit)	(341,035)	(1,628)	(342,663)	(301,696)	9,282	(292,414)
Total net assets	\$146,026	376,232	522,258	\$165,171	405,650	570,821

Restricted net assets in the County's governmental activities for 2011 are \$27.2 million. This is comprised primarily of restriction for debt service in the sum of \$15.0 million and restricted for grants and trusts of \$11.8 million.

Unrestricted net assets in the County's governmental activities show a deficit of \$341.0 million at year-end 2011 due primarily to the \$249.6 million outstanding bond liability of 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 2010 balance, when unrestricted net assets in the County's governmental activities had a \$301.7 million deficit due to MTASC recording a \$245.5 million bond liability.

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.

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

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:

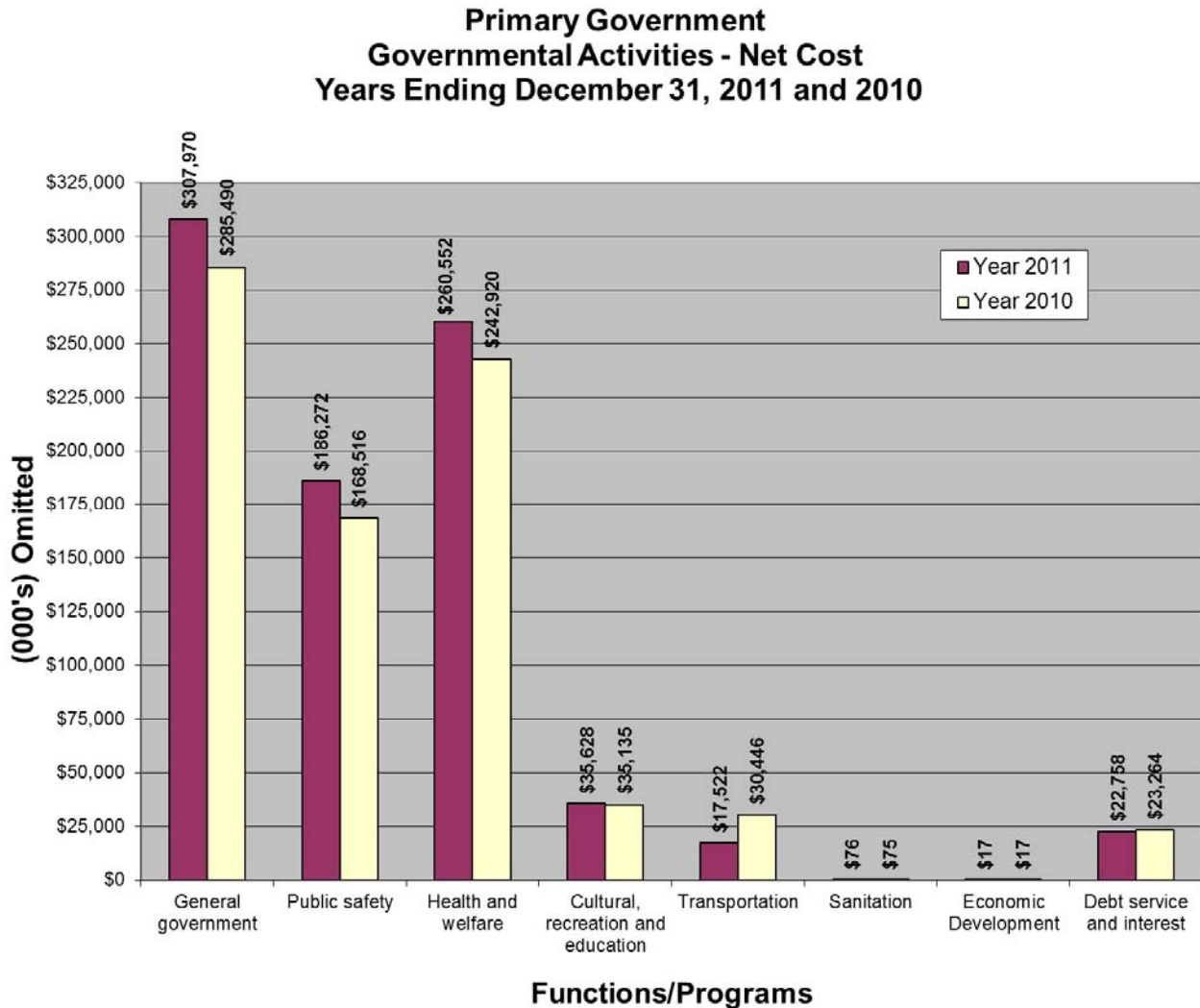
	2011			2010		
	Governmental Activities	Business- Type Activities	Primary Government	Governmental Activities	Business- type Activities	Primary Government
Revenues:						
Program revenues:						
Charges for services	\$79,946	162,680	242,626	\$78,849	165,473	244,322
Operating grants and contributions	395,445	1,315	396,760	412,470	1,408	413,878
Capital grants and contributions	30,471	11,665	42,136	31,553	14,622	46,175
General revenues:						
Taxes and other tax items	798,258	---	798,258	774,514	---	774,514
Tobacco settlement	9,227	---	9,227	10,674	---	10,674
Investment income	269	---	269	218	---	218
Miscellaneous	3,896	8,834	12,730	3,822	10,322	14,144
Total revenues	1,317,512	184,494	1,502,006	1,312,100	191,825	1,503,925
Expenses:						
General government	351,047	---	351,047	332,712	---	332,712
Public safety	237,357	---	237,357	219,760	---	219,760
Health and welfare	572,980	---	572,980	572,101	---	572,101
Culture, recreation, and education	95,862	---	95,862	96,699	---	96,699
Transportation	51,957	---	51,957	58,541	---	58,541
Sanitation	76	---	76	75	---	75
Economic development	4,620	---	4,620	5,583	---	5,583
Interest on debt and notes payable	22,758	---	22,758	23,264	---	23,264
Refuse	---	17,013	17,013	---	17,496	17,496
Airport	---	31,861	31,861	---	33,255	33,255
Hospital	---	71,025	71,025	---	69,611	69,611
Sewer	---	79,303	79,303	---	75,549	75,549
Utilities	---	14,710	14,710	---	15,280	15,280
Total expenses	1,336,657	213,912	1,550,569	1,308,735	211,191	1,519,926
Excess (Deficiency) of revenues over expenses	(19,145)	(29,418)	(48,563)	3,365	(19,366)	(16,001)
Net assets-beginning	165,171	405,650	570,821	161,806	425,016	586,822
Net assets-ending	\$146,026	376,232	522,258	\$165,171	405,650	570,821

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

For governmental activities, overall net assets decreased by \$19.1 million for the year ended December 31, 2011 (see Table 2). This decrease in net assets was primarily caused by a \$26.3 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).

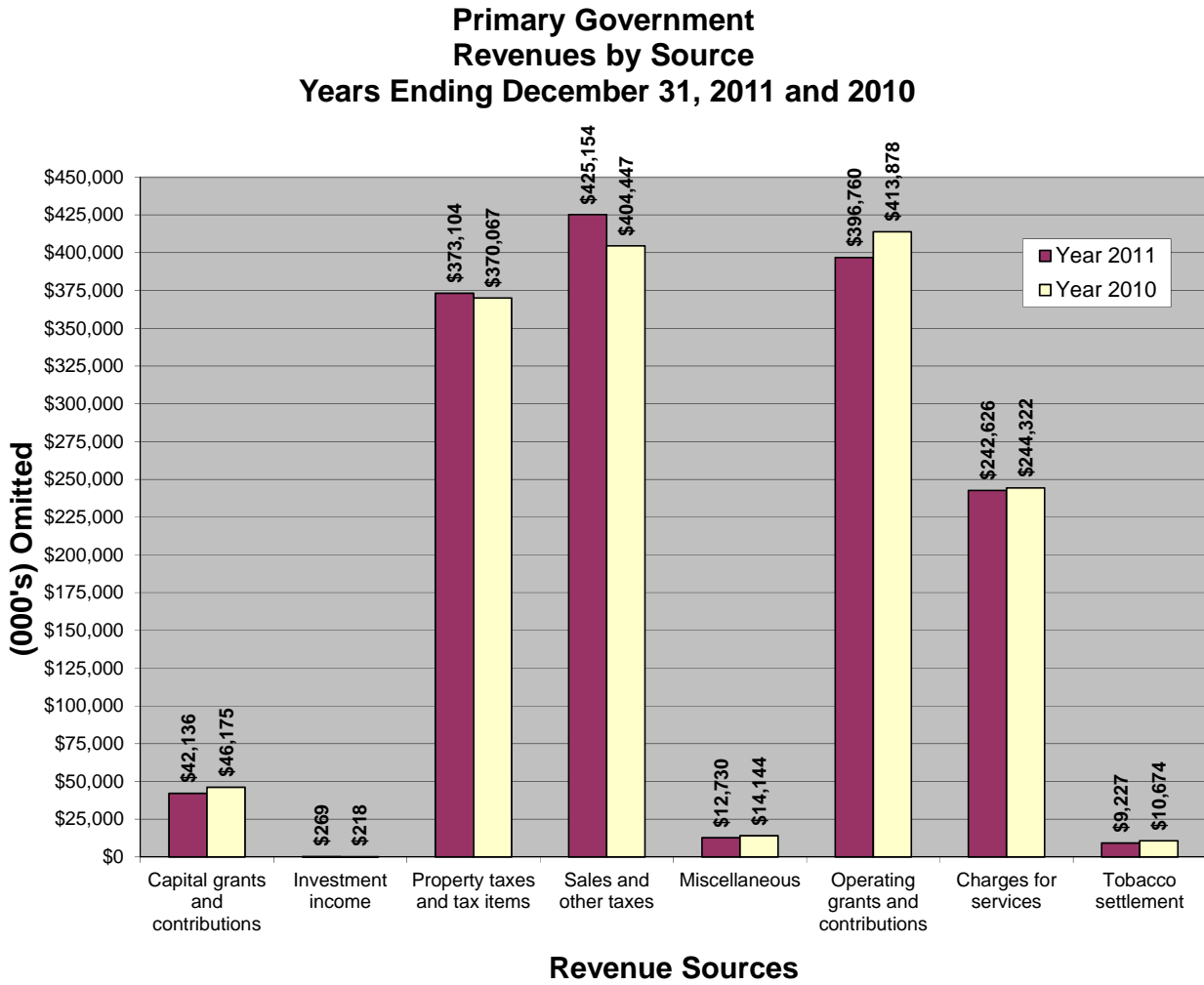
Business-type activities decreased the County's net assets by \$29.4 million for the year ended December 31, 2011. Net asset decreases were reported in the Airport, Monroe Community Hospital, Pure Waters and Solid Waste funds. The decrease in net assets was primarily due to a planned spend down of fund balance and a \$5.9 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:



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

The following chart (*000's omitted*) compares the revenue sources by category of the total primary government (governmental and business-type activities):



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

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds

As of December 31, 2011, the County's governmental funds reported total governmental fund balances of \$40.2 million.

The County's general fund equity was \$19.0 million as of December 31, 2011, compared to the December 31, 2010 fund equity of \$12.2 million, an increase in the fund equity of \$6.8 million. The unassigned fund balance of the general fund was \$7.8 million as of December 31, 2011.

During a nationwide period of significant residential real estate value decline in the United States, the County continued its solid housing value base resulting in an increase in assessed value of 1.0%. This increase along with controlled expenditure growth of less than the Consumer Price Index has led to the increase in fund equity. As the County's general fund equity continues to improve, one of our financial strategies of rebuilding reserves will take place. We continue to balance the accomplishment of our financial strategies with the needs of the taxpayers and residents of the County.

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 \$21.2 million as of December 31, 2011, compared to a total fund balance of \$45.8 million as of December 31, 2010, a decrease of \$24.6 million. This decrease was entirely in capital projects fund, which generated a decrease in fund balance of \$24.8 million, and is primarily due to timing of capital financing.

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

	2011			2010		
	General Fund	Non-major Funds	Total Governmental Funds	General Fund	Non-major Funds	Total Governmental Funds
Fund balances, beginning	\$ 12,167	45,792	57,959	\$ 6,238	27,780	34,018
Revenues	1,240,032	64,086	1,304,118	1,225,302	63,996	1,289,298
Expenditures	(1,184,486)	(134,738)	(1,319,224)	(1,166,737)	(140,490)	(1,307,227)
Other financing sources, net	(48,757)	46,098	(2,659)	(52,636)	94,506	41,870
Fund balances, ending	<u>\$ 18,956</u>	<u>21,238</u>	<u>40,194</u>	<u>\$ 12,167</u>	<u>45,792</u>	<u>57,959</u>

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

Proprietary Funds

As of December 31, 2011, the County's proprietary funds reported combined net assets for the enterprise funds of \$376.2 million and internal service funds of \$5.1 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)							
2011							
	Business-type Activities - Enterprise Funds						Governmental
	Solid Waste	Airport	Hospital	Pure Waters	Energy	Total	Internal Service Funds
Net assets (deficits) December 31, 2010	\$ (348)	161,941	(12,862)	256,945	(26)	405,650	7,796
Total operating revenues	13,030	19,334	69,294	55,129	14,727	171,514	61,095
Total operating expenses	(16,284)	(30,640)	(69,930)	(73,699)	(14,710)	(205,263)	(66,426)
Operating income (loss)	(3,254)	(11,306)	(636)	(18,570)	17	(33,749)	(5,331)
Total nonoperating revenues (expenses), net	(643)	(902)	(1,087)	(4,702)	---	(7,334)	(13)
Income (loss) before contributions and transfers	(3,897)	(12,208)	(1,723)	(23,272)	17	(41,083)	(5,334)
Capital contributions	---	10,099	---	1,566	---	11,665	---
Net transfers	---	---	---	---	---	---	2,659
Net assets (deficits) December 31, 2011	\$ (4,245)	159,832	(14,585)	235,239	(9)	376,232	5,111

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

Table 4, continued
2010

	Business-type Activities - Enterprise Funds						Governmental
	Solid Waste	Airport	Hospital	Pure Waters	Energy	Total	Internal Service Funds
Net assets (deficits) December 31, 2009	\$ 3,677	160,139	(14,013)	274,951	262	425,016	5,461
Total operating revenues	13,307	20,136	70,742	56,618	14,992	175,795	62,094
Total operating expenses	(16,374)	(31,758)	(68,301)	(69,961)	(15,280)	(201,674)	(65,472)
Operating income (loss)	(3,067)	(11,622)	2,441	(13,343)	(288)	(25,879)	(3,378)
Total nonoperating expenses, net	(958)	(1,180)	(1,290)	(4,681)	---	(8,109)	3,471
Income (loss) before contributions and transfers	(4,025)	(12,802)	1,151	(18,024)	(288)	(33,988)	93
Capital contributions	---	14,604	---	18	---	14,622	---
Net transfers	---	---	---	---	---	---	2,242
Net assets (deficits) December 31, 2010	\$ (348)	161,941	(12,862)	256,945	(26)	405,650	7,796

Proprietary Funds - Changes in Net Assets:

Solid Waste Fund: Net assets decreased by \$3.9 million. The operating loss was \$3.3 million and \$3.1 million for 2011 and 2010, respectively. The solid waste fund operations are currently being reviewed and future year's anticipated revenue from energy sales will improve overall operating results.

Airport Fund: Net assets decreased by \$2.1 million. The operating loss of \$11.3 million, which includes the recognition of depreciation expense, is comparable to the previous year's operating loss of \$11.6 million. This year's operating loss was partially offset by capital contributions of \$10.1million.

Hospital Fund: Net assets decreased by \$1.7 million. The 2011 operating loss was \$636 thousand compared to the previous year's operating gain of \$2.4 million. The Hospital's net assets continue to be impacted by the proceeds received from the Federal government's Upper Medicaid Payment Limit Program. This funding mechanism provides a match to the County subsidy.

Pure Waters Fund: Net assets decreased by \$21.7 million, primarily due to a planned spend down. The 2011 operating loss of \$18.6 million, which includes the recognition of depreciation expense, compares to a 2010 operating loss of \$13.3 million. This planned spend down of net assets allowed the Pure Waters rates to remain stable.

Energy Fund: Net assets increased by \$17 thousand. The Energy fund was established to record activities (transactions) relative to the County's movement into the energy supplier arena. As part of the process, the County offers energy to other municipalities at competitive rates.

Internal Services Fund: Net assets decreased by \$2.7 million. The 2011 operating loss of \$5.3 million compares to a 2010 operating loss of \$3.4 million. The largest internal services fund, risk management net assets decreased by \$4.3 million, primarily as a result of recognizing the potential liability for unsettled legal claims, which were still in litigation as of December 31, 2011.

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)						
	2011			2010		
	Adopted Budget	Modified Budget	Budget Basis Actual	Adopted Budget	Modified Budget	Budget Basis Actual
Real property tax						
levy and delinquencies	\$ 349,088	349,088	351,404	\$ 346,121	346,121	346,022
Sales taxes	82,649	82,649	87,033	77,527	77,527	82,956
Federal aid	120,879	157,634	182,639	133,476	174,895	168,686
State aid	238,458	250,002	202,132	237,578	250,180	212,500
Other revenues	121,989	122,450	100,662	98,179	98,225	97,662
Total Cash Receipts	\$ 913,063	961,823	923,870	\$ 892,881	946,948	907,826

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)						
	2011			2010		
	Adopted Budget	Modified Budget	Budget Basis Actual	Adopted Budget	Modified Budget	Budget Basis Actual
Health and welfare	\$ 410,574	435,292	395,203	\$ 402,562	433,899	411,241
Public safety	207,157	231,799	210,009	197,019	220,515	206,789
Culture, recreation, and education	61,396	60,384	55,283	63,028	61,646	56,581
General government	162,743	165,655	168,930	155,379	158,492	160,490
Transportation	3,524	3,524	3,524	3,524	3,524	3,524
Total Cash Disbursements	\$ 845,394	896,654	832,949	\$ 821,512	878,076	838,625

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 2011, the County had invested \$1.3 billion in a broad range of capital assets, including \$671.2 million in infrastructure, net of depreciation, which includes bridges, culverts and sewers.

	Governmental Activities	Business-type Activities	Total Primary Government	Percent of Total
Land	\$ 22,070	27,270	49,340	1.7%
Assets under construction	42,749	18,552	61,301	2.1%
Buildings	172,723	192,317	365,040	12.5%
Infrastructure	905,521	690,134	1,595,655	54.7%
Improvements other than buildings	210,566	411,029	621,595	21.3%
Machinery and equipment	109,707	112,925	222,632	7.7%
Total Capital Assets	1,463,336	1,452,227	2,915,563	100%
Accumulated depreciation	(727,214)	(883,465)	(1,610,679)	
Total Net Capital Assets	<u>\$ 736,122</u>	<u>568,762</u>	<u>1,304,884</u>	

At the end of 2010, the County had invested \$1.3 billion in a broad range of capital assets, including \$699.4 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	\$ 21,954	26,416	48,370	1.7%
Construction in progress	48,983	13,454	62,437	2.2%
Buildings	150,546	188,589	339,135	11.9%
Infrastructure	894,325	689,889	1,584,214	55.6%
Improvements other than buildings	201,293	395,312	596,605	20.9%
Machinery and equipment	107,396	111,188	218,584	7.7%
Total Capital Assets	1,424,497	1,424,848	2,849,345	100%
Accumulated depreciation	(693,331)	(831,088)	(1,524,419)	
Total Net Capital Assets	<u>\$ 731,166</u>	<u>593,760</u>	<u>1,324,926</u>	

The 2011 increase in governmental activities capital assets is primarily related to general County transportation projects, while the decrease in business-type activities is primarily related to Pure Waters projects.

On July 12, 2011, the County Legislature adopted the 2012 - 2017 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 \$800.7 million. General obligation debt totaled \$551.1 million. These amounts of outstanding general obligation debt exclude amounts relating to the debt of the Monroe Tobacco Asset Securitization Corporation.

Table 8 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)				
2011				
	<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	9.4%
Total bond anticipation notes payable	17,856	21,124	38,980	4.9%
Total bonds payable	<u>270,203</u>	<u>166,875</u>	<u>437,078</u>	<u>54.6%</u>
Total general obligation debt	346,059	204,999	551,058	68.9%
Non-General Obligation Debt				
Total non-general obligation debt	<u>249,626</u>	---	<u>249,626</u>	<u>31.1%</u>
Total Debt Payable	\$ <u>595,685</u>	<u>204,999</u>	<u>800,684</u>	<u>100.0%</u>
Total current debt payable	106,791	55,468	162,259	20.3%
Total long-term debt payable	488,894	149,531	638,425	79.7%
2010				
	<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	9.1%
Total bond anticipation notes payable	815	16,000	16,815	2.1%
Total bonds payable	<u>298,645</u>	<u>185,266</u>	<u>483,911</u>	<u>58.9%</u>
Total general obligation debt	357,460	218,266	575,726	70.1%
Non-General Obligation Debt				
Total non-general obligation debt	<u>245,450</u>	---	<u>245,450</u>	<u>29.9%</u>
Total Debt Payable	\$ <u>602,910</u>	<u>218,266</u>	<u>821,176</u>	<u>100.0%</u>
Total current debt payable	86,706	51,071	137,777	16.8%
Total long-term debt payable	516,204	167,195	683,399	83.2%

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

The County issued a total of \$114.0 million of debt obligations in 2011. The debt obligations consisted of Bond Anticipation Notes and Revenue Anticipation Notes. Bond anticipation notes totaling \$14.0 million were issued in July 2011 to renew outstanding bond anticipation notes and \$25.0 million were issued in December 2011 to provide new funds for various capital projects. \$75.0 million in revenue anticipation notes were issued in November 2011 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, 2011, \$271.2 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 March 2012, Moody's reaffirmed the County's rating of A3, while Fitch and Standard and Poor's also maintained the County's rating of A- and BBB+, respectively.

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, 2011
(000's Omitted)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 32,085	35,440	67,525	65,686
Investments	---	---	---	40,676
Accounts receivable, net	67,468	21,767	89,235	22,717
Interest receivable	---	76	76	---
Internal balances	18,200	(18,200)	---	---
Due from other governments	187,558	14,491	202,049	441
Inventories	2,971	4,167	7,138	1,170
Unamortized bond issue costs	480	155	635	---
Other	1,570	1,029	2,599	2,341
Total current assets	310,332	58,925	369,257	133,031
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	50,240	7,893	58,133	40,574
Investments	---	---	---	34,953
Funds held by trustee	---	---	---	137,704
Custodial accounts	---	575	575	---
Securities in lieu of retained percentages	726	535	1,261	---
Capital assets, net of accumulated depreciation	736,122	568,762	1,304,884	522,930
Unamortized bond issue costs	9,071	1,365	10,436	1,844
Other	---	---	---	2,756
Total noncurrent assets	796,159	579,130	1,375,289	740,761
Total assets	1,106,491	638,055	1,744,546	873,792
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	116,289	19,462	135,751	31,235
Accrued interest payable	2,409	1,702	4,111	4,623
Due to other governments	115,888	5,031	120,919	---
Unearned revenue	8,144	---	8,144	12,343
Notes payable	75,856	38,124	113,980	27,119
Current portion of:				
Capital leases payable	404	672	1,076	1,125
Bonds payable	30,935	17,344	48,279	13,847
Total current liabilities	349,925	82,335	432,260	90,292
Noncurrent liabilities:				
Capital leases payable	958	7,900	8,858	4,328
Bonds payable	488,894	149,531	638,425	333,971
Patient funds held in trust	---	575	575	---
Other long-term liabilities	120,688	21,482	142,170	39,935
Total noncurrent liabilities	610,540	179,488	790,028	378,234
Total liabilities	960,465	261,823	1,222,288	468,526
NET ASSETS				
Invested in capital assets, net of related debt	459,858	374,431	834,289	272,054
Restricted for:				
Debt service	15,035	770	15,805	13,234
Capital projects	---	2,659	2,659	---
Nonexpendable	---	---	---	4,396
Expendable	---	---	---	9,999
Grants, Trust and Other Purposes	12,168	---	12,168	---
Passenger facility charges	---	---	---	200
Unrestricted (deficit)	(341,035)	(1,628)	(342,663)	105,383
Total net assets	\$ 146,026	376,232	522,258	405,266

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, 2011
(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		Total	
					Governmental Activities	Business-type Activities		
Primary government:								
Governmental activities:								
General government	\$ 351,047	33,611	9,186	280	(307,970)	---	(307,970)	---
Public safety	237,357	11,351	37,668	2,066	(186,272)	---	(186,272)	---
Health and welfare	572,980	3,910	308,092	426	(260,552)	---	(260,552)	---
Culture, recreation and education	95,862	25,488	30,053	4,693	(35,628)	---	(35,628)	---
Transportation	51,957	5,586	5,843	23,006	(17,522)	---	(17,522)	---
Sanitation	76	---	---	---	(76)	---	(76)	---
Economic development	4,620	---	4,603	---	(17)	---	(17)	---
Interest on bonds and notes payable	22,758	---	---	---	(22,758)	---	(22,758)	---
Total governmental activities	\$ 1,336,657	79,946	395,445	30,471	(830,795)	---	(830,795)	---
Business-type activities:								
Refuse	17,013	6,471	86	---	---	(10,456)	(10,456)	---
Airport	31,861	19,056	319	10,099	---	(2,387)	(2,387)	---
Hospital	71,025	67,423	8	---	---	(3,594)	(3,594)	---
Sewer	79,303	55,003	902	1,566	---	(21,832)	(21,832)	---
Utilities	14,710	14,727	---	---	---	17	17	---
Total business-type activities	213,912	162,680	1,315	11,665	---	(38,252)	(38,252)	---
Total primary government	\$ 1,550,569	242,626	396,760	42,136	(830,795)	(38,252)	(869,047)	---
Component units:								
Major Component Units:								
Community College	178,037	48,655	126,253	2,088	---	---	---	(1,041)
Airport Authority	30,355	31,241	---	190	---	---	---	1,076
Water Authority	56,221	54,271	---	4,161	---	---	---	2,211
Non-Major Component Units	6,338	8,064	187	---	---	---	---	1,913
Total component units	\$ 270,951	142,231	126,440	6,439	---	---	---	4,159
General revenues:								
Taxes:								
Property tax and tax items	---	---	---	---	373,104	---	373,104	---
Sales and other taxes	---	---	---	---	425,154	---	425,154	---
Tobacco settlement revenues	---	---	---	---	9,227	---	9,227	---
Unrestricted interest earnings	---	---	---	---	269	---	269	3,929
Miscellaneous revenue	---	---	---	---	3,896	8,834	12,730	---
Total general revenues	---	---	---	---	811,650	8,834	820,484	3,929
Change in net assets	---	---	---	---	(19,145)	(29,418)	(48,563)	8,088
Net assets-beginning	---	---	---	---	165,171	405,650	570,821	397,178
Net assets-ending	---	---	---	---	\$ 146,026	376,232	522,258	405,266

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, 2011
(000's Omitted)**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 7,289	13,011	20,300
Accounts receivables, net:			
Taxes and assessments	34,692	---	34,692
Returned school taxes	18,505	---	18,505
Other receivables	2,098	12,047	14,145
Due from other funds	43,666	18,548	62,214
Due from other governments:			
State and Federal - social services	72,340	---	72,340
State and Federal - other	75,160	22,458	97,618
Local governments	14,337	1,518	15,855
Inventories	1,619	955	2,574
Restricted assets:			
Cash and cash equivalents	15,000	30,614	45,614
Securities in lieu of retained percentages	---	275	275
Other assets	360	1,186	1,546
Total assets	<u>\$ 285,066</u>	<u>100,612</u>	<u>385,678</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	53,234	10,625	63,859
Due to other funds	---	42,414	42,414
Due to other governments	113,904	1,359	115,263
Unearned revenue	40,972	10,316	51,288
Notes payable	58,000	14,660	72,660
Total liabilities	<u>266,110</u>	<u>79,374</u>	<u>345,484</u>
Fund balances:			
Nonspendable	1,619	955	2,574
Restricted	6,126	36,532	42,658
Committed	2,608	2,087	4,695
Assigned	761	3,205	3,966
Unassigned	7,842	(21,541)	(13,699)
Total fund balances	<u>18,956</u>	<u>21,238</u>	<u>40,194</u>
Total liabilities and fund balances	<u>\$ 285,066</u>	<u>100,612</u>	<u>385,678</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, 2011
(000's Omitted)

Total fund balances - governmental funds \$40,194

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	21,428		
Assets under construction	24,641		
	46,069		
Depreciable assets:			
Buildings	117,762		
Infrastructure	905,521		
Improvements other than buildings	131,373		
Machinery and equipment	98,757		
Accumulated depreciation	(643,445)		
	609,968		
Total capital assets			656,037

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. 5,111

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. 43,694

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. 8,515

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	(26,417)		
Bonds payable	(466,571)		
Capital leases payable	(944)		
Accrued interest on bonds	(2,159)		
Long-term retirement costs	(18,864)		
Post-employment benefits other than pensions	(80,942)		
Sales tax payable	(11,628)		
Total long-term liabilities			(607,525)

Net assets of governmental activities \$146,026

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
As of December 31, 2011
(000's Omitted)

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:			
Real property tax	\$ 353,689	---	353,689
Sales and other taxes	425,154	---	425,154
Federal aid	172,697	23,858	196,555
State aid	188,715	14,093	202,808
Charges for services	21,685	5,865	27,550
Intergovernmental	34,848	3,232	38,080
Interdepartmental	2,336	173	2,509
Use of money and property	6,825	296	7,121
Repayments and refunds	15,262	142	15,404
Payments in lieu of taxes	7,836	---	7,836
Tobacco settlement	---	10,570	10,570
Miscellaneous	10,985	5,857	16,842
	<u>1,240,032</u>	<u>64,086</u>	<u>1,304,118</u>
EXPENDITURES:			
Current:			
Health and welfare	565,953	---	565,953
Public safety	209,732	2,817	212,549
Culture, recreation and education	72,313	10,466	82,779
General government	332,964	270	333,234
Transportation	3,524	18,111	21,635
Economic development	---	4,620	4,620
Debt service:			
Principal retirement	---	25,211	25,211
Interest and fiscal charges	---	20,467	20,467
Capital outlay	---	52,776	52,776
	<u>1,184,486</u>	<u>134,738</u>	<u>1,319,224</u>
Excess (deficiency) of revenues over expenditures	<u>55,546</u>	<u>(70,652)</u>	<u>(15,106)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	---	57,559	57,559
Transfers out	(48,757)	(11,461)	(60,218)
	<u>(48,757)</u>	<u>46,098</u>	<u>(2,659)</u>
Net change in fund balances	6,789	(24,554)	(17,765)
Fund balances at beginning of year	<u>12,167</u>	<u>45,792</u>	<u>57,959</u>
Fund balances at end of year	<u>\$ 18,956</u>	<u>21,238</u>	<u>40,194</u>

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

COUNTY OF MONROE, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
As of December 31, 2011

Net change in fund balances - total governmental funds (\$17,765)

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, accreted interest and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Premium on bond issuance	567	
Bond refunding gain/loss	(66)	
Interest accreted on capital appreciation debt, net	(4,458)	
Total proceeds/additions		(3,957)

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, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal retirement	25,211	
Bond Issuance costs	(407)	
Total repayments/deductions		24,804

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 is reported in governmental activities. (2,685)

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. 81

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	37,214	
Capital grants and contributions	1,865	
Loss on retirement of capital assets	(2,442)	
Depreciation expense	(34,907)	
Excess(deficiency) of capital outlay over depreciation expense		1,730

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	144	
Change in capital leases payable	(834)	
Change in compensated absences	(884)	
Change in long-term retirement costs	(6,913)	
Change in post-employment benefits other than pensions	(25,593)	
Change in sales tax payable	9,018	
Change in NYS public assistance chargebacks	3,709	
Total additional expenditures		(21,353)

Change in net assets of governmental activities (\$19,145)

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, 2011
(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	\$ 67	3,812	5,564	25,972	25	35,440	11,785
Accounts receivables, net	5,525	---	15,726	485	31	21,767	126
Interest receivable	76	---	---	---	---	76	---
Due from other governments:							
State and Federal - other	---	804	---	110	---	914	1,078
Local governments	5	11,295	---	18	2,259	13,577	117
Inventories	---	---	481	3,606	80	4,167	397
Unamortized bond issue costs	27	22	55	51	---	155	71
Other assets	29	---	200	17	783	1,029	24
Total current assets	5,729	15,933	22,026	30,259	3,178	77,125	13,598
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	595	3,539	241	3,518	---	7,893	4,626
Custodial accounts	---	---	575	---	---	575	---
Securities in lieu of retained percentages	---	535	---	---	---	535	451
Capital assets, net of accumulated depreciation	21,446	181,645	28,230	337,441	---	568,762	80,085
Unamortized bond issue costs	80	295	117	873	---	1,365	965
Total noncurrent assets	22,121	186,014	29,163	341,832	---	579,130	86,127
Total assets	\$ 27,850	201,947	51,189	372,091	3,178	656,255	99,725

(continued)

**COUNTY OF MONROE, NEW YORK
STATEMENT OF NET ASSETS (DEFICITS)
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2011
(000's Omitted)**

	<u>Business-type Activities - Enterprise Funds</u>						<u>Governmental Activities - Internal Service Funds</u>
	<u>Solid Waste</u>	<u>Airport</u>	<u>Hospital</u>	<u>Pure Waters</u>	<u>Energy</u>	<u>Total</u>	
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	\$ 1,523	2,536	8,359	6,057	987	19,462	33,210
Accrued interest payable	167	165	532	838	---	1,702	250
Due to other funds	16,000	---	---	---	2,200	18,200	1,600
Due to other governments	10	1,052	2,675	1,294	---	5,031	625
Notes payable	74	14,000	19,450	4,600	---	38,124	3,196
Current portion of:							
Capital leases payable	---	8	526	138	---	672	143
Bonds payable	2,821	1,730	4,095	8,698	---	17,344	4,114
Total current liabilities	<u>20,595</u>	<u>19,491</u>	<u>35,637</u>	<u>21,625</u>	<u>3,187</u>	<u>100,535</u>	<u>43,138</u>
Noncurrent liabilities:							
Capital leases payable	---	23	7,877	---	---	7,900	275
Bonds payable	11,500	20,023	10,545	107,463	---	149,531	49,144
Patient funds held in trust	---	---	575	---	---	575	---
Other long-term liabilities	---	2,578	11,140	7,764	---	21,482	2,057
Total noncurrent liabilities	<u>11,500</u>	<u>22,624</u>	<u>30,137</u>	<u>115,227</u>	<u>---</u>	<u>179,488</u>	<u>51,476</u>
Total liabilities	<u>32,095</u>	<u>42,115</u>	<u>65,774</u>	<u>136,852</u>	<u>3,187</u>	<u>280,023</u>	<u>94,614</u>
NET ASSETS (DEFICIT)							
Invested in capital assets, net of related debt	7,115	145,474	3,132	218,710	---	374,431	25,247
Restricted for:							
Debt service	575	195	---	---	---	770	109
Capital projects	---	2,418	241	---	---	2,659	---
Unrestricted (deficit)	<u>(11,935)</u>	<u>11,745</u>	<u>(17,958)</u>	<u>16,529</u>	<u>(9)</u>	<u>(1,628)</u>	<u>(20,245)</u>
Total net assets (deficit)	<u>\$ (4,245)</u>	<u>159,832</u>	<u>(14,585)</u>	<u>235,239</u>	<u>(9)</u>	<u>376,232</u>	<u>5,111</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, 2011
(000's Omitted)

	Business-type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Solid Waste	Airport	1/0/1900 Hospital	Pure Waters	Energy	Total	
Operating revenues:							
Charges for services	\$ 6,471	19,045	67,098	54,978	14,450	162,042	296
Interdepartmental	---	---	325	---	---	325	60,398
Repayments and refunds	---	11	---	25	277	313	19
Miscellaneous	6,559	278	1,871	126	---	8,834	382
Total operating revenues	13,030	19,334	69,294	55,129	14,727	171,514	61,095
Operating expenses:							
Personnel services	86	5,054	26,879	10,818	---	42,837	5,416
Employee benefits	48	3,096	17,371	7,484	---	27,999	3,632
Contractual	11,885	3,642	6,237	15,464	14,710	51,938	39,303
Depreciation and amortization	3,597	13,654	4,695	31,461	---	53,407	4,955
Other	668	5,194	14,748	8,472	---	29,082	13,120
Total operating expenses	16,284	30,640	69,930	73,699	14,710	205,263	66,426
Operating income (loss)	(3,254)	(11,306)	(636)	(18,570)	17	(33,749)	(5,331)
Nonoperating revenues (expenses):							
Federal aid	3	311	---	37	---	351	54
Use of money and property	83	8	8	865	---	964	49
Interest and fiscal charges	(729)	(1,214)	(1,095)	(5,602)	---	(8,640)	(2,291)
Loss on disposal of capital assets	---	---	---	---	---	---	(6)
Other income (expense)	---	(7)	---	(2)	---	(9)	2,181
Total nonoperating revenues (expenses)	(643)	(902)	(1,087)	(4,702)	---	(7,334)	(13)
Income (loss) before contributions and transfers	(3,897)	(12,208)	(1,723)	(23,272)	17	(41,083)	(5,344)
Capital contributions	---	10,099	---	1,566	---	11,665	---
Transfers in	---	---	---	---	---	---	2,659
Change in net assets	(3,897)	(2,109)	(1,723)	(21,706)	17	(29,418)	(2,685)
Total net assets (deficit) at beginning of year	(348)	161,941	(12,862)	256,945	(26)	405,650	7,796
Total net assets (deficit) at end of year	<u>\$ (4,245)</u>	<u>159,832</u>	<u>(14,585)</u>	<u>235,239</u>	<u>(9)</u>	<u>376,232</u>	<u>5,111</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, 2011
(000's Omitted)

	Business-type Activities - Enterprise Funds						Governmental Internal Service Funds
	Solid Waste	Airport	Hospital	Pure Waters	Energy	Total	
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from providing services	\$ 5,610	19,045	69,747	54,968	16,592	165,962	3,170
Cash received from other funds for services	---	---	---	---	---	---	60,460
Payments to or on behalf of employees	(134)	(8,150)	(43,457)	(18,302)	---	(70,043)	(13,199)
Payments to suppliers	(11,796)	(3,898)	(18,667)	(12,846)	(15,771)	(62,978)	(30,355)
Payments for interfund services	(668)	(5,194)	---	(8,472)	---	(14,334)	(10,869)
Claims paid	---	---	---	---	---	---	(9,097)
Other receipts	9,008	5,202	---	769	527	15,506	7,402
Net cash provided by operating activities	<u>2,020</u>	<u>7,005</u>	<u>7,623</u>	<u>16,117</u>	<u>1,348</u>	<u>34,113</u>	<u>7,512</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Federal aid	3	311	---	37	---	351	54
Proceeds from revenue anticipation notes	---	---	17,000	---	---	17,000	---
Principal payments on revenue anticipation notes	---	---	(17,000)	---	---	(17,000)	---
Receipts from other funds	---	---	---	85	---	85	2,700
Payments to other funds	2,100	---	---	---	(1,325)	775	(2,600)
Transfers in	---	---	---	---	---	---	2,659
Net cash provided by (used in) noncapital financing activities	<u>2,103</u>	<u>311</u>	<u>---</u>	<u>122</u>	<u>(1,325)</u>	<u>1,211</u>	<u>2,813</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Interest paid	(688)	(1,215)	(1,165)	(5,599)	---	(8,667)	(2,289)
Change in securities and retainage	---	164	---	57	---	221	(12)
Proceeds from the issuance of notes	74	14,000	2,450	4,600	---	21,124	3,196
Principal paid on notes	---	(16,000)	---	---	---	(16,000)	---
Principal paid on bonds	(3,463)	(2,226)	(3,863)	(8,520)	---	(18,072)	(2,948)
Capital contributions	---	10,099	---	1,566	---	11,665	---
CAB/Zero Bonds	(103)	---	---	(88)	---	(191)	---
Principal paid on capital leases	---	31	(756)	(168)	---	(893)	(145)
Transfers in capital leases	---	---	---	---	---	---	35
Disposals of capital assets	422	11,205	---	4,290	---	15,917	---
Additions to capital assets, net	(833)	(21,453)	(4,018)	(17,932)	---	(44,236)	(8,147)
Other payments	---	---	---	---	---	---	2,153
Net cash used in capital and related financing activities	<u>\$ (4,591)</u>	<u>(5,395)</u>	<u>(7,352)</u>	<u>(21,794)</u>	<u>---</u>	<u>(39,132)</u>	<u>(8,157)</u>

(continued)

COUNTY OF MONROE, NEW YORK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(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	\$ ---	---	1,289	---	---	1,289	---
Receipts from use of money and property	156	8	8	865	---	1,037	49
Net cash provided by investing activities	156	8	1,297	865	---	2,326	49
Net increase (decrease) in cash and cash equivalents	(312)	1,929	1,568	(4,690)	23	(1,482)	2,217
Cash and cash equivalents, beginning of year	974	5,422	4,237	34,180	2	44,815	14,194
Cash and cash equivalents, end of year	<u>662</u>	<u>7,351</u>	<u>5,805</u>	<u>29,490</u>	<u>25</u>	<u>43,333</u>	<u>16,411</u>
Classified as:							
Cash and cash equivalents - unrestricted	67	3,812	5,564	25,972	25	35,440	11,785
Cash and cash equivalents - restricted	595	3,539	241	3,518	---	7,893	4,626
Total cash and cash equivalents	<u>662</u>	<u>7,351</u>	<u>5,805</u>	<u>29,490</u>	<u>25</u>	<u>43,333</u>	<u>16,411</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:							
Operating income (loss)	(3,254)	(11,306)	(636)	(18,570)	17	(33,749)	(5,331)
Adjustments to reconcile operating income (loss) to net cash provided by operations:							
Depreciation and amortization	3,597	13,654	4,695	31,461	---	53,407	4,955
Other revenue	2,451	---	---	---	---	2,451	---
Change in:							
Accounts receivable	(861)	---	(331)	(10)	3	(1,199)	---
Due from other governments	(5)	4,335	---	358	1,862	6,550	2,936
Inventories	---	---	(85)	(58)	24	(119)	56
Other assets	---	---	72	(17)	503	558	33
Accounts payable, accrued and other liabilities	89	(256)	3,198	2,618	(1,061)	4,588	4,701
Due to other governments	3	578	710	335	---	1,626	162
Net cash provided by operating activities	<u>\$ 2,020</u>	<u>7,005</u>	<u>7,623</u>	<u>16,117</u>	<u>1,348</u>	<u>34,113</u>	<u>7,512</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, 2011
(000's Omitted)

	Private Purpose Trusts	Agency
ASSETS		
Restricted cash and cash equivalents	\$ 153	19,556
Accounts receivable	---	3
	153	19,559
LIABILITIES		
Accounts payable and accrued expenses	40	19,559
NET ASSETS		
Held in trust for private purpose	\$ 113	---
	113	---

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
AS OF DECEMBER 31, 2011
(000's Omitted)

		Private Purpose Trusts
ADDITIONS		
Miscellaneous revenue	\$	84
Total additions		84
DEDUCTIONS		
Payments in accordance with trust agreements		44
Change in net assets		40
Net assets at beginning of year		73
Net assets at end of year	\$	113

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

**COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
AS OF DECEMBER 31, 2011
(000's Omitted)**

	<u>Major Component Units</u>			<u>Non-Major Component Units</u>	<u>Total</u>
	<u>Community College (Year End 8/31/11)</u>	<u>Airport Authority</u>	<u>Water Authority</u>		
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 16,151	10,263	35,974	3,298	65,686
Investments	39,893	---	---	783	40,676
Accounts receivables, net	10,432	1,699	10,576	10	22,717
Due from other governments		441	---	---	441
Inventories		---	1,170	---	1,170
Other assets	1,457	---	832	52	2,341
	<u>67,933</u>	<u>12,403</u>	<u>48,552</u>	<u>4,143</u>	<u>133,031</u>
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	26,236	9,988	4,350	---	40,574
Investments	-	---	---	34,953	34,953
Funds held by trustee	1,862	12,605	99,024	24,213	137,704
Capital assets, net of accumulated depreciation	147,782	40,564	334,581	3	522,930
Unamortized bond issue costs	---	428	---	1,416	1,844
Other assets	2,756	---	---	---	2,756
	<u>178,636</u>	<u>63,585</u>	<u>437,955</u>	<u>60,585</u>	<u>740,761</u>
Total assets	<u>246,569</u>	<u>75,988</u>	<u>486,507</u>	<u>64,728</u>	<u>873,792</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	9,660	1,390	18,427	453	29,930
Accrued interest payable	---	1,503	3,008	112	4,623
Unearned revenue	12,098	245	---	---	12,343
Other	718	587	---	---	1,305
Notes payable			27,119		27,119
Current portion of:	-	---	---	---	---
Capital leases payable	---	---	1,125	---	1,125
Bonds payable	4,817	5,625	2,105	1,300	13,847
	<u>27,293</u>	<u>9,350</u>	<u>51,784</u>	<u>1,865</u>	<u>90,292</u>
Noncurrent liabilities:					
Capital leases payable	---	---	4,328	---	4,328
Bonds payable	103,857	47,761	124,318	58,035	333,971
Other long-term liabilities	30,176	---	7,061	2,698	39,935
	<u>134,033</u>	<u>47,761</u>	<u>135,707</u>	<u>60,733</u>	<u>378,234</u>
Total liabilities	<u>161,326</u>	<u>57,111</u>	<u>187,491</u>	<u>62,598</u>	<u>468,526</u>
NET ASSETS					
Invested in capital assets, net of related debt	45,785	(12,821)	239,087	3	272,054
Restricted for:				---	
Debt service	---	8,884	4,350	---	13,234
Nonexpendable	4,396	---	---	---	4,396
Expendable	9,999	---	---	---	9,999
Passenger facility charges	---	200	---	---	200
Unrestricted	25,063	22,614	55,579	2,127	105,383
Total net assets	<u>\$ 85,243</u>	<u>\$ 18,877</u>	<u>299,016</u>	<u>2,130</u>	<u>405,266</u>

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

**COUNTY OF MONROE, NEW YORK
 COMBINING STATEMENT OF ACTIVITIES
 DISCRETELY PRESENTED COMPONENT UNITS
 AS OF DECEMBER 31, 2011
 (000's Omitted)**

	Major Component Units			Non-Major Component Units	Total
	Community College (Year End 8/31/10)	Airport Authority	Water Authority		
Expenses	\$ 178,037	30,355	56,221	6,338	270,951
Program revenues:					
Charges for services	48,655	31,241	54,271	8,064	142,231
Operating grants and contributions	126,253	---	---	187	126,440
Capital grants and contributions	2,088	190	4,161	---	6,439
Total program revenues	176,996	31,431	58,432	8,251	275,110
Net program revenue (expense)	(1,041)	1,076	2,211	1,913	4,159
General revenues:					
Unrestricted investment earnings (loss)	2,654	82	2,607	(1,414)	3,929
Change in net assets	1,613	1,158	4,818	499	8,088
Total net assets at beginning of year	83,630	17,719	294,198	1,631	397,178
Total net assets at end of year	\$ 85,243	18,877	299,016	2,130	405,266

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, 2011

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, subject to a limit of three four year terms. 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, both major and non-major, 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 – Major 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 a portion 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, 2011

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

B. **Financial Reporting Entity (continued)**

Monroe County Airport Authority – Major 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 reimburses 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, 2011 were approximately \$19.0 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 – Major 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 \$5.6 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.

The Water Authority has its own financial system, which is independent of the County's centralized financial system, which accounts for resources received and used. 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) – Non-Major 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. COMIDA has its own financial system, which is independent of the County's centralized financial system, which accounts for resources received and used. 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, 2011

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

B. **Financial Reporting Entity (continued)**

Monroe Security and Safety Systems (M3SLDC) – Non-Major Discretely Presented Component Unit

In May 2009, the Monroe Security and Safety Systems Local Development Corporation (M3SLDC) was established as a local development corporation. M3SLDC was organized to provide certain public safety and related security services to the County and other municipal organizations. M3SLDC is included as a discretely presented component unit within the County's basic financial statements due to the County's ability to impose will on M3SLDC.

M3SLDC has its own financial system, which is independent of the County's centralized financial system, which accounts for resources received and used. Requests for financial statements from M3SLDC should be addressed in writing to M3SLDC, 50 West Main Street, Suite 6100, Rochester, New York 14614.

Monroe Tobacco Asset Securitization Corporation (MTASC) - 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, a local development corporation formed in 2002, to buy the Lola Powerhouse from the County and to borrow funds to build natural gas-fired units as its replacement. Requests for financial statements from Monroe Newpower Corporation should be addressed in writing to: 39 West Main Street, Room 402, Rochester, New York 14614.

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

The Soil and Water Conservation Board, which serves municipalities and landowners of the County, is 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.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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

C. **Fund Deficits**

The hospital fund had a fund deficit of \$14.6 million and the solid waste fund had a fund deficit of \$4.2 million at December 31, 2011. In 2011, the hospital fund decreased its net assets by \$1.7 million while the solid waste fund decreased its net assets by \$3.9 million. The County Executive's review of operations continues to make gains in operating efficiencies in both of these funds. As in the past, reducing the deficit is a priority for the County. Fund deficits at December 31, 2011 also included the energy fund at \$9 thousand.

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, 2011

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

D. **Basis of Presentation (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 funds, 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, 2011

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 requirement 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, 2011

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 a classification of fund balances since the commitments will be honored through subsequent years' budget appropriations. Encumbrances do not constitute expenditures or liabilities.

In governmental funds, encumbrances outstanding at year-end are included on the face of the financial statements in the restricted, committed, and assigned fund balance amounts. Governmental funds' encumbrances, as of December 31, 2011 included \$8.8 million in the general fund and \$15.0 million on other non-major governmental funds of which \$12.9 million was related to capital projects.

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 \$2,500 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 are expensed as incurred. Depreciation on all assets is calculated using the straight-line method over estimated useful lives ranging from three to fifty-five years. The estimated useful lives for the major classes of depreciable capital assets include the following:

<u>Class</u>	<u>Life in Years</u>
Buildings	30-55
Improvements	10-20
Infrastructure	35-50
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, 2011

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

L. Due to Other Governments

In the 2011 government-wide and fund financial statements, the category “*due to other governments*” includes primarily sales tax collections of \$53.8 million and school tax collections of \$20.3 million that are due to other municipalities within the County. It also includes \$24 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 and governmental funds at the government-wide level 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, 2011 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. Accounting and Reporting Change

In March 2010, 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 has adopted the provisions of this statement for the year ended December 31, 2011. The fund equity portion of governmental funds balance sheet has been classified into the appropriate fund balance categories.

In June 2010, GASB issued GASB Statement No. 59, *Accounting and Financial Instruments Omnibus*. This Statement had no effect on the County’s financial statements for the year ended December 31, 2011.

Q. 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.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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

R. **Net Assets/Fund Balance**

Net Assets

Net Assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through State statute or are otherwise unavailable for appropriation by the primary government and component units.

As of December 31, 2011 these restrictions include:

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

Capital Projects – represents funds restricted for major capital acquisitions and construction activities 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.

Grant, Trusts and Other Purposes - represents available grant, trust and other fund balances which are restricted to meet legal State or Federal requirements and other purposes.

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.

Fund Balance

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable – amounts that are not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact.

Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.

Committed – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority (County Legislature); to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. This category of fund balance also represents the residual amounts not otherwise reported as unspendable, restricted, or committed in governmental funds outside of the General Fund.

Unassigned – amounts that have not been assigned to another fund or are not restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the County's practice to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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

R. Net Assets/Fund Balance (continued)

As of December 31, 2011 Governmental Fund Balances were classified as follows (*000's omitted*):

	Non Major Funds					Total
	General	Special Revenue	Debt Service		Capital Projects	
General			MTASC			
Nonspendable						
Inventory	\$ 1,619	955	-	-	-	\$ 2,574
Total Nonspendable	1,619	955	-	-	-	2,574
Restricted						
Jail Trust Funds	-	5,712	-	-	-	5,712
Debt Service	-	-	2,059	13,197	-	15,256
STOP DWI	485	-	-	-	-	485
Handicapped Parking	171	-	-	-	-	171
Grants	5,470	-	-	-	-	5,470
Capital projects	-	-	-	-	15,564	15,564
Total Restricted	6,126	5,712	2,059	13,197	15,564	42,658
Committed						
Unspent Contract Encumbrances:						
General government	194	-	-	-	-	194
Public safety	40	-	-	-	-	40
Health and welfare	2,374	-	-	-	-	2,374
Green Space Initiative	-	588	-	-	-	588
Trust Funds	-	1,499	-	-	-	1,499
Total Committed	2,608	2,087	-	-	-	4,695
Assigned						
Unspent Purchase Order Encumbrances						
General government	87	-	-	-	-	87
Public safety	497	-	-	-	-	497
Health and welfare	141	-	-	-	-	141
Cultural, recreation and education	36	-	-	-	-	36
Transportation	-	33	-	-	-	33
Debt Service	-	-	836	412	-	1,248
Appropriated Road Fund	-	500	-	-	-	500
Appropriated Library Fund	-	207	-	-	-	207
Road Fund	-	734	-	-	-	734
Library Fund	-	483	-	-	-	483
Total Assigned	761	1,957	836	412	-	3,966
Unassigned	7,842	-	-	-	(21,541)	(13,699)
Total Fund Balance	\$ 18,956	10,711	2,895	13,609	(5,977)	\$ 40,194

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

2. Real Property Tax

Section 10 of Article VIII of the State Constitution dictates the amount which may be raised in the County by tax on real property, in any fiscal year, for County purposes. This amount may not exceed 1.5 percent of the five year average full valuation of taxable real property of the County, less certain deductions as specified within.

The computation in accordance with the constitutional provision for the December 31, 2011 budget is (*000's omitted*):

Five year average full valuation of taxable real property	\$ 37,381,947
Tax limit (1.5% of 5-year average full valuation of property)	560,729
Total Tax Levy	334,601
Less: Exclusions from tax limit	<u>38,199</u>
Total tax levy subject to taxing power limit	<u>296,402</u>
Tax margin (Unused Taxing Power)	<u>\$ 264,327</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 2012 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, 2013.

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 17.9 percent) with the County retaining the balance (approximately 17.3 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, 2011

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, due in 2012, has been recognized in the governmental funds and on the government-wide financial statements and as an expenditure in the governmental funds in 2011. 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 agencies, urban renewal agencies, and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments
- 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, 2011

4. **Deposits and Investments (continued)**

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, 2011, \$106.4 million of the County's deposits of \$137.7 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, 2011, \$409 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 2011.

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 \$575 thousand of funds owned by its patients and residents at the end of 2011.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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.

As of December 31, 2011 the County has no funds held by trustee.

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, 2011 are restricted to the following uses (*000's omitted*):

Restricted Cash, Cash Equivalents and Investments					
	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Agency</u>	<u>Private Purpose Trust</u>	<u>Total</u>
Governmental Activities:					
General Fund	\$ -	15,000	-	-	\$ 15,000
Nonmajor Governmental Funds:					
Debt Service	-	16,092	-	-	16,092
Capital Projects	14,522	-	-	-	14,522
Total Non-major Governmental Funds	14,522	16,092	-	-	30,614
Internal Service	4,517	109	-	-	4,626
Total Governmental Activities	19,039	31,201	-	-	50,240
Business-type Activities:					
Solid Waste	10	585	-	-	595
Airport	3,343	196	-	-	3,539
Hospital	241	-	-	-	241
Pure Waters	3,518	-	-	-	3,518
Total Business-type Activities	7,112	781	-	-	7,893
Fiduciary Funds	-	-	19,556	153	19,709
Total Restricted Cash, Cash Equivalents and Investments	<u>\$ 26,151</u>	<u>31,982</u>	<u>19,556</u>	<u>153</u>	<u>\$ 77,842</u>

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, 2011

8. Receivables and Payables

A. Receivables

As of December 31, 2011 receivables are summarized as follows (*000's omitted*):

Accounts Receivable					
	Taxes and Assessments	Returned School Taxes	Other Accounts Receivable	Allowance for Doubtful Accounts	Total
Governmental Activities:					
General Fund	\$ 34,692	18,505	2,098	-	\$ 55,295
Nonmajor Governmental:					
Special Revenue	-	-	1,160	-	1,160
Debt Service	-	-	36,133	(25,817)	10,316
Capital Projects	-	-	571	-	571
Total Nonmajor Governmental	<u>-</u>	<u>-</u>	<u>37,864</u>	<u>(25,817)</u>	<u>12,047</u>
Internal Service	-	-	126	-	126
Total Governmental Activities	<u>34,692</u>	<u>18,505</u>	<u>40,088</u>	<u>(25,817)</u>	<u>67,468</u>
Business-type Activities:					
Solid Waste	-	-	5,525	-	5,525
Hospital	-	-	16,726	(1,000)	15,726
Pure Waters	-	-	1,101	(616)	485
Energy	-	-	31	-	31
Total Business-type Activities	<u>-</u>	<u>-</u>	<u>23,383</u>	<u>(1,616)</u>	<u>21,767</u>
Total Accounts Receivable	\$ <u>34,692</u>	<u>18,505</u>	<u>63,471</u>	<u>(27,433)</u>	\$ <u>89,235</u>

Accounts receivable as of December 31, 2011 for governmental activities are comprised mainly of property taxes and assessments of \$34.7 million and of returned school taxes of \$18.5 million. The non-major governmental funds receivable of \$37.9 million is comprised primarily of an amount billed to the Greater Rochester Outdoor Sports Facility Corporation for stadium related debt service, of which \$25.8 million is in allowance for doubtful accounts, and Tobacco Settlement Revenues due to MTASC of \$10.3 million. Business-type activity accounts receivable are comprised primarily of: \$2.5 million for the sale of operating rights in the solid waste fund, \$1.3 million for user fees in the solid waste fund and \$15.7 million net relating to patient accounts and third-party settlements in the Hospital.

B. Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities balances in governmental activities include approximately 57 percent payable to vendors and 43 percent accrued salaries and benefits. The accounts payable and accrued liabilities in the business-type activities include approximately 63 percent payable to vendors and 37 percent accrued salaries and benefits. The accounts payable and accrued liabilities balances in governmental funds include approximately 76 percent payable to vendors and 24 percent accrued salaries and benefits. The accounts payable and accrued liabilities balances in proprietary funds approximate 27 percent payable to vendors and 73 percent accrued salaries and benefits.

C. Deferred Revenues

At the fund level, revenues that are measurable but not available to finance current operations have been deferred. Major revenues deferred in the general fund as of December 31, 2011 include property tax revenues and state aid.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

9. Capital Assets

Capital asset activity for the County's **primary government** consists of the following for the year ended December 31, 2011 (*000's omitted*):

Capital Asset Activity – Governmental Activities					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Capitalization of AuC</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:					
Nondepreciable Assets					
Land	\$ 21,954	116	-	-	\$ 22,070
Assets under Construction	<u>48,983</u>	<u>42,337</u>	<u>(48,571)</u>	<u>-</u>	<u>42,749</u>
Total Nondepreciable Assets	<u>70,937</u>	<u>42,453</u>	<u>(48,571)</u>	<u>-</u>	<u>64,819</u>
Depreciable Assets					
Buildings	150,546	22,191	-	(14)	172,723
Infrastructure	894,325	15,974	-	(4,778)	905,521
Improvements other than Buildings	201,293	9,822	-	(549)	210,566
Machinery and Equipment	<u>107,396</u>	<u>6,239</u>	<u>-</u>	<u>(3,928)</u>	<u>109,707</u>
Total Depreciable Assets	<u>1,353,560</u>	<u>54,226</u>	<u>-</u>	<u>(9,269)</u>	<u>1,398,517</u>
Total Investments in Capital Assets	<u>1,424,497</u>	<u>96,679</u>	<u>(48,571)</u>	<u>(9,269)</u>	<u>1,463,336</u>
Less Accumulated Depreciation					
Buildings	(82,298)	(4,483)	-	11	(86,770)
Infrastructure	(444,469)	(19,007)	-	2,963	(460,513)
Improvements other than Buildings	(97,395)	(9,253)	-	331	(106,317)
Machinery and Equipment	<u>(69,169)</u>	<u>(7,102)</u>	<u>-</u>	<u>2,657</u>	<u>(73,614)</u>
Total Accumulated Depreciation	<u>(693,331)</u>	<u>(39,845)</u>	<u>-</u>	<u>5,962</u>	<u>(727,214)</u>
Capital Assets, Net	<u>\$ 731,166</u>	<u>56,834</u>	<u>(48,571)</u>	<u>(3,307)</u>	<u>\$ 736,122</u>

Assets under Construction (AuC) include work in progress on buildings, improvements, infrastructure and equipment.

Depreciation expense was charged to functions/programs of the County for the year ended December 31, 2011 as follows (*000's omitted*):

Depreciation Expense Charged to Functions / Programs	
Governmental Activities:	Amount
General government	\$ 7,673
Public safety	9,109
Health and welfare	422
Culture, recreation and education	3,154
Transportation	19,412
Sanitation	<u>75</u>
Total	\$ 39,845

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

9. Capital Assets (continued)

Capital asset activity of the County's **primary government** consists of the following for the year ended December 31, 2011 (*000's omitted*):

Capital Asset Activity – Business-type Activities					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Capitalization of AuC</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-type Activities:					
Nondepreciable Assets					
Land	\$ 26,416	854	-	-	\$ 27,270
Assets under Construction	<u>13,454</u>	<u>24,863</u>	<u>(19,343)</u>	<u>(422)</u>	<u>18,552</u>
Total Nondepreciable Assets	<u>39,870</u>	<u>25,717</u>	<u>(19,343)</u>	<u>(422)</u>	<u>45,822</u>
Depreciable Assets					
Buildings	188,589	3,731	-	(3)	192,317
Infrastructure	689,889	245	-	-	690,134
Improvements other than Buildings	395,312	15,717	-	-	411,029
Machinery and Equipment	<u>111,188</u>	<u>2,937</u>	<u>-</u>	<u>(1,204)</u>	<u>112,921</u>
Total Depreciable Assets	<u>1,384,978</u>	<u>22,630</u>	<u>-</u>	<u>(1,207)</u>	<u>1,406,401</u>
Total Investments in Capital Assets	<u>1,424,848</u>	<u>48,347</u>	<u>(19,343)</u>	<u>(1,629)</u>	<u>1,452,223</u>
Less Accumulated Depreciation					
Buildings	(128,755)	(5,983)	-	-	(134,738)
Infrastructure	(440,333)	(23,597)	-	-	(463,930)
Improvements other than Buildings	(164,708)	(20,709)	-	-	(185,417)
Machinery and Equipment	<u>(97,292)</u>	<u>(3,018)</u>	<u>-</u>	<u>934</u>	<u>(99,376)</u>
Total Accumulated Depreciation	<u>(831,088)</u>	<u>(53,307)</u>	<u>-</u>	<u>934</u>	<u>(883,461)</u>
Capital Assets, Net	<u>\$ 593,760</u>	<u>(4,960)</u>	<u>(19,343)</u>	<u>(695)</u>	<u>\$ 568,762</u>

Assets under Construction (AuC) include work in progress on buildings, improvements, infrastructure and equipment.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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, 2011 (*000's omitted*):

Solid Waste Enterprise Fund – Capital Asset Activity					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Capitalization of AuC</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-type Activities:					
Nondepreciable Assets					
Land	\$ 6,324	-	-	-	\$ 6,324
Assets under Construction	476	240	-	(422)	294
Total Nondepreciable Assets	<u>6,800</u>	<u>240</u>	<u>-</u>	<u>(422)</u>	<u>6,618</u>
Depreciable Assets					
Buildings	10,882	420	-	-	11,302
Improvements other than Buildings	57,362	-	-	-	57,362
Machinery and Equipment	2,962	172	-	-	3,134
Total Depreciable Assets	<u>71,206</u>	<u>592</u>	<u>-</u>	<u>-</u>	<u>71,798</u>
Total Investments in Capital Assets	<u>78,006</u>	<u>832</u>	<u>-</u>	<u>(422)</u>	<u>78,416</u>
Less Accumulated Depreciation					
Buildings	(9,785)	(523)	-	-	(10,308)
Improvements other than Buildings	(41,385)	(2,868)	-	-	(44,253)
Machinery and Equipment	(2,294)	(115)	-	-	(2,409)
Total Accumulated Depreciation	<u>(53,464)</u>	<u>(3,506)</u>	<u>-</u>	<u>-</u>	<u>(56,970)</u>
Capital Assets, Net	<u>\$ 24,542</u>	<u>(2,674)</u>	<u>-</u>	<u>(422)</u>	<u>\$ 21,446</u>

Assets under Construction (AuC) include work in progress on buildings, improvements, infrastructure and equipment.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

9. Capital Assets (continued)

Capital asset activity of the County's **airport enterprise fund** consists of the following for the year ended December 31, 2011 (*000's omitted*):

Airport Enterprise Fund – Capital Asset Activity					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Capitalization of AuC</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-type Activities:					
Nondepreciable Assets					
Land	\$ 18,414	52	-	-	\$ 18,466
Assets under Construction	<u>4,782</u>	<u>9,351</u>	<u>(11,205)</u>	<u>-</u>	<u>2,928</u>
Total Nondepreciable Assets	<u>23,196</u>	<u>9,403</u>	<u>(11,205)</u>	<u>-</u>	<u>21,394</u>
Depreciable Assets					
Buildings	22,723	37	-	-	22,760
Improvements other than Buildings	245,514	11,511	-	-	257,025
Machinery and Equipment	<u>10,424</u>	<u>546</u>	<u>-</u>	<u>(130)</u>	<u>10,840</u>
Total Depreciable Assets	<u>278,661</u>	<u>12,094</u>	<u>-</u>	<u>(130)</u>	<u>290,625</u>
Total Investments in Capital Assets	<u>301,857</u>	<u>21,497</u>	<u>(11,205)</u>	<u>(130)</u>	<u>312,019</u>
Less Accumulated Depreciation					
Buildings	(12,780)	(624)	-	-	(13,404)
Improvements other than Buildings	(95,505)	(12,722)	-	-	(108,227)
Machinery and Equipment	<u>(8,516)</u>	<u>(307)</u>	<u>-</u>	<u>80</u>	<u>(8,743)</u>
Total Accumulated Depreciation	<u>(116,801)</u>	<u>(13,653)</u>	<u>-</u>	<u>80</u>	<u>(130,374)</u>
Capital Assets, Net	<u>\$ 185,056</u>	<u>7,844</u>	<u>(11,205)</u>	<u>(50)</u>	<u>\$ 181,645</u>

Assets under Construction (AuC) include work in progress on buildings, improvements, infrastructure and equipment.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

9. **Capital Assets (continued)**

Capital asset activity of the County's **hospital enterprise fund** consists of the following for the year ended December 31, 2011 (*000's omitted*):

Hospital Enterprise Fund – Capital Asset Activity					
	Beginning Balance	Additions	Capitalization of AuC	Retirements	Ending Balance
Business-type Activities:					
Nondepreciable Assets:					
Land	\$ 109	-	-	-	\$ 109
Assets under Construction	1,081	3,329	(3,849)	-	561
Total Nondepreciable Assets	1,190	3,329	(3,849)	-	670
Depreciable Assets:					
Buildings	86,920	3,274	-	(3)	90,191
Infrastructure	3,342	245	-	-	3,587
Machinery and Equipment	46,037	1,021	-	(4)	47,054
Total Depreciable Assets	136,299	4,540	-	(7)	140,832
Total Investments in Capital Assets	137,489	7,869	(3,849)	(7)	141,502
Less Accumulated Depreciation:					
Buildings	(65,971)	(3,426)	-	-	(69,397)
Infrastructure	(2,359)	(148)	-	-	(2,507)
Machinery and Equipment	(40,251)	(1,121)	-	4	(41,368)
Total Accumulated Depreciation	(108,581)	(4,695)	-	4	(113,272)
Capital Assets, Net	\$ 28,908	3,174	(3,849)	(3)	\$ 28,230

Assets under Construction (AuC) include work in progress on buildings, improvements, infrastructure and equipment.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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, 2011 (*000's omitted*):

Pure Waters Enterprise Fund – Capital Asset Activity					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Capitalization of AuC</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-type Activities:					
Nondepreciable Assets					
Land	\$ 1,569	802	-	-	\$ 2,371
Assets under Construction	<u>7,115</u>	<u>11,943</u>	<u>(4,289)</u>	-	<u>14,769</u>
Total Nondepreciable Assets	<u>8,684</u>	<u>12,745</u>	<u>(4,289)</u>	-	<u>17,140</u>
Depreciable Assets					
Buildings	68,064	-	-	-	68,064
Infrastructure	686,547	-	-	-	686,547
Improvements other than Buildings	92,436	4,206	-	-	96,642
Machinery and Equipment	<u>51,765</u>	<u>1,198</u>	-	<u>(1,070)</u>	<u>51,893</u>
Total Depreciable Assets	<u>898,812</u>	<u>5,404</u>	-	<u>(1,070)</u>	<u>903,146</u>
Total Investments in Capital Assets	<u>907,496</u>	<u>18,149</u>	<u>(4,289)</u>	<u>(1,070)</u>	<u>920,286</u>
Less Accumulated Depreciation					
Buildings	(40,219)	(1,410)	-	-	(41,629)
Infrastructure	(437,974)	(23,449)	-	-	(461,423)
Improvements other than Buildings	(27,818)	(5,119)	-	-	(32,937)
Machinery and Equipment	<u>(46,231)</u>	<u>(1,475)</u>	-	<u>850</u>	<u>(46,856)</u>
Total Accumulated Depreciation	<u>(552,242)</u>	<u>(31,453)</u>	-	<u>850</u>	<u>(582,845)</u>
Capital Assets, Net	<u>\$ 355,254</u>	<u>(13,304)</u>	<u>(4,289)</u>	<u>(220)</u>	<u>\$ 337,441</u>

Assets under Construction (AuC) include work in progress on buildings, improvements, infrastructure and equipment.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

10. Indebtedness and Certain Long-term Obligations

A. Short Term Indebtedness

The County had a total of \$114 million in outstanding notes payable as of December 31, 2011. This was comprised of \$39 million of bond anticipation notes (BANS) and \$75 million of revenue anticipation notes.

During 2011, the County issued a total \$39 million bond anticipation notes which provided \$25 million of new funds to pay for the cost or part of the cost of various capital projects and \$14 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, 2011 (*000's omitted*):

Changes in Notes Payable – Primary Government				
	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities:				
Capital Project Funds-Bond Anticipation Notes	\$ 815	14,660	(815)	\$ 14,660
Internal Service Funds-Bond Anticipation Notes	-	3,196	-	3,196
General Fund-Revenue Anticipation Notes	58,000	58,000	(58,000)	58,000
Total Governmental Activities	58,815	75,856	(58,815)	75,856
Business-type Activities:				
Pure Waters-Bond Anticipation Notes	-	4,600	-	4,600
Solid Waste-Bond Anticipation Notes	-	74	-	74
Airport-Bond Anticipation Notes	16,000	14,000	(16,000)	14,000
Hospital-Bond Anticipation Notes	-	2,450	-	2,450
Hospital-Revenue Anticipation Notes	17,000	17,000	(17,000)	17,000
Total Business-type Activities	33,000	38,124	(33,000)	38,124
Total Notes Payable	\$ 91,815	113,980	(91,815)	\$ 113,980

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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, 2011 (*000's omitted*):

Notes Payable – Primary Government				
	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Amount</u>
Governmental Activities:				
General Fund				
Revenue Anticipation Notes	11/10/11	1.09%	04/13/12	\$ 58,000
Capital Project Funds				
Public Improvement Bond Anticipation Notes	12/13/11	1.14%	06/28/12	14,660
Internal Service Funds				
Public Improvement Bond Anticipation Notes	12/13/11	1.14%	06/28/12	<u>3,196</u>
Total Governmental Activities				<u>\$ 75,856</u>
Business-type Activities:				
Pure Waters				
Public Improvement Bond Anticipation Notes	12/13/11	1.14%	06/28/12	\$ 4,600
Solid Waste				
Public Improvement Bond Anticipation Notes	12/13/11	1.14%	06/28/12	74
Airport				
Public Improvement Bond Anticipation Notes	07/12/11	0.90%	07/12/12	14,000
Hospital				
Public Improvement Bond Anticipation Notes	12/13/11	1.14%	06/28/12	2,450
Revenue Anticipation Notes	11/10/11	1.09%	04/13/12	<u>17,000</u>
Total Business-type Activities				<u>38,124</u>
Total Notes Payable				<u><u>\$ 113,980</u></u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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, 2011 (000's omitted):

Long-term Liabilities – Primary Government					
	Beginning Balance	Additions	Deductions	Current Portion	Long-term Portion
Governmental Activities:					
Capital Leases Payable	\$ 638	1,102	(378)	404	\$ 958
Bonds Payable	544,095	-	(24,266)	30,935	488,894
Other Long-term Liabilities					
Due to New York State Retirement System	27,034	26,466	(15,083)	19,432	18,985
Postemployment benefits other than pension	56,434	26,278	-	-	82,712
NYS Public Assistance Chargebacks	6,094	2,878	(6,983)	1,989	-
Sales Tax due to school districts	27,717	436	(10,711)	5,814	11,628
Compensated Absences	26,251	884	(11)	19,761	7,363
Total Other Long-term Liabilities	<u>143,530</u>	<u>56,942</u>	<u>(32,788)</u>	<u>46,996</u>	<u>120,688</u>
Total Governmental Long-term Liabilities	<u>\$ 688,263</u>	<u>58,044</u>	<u>(57,432)</u>	<u>78,335</u>	<u>\$ 610,540</u>
Business-type Activities:					
Capital Leases Payable	\$ 9,209	39	(676)	672	\$ 7,900
Bonds Payable	185,266	-	(18,391)	17,344	149,531
Patient funds held in trust	588	-	(13)	-	575
Other Long-term Liabilities					
Due to New York State Retirement System	3,458	5,021	(3,458)	4,590	431
Postemployment benefits other than pension	14,709	5,919	-	-	20,628
Pollution Remediation	600	-	(500)	100	-
Compensated Absences	2,042	31	(46)	1,604	423
Total Other Long-term Liabilities	<u>20,809</u>	<u>10,971</u>	<u>(4,004)</u>	<u>6,294</u>	<u>21,482</u>
Total Business-type Long-term Liabilities	<u>\$ 215,872</u>	<u>11,010</u>	<u>(23,084)</u>	<u>24,310</u>	<u>\$ 179,488</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, 2012. 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, 2011

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, 2011 (*000's omitted*):

Bonds Payable – Primary Government					
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Governmental Activities:					
Governmental Funds	\$ 487,825	-	(21,254)	466,571	\$ 26,821
Internal Service Funds	56,270	-	(3,012)	53,258	4,114
Total Governmental Activities	<u>544,095</u>	<u>-</u>	<u>(24,266)</u>	<u>519,829</u>	<u>30,935</u>
Business-type Activities:					
Solid Waste	17,790	-	(3,469)	14,321	2,821
Airport	24,000	-	(2,247)	21,753	1,730
Hospital	18,667	-	(4,027)	14,640	4,095
Pure Waters	124,809	-	(8,648)	116,161	8,698
Total Business Type Activities	<u>185,266</u>	<u>-</u>	<u>(18,391)</u>	<u>166,875</u>	<u>17,344</u>
Total Bonds Payable	<u>\$ 729,361</u>	<u>-</u>	<u>(42,657)</u>	<u>686,704</u>	<u>\$ 48,279</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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, 2011 (*000's omitted*):

Bonds Payable – Primary Government					
	<u>Original Amount</u>	<u>Date of Bonds</u>	<u>Interest Rate Percent</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Governmental Activities:					
Governmental Funds					
Bonds issued by the County					
Public Improvement-1992	\$ 62,377	03/01/92	6.100	2012	\$ 5
Public Improvement-1993 (Zero Coupon)	59,293	08/19/93	0.000	2013	1,160
Public Improvement-1996	33,313	07/02/96	5.700/5.750	2016	18
Public Improvement Refunding-1996A	56,613	12/01/96	6.000	2019	4,035
Public Improvement Refunding-1996B	13,984	12/01/96	5.350	2012	2
Public Improvement-1997-Series A	25,580	12/01/97	4.900/5.000	2017	112
Public Stadium-1999	13,550	05/27/99	7.100	2024	9,780
Public Improvement-2002	61,091	03/14/02	4.125/5.000	2019	27,517
Public Improvement-2003	37,152	07/24/03	4.000/4.500	2023	18,431
General Obligation-2004	36,385	10/21/04	5.000	2014	11,976
Public Improvement-2005	29,369	07/15/05	4.125/4.250	2025	22,030
Public Improvement-2007	36,959	07/15/07	4.250/4.375	2027	22,724
General Obligation Refunding Bonds–2008A	20,032	06/19/08	3.250/4.000	2017	4,205
General Obligation Refunding Bonds–2008B	1,485	06/19/08	5.000	2013	260
General Obligation Refunding Bonds–2008C	2,570	06/19/08	3.250/4.000	2017	1,675
Public Improvement-2009-A	27,253	07/14/09	4.000/5.000	2029	23,055
Public Improvement-2010	38,812	07/13/10	3.000/4.375	2030	38,793
	<u>\$ 555,818</u>				<u>\$ 185,778</u>
Add: Accretion of capital appreciation bonds					1,725
Unamortized bond premium					2,712
Unamortized gain on refinancing					455
Less: Unamortized loss on refinancing					<u>(465)</u>
Total Bonds Issued by the County					<u>\$ 190,205</u>
Bonds Issued by MTASC					
MTASC Series-2005	\$ 157,720	08/25/05	5.000/6.650	2060	\$ 148,721
MTASC Series-2006	14,579	02/07/06	7.700	2061	14,579
MTASC Series-2010	63,100	06/01/10	6.250	2060	63,100
	<u>\$ 235,399</u>				<u>\$ 226,400</u>
Add: Accretion of capital appreciation bonds					<u>23,226</u>
Total Bonds Issued by MTASC					<u>\$ 249,626</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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 Percent	Final Maturity	Outstanding Amount
Governmental Activities (continued):					
Bonds Issued by the County for Monroe Community College (MCC)					
Public Improvement-1997-SeriesA	\$ 3,400	12/01/97	4.900/5.000	2017	\$ 12
Public Improvement-2002	10,506	03/14/02	4.125/5.000	2019	4,319
Public Improvement-2003	8,557	07/24/03	4.000/4.500	2023	4,899
General Obligation Refunding Bonds-2004	4,823	10/21/04	5.000	2014	2,601
Public Improvement-2005	1,328	07/15/05	4.125/4.250	2025	987
Public Improvement-2007	654	07/15/07	4.250/4.375	2027	71
General Obligation Refunding Bonds–2008A	2,073	06/19/08	3.250/4.000	2017	1,130
Public Improvement–2009A	7,910	07/14/09	4.000/5.000	2029	6,954
Public Improvement–2010	5,300	07/13/10	3.000/4.375	2030	5,300
	<u>\$ 44,551</u>				<u>\$ 26,273</u>
Add: Unamortized bond premium					435
Unamortized gain on refinancing					41
Less: Unamortized loss on refinancing					<u>(9)</u>
Total Bonds Issued by the County for MCC					<u>\$ 26,740</u>
Total Governmental Funds					<u>\$ 466,571</u>
Internal Service Funds					
Public Improvement–1993 (Zero Coupon)	\$ 4,345	08/19/93	0.000	2013	\$ 52
Public Improvement Refunding–1996A	6,128	12/01/96	6.000	2019	260
Public Improvement-1999	21,025	05/27/99	4.500	2015	1
Public Improvement-2002	9,646	03/14/02	4.125/5.000	2019	4,724
General Obligation Refunding Bonds-2004	8,555	10/21/04	5.000	2014	1,444
Public Improvement-2005	8,880	07/15/05	4.125/4.250	2025	6,678
Public Improvement-2007	8,358	07/15/07	4.250/4.375	2027	6,182
General Obligation Refunding Bonds–2008A	4,825	06/19/08	3.250/4.000	2017	260
Public Improvement–2009A	10,590	07/14/09	4.000/5.000	2029	8,746
Public Improvement–2010	24,088	07/13/10	3.000/4.375	2030	23,982
	<u>\$ 106,440</u>				<u>\$ 52,329</u>
Add: Unamortized bond premium					977
Unamortized gain on refinancing					14
Less: Unamortized loss on refinancing					<u>(62)</u>
Total Internal Service Funds					<u>\$ 53,258</u>
Total Governmental Activities					<u><u>\$ 519,829</u></u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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 Percent	Final Maturity	Outstanding Amount
Business-type Activities:					
Bonds issued by the County					
Solid Waste Fund					
Public Improvement -1993 (Zero Coupon)	\$ 5,528	08/19/93	0.000	2013	\$ 195
Public Improvement-1994	59,717	08/24/94	6.050/6.150	2016	250
EFC Public Improvement Refunding-1995	15,005	06/01/95	4.200	2015	3,890
Public Improvement Refunding-1996A	46,343	12/01/96	6.000	2019	4,289
Public Improvement Refunding-1996B	15,471	12/01/96	5.350	2012	458
Public Improvement -1997 Series A	5,714	12/01/97	4.900/5.000	2017	321
Public Improvement -1999	6,825	05/27/99	4.500	2015	159
Public Improvement-2002	15,359	03/14/02	4.125/5.000	2019	94
Public Improvement -2005	4,570	07/15/05	4.125/4.250	2025	3,385
Public Improvement -2007	123	07/15/07	4.250/4.375	2027	89
General Obligation Refunding Bonds-2008A	770	06/19/08	3.250/4.000	2017	445
Public Improvement-2009A	665	07/14/09	4.000/5.000	2029	435
	<u>\$ 176,090</u>				<u>\$ 14,010</u>
Add: Accretion of capital appreciation bonds					513
Unamortized bond premium					25
Less: Unamortized loss on refinancing					<u>(227)</u>
Total Solid Waste Fund					<u>\$ 14,321</u>
Airport Fund					
Public Improvement-2002	\$ 15,359	03/14/02	4.125/5.000	2019	\$ 1,866
Public Improvement-2003	2,825	07/24/03	4.000/4.500	2023	1,608
Public Improvement-2005	3,555	07/15/05	4.125/4.250	2025	2,689
Public Improvement -2007	4,556	07/15/07	4.250/4.375	2027	1,469
General Obligation Refunding Bonds-2008A	1,155	06/19/08	3.250/4.000	2017	360
Public Improvement-2009B	14,200	07/14/09	4.000/5.250	2029	13,455
	<u>\$ 41,650</u>				<u>\$ 21,447</u>
Add: Unamortized bond premium					321
Less: Unamortized loss on refinancing					<u>(15)</u>
Total Airport Fund					<u>\$ 21,753</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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 Percent	Final Maturity	Outstanding Amount
Business-type Activities (continued):					
Bonds issued by the County					
Hospital Fund					
Public Improvement–1993 (Zero Coupon)	\$ 5,528	08/19/93	0.000	2013	\$ 48
Public Improvement-2002	15,359	03/14/02	4.125/5.000	2019	2,446
Public Improvement-2003	1,545	07/24/03	4.000/4.500	2023	315
Public Improvement-2005	1,515	07/15/05	4.125/4.250	2025	1,134
Public Improvement -2007	1,332	07/15/07	4.250/4.375	2027	473
General Obligation Refunding Bonds-2008A	595	06/19/08	3.250/4.000	2017	40
General Obligation Refunding Bonds-2008B	14,140	06/19/08	5.000	2013	6,275
Public Improvement–2009A	2,382	07/14/09	4.000/5.000	2029	1,957
Public Improvement–2010	1,560	07/13/10	3.000/4.375	2030	1,560
	<u>\$ 43,956</u>				<u>\$ 14,248</u>
Add: Unamortized bond premium					272
Unamortized gain on refinancing					<u>120</u>
Total Hospital Fund					<u>\$ 14,640</u>
Pure Waters Fund					
Public Improvement–1993B	\$ 12,367	09/15/93	5.200	2013	\$ 930
Public Improvement-1996	2,850	07/02/96	5.700/5.750	2016	392
Public Improvement Refunding-1996A	46,343	12/01/96	6.000	2019	17,336
Public Improvement–1997 SeriesA	5,714	12/01/97	4.900/5.000	2017	356
Environmental Improvement Bonds-1999	16,046	03/31/99	4.430/4.905	2018	6,385
Environmental Improvement Bonds-2001	19,999	07/26/01	4.484/5.154	2021	11,290
Environmental Improvement Bonds-2002	2,287	03/14/02	4.132/4.982	2021	1,245
Public Improvement-2002	15,359	03/14/02	4.125/5.000	2019	4,125
Public Improvement-2003	2,020	07/24/03	4.000/4.500	2023	1,297
General Obligation Refunding Bonds-2004	1,242	10/21/04	5.000	2014	520
Public Improvement-2005	25,698	07/15/05	4.125/4.250	2025	19,011
Public Improvement -2007	23,903	07/15/07	4.250/4.375	2027	20,223
General Obligation Refunding Bonds–2008A	665	06/19/08	3.250/4.000	2017	445
Public Improvement–2009A	18,300	07/14/09	4.000/5.000	2029	16,838
Public Improvement–2010	1,560	07/13/10	3.000/4.375	2030	14,955
	<u>\$ 194,353</u>				<u>\$ 115,348</u>
Add: Accretion of capital appreciation bonds					878
Less: Unamortized loss on refinancing					<u>(65)</u>
Total Pure Waters Fund					<u>\$ 116,161</u>
Total Business-type Activities					<u>\$ 166,875</u>
Total Primary Government					<u>\$ 686,704</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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

C. Future Debt Service

The following is a schedule of annual principal and interest payments on bonds outstanding for the primary government as of December 31, 2011 (*000's omitted*):

Principal and Interest Payments – Primary Government							
	Governmental Activities		Business-type Activities				Total Primary Government
	Governmental Funds	Internal Service	Solid Waste	Airport	Hospital	Pure Waters	
Principal							
2012	\$ 26,821	4,114	2,821	1,730	4,095	8,698	\$ 48,279
2013	26,948	3,711	2,463	1,775	4,161	8,926	47,984
2014	25,375	4,621	2,410	1,861	1,034	8,786	44,087
2015	20,717	3,543	2,463	1,861	953	9,319	38,856
2016	19,410	3,303	1,475	1,409	751	9,562	35,910
2017-2021	63,405	14,340	1,410	5,951	2,721	40,358	128,185
2022-2026	23,977	12,078	968	4,571	533	21,763	63,890
2027-2031	33,061	6,619	-	2,289	-	7,936	49,905
2032-2036	-	-	-	-	-	-	-
2037-2041	63,100	-	-	-	-	-	63,100
2042-2046	91,121	-	-	-	-	-	91,121
2047-2051	5,387	-	-	-	-	-	5,387
2052-2056	8,924	-	-	-	-	-	8,924
2057-2061	30,205	-	-	-	-	-	30,205
Total Principal	\$ 438,451	52,329	14,010	21,447	14,248	115,348	\$ 655,833
Interest							
2012	\$ 19,091	2,142	622	959	566	5,218	\$ 28,598
2013	18,134	1,981	498	887	369	4,812	26,681
2014	16,718	1,801	553	811	246	4,395	24,524
2015	15,742	1,618	357	731	201	3,958	22,607
2016	14,920	1,467	351	660	162	3,497	21,057
2017-2021	65,162	5,412	341	2,388	346	10,834	84,483
2022-2026	54,248	2,701	82	1,134	39	4,100	62,304
2027-2031	43,763	538	-	171	-	570	45,042
2032-2036	42,499	-	-	-	-	-	42,499
2037-2041	40,527	-	-	-	-	-	40,527
2042-2046	7,598	-	-	-	-	-	7,598
2047-2051	66,578	-	-	-	-	-	66,578
2052-2056	193,791	-	-	-	-	-	193,791
2057-2061	1,531,396	-	-	-	-	-	1,531,396
Total Interest	\$ 2,130,167	17,660	2,804	7,741	1,929	37,384	\$ 2,197,685
Total Principal and Interest	\$ 2,568,618	69,989	16,814	29,188	16,177	152,732	\$ 2,853,518

Approximately \$391.5 million of the total principal is anticipated to be financed by user charges or tobacco settlement revenues. The remainder will be financed through the real property tax levy, general County revenues or existing reserves available for the retirement of debt. All proprietary fund debt is secured by the County's full faith and credit.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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

D. **Advanced Refunding/Defeased Debt**

As of December 31, 2011, 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	\$ 540
Public Improvement-1994 (Capital Appreciation)	1,173
Public Improvement-2002	<u>7,125</u>
Total:	<u>\$ 8,838</u>

E. **Commitments**

The County has a service agreement with Monroe Security and Safety Systems Local Development Corporation (M3SLDC). Under the service agreement, the County will pay average annual payments of \$11.2 million per year commencing January 1, 2010 and terminating December 31, 2029. In 2011, the County paid \$6.5 million.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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 \$891 thousand and accumulated amortization of \$168 thousand at December 31, 2011. 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, 2011 (*000's omitted*):

<u>Year</u>	<u>Payment</u>
2012	\$ 271
2013	230
2014	206
2015	182
2016	<u>25</u>
Total minimum lease payments	914
Less amounts representing interest at rates ranging from 3.0% to 8.9%	<u>(102)</u>
Net minimum lease payments	<u>\$ 812</u>

B. 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 \$475 thousand at December 31, 2011. 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, 2011 (*000's omitted*):

<u>Year</u>	<u>Payment</u>
2012	\$ <u>143</u>
Total minimum lease payments	143
Less amounts representing interest at rates ranging from 4.0% to 4.5%	<u>(5)</u>
Net minimum lease payments	<u>\$ 138</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

11. Leases (continued)

C. Capital Lease Agreements – Enterprise Funds – Airport

Equipment under capitalized lease arrangements relating to the enterprise funds has been recognized with an initial value of \$37 thousand and no accumulated amortization at December 31, 2011. 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, 2011 (*000's omitted*):

<u>Year</u>	<u>Payment</u>
2012	\$ 8
2013	9
2014	8
2015	<u>8</u>
Total minimum lease payments	33
Less amounts representing interest at rate of 2.8%	<u>(2)</u>
Net minimum lease payments	\$ <u>31</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 \$10.1 million and accumulated amortization of \$1.7 million at December 31, 2011 (*000's omitted*):

<u>Year</u>	<u>Payment</u>
2012	\$ 952
2013	952
2014	951
2015	952
2016	952
Thereafter	<u>6,662</u>
Total minimum lease payments	11,421
Less amounts representing interest at 5.07%	<u>(3,018)</u>
Net minimum lease payments	\$ <u><u>8,403</u></u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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 \$649 thousand and accumulated amortization of \$123 thousand at December 31, 2011. 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, 2011 (*000's omitted*):

<u>Year</u>	<u>Payment</u>
2012	\$ 157
2013	144
2014	139
2015	<u>7</u>
Total minimum lease payments	447
Less amounts representing interest at rates ranging from 3.7% to 6.0%	<u>(29)</u>
Net minimum lease payments	<u>\$ 418</u>

F. Capital Lease Agreements – Library Fund

Equipment under capitalized lease arrangements relating to the library fund has been recognized with an initial value of \$156 thousand and no accumulated amortization as of December 31, 2011. 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, 2011 (*000's omitted*):

<u>Year</u>	<u>Payment</u>
2012	\$ 36
2013	35
2014	35
2015	<u>34</u>
Total minimum lease payments	140
Less amounts representing interest at rate of 2.7%	<u>(8)</u>
Net minimum lease payments	<u>\$ 132</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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 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 between July 28, 1976 and December 31, 2009 and have less than ten years of credited service. These members contribute 3% of their salary. Prior to October 2000, all County and Monroe Community College employees who joined between July 28, 1976 and December 31, 2009 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. All members who joined as of January 1, 2010 are required to contribute 3% of their salary for the duration of service. 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.

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
2011	\$	32,394	\$	316
2010		25,260		245
2009		18,993		176

The County's contributions made to ERS and PFRS were equal to 100% of the contributions required for each year, net of those portions elected to be amortized.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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. In addition, the change in the Law provided participating employers alternative financing options. These options included: (1) amortizing a portion of the pension 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, in accordance with Chapter 260 Laws, the County elected to amortize a portion of retirement costs over 10 years.

ERS and PFRS, effective with Chapter 57, Laws of 2010, initiated the employer contribution stabilization program. This provided the option of amortizing a portion of the pension cost over 10 years. Interest for the amortization is based on a rate established by the Comptroller using current market rates. In both 2010 and 2011, in accordance with Chapter 57 Laws, the County elected to amortize a portion of retirement costs over 10 years.

Pursuant to Chapter 105, Part A, Laws of 2010, the State Legislature authorized local governments to make available retirement incentive programs. The County participated in the 2010 retirement incentive program and the resulting cost is to be paid in five annual increments through 2016.

The County elected to pay the retirement system invoice of \$32.7 million on February 1, 2012. The following is a breakdown of the retirement liability as of December 31, 2011 by activity (*000's omitted*):

Retirement Liability						
	Year	Chapter 260 Elective Deferral	Chapter 57 Elective Deferral	Chapter 105, Part A Early Incentive	Chapter 260 Current Year	Total
Governmental Activities:						
	2012	\$ 1,639	795	260	16,738	\$ 19,432
	2013	1,416	1,187	195	-	2,798
	2014	1,486	1,237	209	-	2,932
	2015	1,561	1,291	225	-	3,077
	2016	-	1,346	242	-	1,588
	2017	-	1,404	-	-	1,404
	2018	-	1,464	-	-	1,464
	2019	-	1,528	-	-	1,528
	2020	-	1,593	-	-	1,593
	2021	-	1,662	-	-	1,662
	2022	-	939	-	-	939
Total Governmental Activities		<u>6,102</u>	<u>14,446</u>	<u>1,131</u>	<u>16,738</u>	<u>38,417</u>
Business-type Activities:						
	2012	-	-	129	4,461	4,590
	2013	-	-	96	-	96
	2014	-	-	104	-	104
	2015	-	-	111	-	111
	2016	-	-	120	-	120
Total Business-type Activities		<u>-</u>	<u>-</u>	<u>560</u>	<u>4,461</u>	<u>5,021</u>
Total Retirement Liability		<u>\$ 6,102</u>	<u>14,446</u>	<u>1,691</u>	<u>21,199</u>	<u>\$ 43,438</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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 2011 was \$20.7 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	\$ 43,280	9,583	\$ 52,863
Contributions made	(17,002)	(3,664)	(20,666)
Increase in Net OPEB Obligation	26,278	5,919	32,197
Net OPEB Obligation – 12/31/10	56,434	14,680	71,114
Net OPEB Obligation – 12/31/11	\$ 82,712	20,599	\$ 103,311
Annual OPEB Cost:			
2011	\$ 43,280	9,583	\$ 52,863
2010	30,413	7,090	37,503
2009	30,654	7,154	37,808
Percentage of Annual OPEB cost contributed:			
2011	39.3%	38.2%	39.1%
2010	62.5%	56.8%	61.4%
2009	56.0%	50.3%	55.0%

The net OPEB obligation at December 31, 2011 is recorded as follows (000's omitted):

	Governmental Activities	Business-type Activities	Total Primary Government
Current assets – other	\$ -	29	\$ 29
Other long-term liabilities	82,712	20,628	103,340
Net OPEB Obligation	\$ 82,712	20,599	\$ 103,311

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

13. Post-Employment Health Care Benefits (continued)

Funded Status and Funding Progress

As of December 31, 2011, the actuarial accrued liability for benefits was \$629.7 million, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$227.9 million, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 276.3 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

(000's omitted)

	Governmental Activities	Business- type Activities	Total Primary Government
Actuarial Accrued Liability (AAL) at 12/31/2011 (unfunded)	\$ 522,957	106,697	\$ 629,654
Covered Payroll	\$ 185,040	42,880	\$ 227,920
Ratio of Unfunded AAL to Covered Payroll	282.6%	248.8%	276.3%

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, 2011
Actuarial Cost Method	Projected Unit Credit
Discount Rate	4%
Health Care Trends	11% 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, 2011

13. Post-Employment Health Care Benefits (continued)

Schedule of Funding Progress (RSI – Unaudited)

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%
01/01/2011	-	629,654	629,654	0.00%	227,920	276.3%

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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-five percent of the amount due to the general fund is a result of the overdraft of other funds' share of pooled cash, and fifteen percent is a result of initial financing of capital projects. The following is a summary of interfund receivables and payables as of December 31, 2011 (*000's omitted*):

Interfund Payables and Receivables			
	Interfund Receivables:		
	Governmental Activities		
	General Fund	Special Revenue – Nonmajor Funds	Total
Interfund Payables:			
Governmental Activities:			
Nonmajor Governmental Funds			
Special Revenue - Road	\$ 17,200	-	\$ 17,200
Capital Projects	6,666	18,548	25,214
Total Nonmajor Governmental Funds	23,866	18,548	42,414
Internal Service Funds	1,600	-	1,600
Total Governmental Activities	25,466	18,548	44,014
Business-type Activities:			
Solid Waste	16,000	-	16,000
Energy	2,200	-	2,200
Total Business-type Activities	18,200	-	18,200
Total Governmental/ Business-type Activities	\$ 43,666	18,548	\$ 62,214

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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, 2011 (*000's omitted*):

Governmental Activities					
Interfund Transfers From:	Interfund Transfers to:				
	Non-major Governmental Funds				
	Special Revenue Funds	Debt Service Funds	Internal Service Funds	Total	
	Road	Library			
Governmental Activities:					
General Fund	\$ 17,513	6,981	21,655	2,608	\$ 48,757
Non-major Governmental Funds					
Special Revenue					
Road	-	-	10,429	-	10,429
Library	-	-	361	-	361
Trust Funds	-	-	-	51	51
Capital Projects	-	-	620	-	620
Total Nonmajor Governmental Funds	-	-	11,410	51	11,461
Total Governmental Activities	17,513	6,981	33,065	2,659	60,218
Total Transfers	\$ 17,513	6,981	33,065	2,659	\$ 60,218

15. Miscellaneous Revenue

For the year ended December 31, 2011, the miscellaneous revenue for the primary government is \$12.7 million, consisting of \$3.9 million for governmental activities and \$8.8 million for business-type activities. This includes \$6.6 million in the solid waste fund for the sale of recycled materials and waste refuse complex fees and \$1.9 million in the hospital fund, consisting primarily of space rental.

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.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements
Year Ended December 31, 2011

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 fourteen 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, 2011 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, 2011, 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 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, 2011.

The table below illustrates changes in the fund's 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,
2011	\$ 25,649	13,231	(9,097)	\$ 29,783
2010	\$ 21,773	12,950	(9,074)	\$ 25,649

The estimated accrued liabilities are reported in the accounts payable and accrued liabilities in the internal service fund. This is comprised of \$5.9 million, which is the County Attorney's estimate of general liability claims which may likely settle, \$23.6 million representing Workers' Compensation claims already reported and additional claims incurred but not yet reported, and other liabilities amounting to \$0.3 million. 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, 2011

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.

Monroe County has received confirmation from the DEC that GRIA has completed clean-up or removal actions agreed on in the stipulation agreement. No further remediation action is required at the site. CHA is finalizing the required Soil and Groundwater Management Plan which must be submitted to and approved by the DEC as a requirement of site shutdown.

Calculating the liability using the expected cash flow technique results in a remaining liability as of December 31, 2011 of \$100 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 cannot reasonably estimate its ultimate liability with respect to these areas.

The County is aware of other contamination sites and is working with the 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, 2011
(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	\$ 349,088	349,088	351,404	2,316
Sales tax	82,649	82,649	87,033	4,384
Federal aid	120,879	157,634	182,639	25,005
State aid	238,458	250,002	202,132	(47,870)
Charges for services	24,214	24,214	21,685	(2,529)
Intergovernmental	37,101	37,260	34,848	(2,412)
Interdepartmental	3,277	3,279	2,336	(943)
Use of money and property	5,332	5,332	6,825	1,493
Repayments and refunds	13,882	13,882	15,262	1,380
Payments in lieu of taxes	7,285	7,285	7,836	551
Miscellaneous	30,898	31,198	11,870	(19,328)
Total revenues	<u>913,063</u>	<u>961,823</u>	<u>923,870</u>	<u>(37,953)</u>
EXPENDITURES				
Health and welfare	410,574	435,292	395,203	40,089
Public safety	207,157	231,799	210,009	21,790
Culture, recreation and education	61,396	60,384	55,283	5,101
General government	162,743	165,655	168,930	(3,275)
Transportation	3,524	3,524	3,524	---
Total expenditures	<u>845,394</u>	<u>896,654</u>	<u>832,949</u>	<u>63,705</u>
Excess of revenues over expenditures	<u>67,669</u>	<u>65,169</u>	<u>90,921</u>	<u>25,752</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(67,669)</u>	<u>(65,169)</u>	<u>(65,437)</u>	<u>(268)</u>
Total other financing sources (uses)	<u>(67,669)</u>	<u>(65,169)</u>	<u>(65,437)</u>	<u>(268)</u>
Excess of revenues, other financing sources and special items over expenditures and other financing uses - budget basis	<u>\$ ---</u>	<u>\$ ---</u>	<u>25,484</u>	<u>25,484</u>
Add: Encumbrances at end of year included in actual			8,839	
Adjust for changes in:				
taxes and assessments			2,285	
due from other governments			(15,505)	
accounts payable and accrued liabilities			4,635	
due to other governments			(1,648)	
unearned revenue			(7,473)	
Less: Expenditure of prior year's encumbrances			<u>(9,828)</u>	
Excess of revenues and other financing sources over expenditures and other financing uses - GAAP basis			6,789	
Fund balance at beginning of year			<u>12,167</u>	
Fund balance at end of year			<u>\$ 18,956</u>	

See accompanying notes to required supplementary information

COUNTY OF MONROE, NEW YORK
Notes to Required Supplementary Information (Unaudited)
Year Ended December 31, 2011

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, 2011

Budgetary Basis Reporting (continued)

A summary of legally-adopted budgetary activity for the County's general fund for the year ended 2010 follows (000's omitted):

	<u>General Fund</u>
Original Revenue Budget:	
Revenues and Other Financing Sources	\$ 913,063
Authorized:	
Revisions and Transfers	11,288
Grant Reappropriations	<u>37,472</u>
Modified Revenue Budget-Budget Basis	<u>\$ 961,823</u>
Original Expenditures Budget:	
Expenditures and Other Financing Uses	\$ 913,063
Authorized:	
Revisions and Transfers	11,288
Grant Reappropriations	<u>37,472</u>
Modified Expenditure Budget-Budget Basis	<u>\$ 961,823</u>

Revisions and Transfers include new awards of state and federal funded programs, offset by grant returns. In addition, reappropriations of \$37.5 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, 2011
(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	Culture and Recreation		Education
ASSETS									
Cash and cash equivalents	\$ 12,602	---	409	---	---	---	---	---	13,011
Accounts receivables, net	1,160	---	10,316	---	---	26	545	---	12,047
Due from other funds	18,548	---	---	---	---	---	---	---	18,548
Due from other governments:									
State and Federal - other	1,245	---	---	---	---	18,194	---	3,019	22,458
Local governments	461	---	---	---	1,000	57	---	---	1,518
Inventories	955	---	---	---	---	---	---	---	955
Restricted assets:									
Cash and cash equivalents	---	2,895	13,197	497	7,304	2,555	2,269	1,897	30,614
Securities in lieu of retained percentages	---	---	---	---	201	---	5	69	275
Other assets	---	---	3	---	---	1,183	---	---	1,186
Total assets	34,971	2,895	23,925	497	8,505	22,015	2,819	4,985	100,612
LIABILITIES AND FUND BALANCES (DEFICITS)									
Liabilities:									
Accounts payable and accrued liabilities	5,701	---	---	59	591	2,487	1,018	769	10,625
Due to other funds	17,200	---	---	40	901	18,553	684	5,036	42,414
Due to other governments	1,359	---	---	---	---	---	---	---	1,359
Unearned revenue	---	---	10,316	---	---	---	---	---	10,316
Notes payable	---	---	---	210	2,125	4,572	4,563	3,190	14,660
Total liabilities	24,260	---	10,316	309	3,617	25,612	6,265	8,995	79,374
Fund balances (deficits):									
Nonspendable	955	---	---	---	---	---	---	---	955
Restricted	5,712	2,059	13,198	496	4,888	9,038	270	871	36,532
Committed	2,087	---	---	---	---	---	---	---	2,087
Assigned	1,957	836	411	---	---	---	---	---	3,204
Unassigned	---	---	---	(308)	---	(12,635)	(3,716)	(4,881)	(21,540)
Total fund balances (deficits)	10,711	2,895	13,609	188	4,888	(3,597)	(3,446)	(4,010)	21,238
Total liabilities and fund balances	\$ 34,971	2,895	23,925	497	8,505	22,015	2,819	4,985	100,612

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, 2011

	Special Revenue Funds	Debt Service Funds		General Government	Public Safety and Fire Protection	Capital Projects			Total Nonmajor Governmental Funds
		General	MTASC			Transportation	Culture and Recreation	Education	
REVENUES:									
Federal aid	\$ 4,642	---	---	78	50	19,088	---	---	23,858
State aid	7,296	---	---	---	---	3,190	---	3,607	14,093
Charges for services	5,865	---	---	---	---	---	---	---	5,865
Intergovernmental	1,811	1,421	---	---	---	---	---	---	3,232
Interdepartmental	173	---	---	---	---	---	---	---	173
Use of money and property	219	69	8	---	---	---	---	---	296
Repayments and refunds	131	---	---	---	---	11	---	---	142
Tobacco settlement	---	---	10,570	---	---	---	---	---	10,570
Miscellaneous	3,090	244	---	---	1,000	723	550	250	5,857
Total revenues	23,227	1,734	10,578	78	1,050	23,012	550	3,857	64,086
EXPENDITURES:									
Public safety	2,817	---	---	---	---	---	---	---	2,817
Culture, recreation and education	10,466	---	---	---	---	---	---	---	10,466
General government	203	---	67	---	---	---	---	---	270
Transportation	18,111	---	---	---	---	---	---	---	18,111
Economic development	4,620	---	---	---	---	---	---	---	4,620
Debt service:									
Principal retirement	---	24,941	270	---	---	---	---	---	25,211
Interest and fiscal charges	---	10,269	10,198	---	---	---	---	---	20,467
Capital outlay	---	---	---	488	5,046	32,164	7,507	7,571	52,776
Total expenditures	36,217	35,210	10,535	488	5,046	32,164	7,507	7,571	134,738
Excess (deficiency) of revenues over expenditures	(12,990)	(33,476)	43	(410)	(3,996)	(9,152)	(6,957)	(3,714)	(70,652)
OTHER FINANCING SOURCES (USES):									
Transfers in	24,494	33,065	---	---	---	---	---	---	57,559
Transfers out	(10,841)	---	---	(27)	(21)	(544)	(24)	(4)	(11,461)
Total other financing sources (uses)	13,653	33,065	---	(27)	(21)	(544)	(24)	(4)	46,098
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	663	(411)	43	(437)	(4,017)	(9,696)	(6,981)	(3,718)	(24,554)
Fund balances (deficits) at beginning of year	10,048	3,306	13,566	625	8,905	6,099	3,535	(292)	45,792
Fund balances (deficits) at end of year	\$ 10,711	2,895	13,609	188	4,888	(3,597)	(3,446)	(4,010)	21,238

See accompanying independent auditors' report

COUNTY OF MONROE, NEW YORK
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(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	\$ 70	252	704	5,995	5	2	290	3,997
Accounts receivables, net	8	636	---	56	---	---	---	460
Due from other funds	18,548	---	---	---	---	---	---	---
Due from other governments:								
State and Federal - other	758	212	---	---	---	---	---	275
Local governments	405	---	---	---	---	---	---	---
Inventories	955	---	---	---	---	---	---	---
Total assets	<u>20,744</u>	<u>1,100</u>	<u>704</u>	<u>6,051</u>	<u>5</u>	<u>2</u>	<u>290</u>	<u>4,732</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	893	170	116	339	---	1	---	4,042
Due to other funds	17,200	---	---	---	---	---	---	---
Due to other governments	429	930	---	---	---	---	---	---
Total liabilities	<u>18,522</u>	<u>1,100</u>	<u>116</u>	<u>339</u>	<u>---</u>	<u>1</u>	<u>---</u>	<u>4,042</u>
Fund balances:								
Nonspendable	955	---	---	---	---	---	---	---
Restricted	---	---	---	5,712	---	---	---	---
Committed	---	---	588	---	5	1	290	---
Assigned	1,267	---	---	---	---	---	---	690
Total fund balances	<u>2,222</u>	<u>---</u>	<u>588</u>	<u>5,712</u>	<u>5</u>	<u>1</u>	<u>290</u>	<u>690</u>
Total liabilities and fund balances	<u>\$ 20,744</u>	<u>1,100</u>	<u>704</u>	<u>6,051</u>	<u>5</u>	<u>2</u>	<u>290</u>	<u>4,732</u>

(continued)

**COUNTY OF MONROE, NEW YORK
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(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
ASSETS								
Cash and cash equivalents	\$ 253	62	31	454	50	7	430	12,602
Accounts receivables, net	---	---	---	---	---	---	---	1,160
Due from other funds	---	---	---	---	---	---	---	18,548
Due from other governments:								
State and Federal - other	---	---	---	---	---	---	---	1,245
Local governments	---	5	---	51	---	---	---	461
Inventories	---	---	---	---	---	---	---	955
Total assets	253	67	31	505	50	7	430	34,971
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	---	6	---	64	---	---	70	5,701
Due to other funds	---	---	---	---	---	---	---	17,200
Due to other governments	---	---	---	---	---	---	---	1,359
Total liabilities	---	6	---	64	---	---	70	24,260
Fund balances:								
Nonspendable	---	---	---	---	---	---	---	955
Restricted	---	---	---	---	---	---	---	5,712
Committed	253	61	31	441	50	7	360	2,087
Assigned	---	---	---	---	---	---	---	1,957
Total fund balances	253	61	31	441	50	7	360	10,711
Total liabilities and fund balances	\$ 253	67	31	505	50	7	430	34,971

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(000's Omitted)

	<u>Road</u>	<u>Special Grants</u>	<u>Green Space Initiative</u>	<u>Jail Funds</u>	<u>Golf Course Funds</u>	<u>Zoo Admissions</u>	<u>Library System Automation</u>	<u>Library</u>
REVENUES:								
Federal aid	\$ 578	4,061	---	---	---	---	---	3
State aid	5,265	---	---	---	---	---	---	2,031
Charges for services	4,403	1	---	1,257	---	---	---	---
Intergovernmental	810	---	---	56	---	---	---	945
Interdepartmental	173	---	---	---	---	---	---	---
Use of money and property	---	---	2	156	---	---	---	---
Repayments and refunds	116	---	---	1	---	---	---	---
Miscellaneous	130	541	---	1,502	246	---	---	254
Total revenues	<u>11,475</u>	<u>4,603</u>	<u>2</u>	<u>2,972</u>	<u>246</u>	<u>---</u>	<u>---</u>	<u>3,233</u>
EXPENDITURES:								
Public safety	---	---	---	2,581	---	---	---	---
Culture, recreation and education	---	---	---	---	244	9	---	10,048
General government	---	---	189	---	---	---	---	---
Transportation	18,111	---	---	---	---	---	---	---
Economic development	---	4,603	---	---	---	---	---	---
Total expenditures	<u>18,111</u>	<u>4,603</u>	<u>189</u>	<u>2,581</u>	<u>244</u>	<u>9</u>	<u>-</u>	<u>10,048</u>
Excess (deficiency) of revenues over expenditures	<u>(6,636)</u>	<u>---</u>	<u>(187)</u>	<u>391</u>	<u>2</u>	<u>(9)</u>	<u>---</u>	<u>(6,815)</u>
OTHER FINANCING SOURCES (USES):								
Transfers in	17,513	---	---	---	---	---	---	6,981
Transfers out	(10,429)	---	---	---	---	---	---	(361)
Total other financing sources (uses)	<u>7,084</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>6,620</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	448	---	(187)	391	2	(9)	---	(195)
Fund balances at beginning of year	1,774	---	775	5,321	3	10	290	885
Fund balances at end of year	<u>\$ 2,222</u>	<u>---</u>	<u>588</u>	<u>5,712</u>	<u>5</u>	<u>1</u>	<u>290</u>	<u>690</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, 2011
(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	\$ ---	---	---	---	---	---	---	4,642
State aid	---	---	---	---	---	---	---	7,296
Charges for services	---	---	---	194	10	---	---	5,865
Intergovernmental	---	---	---	---	---	---	---	1,811
Interdepartmental	---	---	---	---	---	---	---	173
Use of money and property	---	---	---	---	---	---	61	219
Repayments and refunds	---	---	---	---	---	---	14	131
Miscellaneous	25	54	---	---	---	---	338	3,090
Total revenues	25	54	---	194	10	---	413	23,227
EXPENDITURES:								
Public safety	---	---	---	185	4	---	47	2,817
Culture, recreation and education	9	53	---	---	---	2	101	10,466
General government	---	---	---	---	---	---	14	203
Transportation	---	---	---	---	---	---	---	18,111
Economic development	---	---	---	---	---	---	17	4,620
Total expenditures	9	53	---	185	4	2	179	36,217
Excess (deficiency) of revenues over expenditures	16	1	---	9	6	(2)	234	(12,990)
OTHER FINANCING SOURCES (USES):								
Transfers in	---	---	---	---	---	---	---	24,494
Transfers out	---	---	---	---	---	---	(51)	(10,841)
Total other financing sources (uses)	---	---	---	---	---	---	(51)	13,653
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses:	16	1	---	9	6	(2)	183	663
Fund balances at beginning of year	237	60	31	432	44	9	177	10,048
Fund balances at end of year	\$ 253	61	31	441	50	7	360	10,711

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF NET ASSETS (DEFICITS)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(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	\$ 634	16	2,669	86	8,380	11,785
Accounts receivables, net	---	126	---	---	---	126
Due from other funds	---	---	---	---	---	---
Due from other governments	---	1,168	---	27	---	1,195
Inventories	85	---	24	288	---	397
Unamortized bond issue costs	---	60	11	---	---	71
Other assets	---	24	---	---	---	24
Total current assets	<u>719</u>	<u>1,394</u>	<u>2,704</u>	<u>401</u>	<u>8,380</u>	<u>13,598</u>
Noncurrent assets:						
Restricted assets						
Cash and cash equivalents	---	4,597	29	---	---	4,626
Securities in lieu of retained percentages	---	451	---	---	---	451
Capital assets, net of accumulated depreciation	---	76,914	2,290	881	---	80,085
Unamortized bond issue costs	---	942	23	---	---	965
Total noncurrent assets	<u>---</u>	<u>82,904</u>	<u>2,342</u>	<u>881</u>	<u>---</u>	<u>86,127</u>
TOTAL ASSETS	<u>719</u>	<u>84,298</u>	<u>5,046</u>	<u>1,282</u>	<u>8,380</u>	<u>99,725</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	99	2,814	595	169	29,783	33,460
Due to other funds	---	1,600	---	---	---	1,600
Due to other governments	22	244	301	58	---	625
Notes payable	---	2,931	265	---	---	3,196
Current portion of:						
Capital leases payable	---	---	---	143	---	143
Bonds payable	---	3,579	535	---	---	4,114
Total current liabilities	<u>121</u>	<u>11,168</u>	<u>1,696</u>	<u>370</u>	<u>29,783</u>	<u>43,138</u>
Noncurrent liabilities:						
Capital lease obligations	---	---	---	275	---	275
Bonds payable	---	47,325	1,819	---	---	49,144
Other long-term liabilities	155	1,140	621	141	---	2,057
Total noncurrent liabilities	<u>155</u>	<u>48,465</u>	<u>2,440</u>	<u>416</u>	<u>---</u>	<u>51,476</u>
Total liabilities	<u>276</u>	<u>59,633</u>	<u>4,136</u>	<u>786</u>	<u>29,783</u>	<u>94,614</u>
NET ASSETS (DEFICITS)						
Invested in capital assets, net of related debt	---	25,078	(268)	437	---	25,247
Restricted for:						
Debt service	---	109	---	---	---	109
Capital projects	---	---	---	---	---	---
Unrestricted (deficits)	443	(522)	1,178	59	(21,403)	(20,245)
Total net assets (deficits)	<u>\$ 443</u>	<u>24,665</u>	<u>910</u>	<u>496</u>	<u>(21,403)</u>	<u>5,111</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, 2011
(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	\$ ---	146	---	88	62	296
Interdepartmental	1,622	29,793	13,720	3,083	12,180	60,398
Repayments and refunds	---	18	---	1	---	19
Miscellaneous	---	381	---	1	---	382
Total operating revenues	<u>1,622</u>	<u>30,338</u>	<u>13,720</u>	<u>3,173</u>	<u>12,242</u>	<u>61,095</u>
Operating expenses:						
Personnel services	206	2,094	2,605	511	---	5,416
Employee benefits	190	1,709	1,419	314	---	3,632
Contractual	885	13,103	9,193	95	16,027	39,303
Depreciation and amortization	---	4,654	143	158	---	4,955
Other	429	9,656	473	2,024	538	13,120
Total operating expenses	<u>1,710</u>	<u>31,216</u>	<u>13,833</u>	<u>3,102</u>	<u>16,565</u>	<u>66,426</u>
Operating income (loss)	<u>(88)</u>	<u>(878)</u>	<u>(113)</u>	<u>71</u>	<u>(4,323)</u>	<u>(5,331)</u>
Nonoperating revenues (expenses):						
Federal aid	5	33	13	3	---	54
Use of money and property	---	40	2	7	---	49
Interest and fiscal charges	---	(2,168)	(104)	(19)	---	(2,291)
Gain (loss) on disposal of capital assets	---	3	1	(10)	---	(6)
Other income (expense)	---	1,979	---	202	---	2,181
Total nonoperating revenues (expenses)	<u>5</u>	<u>(113)</u>	<u>(88)</u>	<u>183</u>	<u>---</u>	<u>(13)</u>
Income (loss) before transfers	<u>(83)</u>	<u>(991)</u>	<u>(201)</u>	<u>254</u>	<u>(4,323)</u>	<u>(5,344)</u>
Transfers in	2	2,657	---	---	---	2,659
Transfers out	---	---	---	---	---	---
Change in net assets	<u>(81)</u>	<u>1,666</u>	<u>(201)</u>	<u>254</u>	<u>(4,323)</u>	<u>(2,685)</u>
Total net assets (deficits) at beginning of year	524	22,999	1,111	242	(17,080)	7,796
Total net assets (deficits) at end of year	<u>\$ 443</u>	<u>24,665</u>	<u>910</u>	<u>496</u>	<u>(21,403)</u>	<u>5,111</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, 2011
(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	\$ ---	3,104	---	66	---	3,170
Cash received from other funds for services	1,622	29,793	13,720	3,083	12,242	60,460
Payments to or on behalf of employees	(351)	(3,420)	(3,793)	(821)	(4,814)	(13,199)
Payments to suppliers	(840)	(13,145)	(9,241)	(146)	(6,983)	(30,355)
Payments for interfund services	(309)	(9,403)	(438)	(181)	(538)	(10,869)
Claims paid	---	---	---	---	(9,097)	(9,097)
Other receipts (payments)	(66)	187	48	(1,825)	9,058	7,402
Net cash provided by (used in) operating activities	<u>56</u>	<u>7,116</u>	<u>296</u>	<u>176</u>	<u>(132)</u>	<u>7,512</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Federal aid	5	33	13	3	---	54
Receipts from other funds	---	---	---	---	2,700	2,700
Payments to other funds	---	(2,600)	---	---	---	(2,600)
Transfers in	2	2,657	---	---	---	2,659
Net cash provided by (used in) noncapital financing activities	<u>7</u>	<u>90</u>	<u>13</u>	<u>3</u>	<u>2,700</u>	<u>2,813</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Interest paid	---	(2,166)	(104)	(19)	---	(2,289)
Changes in securities and retainage	---	(12)	---	---	---	(12)
Proceeds from the issuance of notes	---	2,931	265	---	---	3,196
Principal paid on bonds	---	(2,563)	(361)	(24)	---	(2,948)
Principal paid on capital leases	---	---	(2)	(143)	---	(145)
Transfers in/(out) capital leases	---	---	---	35	---	35
Additions to capital assets, net	---	(7,080)	(823)	(244)	---	(8,147)
Other receipts (payments)	---	1,972	---	181	---	2,153
Net cash provided by (used in) capital and related financing activities	<u>\$ ---</u>	<u>(6,918)</u>	<u>(1,025)</u>	<u>(214)</u>	<u>---</u>	<u>(8,157)</u>

(continued)

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(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	\$ ---	40	2	7	---	49
Net cash provided by (used in) investing activities	---	40	2	7	---	49
Net increase (decrease) in cash and cash equivalents	63	328	(714)	(28)	2,568	2,217
Cash and cash equivalents, beginning of year	571	4,285	3,412	114	5,812	14,194
Cash and cash equivalents, end of year	<u>634</u>	<u>4,613</u>	<u>2,698</u>	<u>86</u>	<u>8,380</u>	<u>16,411</u>
Classified as:						
Cash and cash equivalents - unrestricted	634	16	2,669	86	8,380	11,785
Cash and cash equivalents - restricted	---	4,597	29	---	---	4,626
Total cash and cash equivalents	<u>634</u>	<u>4,613</u>	<u>2,698</u>	<u>86</u>	<u>8,380</u>	<u>16,411</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	(88)	(878)	(113)	71	(4,323)	(5,331)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:						
Depreciation and amortization	---	4,654	143	158	---	4,955
Change in:						
Due from other governments	---	2,958	---	(22)	---	2,936
Inventories	51	---	(1)	6	---	56
Other assets	---	(24)	---	---	57	33
Accounts payable and accrued liabilities	90	341	183	(47)	4,134	4,701
Due to other governments	3	65	84	10	---	162
Net cash provided by (used in) operating activities	<u>\$ 56</u>	<u>7,116</u>	<u>296</u>	<u>176</u>	<u>(132)</u>	<u>7,512</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 Ten Years
(accrual basis of accounting and 000's omitted)

	For the year ended December 31,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 450,049	\$ 459,858
Restricted	27,710	19,829	24,296	25,058	23,966	24,103	19,118	18,231	16,818	27,203
Unrestricted	(180,850)	(159,456)	(140,550)	(169,373)	(217,469)	(231,669)	(300,150)	(310,975)	(301,696)	(341,035)
Total governmental activities	<u>\$ 421,436</u>	<u>\$ 394,646</u>	<u>\$ 361,909</u>	<u>\$ 303,237</u>	<u>\$ 246,659</u>	<u>\$ 198,595</u>	<u>\$ 152,662</u>	<u>\$ 161,806</u>	<u>\$ 165,171</u>	<u>\$ 146,026</u>
Business-type activities										
Invested in capital assets, net										
of related debt	\$ 496,098	\$ 489,105	\$ 454,338	\$ 428,307	\$ 407,978	\$ 376,941	\$ 392,625	\$ 414,340	\$ 395,359	\$ 374,431
Restricted	26,092	12,668	10,491	6,157	15,135	32,690	31,978	151	1,009	3,429
Unrestricted	23,148	8,821	28,146	28,308	19,687	28,564	14,747	10,525	9,282	(1,628)
Total business-type activities	<u>\$ 545,338</u>	<u>\$ 510,594</u>	<u>\$ 492,975</u>	<u>\$ 462,772</u>	<u>\$ 442,800</u>	<u>\$ 438,195</u>	<u>\$ 439,350</u>	<u>\$ 425,016</u>	<u>\$ 405,650</u>	<u>\$ 376,232</u>
Primary government										
Invested in capital assets, net										
of related debt	\$ 1,070,674	\$ 1,023,378	\$ 932,501	\$ 875,859	\$ 848,140	\$ 783,102	\$ 826,319	\$ 868,890	\$ 845,408	\$ 834,289
Restricted	53,802	32,497	34,787	31,215	39,101	56,793	51,096	18,382	17,827	30,632
Unrestricted	(157,702)	(150,635)	(112,404)	(141,065)	(197,782)	(203,105)	(285,403)	(300,450)	(292,414)	(342,663)
Total primary government	<u>\$ 966,774</u>	<u>\$ 905,240</u>	<u>\$ 854,884</u>	<u>\$ 766,009</u>	<u>\$ 689,459</u>	<u>\$ 636,790</u>	<u>\$ 592,012</u>	<u>\$ 586,822</u>	<u>\$ 570,821</u>	<u>\$ 522,258</u>

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

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

For the year ended December 31,

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental activities:										
General government	\$ 63,942	\$ 66,509	\$ 51,985	\$ 316,365	\$ 314,852	\$ 325,666	\$ 341,375	\$ 320,086	\$ 332,712	\$ 351,047
Public safety	171,335	180,060	173,298	179,394	188,233	199,815	204,145	207,452	219,760	237,357
Health and welfare	555,615	529,123	562,795	541,100	545,490	535,354	572,712	553,751	572,101	572,980
Culture, recreation and education	74,251	93,314	82,069	80,920	81,245	88,842	108,042	91,599	96,699	95,862
Transportation	74,523	60,157	67,667	55,545	43,050	45,130	46,370	51,013	58,541	51,957
Sanitation	-	736	645	625	74	74	75	75	75	76
Economic development	3,878	4,481	2,988	3,239	3,567	3,757	3,800	4,519	5,583	4,620
Interest on long-term debt	18,097	12,427	11,392	33,531	27,200	24,263	26,655	26,316	23,264	22,758
Total governmental activities	961,641	946,807	952,839	1,210,719	1,203,711	1,222,901	1,303,174	1,254,811	1,308,735	1,336,657
Business-type activities:										
Refuse	20,560	16,346	14,912	16,092	19,928	20,140	17,313	17,215	17,496	17,013
Airport	19,334	20,685	23,059	23,734	24,519	25,905	26,865	31,340	33,255	31,861
Hospital	58,089	60,264	61,832	61,779	63,622	66,191	66,664	68,007	69,611	71,025
Sewer	69,734	70,061	72,487	74,254	75,733	75,855	76,496	75,797	75,549	79,303
Utilities	6,523	12,175	10,747	15,464	10,308	11,176	14,010	12,477	15,280	14,710
Total business-type activities	174,240	179,531	183,037	191,323	194,110	199,267	201,348	204,836	211,191	213,912
Total primary government	\$ 1,135,881	\$ 1,126,338	\$ 1,135,876	\$ 1,402,042	\$ 1,397,821	\$ 1,422,168	\$ 1,504,522	\$ 1,459,647	\$ 1,519,926	\$ 1,550,569
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	\$ 34,273	\$ 33,611
Public safety	10,625	11,476	11,667	13,244	9,184	10,085	10,365	10,658	11,737	11,351
Health and welfare	2,948	2,576	3,588	5,069	3,538	3,529	3,981	3,970	3,821	3,910
Culture, recreation and education	2,740	5,426	5,687	6,083	6,783	6,950	22,564	21,763	23,755	25,488
Transportation	2,503	3,189	1,910	1,783	1,021	1,054	4,226	5,154	5,263	5,586
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	412,470	395,445
Capital grants and contributions	111,197	80,449	24,651	10,115	7,815	11,500	29,611	23,233	31,553	30,471
Total governmental activities	508,893	496,234	458,809	428,980	417,614	411,389	472,431	498,742	522,872	505,862

64

(continued)

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

For the year ended December 31,

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities										
Charges for services:										
Refuse	7,430	7,285	6,428	6,701	6,700	5,978	5,814	5,831	5,927	6,471
Airport	12,174	13,107	14,789	14,566	16,374	16,982	17,529	17,294	19,651	19,056
Hospital	84,760	68,863	74,753	53,193	58,667	58,872	67,298	69,470	68,856	67,423
Sewer	42,676	44,238	46,198	51,032	52,617	54,454	54,783	54,608	56,047	55,003
Utilities	6,523	12,175	-	15,536	10,021	11,358	14,039	12,461	14,992	14,727
Operating grants and contributions	6,336	2,465	18,207	4,683	4,582	4,340	2,404	1,706	1,408	1,315
Capital grants and contributions	9,234	7,674	16,092	10,305	16,576	31,943	31,853	19,688	14,622	11,665
Total business-type activities	169,133	155,807	176,467	156,016	165,537	183,927	193,720	181,058	181,503	175,660
Total primary government	\$ 678,026	\$ 652,041	\$ 635,276	\$ 584,996	\$ 583,151	\$ 595,316	\$ 666,151	\$ 679,800	\$ 704,375	\$ 681,522
Net (Expense)/Revenue										
Governmental activities	\$ (452,748)	\$ (450,573)	\$ (494,030)	\$ (781,739)	\$ (786,097)	\$ (811,512)	\$ (830,743)	\$ (756,069)	\$ (785,863)	\$ (830,795)
Business-type activities	(5,107)	(23,724)	(6,570)	(35,307)	(28,573)	(15,340)	(7,628)	(23,778)	(29,688)	(38,252)
Total primary government	\$ (457,855)	\$ (474,297)	\$ (500,600)	\$ (817,046)	\$ (814,670)	\$ (826,852)	\$ (838,371)	\$ (779,847)	\$ (815,551)	\$ (869,047)
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	\$ 747,026	\$ 774,514	\$ 798,258
Tobacco settlement revenues	16,524	13,950	12,493	11,469	11,356	11,638	12,538	14,153	10,674	9,227
Investment earnings	1,845	810	2,512	4,198	4,137	6,291	3,184	440	218	269
Miscellaneous	6,493	3,878	3,095	8,702	2,710	3,691	3,719	3,594	3,822	3,896
Transfers	33,238	20,026	13,810	-	-	505	-	-	-	-
Special items	5,273	9,541	-	-	-	(3,801)	855	-	-	-
Total governmental activities	425,086	423,783	449,107	722,067	730,519	763,448	784,810	765,213	789,228	811,650
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	10,322	8,834
Transfers	(33,238)	(20,026)	(13,810)	-	-	(505)	-	-	-	-
Special items	43,839	-	-	-	-	-	-	-	-	-
Total business-type activities	18,399	(11,020)	(11,049)	5,104	9,851	10,735	8,783	9,444	10,322	8,834
Total primary government	\$ 443,485	\$ 412,763	\$ 438,058	\$ 727,171	\$ 740,370	\$ 774,183	\$ 793,593	\$ 774,657	\$ 799,550	\$ 820,484
Change in Net Assets										
Governmental activities	\$ (27,662)	\$ (26,790)	\$ (44,923)	\$ (59,672)	\$ (55,578)	\$ (48,064)	\$ (45,933)	\$ 9,144	\$ 3,365	\$ (19,145)
Business-type activities	13,292	(34,744)	(17,619)	(30,203)	(18,722)	(4,605)	1,155	(14,334)	(19,366)	(29,418)
Total primary government	\$ (14,370)	\$ (61,534)	\$ (62,542)	\$ (89,875)	\$ (74,300)	\$ (52,669)	\$ (44,778)	\$ (5,190)	\$ (16,001)	\$ (48,563)

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

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

For the year ended December 31,

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ 6,733	\$ 4,743	\$ 5,916	\$ 5,082	\$ 8,420	\$ 11,079	\$ 8,957	\$ 9,386	\$ 12,078	\$ -
Unreserved	(19,463)	(6,041)	(25,442)	9,770	(7,903)	(9,377)	(10,027)	(3,148)	89	-
Nonspendable	-	-	-	-	-	-	-	-	-	1,619
Restricted	-	-	-	-	-	-	-	-	-	6,126
Committed	-	-	-	-	-	-	-	-	-	2,608
Assigned	-	-	-	-	-	-	-	-	-	761
Unassigned	-	-	-	-	-	-	-	-	-	7,842
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>	<u>\$ 12,167</u>	<u>\$ 18,956</u>
All Other Governmental Funds										
Reserved	\$ 69,392	\$ 46,015	\$ 37,598	\$ 37,832	\$ 31,683	\$ 42,253	\$ 34,577	\$ 52,748	\$ 37,527	\$ -
Unreserved, reported in:										
Special revenue funds	6,524	5,604	4,735	3,709	3,633	4,360	6,750	7,297	8,306	-
Capital projects funds	(27,195)	(11,863)	(18,172)	1,946	(11,840)	(10,861)	(29,474)	(32,985)	(1,104)	-
Debt service funds	461	99	(871)	(1,013)	(1,529)	(91)	1,523	720	1,063	-
Nonspendable	-	-	-	-	-	-	-	-	-	955
Restricted	-	-	-	-	-	-	-	-	-	36,532
Committed	-	-	-	-	-	-	-	-	-	2,087
Assigned	-	-	-	-	-	-	-	-	-	3,205
Unassigned	-	-	-	-	-	-	-	-	-	(21,541)
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>	<u>\$ 45,792</u>	<u>\$ 21,238</u>

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

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

	For the year ended December 31,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$351,339	\$363,256	\$404,563	\$ 687,434	\$ 699,007	\$ 727,594	\$ 739,655	\$ 726,995	\$ 755,293	\$ 778,843
Federal aid	132,310	132,271	129,783	118,825	125,689	100,252	127,223	166,623	193,650	196,555
State aid	221,858	236,405	248,897	231,472	219,974	232,275	245,078	228,614	219,084	202,808
Charges for services	19,182	22,528	20,559	20,852	19,429	19,904	22,386	24,369	24,748	27,550
Intergovernmental	16,382	16,535	17,372	15,911	19,280	18,508	34,987	35,476	37,233	38,080
Interdepartmental	13,087	15,929	15,986	15,671	2,312	3,184	3,293	3,351	2,904	2,509
Use of money and property	8,976	7,315	9,338	10,505	10,650	13,522	10,112	6,502	6,684	7,121
Repayments and refunds	16,336	12,891	14,235	13,001	15,403	15,027	17,211	18,173	16,518	15,404
Payments in lieu of taxes	5,193	5,370	6,421	5,967	6,304	6,710	7,858	7,557	8,062	7,836
Tobacco settlement	16,524	13,950	12,323	12,497	11,434	11,899	12,148	13,397	11,149	10,570
Sale of Tax Liens	-	-	-	-	-	21,277	-	-	-	-
Miscellaneous	8,687	8,949	8,045	14,170	10,280	17,546	16,318	11,205	13,973	16,842
Total revenues	809,874	835,399	887,522	1,146,305	1,139,762	1,187,698	1,236,269	1,242,262	1,289,298	1,304,118
Expenditures										
Health and welfare	520,027	530,261	561,739	542,881	546,223	530,888	563,305	552,824	568,672	565,953
Public safety	155,766	156,187	161,426	171,768	179,166	187,227	191,529	193,969	204,167	212,549
Culture, recreation and education	62,870	68,367	71,708	73,549	74,915	78,291	85,468	82,055	84,813	82,779
General government	42,365	41,086	37,994	301,548	303,000	309,554	293,235	307,262	318,123	333,234
Transportation	22,293	23,339	20,287	19,619	19,000	19,415	20,020	21,320	20,840	21,635
Sanitation	-	661	586	550	-	-	-	-	-	-
Economic development	3,878	4,481	2,988	3,239	3,584	3,774	3,800	4,519	5,583	4,620
Debt service:										
Principal	19,324	21,695	18,900	24,425	15,468	21,948	54,588	30,222	30,041	25,211
Interest	18,821	19,281	20,145	35,333	24,851	23,019	25,217	23,970	21,251	20,467
Capital outlay	71,626	48,545	39,191	20,791	22,416	35,518	48,628	37,624	53,737	52,776
Total expenditures	916,970	913,903	934,964	1,193,703	1,188,623	1,209,634	1,285,790	1,253,765	1,307,227	1,319,224
Other Financing Sources (Uses)										
Bonds Issued	71336	45,709	44,067	251,517	14,579	37,614	26,160	35,163	44,112	-
BANs redeemed from appropriations	2,593	-	-	-	-	-	-	-	-	-
Transfers in	82,254	104,477	63,632	101,213	60,559	61,840	63,860	69,629	63,356	57,559
Transfers out	(43,533)	(85,918)	(95,050)	(251,770)	(61,139)	(62,619)	(65,556)	(71,577)	(65,598)	(60,218)
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	41,870	(2,659)
Net change in fund balances	\$ 5,554	\$ 2,105	\$ (34,793)	\$ 53,562	\$ (34,862)	\$ 14,899	\$ (25,057)	\$ 21,712	\$ 23,941	\$ (17,765)
Debt service as a percentage of noncapital expenditures	4.3%	4.7%	4.4%	5.3%	3.5%	3.8%	6.5%	4.5%	4.1%	3.6%

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

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

	For the Year Ended December 31,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 36,321,487	\$ 37,381,847
Constitutional Property Tax Limit	449,762	454,724	462,106	483,337	468,477	485,888	505,678	526,623	544,822	560,729
⊗ Total Tax Levy Subject to Constitutional Limit	192,855	204,183	240,983	258,576	239,426	250,714	270,522	277,154	286,427	296,402
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>	<u>\$ 258,395</u>	<u>\$ 264,327</u>
Percent of Taxing Power Used	42.9%	44.9%	52.1%	53.5%	51.1%	51.6%	53.5%	52.6%	52.6%	52.9%

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 Ten 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>
2011	\$28,777,645	\$ 5,971,942	\$ 836,811	\$ 2,894,773	\$ 7,501,732	\$38,481,171	\$38,830,743	8.99
2010	28,183,069	5,900,300	824,143	3,003,693	7,548,942	37,911,205	38,500,704	8.99
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

8

<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 Ten 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
2011	\$ 623,239	\$ 349,088	\$ 611,228	98.1%	\$ 11,307	\$ 622,535	99.9%
2010	615,031	346,121	602,964	98.0%	8,545	\$ 611,509	99.4%
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 Ten Years Prior
(000's omitted)

Taxpayer	2011			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	\$ 1,517,098	1	3.91%	\$ 763,710	1	3.11%
Frontier Telephone / Citizens Communications (formerly Rochester Telephone Corp.)	245,155	2	0.63%	172,316	4	0.70%
Farash	153,321	3	0.39%	111,218	5	0.45%
Wegmans	144,782	4	0.37%	70,944	9	0.29%
Morgan Management	127,010	5	0.33%	----	---	----
Xerox Corp.	106,399	6	0.27%	176,316	3	0.72%
Eastman Kodak	105,098	7	0.27%	286,588	2	1.17%
Hylan Flying Services	103,172	8	0.27%	77,280	7	0.31%
HUB Properties	92,557	9	0.24%	----	---	----
Mark IV Enterprises	90,493	10	0.23%	----	---	----
Greece Ridge LLC	----	---	----	75,153	8	0.31%
New York Central Lines	----	---	----	46,444	10	0.19%
RAM Limited Partnership	----	---	----	97,415	6	0.40%
Total	\$ 2,685,085		6.91%	\$ 1,877,384		7.64%

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

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

	For the Year Ended December 31,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 37,381,947	\$ 38,157,175
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	2,616,736	2,671,002
Total Net Debt										
Applicable to Limit	384,209	410,173	412,495	416,936	415,109	417,331	403,825	396,661	429,946	414,358
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>	<u>\$ 2,186,790</u>	<u>\$ 2,256,644</u>
Percent of Debt Limit Used	19.2%	19.9%	19.4%	19.1%	18.3%	17.7%	16.4%	15.6%	16.4%	15.5%

Notes:

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

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

Source: Monroe County Department of Finance - Finance Division

County of Monroe, New York
Ratios of Outstanding Debt by Type and Activity
Last Ten 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			
2011	\$ 270,203	\$ 17,856	\$ 58,000	\$ 1,362	\$ 166,875	\$ 21,124	\$ 17,000	\$ 8,046	\$ 560,466	1.44%	\$ 752.97
2010	298,645	815	58,000	638	185,266	16,000	17,000	9,209	585,573	1.52%	759.24
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

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 Ten 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>
2011	\$ 270,203	\$ 2,895	\$ 267,308	0.69%	\$ 359.12
2010	298,645	3,306	295,339	0.77%	396.78
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 Ten 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
2011	744,344	\$ 30,077,573	\$ 40,994	\$ 51,303	7.6%
2010	744,344	30,785,053	42,082	51,105	8.0%
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. Household income estimated data from 2010.

²U.S. Bureau of Economic Analysis.

³New York State Department of Labor (average annual rate)

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

Employer	2011			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	19,987 ²	1	3.79%	13,000	2	2.40%
Eastman Kodak Co.	7,100 ²	2	1.34%	22,000	1	4.06%
Xerox Corp	6,672 ²	3	1.26%	10,050	3	1.86%
Wegmans Food Market, Inc	5,765	4	1.09%	5,647	4	1.04%
Rochester General Health System	5,143	5	0.97%	----	----	----
Lifetime Healthcare Co.	3,646 ²	6	0.69%	2,932	6	0.54%
Unity Health System	3,589	7	0.68%	2,931	7	0.54%
Paychex, Inc.	3,512	8	0.67%	----	----	----
Rochester Institute of Tech.	3,105	9	0.59%	2,712	9	0.50%
Sutherland Global Services	2,694	10	0.51%	----	----	----
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	61,213		11.59%	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 Book of Lists, 2012. 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 Ten 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>	<u>2010</u>	<u>2011</u>
Aviation	100	95	98	99	100	104	108.5	107.5	107.5	106.0
Board of Elections	44	44	44	44	44	48	55.0	53.0	53.0	52.0
Communications	9	9	9	6	6	5	5.5	5.5	5.5	5.5
County Executive	6	5	5	4	5	5	5.0	5.0	5.0	5.0
Finance	86	116	115	92	91	91	91.5	89.0	85.0	83.0
Human Resources	32	29	29	29	29	29	36.5	33.5	33.5	33.5
Human Services	1,060	912	929	964	963	963	976.3	1,035.3	1,025.3	996.5
Information Services	67	45	45	50	50	46	48.0	46.0	46.0	43.0
Law	163	151	152	147	151	150	150.5	146.5	145.0	140.0
Monroe Community Hospital	636	634	638	637	637	637	724.8	711.8	709.5	688.3
Management and Budget	0	0	0	9	10	11	11.0	10.0	10.0	9.0
Planning and Development	30	25	26	26	26	25	23.5	22.0	20.5	18.5
Public Defender	86	81	81	81	81	84	85.0	84.0	82.0	82.0
Public Health	372	285	292	212	214	215	248.0	239.5	239.5	235.5
Public Safety	277	276	272	254	301	282	301.5	294.5	294.5	275.5
Environmental Services	452	386	384	377	370	367	382.5	371.5	363.5	342.5
Parks	130	79	79	75	75	74	143.3	141.3	142.8	139.8
Transportation	108	82	81	81	77	77	79.5	78.0	78.0	78.0
Veterans Service	7	6	5	5	5	5	5.0	4.0	4.0	4.0
County Clerk	85	85	88	86	86	85	110.5	107.5	107.5	107.5
County Legislature	55	56	56	53	53	53	58.0	58.0	58.0	58.0
District Attorney	140	142	136	140	141	140	143.5	143.0	143.0	144.0
Sheriff	901	1,020	1,020	1,003	1,034	1,025	1,087.0	1,087.0	1,090.0	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 Ten Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	Est. 2011
Transportation										
Lane Miles Sealed	50	77	83	112	145	98	107	79	115	123
Lane Miles Resurfaced	44	52	48	38	51	44	44	95	87	44
Signs Fabricated ¹	53,100	30,000	36,000	35,200	9,300	6,000	4,839	6,895	8,134	8,000
Traffic Signs Installed - New	6,743	4,773	5,869	6,927	6,500	5,000	5,628	5,255	4,068	6,000
Signal Locations Serviced (all types)	796	772	767	770	770	786	794	784	776	787
County Clerk										
Land Records	132,236	169,000	128,910	111,505	103,248	103,313	87,251	92,215	84,277	78,221
Vehicle Registration	227,372	255,168	258,972	252,499	239,240	242,276	232,702	233,538	224,460	226,639
Passports	19,002	13,770	10,186	9,233	6,801	11,603	8,503	8,417	7,242	5,679
Learner Permits	14,097	18,670	20,789	20,824	20,819	20,846	21,609	21,581	20,887	21,492
Planning and Development										
Jobs Created (over next 3 years)	1,787	1,100	972	4,073	1,857	1,925	1,870	960	2,183	1,400
Housing Rehab Projects	99	45	61	62	91	94	101	82	97	95
First-time Home Buyer Purchase Subsidy	9	29	30	31	33	20	20	59	75	35
Health Department										
Clinics/Visits - Tuberculosis	18,153	18,700	15,993	15,630	17,054	20,600	15,215	15,189	14,269	14,500
Clinics/Visits - STD	15,481	15,319	14,401	15,087	14,560	14,177	13,754	13,462	13,773	11,460
Clinics/Visits - Immunization	6,886	5,759	4,475	5,756	4,233	5,817	6,012	6,993	4,939	4,461
Clinics/Visits - Foster Care	3,551	3,261	3,419	3,334	3,241	3,080	2,769	2,797	2,343	2,388
Sheriff										
Calls for Service	231,117	224,325	208,480	174,215	162,000	143,002	146,697	150,504	157,306	159,000
Safety Education Presentations	1,002	963	963	1,206	1,150	1,012	1,157	1,213	1,073	1,000
DARE Classrooms	4,516	4,100	3,969	4,210	4,210	3,910	3,102	3,442	3,602	3,500
SWAT Activations	8	14	13	9	8	4	2	5	5	5
Hostage Recovery Team Activations	6	10	7	5	9	7	3	3	5	5
Hazardous Device Team Activations	38	53	47	50	58	56	56	53	44	50
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	1,040,731	1,078,747	1,085,626
Police Events Dispatched	1,002,279	1,001,798	1,006,779	1,002,279	974,591	1,025,282	1,037,798	1,013,463	1,047,184	1,182,495
Fire Events Dispatched	66,121	72,987	76,379	66,121	77,789	83,374	88,065	87,051	108,571	103,713
EMS Events Dispatched	82,973	88,444	89,934	82,973	95,114	100,100	105,542	106,728	111,791	111,630
District Attorney										
Local Court Arraignments	33,949	31,726	32,013	30,400	30,702	29,613	33,962	27,878	27,847	27,350
STOP-DWI Felony Cases Screened	600	555	555	603	583	766	879	828	877	875
Aviation										
Passengers Boarded	1,188,068	1,248,731	1,378,079	1,457,573	1,430,418	1,443,352	1,396,522	1,287,552	1,268,792	1,225,000
Takeoffs and Landings	145,509	139,407	139,035	136,553	137,601	114,487	106,051	110,312	103,735	100,100

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 Ten Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Streets (Center Line Miles) ¹	650.9	650.4	649.5	648.9	648.9	663.0	661.0	662.5	662.5	662.5
3-Color Traffic Signals ¹	600.0	604.0	612.0	614.0	614.0	620.0	627.0	625.0	627.0	629.0
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	1,263.0	1,268.2
Vehicles ²	845.0	845.0	845.0	813.0	775.0	750.0	674.0	679.0	681.0	669.0

Sources:

¹Monroe County Department of Transportation

²Monroe County Department of Environmental Services, Fleet Services