

2014 CAFR

*Comprehensive Annual
Financial Report*

County of Monroe,
New York

**For the Year Ended
December 31, 2014**



Maggie Brooks
County Executive

Robert Franklin
Chief Financial Officer

Anthony Feroce
Controller

monroecounty.gov

County of Monroe, New York Comprehensive Annual Financial Report For the Year Ended December 31, 2014

Prepared by
Department of Finance
Office of the Controller



Robert Franklin
Chief Financial Officer

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Controller

Michael Lombardo
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INTRODUCTORY SECTION

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

COUNTY OF MONROE, NEW YORK COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2014

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**COUNTY OF MONROE, NEW YORK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Department of Finance

Monroe County, New York

Maggie Brooks
County Executive

Robert Franklin
Chief Financial Officer

May 27, 2015

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, 2014, 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 2014.

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 Auditor's 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, 2014. 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. Bonadio & Co., LLP has completed the independent audit for the year ended December 31, 2014 using auditing standards generally accepted 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 an annual basis we strive to achieve an unmodified opinion (commonly referred to as a clean opinion) for the audited financial statements, which is the highest level of assurance that can be given by an independent auditor. Our independent auditors have issued an unmodified 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, 2014, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance 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 Auditor's 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.

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, nineteen towns and ten 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 twenty-nine 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 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, private-purpose trust funds, and agency funds. The County's component units include 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), Monroe Newpower Corporation, Civic Center Local Development Corporation, Upstate Telecommunication Corporation, and the Monroe Tobacco Asset Securitization Corporation (MTASC).

The County provides its residents with diverse services and programs, including human services, public safety, public and mental health, wastewater management, public works, economic development, and cultural, educational, and recreational programs. Public facilities are also available and include the Greater Rochester International Airport, Monroe Community Hospital (the Hospital), Monroe Community College, and numerous County parks.

MAJOR INITIATIVES AND ACCOMPLISHMENTS IN 2014

Environmental – To continue high levels of service to County residents at reduced costs, several intermunicipal initiatives were undertaken in 2014 by the Department of Environmental Services (DES). These projects were geared toward meeting DES's goal of providing continued and reliable services to Pure Waters customers.

The Rochester Pure Waters District owns, operates, and maintains the Frank E. Van Lare Wastewater Treatment Plant (Plant), located in the City of Rochester. In 2014, construction continued on a project to replace the aeration system throughout the Plant. The upgraded aeration system will utilize fine bubble diffusion to improve the operators' ability to control the biology of the treatment process and also reduce electricity consumption throughout the Plant. In addition, construction began on the Primary Tank Improvement Project at the Plant.

The Northwest Quadrant Pure Waters District owns, operates, and maintains the Northwest Quadrant Wastewater Treatment Facility, located in the Town of Greece. In 2014, construction continued on a new secondary clarifier, a new flow distribution structure, and related mechanicals and appurtenances to improve hydraulic throughput and increase overall capacity.

Monroe County and DES are striving to protect the health of our environment and to make our County and our planet a healthier place to live. Monroe County's commitment to becoming a more sustainable community by "going green" includes several DES initiatives that help the County reduce energy-related expenses while increasing our reliance on renewable energy. In 2014, DES expanded use of the Avion Drive ecopark to provide County residents one-stop recycling of difficult to recycle household items. In fact, over 42,000 residents have been served by the ecopark since its inception, and over 1,400 tons of materials have been recycled or disposed of safely. In 2014, the Division of Solid Waste worked with Waste Management to complete conversion of the Monroe County Recycling Center to a single-stream process. It is anticipated that the change to a single-stream process will increase the amount of recyclables collected and diverted from landfills, as well as increase the County's revenues from recycling.

Monroe County delivered on the County Executive's mandate to be a leader in alternative fuels and energy efficiency. In 2014, Monroe County nearly tripled the number of CNG and LPG powered vehicles in its fleet. This builds upon the County's exemplary record in building a "green" fleet. Monroe County was recognized in 2013 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.

DES also undertook several projects aimed at improving County facilities in 2014. Notably, DES continued construction of improvements at the Civic Center Complex, including chiller plant renovations and numerous energy efficiency projects.

Health Care - The Department of Public Health (DPH) focused on four main areas in 2014: community health improvement, service enhancement, public health preparedness and process improvement.

In the area of community health improvement, DPH worked with partners to implement the community health improvement plan. Collaborating with the American Diabetes Association, DPH convened the Diabetes Coalition and completed the Greater Rochester Diabetes Education and Support Services Guide. In partnership with the Smoking and Health Action Coalition, DPH worked to decrease exposure to secondhand smoke in various public venues. The Mortality Team, along with the Perinatal Network of Monroe County continued to analyze data related to infant mortality and poor birth outcomes.

In the Environmental Health Division, Monroe County was awarded a federal HUD Lead Based Paint Hazard Control Grant totaling \$3,270,000 that will help eliminate lead and other environmental and safety hazards in 270 residential housing units.

In the area of service and process enhancement, DPH conducted and/or consulted on several major communicable disease efforts. The Nurse Family Partnership (NFP) program increased community funding of NFP services through private donations and the United Way Foundation, and began planning with Visiting Nurse Service for Medicaid redesign funding with hopes to expand services in Monroe and other counties in the district. Starlight Pediatrics successfully transitioned to a new model of care for children. This model increases nurse practitioner services and nurse case management care with increased evening hours of service.

The Office of Public Health Preparedness (OPHP) implemented an electronic inventory management system to track public health emergency assets, enhancing the ability to track and deploy assets prior to, and during, a public health emergency.

Public Safety – Equipment was ordered and installation began to adhere to the Statewide Interoperable Communications Grant (SIGC) program timeline. This equipment will provide better signal strength and coverage to avoid 9-1-1 dispatcher interventions when responder cars enter Monroe County.

There is a national plan for 9-1-1 centers to migrate to a national IP enabled emergency network capable of receiving and responding to all citizen activated emergency communications (voice, text, data, photo, video, etc.) and improving information sharing among all emergency response entities. The County complied with Public Law 110-283 which promotes the rapid deployment of IP enabled 9-1-1 by selecting the digital phone system vendor to set the foundation for Next Generation 9-1-1.

The Office of Emergency Management (OEM) completed the third Northern Border Interdiction exercise on Lake Ontario in 2014 which was expanded geographically from Erie County to Oswego County. There were over 500 participants from local, regional, state, federal and international agencies including multiple maritime and air assets. To date, no other exercise of this magnitude or scope has been conducted on Lake Ontario. The intent of the exercise was to strengthen border security and specifically, local and cross-border communications and generate solutions to mitigate possible damages before an actual crisis occurs.

In 2014, OEM initiated a Cyber Security Committee to begin addressing the ever-growing threat, cyber terrorism. OEM will review procedure and policy development, training and exercises with County and City representatives. OEM activated the Emergency Operations Center in March 2014 for the challenging blizzard. The County took a proactive and preventative approach, advising schools districts, municipalities and the public to avoid travel, resulting in easier storm management. Later in the year, several Fire and EMS units were deployed to Buffalo for multiple operational periods during the region's massive snow storm.

The Office of Probation - Community Corrections, always observing crime trends and looking for creative solutions to public safety, was awarded United States Attorney General's "Smart Probation" grant: \$574,000 to be used over 3 years to fund Project FOCUS, a partnership with the University of Rochester's Women's Initiative Supporting Health (WISH) Clinic. High risk female probationers will receive intensive supervision by Probation Officers while the WISH clinic will provide comprehensive medical, mental health and substance abuse treatment.

Economic Development - During 2014, The Planning and Economic Development Department approved 124 projects that will result in the investment of over \$384 million for Monroe County businesses. These projects will create 621 new jobs over the next three years and retain 7,134 jobs in the County. Over 98% of the funds leveraged came from private funding sources. Staff from Economic Development contacted over 254 companies and made presentations to 29 service providers (bankers, CPAs, attorneys) and community organizations.

Aviation – The Department of Aviation works closely with the business community and travel representatives to encourage the use of affordable, competitive low fare air service from the Greater Rochester International Airport (ROC) to key business centers and popular leisure destinations throughout the United States. Total aircraft operations (commercial, military, corporate and general aviation) in 2014 were 86,543. Total scheduled passenger boardings, or enplanements, in 2014 were 1,188,809.

ROC completed the Airport Master Plan and updated the Airport Layout Plan. The Master Plan is ROC's strategy for long-term development of the airport and provides a framework to guide future airport development that is cost-effective and satisfies the needs of the airport, the market, and the community, while also balancing environmental and socioeconomic impacts.

Delta Air Lines increased capacity to/from ROC's top market, New York City, in April 2014 and increased capacity to/from ROC to Minneapolis during the summer months of 2014; US Airways increased capacity to/from Charlotte in February 2014; Southwest Airlines added another seasonal flight to Tampa in November 2014 increasing capacity to/from ROC to two non-stop flights per day. Nationwide in 2014, aviation industry load factors were high; likewise for ROC load factors remained relatively high and stable.

In 2014, ROC initiated the Parking Revenue Control System project planned for completion in 2015 for all public parking areas at ROC. This system will allow for a kiosk parking option for passengers in the terminal, additional parking revenue and greater marketing flexibility.

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, an emerging technology sector and an emphasis on high quality services, including higher education, ensure a technically sophisticated and reliable workforce.

According to *The Business Journals*, the County is recognized as having the shortest average major metro commute in the nation, at 19.6 minutes. Multi-modal transportation is also available in Monroe County, at the Greater Rochester International Airport, Amtrak, and Rochester-Genesee Regional Transportation Authority bus service.

Seven exceptional colleges and universities provide quality educational opportunities for students from throughout the Greater Rochester area, New York State, the nation and the world. These world-class institutions help support the local economy and bring a talented workforce of professionals into the community.

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

Population - The County has a population of approximately 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 368,600 and the economy draws from an MSA labor force totaling approximately 522,800.

Industry Sectors - Historically, 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, 52% of the companies in Monroe County have one to four employees, and Monroe County's manufacturing workforce is the third largest of any other county in New York State (NYS Department of Labor). The economy is largely private sector (Private 84%; Government 16%). Service producing employment accounts for 85% of the local economy, driven largely by Educational and Health Services (representing 22%). Manufacturing accounts for 11% of total non-agricultural employment. The total manufacturing workforce of approximately 59,300 is smaller than Health Care and Social assistance (73,900) 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 \$5.3 billion.

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

Housing - Homeownership is affordable in Monroe County. A variety of urban and suburban neighborhoods offer an array of housing options at reasonable prices. From downtown lofts to suburban subdivisions to rural farmhouses, high quality housing is within reach for Monroe County residents. Forbes Magazine ranks Rochester the "#1 Best Place to Buy a Home". According to the National Association of Realtors, median home prices for the metropolitan area remain well below the national median at \$127,200, compared to the national average of \$217,300. In fact, when compared to other metropolitan areas throughout the country, the Rochester area ranks among the most reasonably priced, and is recognized as one of the most affordable housing markets in the country, based on percentage of house an average family can afford (Source: Economy.com).

Tourism - According to VisitRochester, Monroe County's tourism promotion agency, more than 1.7 million visitors to the Monroe County area in 2014 generated more than \$1 billion for our economy. There are over 20,000 people employed in the local tourism industry.

The Monroe County Sports Commission continues to attract and assist regional and national sporting events that in 2014 brought in over 85,000 visitors.

Unemployment - The unemployment rate for Monroe County was 5.4% in December 2014. This compares with the national average of 5.5% and the State average of 5.8%.

Significant Community Announcements

During 2014, many significant projects involved investments for renovations and upgrades to residential housing, services and manufacturing companies, and local education and health care institutions.

Morgan Hard Road was approved for the Royal Highlands senior housing project in the Town of Webster. The project will include 150 senior rental units in total, with 74 units in a three-story building, 16 four-unit buildings, and 6 duplex buildings, along with associated pool and community center accommodations on 27 acres. Total square footage is 196,197 square feet. The \$24,300,000 project is projected to create 4 new jobs over the next three years.

Clinton Court was approved to acquire and renovate the Bausch and Lomb Tower in the City of Rochester. The project will stabilize an important city center building by incenting current tenants to renew leases and to attract out-of-town firms to relocate to downtown Rochester. The \$21,100,000 project is projected to create 65 new jobs over the next three years.

UNITHER Pharmaceuticals, headquartered in France, is one of the world's leading contract manufacturers of sterile unit dose preparations. In 2013, Unither's wholly owned subsidiary acquired the 575,000 square foot former UCB Pharma manufacturing facility in the Town of Henrietta, retaining 250 employees. Unither is now investing \$15.7 million in equipment and build out of 6,500 square feet of manufacturing space to

accommodate additional product lines. The project is projected to create 22 new jobs over the next three years.

Pictometry International Corp., a leading provider of geo-referenced, aerial image libraries and related software, is building a 72,000 square foot commercial building on 5.64 acres in the Town of Henrietta. The property will serve as Pictometry's corporate headquarters. The \$13,695,000 project is projected to create 20 new jobs over the next three years.

Retrotech Inc. which specializes in the design, installation, modernization, and support of automated pallet, case and piece pick material handling systems will be leasing approximately 41,000 square feet of a newly constructed 88,500 square foot building on 8.9 acres in the Town of Henrietta. Retrotech had considered relocation to Chicago, but this \$8,870,000 project will retain 87 jobs and is projected to create 21 new jobs over the next three years.

Zweigle's Inc., founded in 1880, is a manufacturer of hot dogs, sausage and deli products. Zweigle's is proposing a 4,300 square foot expansion of its existing plant in the City of Rochester. The expansion will accommodate a new production line to expand their product offerings. The \$1,384,500 project, which includes manufacturing equipment of \$750,000, is projected to create 5 new jobs over the next five years.

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 commitment item group 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 could not have been accomplished without the dedicated efforts of the Accounting Unit of the Office of the Controller and the entire Department of Finance. We would also like to thank Amy Molinari along with the Department of Communications and Special Events for their support and assistance with this report.

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,



Robert Franklin
Chief Financial Officer



Anthony Feroce
Controller

COUNTY EXECUTIVE'S OFFICE

COUNTY EXECUTIVE

Maggie Brooks

ASSISTANT COUNTY EXECUTIVE

William W. Napier

ELECTED COUNTY OFFICIALS

COUNTY EXECUTIVE

Maggie Brooks

COUNTY CLERK

Cheryl L. Dinolfo

DISTRICT ATTORNEY

Sandra Doorley

SHERIFF

Patrick M. O'Flynn

LEGISLATIVE LEADERSHIP AND STAFF

PRESIDENT

Jeffrey R. Adair, District 12

VICE PRESIDENT

Anthony Daniele, District 10

MAJORITY LEADER

Stephen Tucciarello, District 4

ASSISTANT MAJORITY LEADERS

E. Daniel Quatro, District 15

Debbie Drawe, District 9

Dr. Joe Carbone, District 16

MINORITY LEADER

Carrie M. Andrews, District 21

ASSISTANT MINORITY LEADERS

Willie Joe Lightfoot, District 27

Cynthia Kaleh, District 28

CLERK OF THE LEGISLATURE

Jamie L. Slocum

REPUBLICAN MAJORITY CHIEF OF STAFF

Brett Walsh

DEMOCRATIC MINORITY STAFF DIRECTOR

Thaddeus I. Mack

LEGISLATORS

District 1	Richard Yolevich
District 2	Michael J. Rockow
District 3	Mary A. Valerio
District 4	Steve Tucciarello
District 5	Karla Boyce
District 6	Fred Ancello
District 7	Brian Marianetti
District 8	Carmen F. Gumina
District 9	Debbie Drawe
District 10	Anthony Daniele
District 11	Sean Delehanty
District 12	Jeffrey R. Adair
District 13	John J. Howland
District 14	Justin Wilcox
District 15	E. Daniel Quatro
District 16	Dr. Joe Carbone
District 17	Joseph Morelle, Jr.
District 18	Dorothy Styk
District 19	Kathleen Taylor
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	John Lightfoot
District 26	Tony Micciche
District 27	Willie J. Lightfoot
District 28	Cynthia Kaleh
District 29	Ernest Flagler-Mitchell

COUNTY DEPARTMENTS

AVIATION	Michael Giardino, Director
BOARD OF ELECTIONS	David Van Varick, Commissioner Thomas F. Ferrarese, Commissioner
COMMUNICATIONS	Justin P. Feasel, Director
COUNTY CLERK	Cheryl Dinolfo, County Clerk
DISTRICT ATTORNEY	Sandra Doorley, District Attorney
ENVIRONMENTAL SERVICES	Michael J. Garland, Director
FINANCE	Robert Franklin, Chief Financial Officer
DEPARTMENT OF HUMAN SERVICES	Kelly A. Reed, Commissioner
HUMAN RESOURCES	Brayton McK. Connard, Director
INFORMATION SERVICES	Jennifer R. Kusse, Chief Information Officer
LAW	Merideth H. Smith, County Attorney
MONROE COMMUNITY HOSPITAL	Gene R. Larrabee, Executive Health Director
PARKS	Lawrence A. Staub, Jr., Director
PLANNING & DEVELOPMENT	Judy A. Seil, Director
PUBLIC DEFENDER	Timothy P. Donaher, Public Defender
PUBLIC HEALTH	Jeremy Cushman, M.D., Acting Director
PUBLIC SAFETY	David Moore, Director
SHERIFF	Patrick M. O'Flynn, Sheriff
TRANSPORTATION	Terrence J. Rice, Director
VETERANS SERVICE AGENCY	Laura Stradley, 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

INDEPENDENT AUDITOR'S REPORT

May 27, 2015

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

Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, 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, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the other postemployment benefit schedule of funding progress and the schedule of revenues, expenditures and changes in fund balance – general fund – budget and actual on pages 3–17, 71 and 76–78, 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.

Report on Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining financial information section and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial information section 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. Such information has been subjected to the auditing procedures applied 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 have 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.

Bonadio & Co., LLP

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, 2014. 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.

Data as of December 31, 2014 and comparative data from the year ended December 31, 2013 follows.

FINANCIAL HIGHLIGHTS

- The County overall finished 2014 with a net position of \$263.2 million, a decrease of \$70.2 million during the year. The County's net position is segregated into three components: (1) net investment in capital assets; (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 \$1.2 billion for the year ended December 31, 2014, and the same for the year ended December 31, 2013. Of these capital assets, net of depreciation, infrastructure assets total approximately 48.8% and 50.1% for the years ended December 31, 2014 and 2013, 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 \$652.0 million and \$676.3 million for the years ended December 31, 2014 and 2013, respectively. For each of those respective years, the portion of bonds payable subject to the County's constitutional debt limit was \$426.4 million and \$418.0 million. As such, as of December 31, 2014, the County had exhausted 15.4% of its constitutional debt limit of \$2.8 billion, compared to 15.3% of its constitutional debt limit of \$2.7 billion as of December 31, 2013.
- The County's governmental activities finished 2014 with a net position deficit of \$35.7 million, a decrease of \$43.6 million from the past year. The net position of the County's governmental activities for 2014 is reported as \$519.4 million of net investment in capital assets, \$24.3 million of restricted and \$579.4 million of unrestricted deficit. The changes in each reported net position category are: a decrease of \$8.1 million in net investment in capital assets; a decrease of \$1.7 million in restricted; and an increase of \$33.8 million in the unrestricted deficit. The largest component of the unrestricted deficit is the reporting of the Monroe Tobacco Asset Securitization Corporation (MTASC) as a blended component unit. MTASC's unrestricted deficit at December 31, 2014 was \$248.9 million.
- The County's business-type activities finished 2014 with a net position of \$298.9 million, a decrease of \$26.6 million from the past year. The net position of the County's business-type activities for 2014 are reported as \$322.1 million of net investment in capital assets, \$4.6 million of restricted and \$27.8 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 12.
- As of the close of 2014, the County's governmental funds reported combined fund balances of \$16.1, a decrease of \$16.6 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 \$20.3 million as of December 31, 2014, compared to the December 31, 2013 fund equity of \$11.2 million, an increase of 9.1 million.
- The County's discretely presented component units finished 2014 with a net position of \$525.1 million; an increase of \$5.3 million over 2013. The total net position for each of the major component units are as follows: \$166.7 million for Monroe Community College; \$19.8 million for Monroe County Airport Authority; and \$327.4 million for Monroe County Water Authority. The non-major component units finished 2014 with a net position of \$12.2 million.
- In 2014, the County became self-insured for medical claims. Activity is now presented in the Internal Service fund.

COUNTY OF MONROE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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 position 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 mainly 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, Monroe Security and Safety Systems Local Development Corporation, Civic Center Monroe County Local Development Corporation, Monroe NewPower Corporation, and Upstate Telecommunications 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 position, 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, deferred outflows, liabilities, deferred inflows, 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, deferred outflows, liabilities, deferred inflows, 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 each of the fund's financial statements.

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

Governmental Funds – Most of the County's basic services are reported in governmental funds, which focus on resource flows into and out of those funds. The governmental funds' statements provide a detailed short-term view of the County's general government operations and the basic services it provides. All governmental funds are accounted for using the modified accrual basis of accounting and current financial resources measurement focus. Under this basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" generally means collectible within the current period or within 60 days after year-end other than Federal or State aid. Reimbursements of expenditures due from other governments for Federal and State aid are recorded primarily when the qualifying expenditures have been incurred and all requirements have been met. Federal and State aid are generally considered available when collection within one year is anticipated. 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.

COUNTY OF MONROE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The County's major governmental funds are the General Fund and the Capital Projects Fund. All other governmental funds have been determined to be non-major and include Debt Service Funds and Special Revenue Funds.

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. Funds include capital project funds for general government, public safety and fire protection, transportation, cultural recreation and education.

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 units. This includes 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).

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 for the operation of the County-owned golf courses.

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.

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 and operation of the historic Ontario Beach Park carousel.

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

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

COUNTY OF MONROE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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 and Highland Park.

The Excel Fund – accounts for corporate and private contributions for the expanded choices for elder lifestyles (Excel).

The NYS Urban Development Corporation Fund – accounts for a grant/loan from NYS Urban Development Corporation 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 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.

Monroe County DSS Childcare Fund – accounts for contributions from private individuals who wish to contribute to the cost of providing day care subsidies.

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 position and statement of activities and changes in net position 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 position and the statement of activities and changes in net position. 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 Position

In the government-wide financial statements, net position reports 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 Position						
As of December 31,						
(000's omitted)						
	2014			2013		
	Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$ 349,114	\$ 62,186	\$ 411,300	\$ 337,321	\$ 67,165	\$ 404,486
Capital assets, net of accumulated depreciation	708,414	510,204	1,218,618	718,870	527,966	1,246,836
Total assets	1,057,528	572,390	1,629,918	1,056,191	595,131	1,651,322
Deferred outflows	1,364	280	1,644	1,482	352	1,834
Current liabilities	396,530	78,384	474,914	376,599	84,279	460,878
Non-current liabilities	697,197	195,354	892,551	672,110	185,647	857,757
Total liabilities	1,093,727	273,738	1,367,465	1,048,709	269,926	1,318,635
Deferred inflows	895	50	945	1,102	48	1,150
Net investment in capital assets	519,371	322,138	841,509	527,458	341,366	868,824
Restricted	24,274	4,565	28,839	25,993	3,867	29,860
Unrestricted (deficit)	(579,375)	(27,821)	(607,196)	(545,589)	(19,724)	(565,313)
Total net position	\$ (35,730)	\$ 298,882	\$ 263,152	\$ 7,862	\$ 325,509	\$ 333,371

Restricted net position in the County's governmental activities for 2014 is \$24.3 million. This is comprised primarily of restriction for debt service in the sum of \$15.7 million and restricted for grants and trusts of \$8.6 million.

Unrestricted net position in the County's governmental activities shows a deficit of \$579.4 million at December 31, 2014 comprised primarily of the \$259.3 million outstanding bond liability of MTASC to refinance the purchase of the future right, title and interest to the tobacco settlement revenues. This is compared to the December 31, 2013 balance, when unrestricted net position in the County's governmental activities had a \$545.6 million deficit with MTASC recording a \$255.9 million bond liability. Also, contributing to the unrestricted deficit is the recognition of the liability for post-employment benefits other than pension (OPEB) which at December 31, 2014 was \$154.4 million, compared to \$130 million at December 31, 2013.

The non-current liabilities include OPEB, accrued employee compensated absences, retirement costs and debt. These non-current liabilities will be funded in future budgets as they become due.

COUNTY OF MONROE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Condensed Schedule of Changes in Net Position

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

	2014			2013		
	Governmental Activities	Business- Type Activities	Primary Government	Governmental Activities	Business- type Activities	Primary Government
Revenues:						
Program revenues:						
Charges for services	\$ 89,888	\$ 168,369	\$ 258,257	\$ 85,868	\$ 168,774	\$ 254,642
Operating grants and contributions	368,133	1,007	369,140	370,041	1,122	371,163
Capital grants and contributions	17,038	9,951	26,989	36,855	13,259	50,114
General revenues:						
Taxes and other tax items	832,462	-	832,462	817,430	-	817,430
Tobacco settlement	12,857	-	12,857	10,870	-	10,870
Investment income	90	-	90	162	-	162
Miscellaneous	6,923	13,784	20,707	3,866	11,491	15,357
Total revenues	1,327,391	193,111	1,520,502	1,325,092	194,646	1,519,738
Expenses:						
General government	363,509	-	363,509	367,927	-	367,927
Public safety	265,372	-	265,372	253,090	-	253,090
Health and welfare	561,707	-	561,707	579,703	-	579,703
Culture, recreation, and education	100,361	-	100,361	98,672	-	98,672
Transportation	57,656	-	57,656	58,926	-	58,926
Sanitation	75	-	75	74	-	74
Economic development	3,064	-	3,064	3,381	-	3,381
Interest on bonds and notes payable	20,608	-	20,608	22,345	-	22,345
Refuse	-	18,295	18,295	-	18,702	18,702
Airport	-	31,398	31,398	-	30,884	30,884
Hospital	-	73,341	73,341	-	72,316	72,316
Sewer	-	78,505	78,505	-	81,082	81,082
Utilities	-	16,830	16,830	-	16,208	16,208
Total expenses	1,372,352	218,369	1,590,721	1,384,118	219,192	1,603,310
Net transfers	1,369	(1,369)	-	-	-	-
Changes in net position	(43,592)	(26,627)	(70,219)	(59,026)	(24,546)	(83,572)
Net position-beginning	7,862	325,509	333,371	66,888	350,055	416,943
Net position-ending	\$ (35,730)	\$ 298,882	\$ 263,152	\$ 7,862	\$ 325,509	\$ 333,371

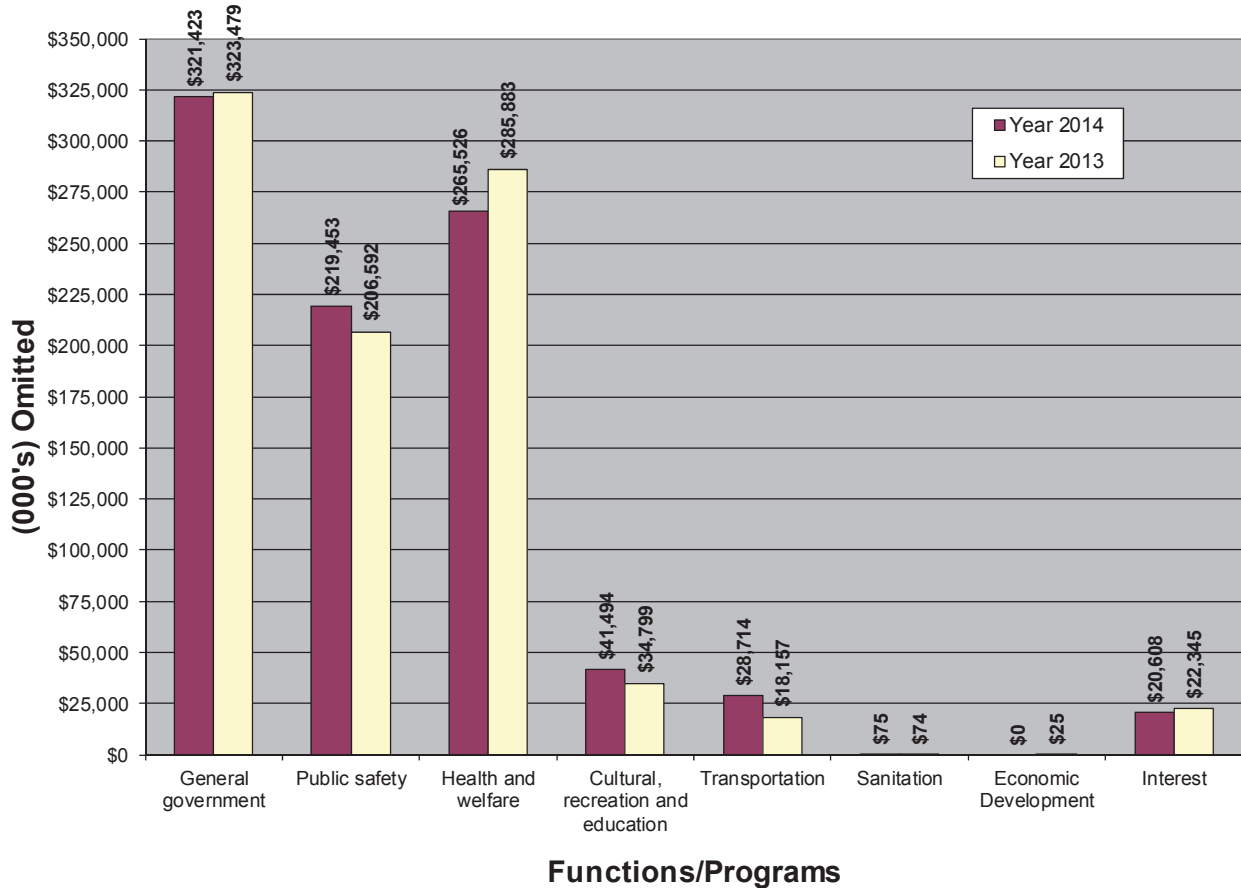
COUNTY OF MONROE, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For governmental activities, overall net position decreased by \$43.6 million for the year ended December 31, 2014 (see Table 2). This decrease in net position was primarily caused by the increased liability incurred as a result of the County's costs associated with OPEB. Other factors contributing to the decrease were increased pension liabilities and recognition of depreciation expense.

Business-type activities decreased the County's net position by \$26.6 million for the year ended December 31, 2014. Net position decreases were reported in the Hospital, Pure Waters, Solid Waste and Airport funds. The decrease in net position was primarily due to a planned spend down of net position, reduced capital contributions in the Airport fund and increased OPEB liability across all funds.

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

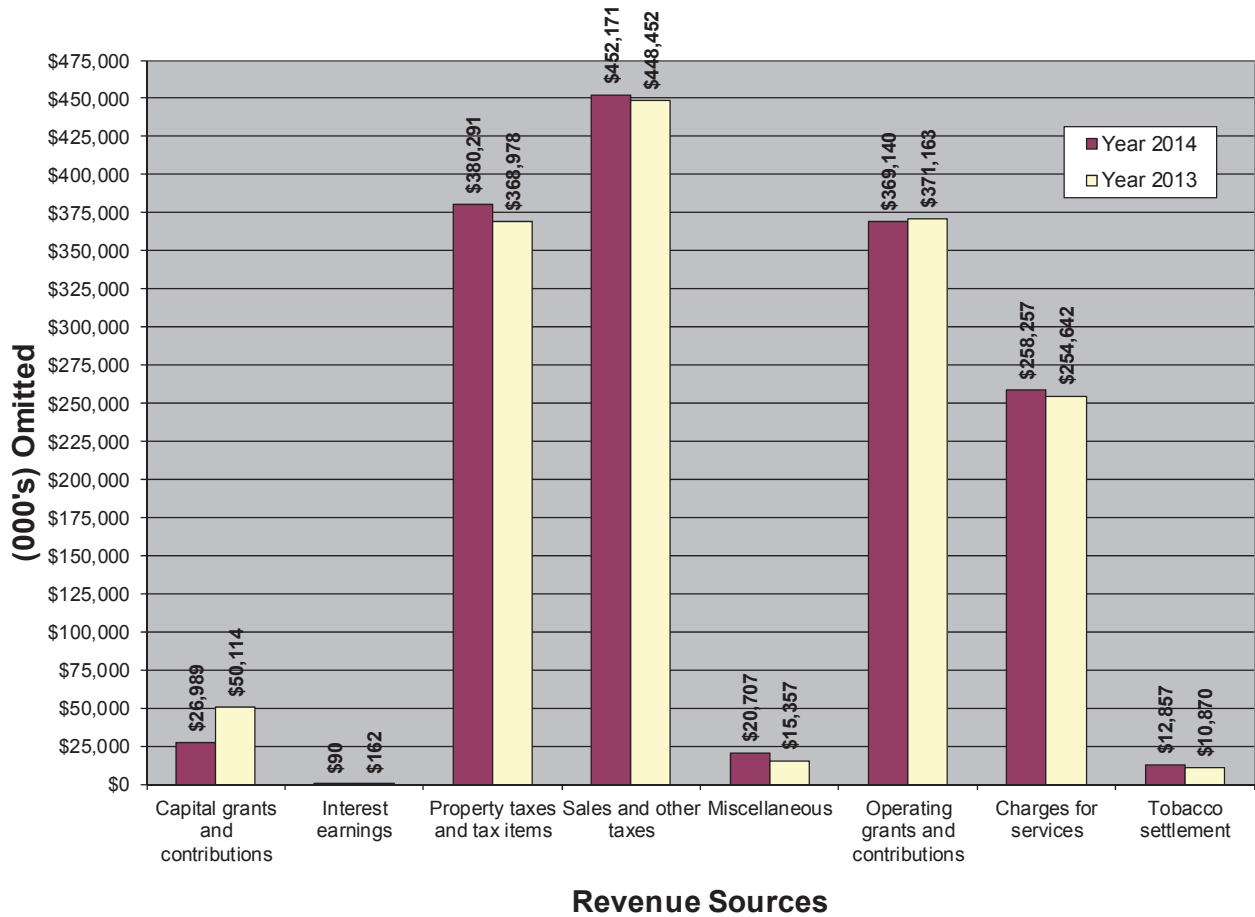
**Primary Government
 Governmental Activities - Net Cost
 Years Ending December 31, 2014 and 2013**



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):

**Primary Government
Revenues by Source
Years Ending December 31, 2014 and 2013**



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

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds

As of December 31, 2014, the County's governmental funds reported total governmental fund balances of \$16.1 million.

The County's general fund equity was \$20.3 million as of December 31, 2014, compared to the December 31, 2013 fund equity of \$11.2 million, an increase in the fund equity of \$9.1 million. The unassigned fund balance of the general fund was \$4.2 million as of December 31, 2014.

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 allowed us to maintain positive fund equity. One of our financial strategies continues to be to rebuild general fund reserves. We continue to balance the accomplishment of our financial strategies with the needs of the taxpayers and residents of the County.

The fund balance deficit in the capital projects fund, classified as a major fund, was \$31.3 million as of December 31, 2014, compared to a fund balance deficit of \$5.8 million as of December 31, 2013, a decrease in fund balance of \$25.5 million. The decrease is primarily due to timing of capital financing.

The non-major governmental funds total fund balance was \$27.1 million as of December 31, 2014, compared to a total fund balance of \$27.2 million as of December 31, 2013, a decrease of 0.1 million.

The different results of the governmental activities and governmental funds are due primarily to the basis of accounting and measurement focus of these accounting units. Items that result in differences are accounting for debt and other long term liabilities, 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 to the statement of governmental activities.

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

	2014				2013		
	General Fund	Capital Projects Funds	Non-major Funds	Total Governmental Funds	General Fund	Non-major Funds	Total Governmental Funds
Fund balances, beginning	\$ 11,239	\$ (5,780)	\$ 27,213	\$ 32,672	\$ 14,102	\$ 42,388	\$ 56,940
Revenues	1,249,892	10,481	44,033	1,304,406	1,253,169	69,829	1,322,998
Expenditures	(1,201,186)	(34,831)	(92,635)	(1,328,652)	(1,212,945)	(131,649)	(1,344,594)
Other financing sources, net	(39,659)	(1,156)	48,479	7,664	(43,087)	40,865	(2,222)
Fund balances, ending	<u>\$ 20,286</u>	<u>\$ (31,286)</u>	<u>\$ 27,090</u>	<u>\$ 16,090</u>	<u>\$ 11,239</u>	<u>\$ 21,433</u>	<u>\$ 32,672</u>

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

Proprietary Funds

As of December 31, 2014, the County's proprietary funds reported combined net position for the enterprise funds of \$298.9 million and a net position deficit for the internal service funds of \$7.4 million.

Table 4 summarizes the changes in net position for the County's proprietary funds in 2014 and 2013.

* With the implementation of GASB 65, beginning net position had been restated for the year ending December 31, 2013.

Table 4							
County of Monroe, New York							
Condensed Schedules of Proprietary Funds							
Changes in Net Position							
for the Years Ended December 31,							
(000's omitted)							
2014							
	Business-type Activities - Enterprise Funds						Governmental
	Solid Waste	Airport	Hospital	Pure Waters	Energy	Total	Internal Service Funds
Net position (deficit)							
December 31, 2013	<u>\$ (11,606)</u>	<u>\$158,810</u>	<u>\$(15,688)</u>	<u>\$193,912</u>	<u>\$ 81</u>	<u>\$325,509</u>	<u>\$ (11,301)</u>
Total operating revenues	15,475	18,475	68,064	61,940	16,830	180,784	123,217
Total operating expenses	<u>(17,644)</u>	<u>(30,597)</u>	<u>(72,350)</u>	<u>(72,813)</u>	<u>(16,830)</u>	<u>(210,234)</u>	<u>(120,297)</u>
Operating income (loss)	(2,169)	(12,122)	(4,286)	(10,873)	-	(29,450)	2,920
Total nonoperating expenses, net	<u>(724)</u>	<u>(562)</u>	<u>(983)</u>	<u>(4,938)</u>	<u>-</u>	<u>(5,759)</u>	<u>(2,256)</u>
Income (loss) before contributions and transfers	(1,445)	(12,684)	(5,269)	(15,811)	-	(35,209)	664
Capital contributions	618	9,323	-	10	-	9,951	968
Net transfers	<u>(1,369)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,369)</u>	<u>2,249</u>
Net position (deficit)							
December 31, 2014	<u>\$ (13,802)</u>	<u>\$155,449</u>	<u>\$(20,957)</u>	<u>\$178,111</u>	<u>\$ 81</u>	<u>\$298,882</u>	<u>\$ (7,420)</u>

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

Table 4, continued
2013

	Business-type Activities - Enterprise Funds						Governmental Activities
	<u>Solid Waste</u>	<u>Airport</u>	<u>Hospital</u>	<u>Pure Waters</u>	<u>Energy</u>	<u>Total</u>	<u>Internal Service Funds</u>
Net position (deficit), restated December 31, 2012*	\$ (8,198)	\$157,332	\$(14,431)	\$215,354	\$ (2)	\$350,055	\$ (10,243)
Total operating revenues	15,173	18,970	71,021	58,810	16,291	180,265	64,236
Total operating expenses	(18,150)	(29,923)	(71,485)	(75,367)	(16,208)	(211,133)	(70,331)
Operating income (loss)	(2,977)	(10,953)	(464)	(16,557)	83	(30,868)	(6,095)
Total nonoperating expenses, net	(431)	(739)	(793)	(4,974)	-	(6,937)	(2,340)
Income (loss) before contributions and transfers	(3,408)	(11,692)	(1,257)	(21,531)	83	(37,805)	(8,435)
Capital contributions	-	13,170	-	89	-	13,259	5,155
Net transfers	-	-	-	-	-	-	2,222
Net position (deficit), December 31, 2013	<u>\$ (11,606)</u>	<u>\$158,810</u>	<u>\$ (15,688)</u>	<u>\$193,912</u>	<u>\$ 81</u>	<u>\$325,509</u>	<u>\$ (11,301)</u>

Proprietary Funds - Changes in Net Position:

Solid Waste Fund: Net position decreased by \$2.2 million. The operating loss which includes the recognition of depreciation expense was \$2.2 million and \$3.0 million for 2014 and 2013, respectively. The solid waste fund operations have been under review and several actions have been identified to improve overall operating results.

Airport Fund: Net position decreased by \$3.4 million. The operating loss of \$12.1 million, which includes the recognition of depreciation expense, is comparable to the previous year's operating loss of \$11.0 million. This year's operating loss was offset by capital contributions of \$9.3 million.

Hospital Fund: Net position decreased by \$5.3 million. The 2014 operating loss was \$4.3 million compared to the previous year's operating loss of \$464 thousand. The operating loss was primarily the result of recording the OPEB expense for the current year. Offsetting the loss were proceeds received from the Federal government's Upper Medicaid Payment Limit Program. Participation in this program is supported by the County's matching funds paid into this program.

Pure Waters Fund: Net position decreased by \$15.8 million, primarily due to a planned spend down. The 2014 operating loss of \$10.9 million, which includes the recognition of depreciation expense, compares to a 2013 operating loss of \$16.6 million. Compared to 2013, operating revenues increased while expenditures decreased in 2014. This planned spend down of net position continues to allow the Pure Waters rates to remain stable.

Energy Fund: Net position remained the same at \$81 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 Service Funds: Net position increased by \$3.9 million. The 2014 operating gain of \$2.9 million compares to a 2013 operating loss of \$6.1 million. The largest internal services fund, risk management's net position increased by \$2.4 million, primarily as a result of recognizing a reduced level of liability for unsettled legal claims, which were still in litigation as of December 31, 2014, and recognizing a reduced level of liability for workers' compensation claims, per an actuarial analysis. In 2014, the internal service fund includes medical insurance, as the County became self-insured for medical claims.

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

General Fund Budgetary Highlights

There are two primary 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 revenue on a budgetary basis by category to the adopted and modified budgets (excluding interfund transfers), as follows:

Table 5						
County of Monroe, New York						
Condensed Schedules of General Fund Revenue – Budgetary Basis						
Budget vs. Actual						
for the Years Ended December 31,						
(000's omitted)						
	2014			2013		
	Adopted Budget	Modified Budget	Budget Basis Actual	Adopted Budget	Modified Budget	Budget Basis Actual
Real property tax						
levy and delinquencies	\$ 356,930	\$ 356,930	\$ 352,140	\$ 353,499	\$ 353,499	\$ 352,146
Sales and other taxes	144,827	144,827	142,381	143,636	143,636	136,237
Federal aid	136,461	155,381	148,335	132,841	153,416	147,162
State aid	194,162	214,884	184,081	199,514	216,577	193,584
Other revenues	124,038	124,989	113,165	136,681	137,997	117,702
Total Revenue–Budgetary Basis	\$ 956,418	\$ 997,011	\$ 940,102	\$ 966,171	\$1,005,125	\$ 946,831

Table 6 summarizes and compares actual general fund expenditures on a budgetary basis by function to the adopted and modified budgets as follows:

Table 6						
County of Monroe, New York						
Condensed Schedules of General Fund Expenditures – Budgetary Basis						
Budget vs. Actual						
For the Years Ended December 31,						
(000's omitted)						
	2014			2013		
	Adopted Budget	Modified Budget	Budget Basis Actual	Adopted Budget	Modified Budget	Budget Basis Actual
Health and welfare	\$ 576,921	\$ 599,161	\$ 556,814	\$ 576,047	\$ 587,444	\$ 553,131
Public safety	223,193	244,374	230,224	221,642	240,995	224,422
Culture, recreation, and education	77,200	75,976	72,297	59,062	61,292	54,571
General government	31,791	33,716	28,537	41,671	50,645	45,999
Transportation	3,524	3,524	3,524	3,524	3,524	3,524
Total Expenditures–Budgetary Basis	\$ 912,629	\$ 956,751	\$ 891,396	\$ 901,946	\$ 943,900	\$ 881,647

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 2014, the County had invested \$1.2 billion in a broad range of capital assets, including \$593.9 million in infrastructure, net of depreciation, which includes bridges, culverts and sewers.

	Governmental Activities	Business-type Activities	Total Primary Government	Percent of Total
Land	\$ 24,109	\$ 27,048	\$ 51,157	1.6%
Assets under construction	40,428	43,980	84,408	2.8%
Buildings	173,777	197,041	370,818	12.1%
Infrastructure	943,988	690,207	1,634,195	53.4%
Improvements other than buildings	222,516	459,861	682,377	22.3%
Machinery and equipment	114,354	123,415	237,769	7.8%
Total Capital Assets	1,519,172	1,541,552	3,060,724	100%
Accumulated depreciation	(810,758)	(1,031,348)	(1,842,106)	
Total Net Capital Assets	<u>\$ 708,414</u>	<u>\$ 510,204</u>	<u>\$ 1,218,618</u>	

At the end of 2013, the County had invested \$1.2 billion in a broad range of capital assets, including \$625.7 million in infrastructure, net of depreciation, which includes bridges, culverts and sewers.

	Governmental Activities	Business-type Activities	Total Primary Government	Percent of Total
Land	\$ 23,376	\$ 27,270	\$ 50,646	1.6%
Construction in progress	27,985	28,786	56,771	1.9%
Buildings	172,922	195,000	367,922	12.2%
Infrastructure	935,120	690,167	1,625,287	53.8%
Improvements other than buildings	239,200	450,498	689,698	22.8%
Machinery and equipment	112,055	121,072	233,127	7.7%
Total Capital Assets	1,510,658	1,512,793	3,023,451	100%
Accumulated depreciation	(791,788)	(984,827)	(1,776,615)	
Total Net Capital Assets	<u>\$ 718,870</u>	<u>\$ 527,966</u>	<u>\$ 1,246,836</u>	

The 2014 decrease 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 8, 2014, the County Legislature adopted the 2015 - 2020 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 \$807.4 million. General obligation debt totaled \$548.1 million. These amounts of outstanding general obligation debt exclude amounts relating to the debt of MTASC.

Table 8 summarizes the County's outstanding debt for the primary government, as reported in the statement of net position as follows:

Table 8				
County of Monroe, New York				
Condensed Schedules of Outstanding Debt				
as of December 31,				
(000's omitted)				
2014				
	Governmental Activities	Business-type Activities	Total Primary Government	Percent of Total Debt Payable
General Obligation Debt				
Total revenue anticipation notes payable	\$ 58,000	\$ 17,000	\$ 75,000	9.3%
Total bond anticipation notes payable	61,974	18,471	80,445	10.0%
Total bonds payable	223,947	168,745	392,692	48.6%
Total general obligation debt	343,921	204,216	548,137	67.9%
Non-General Obligation Debt				
Total non-general obligation debt	259,295	-	259,295	32.1%
Total Debt Payable	\$ 603,216	\$ 204,216	\$ 807,432	100.0%
Total current debt payable	148,772	52,839	201,611	25.0%
Total long-term debt payable	454,444	151,377	605,821	75.0%
2013				
	Governmental Activities	Business-type Activities	Total Primary Government	Percent of Total Debt Payable
General Obligation Debt				
Total revenue anticipation notes payable	\$ 58,000	\$ 17,000	\$ 75,000	9.4%
Total bond anticipation notes payable	26,344	20,656	47,000	5.9%
Total bonds payable	258,208	162,163	420,371	52.6%
Total general obligation debt	342,552	199,819	542,371	67.9%
Non-General Obligation Debt				
Total non-general obligation debt	255,904	-	255,904	32.1%
Total Debt Payable	\$ 598,456	\$ 199,819	\$ 798,275	100.0%
Total current debt payable	118,303	53,629	171,932	21.5%
Total long-term debt payable	480,153	146,190	626,343	78.5%

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

Debt Administration (continued)

The County issued a total of \$187 million of debt obligations in 2014. In July 2014, the debt obligations issued consisted of \$22.9 million in bonds relating to Pure Waters projects and \$65.4 million in notes for various County projects. In October 2014, \$8.6 million in Federal Taxable Public Stadium Refunding Bonds were issued to reduce the outstanding debt service on Frontier Field Stadium. In November 2014, \$75 million in revenue anticipation notes were issued providing \$58 million in working capital for the general fund and \$17 million for the Monroe Community Hospital enterprise fund. The issuance of revenue anticipation notes was necessary due to the delay in receiving various state and federal aid. In December 2014, an additional \$15.0 million in bond anticipation notes were issued for various County projects.

At December 31, 2014, \$264.8 million of debt remained authorized and unissued for various capital projects.

The three nationally-recognized credit rating agencies continue to monitor the County's economic and financial conditions. Moody's continued the County's rating of Baa1. In June 2014, S&P confirmed the County's rating of A, while Fitch downgraded the County's rating to BBB+.

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 POSITION
AS OF DECEMBER 31, 2014
(000's Omitted)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 13,575	\$ 36,349	\$ 49,924	\$ 108,818
Investments	-	-	-	25,513
Accounts receivable, net	41,644	16,000	57,644	24,758
Internal balances	22,100	(22,100)	-	-
Due from other governments	209,003	7,338	216,341	-
Inventories	2,772	5,144	7,916	1,655
Other	5,055	987	6,042	6,021
Total current assets	<u>294,149</u>	<u>43,718</u>	<u>337,867</u>	<u>166,765</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	54,513	17,619	72,132	42,538
Investments	-	-	-	66,090
Funds held by trustee	-	-	-	46,350
Custodial accounts	-	625	625	-
Securities in lieu of retained percentages	452	224	676	-
Capital assets, net of accumulated depreciation	708,414	510,204	1,218,618	614,409
Other	-	-	-	8,999
Total noncurrent assets	<u>763,379</u>	<u>528,672</u>	<u>1,292,051</u>	<u>778,386</u>
Total assets	<u>1,057,528</u>	<u>572,390</u>	<u>1,629,918</u>	<u>945,151</u>
DEFERRED OUTFLOWS				
Deferred loss on refunding	1,364	280	1,644	1,435
Deferred amount on interest rate swap	-	-	-	790
Total deferred outflows	<u>1,364</u>	<u>280</u>	<u>1,644</u>	<u>2,225</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	123,351	17,319	140,670	27,284
Accrued interest payable	2,376	1,656	4,032	4,924
Due to other governments	108,983	5,808	114,791	-
Unearned revenue	12,758	-	12,758	8,675
Notes payable	119,974	35,471	155,445	208
Current portion of:				
Capital leases payable	290	762	1,052	855
Bonds payable	28,798	17,368	46,166	16,861
Total current liabilities	<u>396,530</u>	<u>78,384</u>	<u>474,914</u>	<u>58,807</u>
Noncurrent liabilities:				
Capital leases payable	161	6,361	6,522	2,577
Bonds payable	454,444	151,377	605,821	296,473
Patient funds held in trust	-	625	625	-
Other long-term liabilities	242,592	36,991	279,583	57,586
Total noncurrent liabilities	<u>697,197</u>	<u>195,354</u>	<u>892,551</u>	<u>356,636</u>
Total liabilities	<u>1,093,727</u>	<u>273,738</u>	<u>1,367,465</u>	<u>415,443</u>
DEFERRED INFLOWS				
Deferred gain on refunding	895	50	945	-
Deferred revenue	-	-	-	6,877
Total deferred inflows	<u>895</u>	<u>50</u>	<u>945</u>	<u>6,877</u>
NET POSITION				
Net investment in capital assets	519,371	322,138	841,509	374,633
Restricted for:				
Debt service	15,701	844	16,545	22,920
Capital projects	-	3,721	3,721	-
Nonexpendable	-	-	-	3,580
Expendable	-	-	-	15,767
Grants, Trust and Other Purposes	8,573	-	8,573	-
Passenger facility charges	-	-	-	191
Unrestricted (deficit)	<u>(579,375)</u>	<u>(27,821)</u>	<u>(607,196)</u>	<u>107,965</u>
Total net position	<u>\$ (35,730)</u>	<u>\$ 298,882</u>	<u>\$ 263,152</u>	<u>\$ 525,056</u>

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

COUNTY OF MONROE, NEW YORK
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014
(000's Omitted)

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating	Capital	Primary Government		Total	
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities		
Primary government:								
Governmental activities:								
General government	\$ 363,509	\$ 32,961	\$ 8,121	\$ 1,004	\$ (321,423)	\$ -	\$ (321,423)	\$ -
Public safety	265,372	12,480	32,606	833	(219,453)	-	(219,453)	-
Health and welfare	561,707	3,992	292,189	-	(265,526)	-	(265,526)	-
Culture, recreation and education	100,361	29,902	25,365	3,600	(41,494)	-	(41,494)	-
Transportation	57,656	10,553	6,788	11,601	(28,714)	-	(28,714)	-
Sanitation	75	-	-	-	(75)	-	(75)	-
Economic development	3,064	-	3,064	-	-	-	-	-
Interest on bonds and notes payable	20,608	-	-	-	(20,608)	-	(20,608)	-
Total governmental activities	<u>1,372,352</u>	<u>89,888</u>	<u>368,133</u>	<u>17,038</u>	<u>(897,293)</u>	<u>-</u>	<u>(897,293)</u>	<u>-</u>
Business-type activities:								
Refuse	18,295	5,888	6	618	-	(11,783)	(11,783)	-
Airport	31,398	18,408	239	9,323	-	(3,428)	(3,428)	-
Hospital	73,341	66,320	8	-	-	(7,013)	(7,013)	-
Sewer	78,505	60,923	754	10	-	(16,818)	(16,818)	-
Utilities	16,830	16,830	-	-	-	-	-	-
Total business-type activities	<u>218,369</u>	<u>168,369</u>	<u>1,007</u>	<u>9,951</u>	<u>-</u>	<u>(39,042)</u>	<u>(39,042)</u>	<u>-</u>
Total primary government	<u>1,590,721</u>	<u>258,257</u>	<u>369,140</u>	<u>26,989</u>	<u>(897,293)</u>	<u>(39,042)</u>	<u>(936,335)</u>	<u>-</u>
Component units:								
Major Component Units:								
Community College	187,083	45,551	129,431	8,209	-	-	-	(3,892)
Airport Authority	29,724	30,779	-	37	-	-	-	1,092
Water Authority	67,106	60,001	-	2,218	-	-	-	(4,887)
Non-Major Component Units	19,882	26,932	189	-	-	-	-	7,239
Total component units	<u>303,795</u>	<u>163,263</u>	<u>129,620</u>	<u>10,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(448)</u>
General revenues:								
Taxes:								
Property tax and tax items					380,291	-	380,291	-
Sales and other taxes					452,171	-	452,171	-
Tobacco settlement revenues					12,857	-	12,857	-
Unrestricted interest earnings					90	-	90	5,425
Miscellaneous revenue					6,923	13,784	20,707	334
Transfers					1,369	(1,369)	-	-
Total general revenues					<u>853,701</u>	<u>12,415</u>	<u>866,116</u>	<u>5,759</u>
Change in net position					(43,592)	(26,627)	(70,219)	5,311
Net position-beginning					7,862	325,509	333,371	519,745
Net position-ending					<u>\$ (35,730)</u>	<u>\$ 298,882</u>	<u>\$ 263,152</u>	<u>\$ 525,056</u>

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

**COUNTY OF MONROE, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2014
(000's Omitted)**

	Major Governmental Funds		Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects		
ASSETS				
Cash and cash equivalents	\$ 379	\$ -	\$ 10,546	\$ 10,925
Accounts receivables, net:				
Taxes and assessments	7,522	-	-	7,522
Returned school taxes	20,829	-	-	20,829
Other receivables	1,893	-	11,341	13,234
Due from other funds	38,998	-	3,907	42,905
Due from other governments:				
State and Federal - social services	100,839	-	-	100,839
State and Federal - other	64,478	4,532	2,612	71,622
Local governments	18,138	-	5,516	23,654
Inventories	1,699	-	605	2,304
Restricted assets:				
Cash and cash equivalents	15,000	17,074	15,558	47,632
Securities in lieu of retained percentages	-	426	-	426
Other assets	3,365	583	9	3,957
Total assets	273,140	22,615	50,094	345,849
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	53,659	3,530	2,759	59,948
Due to other funds	13,400	3,105	8,600	25,105
Due to other governments	107,536	-	739	108,275
Unearned revenue	12,758	-	-	12,758
Notes payable	58,000	47,266	-	105,266
Total liabilities	245,353	53,901	12,098	311,352
Deferred inflows:				
Deferred property tax revenue	7,501	-	-	7,501
Tobacco settlement revenue	-	-	10,906	10,906
Total deferred inflows	7,501	-	10,906	18,407
Fund balances:				
Nonspendable	4,100	-	614	4,714
Restricted	1,547	17,040	22,584	41,171
Committed	2,926	-	1,777	4,703
Assigned	7,501	-	2,115	9,616
Unassigned	4,212	(48,326)	-	(44,114)
Total fund balances	20,286	(31,286)	27,090	16,090
Total liabilities, deferred inflows and fund balances	\$ 273,140	\$ 22,615	\$ 50,094	\$ 345,849

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 POSITION
AS OF DECEMBER 31, 2014
(000's Omitted)**

Total fund balances - governmental funds \$ 16,090

Amounts reported for governmental activities in the statement of net position 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	23,479		
Assets under construction	16,308		
	39,787		
Depreciable assets:			
Buildings	118,548		
Infrastructure	943,988		
Improvements other than buildings	130,030		
Machinery and equipment	101,517		
Accumulated depreciation	(720,799)		
	573,284		
Total capital assets			613,071

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 position. (7,420)

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. 18,407

Deferred inflows and outflows amortized over multiple years are not reported in the funds. Those items included in the governmental activities in the statement of net position consist of:

Deferred gain on refunding	(728)	
Deferred loss on refunding	1,338	
Total deferred inflows/outflows		610

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 position consist of:

Compensated absences	(25,817)	
Bonds payable	(430,787)	
Capital leases payable	(444)	
Accrued interest on bonds	(2,124)	
Long-term retirement costs	(63,477)	
Post-employment benefits other than pensions	(150,771)	
Federal, State and other long-term liabilities	(3,068)	
Total long-term liabilities		(676,488)

Net position of governmental activities \$ (35,730)

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

COUNTY OF MONROE, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014
(000's Omitted)

	Major Governmental Funds		Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects		
REVENUES:				
Real property tax	\$ 352,140	\$ -	\$ -	\$ 352,140
Sales and other taxes	452,171	-	-	452,171
Federal aid	148,335	5,634	3,256	157,225
State aid	184,081	3,860	8,287	196,228
Charges for services	20,651	-	8,705	29,356
Intergovernmental	38,938	-	8,327	47,265
Interdepartmental	2,105	-	69	2,174
Use of money and property	5,517	-	1,664	7,181
Repayments and refunds	12,679	-	74	12,753
Payments in lieu of taxes	7,169	-	-	7,169
Tobacco settlement	-	-	12,188	12,188
Miscellaneous	26,106	987	1,463	28,556
	<u>1,249,892</u>	<u>10,481</u>	<u>44,033</u>	<u>1,304,406</u>
Total revenues				
EXPENDITURES:				
Current:				
Health and welfare	556,814	-	-	556,814
Public safety	230,224	-	2,352	232,576
Culture, recreation and education	72,297	-	10,993	83,290
General government	338,327	-	342	338,669
Transportation	3,524	-	18,871	22,395
Economic development	-	-	3,064	3,064
Debt service:				
Principal retirement	-	-	38,685	38,685
Interest and fiscal charges	-	-	18,328	18,328
Capital outlay	-	34,831	-	34,831
	<u>1,201,186</u>	<u>34,831</u>	<u>92,635</u>	<u>1,328,652</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>48,706</u>	<u>(24,350)</u>	<u>(48,602)</u>	<u>(24,246)</u>
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	8,630	8,630
Loss on refunding issue	-	-	(265)	(265)
Premium on bonds issued	-	-	179	179
Transfers in	1,369	-	52,026	53,395
Transfers out	(41,028)	(1,156)	(12,091)	(54,275)
	<u>(39,659)</u>	<u>(1,156)</u>	<u>48,479</u>	<u>7,664</u>
Total other financing sources (uses)				
Changes in fund balances	9,047	(25,506)	(123)	(16,582)
Fund balances at beginning of year	<u>11,239</u>	<u>(5,780)</u>	<u>27,213</u>	<u>32,672</u>
Fund balances at end of year	<u>\$ 20,286</u>	<u>\$ (31,286)</u>	<u>\$ 27,090</u>	<u>\$ 16,090</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 AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014
(000's Omitted)

Net change in fund balances - total governmental funds \$ (16,582)

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 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.

Proceeds of refunding bonds	(8,630)	
Deferred refunding gain/loss, net	64	
Interest accreted on capital appreciation debt, net	(5,519)	
Total proceeds/additions		(14,085)

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 position and do not result in an expense in the statement of activities. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal retirement	38,686	
Premium/Discount on bond issuance	600	
Total repayments/deductions		39,286

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

3,881

Some revenues will not be collected for several months after the County's fiscal year end. They are not considered "available" revenues and are reported as deferred inflows in the governmental funds. Deferred inflows increased by this amount this year.

2,712

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	16,268	
Capital grants and contributions	5,588	
Loss on retirement of capital assets	(6,833)	
Depreciation expense	(35,372)	
Excess(deficiency) of capital outlay over depreciation expense		(20,349)

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	130	
Change in capital leases payable	204	
Change in compensated absences	(1,029)	
Change in long-term retirement costs	(12,793)	
Change in post-employment benefits other than pensions	(23,717)	
Change in Federal, State and other long-term liabilities	(1,250)	
Total additional expenditures		(38,455)

Change in net position of governmental activities \$ (43,592)

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

COUNTY OF MONROE, NEW YORK
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2014
(000's Omitted)

	<u>Business-type Activities - Enterprise Funds</u>						Governmental Activities - Internal Service Funds
	Solid Waste	Airport	Hospital	Pure Waters	Energy	Total	
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 29	\$ 264	\$ 8,933	\$ 27,103	\$ 20	\$ 36,349	\$ 2,650
Accounts receivables, net	2,351	137	12,616	861	35	16,000	59
Due from other funds	-	1,500	-	-	-	1,500	9,800
Due from other governments:							
State and Federal - other	459	2,003	-	135	-	2,597	12,341
Local governments	1,532	721	-	41	2,447	4,741	547
Inventories	-	-	482	4,564	98	5,144	468
Other assets	27	-	257	-	703	987	1,098
Total current assets	4,398	4,625	22,288	32,704	3,303	67,318	26,963
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	781	2,070	795	13,973	-	17,619	6,881
Custodial accounts	-	-	625	-	-	625	-
Securities in lieu of retained percentages	-	-	-	224	-	224	26
Capital assets, net of accumulated depreciation	14,235	174,765	24,216	296,988	-	510,204	95,343
Total noncurrent assets	15,016	176,835	25,636	311,185	-	528,672	102,250
Total assets	19,414	181,460	47,924	343,889	3,303	595,990	129,213
DEFERRED OUTFLOWS							
Deferred loss on refunding	107	47	64	62	-	280	26
Total deferred outflows	\$ 107	\$ 47	\$ 64	\$ 62	\$ -	\$ 280	\$ 26

(continued)

**COUNTY OF MONROE, NEW YORK
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2014
(000's Omitted)**

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Solid Waste	Airport	Hospital	Pure Waters	Energy	Total	
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	\$ 2,379	\$ 1,498	\$ 6,756	\$ 5,664	\$ 1,022	\$ 17,319	\$ 47,519
Accrued interest payable	76	107	373	1,100	-	1,656	252
Due to other funds	-	-	-	-	2,200	2,200	5,500
Due to other governments	14	787	3,296	1,711	-	5,808	708
Notes payable	900	2,700	21,471	10,400	-	35,471	14,708
Current portion of:							
Capital leases payable	-	8	610	144	-	762	7
Bonds payable	2,650	1,856	1,790	11,072	-	17,368	4,598
Total current liabilities	6,019	6,956	34,296	30,091	3,222	80,584	73,292
Noncurrent liabilities:							
Due to other funds	21,400	-	-	-	-	21,400	-
Capital leases payable	-	-	6,134	227	-	6,361	-
Bonds payable	5,900	14,549	7,920	123,008	-	151,377	47,857
Patient funds held in trust	-	-	625	-	-	625	-
Other long-term liabilities	4	4,553	19,968	12,466	-	36,991	15,343
Total noncurrent liabilities	27,304	19,102	34,647	135,701	-	216,754	63,200
Total liabilities	33,323	26,058	68,943	165,792	3,222	297,338	136,492
DEFERRED INFLOWS							
Deferred gain on refunding	-	-	2	48	-	50	167
Total deferred inflows	-	-	2	48	-	50	167
NET POSITION							
Net investment in capital assets	5,154	155,246	3,290	158,448	-	322,138	27,256
Restricted for:							
Debt service	436	-	-	408	-	844	143
Capital projects	-	-	795	2,926	-	3,721	-
Unrestricted (deficit)	(19,392)	203	(25,042)	16,329	81	(27,821)	(34,819)
Total net position (deficit)	\$ (13,802)	\$ 155,449	\$ (20,957)	\$ 178,111	\$ 81	\$ 298,882	\$ (7,420)

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 POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014
(000's Omitted)

Business-type Activities - Enterprise Funds

	Solid Waste	Airport	Hospital	Pure Waters	Energy	Total	Governmental Activities- Internal Service Funds
Operating revenues:							
Charges for services	\$ 5,888	\$ 18,382	\$ 66,040	\$ 60,896	\$ 16,503	\$ 167,709	\$ 573
Interdepartmental	-	-	280	-	-	280	119,829
Repayments and refunds	-	26	-	27	327	380	1,373
Miscellaneous	9,587	67	1,744	1,017	-	12,415	1,442
Total operating revenues	15,475	18,475	68,064	61,940	16,830	180,784	123,217
Operating expenses:							
Personnel services	97	5,020	27,844	10,571	-	43,532	4,890
Employee benefits	29	2,092	18,169	4,384	-	24,674	1,955
Contractual	14,016	3,469	7,018	15,081	16,830	56,414	92,439
Depreciation and amortization	2,957	13,586	3,775	31,696	-	52,014	6,129
Other	545	6,430	15,544	11,081	-	33,600	14,884
Total operating expenses	17,644	30,597	72,350	72,813	16,830	210,234	120,297
Operating income (loss)	(2,169)	(12,122)	(4,286)	(10,873)	-	(29,450)	2,920
Nonoperating revenues (expenses):							
Federal aid	2	226	-	26	-	254	38
State aid	(1)	-	-	150	-	149	1
Use of money and property	5	13	8	578	-	604	66
Interest and fiscal charges	(429)	(851)	(991)	(5,606)	-	(7,877)	(2,281)
Gain (loss) on disposal of capital assets	(222)	(3)	-	(34)	-	(259)	24
Other income (expense)	1,369	53	-	(52)	-	1,370	(104)
Total nonoperating revenues (expenses)	724	(562)	(983)	(4,938)	-	(5,759)	(2,256)
Income (loss) before contributions and transfers	(1,445)	(12,684)	(5,269)	(15,811)	-	(35,209)	664
Capital contributions	618	9,323	-	10	-	9,951	968
Transfers in	-	-	-	-	-	-	2,249
Transfers out	(1,369)	-	-	-	-	(1,369)	-
Change in net position (deficit)	(2,196)	(3,361)	(5,269)	(15,801)	-	(26,627)	3,881
Net position (deficit) - beginning	(11,606)	158,810	(15,688)	193,912	81	325,509	(11,301)
Total net position (deficit) at end of year	\$ (13,802)	\$ 155,449	\$ (20,957)	\$ 178,111	\$ 81	\$ 298,882	\$ (7,420)

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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, 2014
(000's Omitted)

	Business-type Activities - Enterprise Funds					Total	Governmental Internal Service Funds
	Solid Waste	Airport	Hospital	Pure Waters	Energy		
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from providing services	\$ 6,349	\$ 18,867	\$ 69,359	\$ 60,629	\$ 16,851	\$ 172,055	\$ 1,915
Cash received from other funds for services	-	-	-	-	-	-	119,829
Payments to or on behalf of employees	(137)	(7,484)	(46,135)	(16,072)	-	(69,828)	(12,004)
Payments to suppliers	(13,768)	(3,743)	(21,569)	(20,737)	(17,003)	(76,820)	(19,085)
Payments for interfund services	(544)	(5,808)	-	(5,160)	-	(11,512)	(12,442)
Claims paid	-	-	-	-	-	-	(71,021)
Other receipts (payments)	8,551	93	-	387	23	9,054	(399)
Net cash provided by (used in) operating activities	451	1,925	1,655	19,047	(129)	22,949	6,793
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Federal aid	2	226	-	26	-	254	38
State aid	(1)	-	-	150	-	149	1
Proceeds from revenue anticipation notes	-	-	17,000	-	-	17,000	-
Principal payments on revenue anticipation notes	-	-	(17,000)	-	-	(17,000)	-
Receipts from other funds	1,700	-	-	-	100	1,800	5,500
Payments to other funds	-	(1,500)	-	-	-	(1,500)	(6,200)
Transfers in	-	-	-	-	-	-	2,249
Transfers out	(1,369)	-	-	-	-	(1,369)	-
Net cash provided by (used in) noncapital financing activities	332	(1,274)	-	176	100	(666)	1,588
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Interest paid	(409)	(851)	(1,017)	(5,606)	-	(7,883)	(2,281)
Change in securities and retainage	-	-	-	7	-	7	313
Proceeds from the issuance of notes	900	2,700	4,471	10,400	-	18,471	14,708
Proceeds from the issuance of bonds	-	-	-	22,920	-	22,920	-
Principal paid on notes	-	(8,000)	(2,992)	(9,664)	-	(20,656)	(2,219)
Principal paid on bonds	(2,578)	(1,856)	(1,772)	(9,756)	-	(15,962)	(5,623)
Premium from the issuance of bonds	-	-	-	-	-	-	(6)
Capital contributions	160	13,362	-	10	-	13,532	968
CAB/Zero Coupon Bonds	(202)	-	-	-	-	(202)	-
Change in principal on capital leases	-	(8)	(580)	(144)	-	(732)	(134)
Transfers in capital leases	-	-	-	-	-	-	-
Proceeds from the sale of capital assets	1,369	-	-	-	-	1,369	-
Additions to capital assets, net	(881)	(9,233)	(2,080)	(22,393)	-	(34,587)	(16,153)
Other payments	-	-	-	-	-	-	(77)
Net cash provided by (used in) capital and related financing activities	\$ (1,641)	\$ (3,886)	\$ (3,970)	\$ (14,226)	\$ -	\$ (23,723)	\$ (10,504)

(continued)

COUNTY OF MONROE, NEW YORK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014
(000's Omitted)

	<u>Business-type Activities - Enterprise Funds</u>					<u>Governmental Internal Service Funds</u>	
	<u>Solid Waste</u>	<u>Airport</u>	<u>Hospital</u>	<u>Pure Waters</u>	<u>Energy</u>		<u>Total</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts from use of money and property	\$ 5	\$ 13	\$ 8	\$ 578	\$ -	\$ 604	\$ 66
Net cash provided by investing activities	5	13	8	578	-	604	66
Net increase (decrease) in cash and cash equivalents	(853)	(3,222)	(2,307)	5,575	(29)	(836)	(2,057)
Cash and cash equivalents, beginning of year	1,663	5,556	12,035	35,501	49	54,804	11,588
Cash and cash equivalents, end of year	<u>810</u>	<u>2,334</u>	<u>9,728</u>	<u>41,076</u>	<u>20</u>	<u>53,968</u>	<u>9,531</u>
Classified as:							
Cash and cash equivalents - unrestricted	29	264	8,933	27,103	20	36,349	2,650
Cash and cash equivalents - restricted	781	2,070	795	13,973	-	17,619	6,881
Total cash and cash equivalents	<u>810</u>	<u>2,334</u>	<u>9,728</u>	<u>41,076</u>	<u>20</u>	<u>53,968</u>	<u>9,531</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:							
Operating income (loss)	(2,169)	(12,122)	(4,286)	(10,873)	-	(29,450)	2,920
Adjustments to reconcile operating income (loss) to net cash provided by operations:							
Depreciation and amortization	2,957	13,586	3,775	31,696	-	52,014	6,129
Change in:							
Accounts receivable	461	485	584	(267)	5	1,268	(14)
Due from other governments	(1,040)	-	-	(55)	16	(1,079)	(11,649)
Inventories	-	-	(57)	(363)	30	(390)	26
Other assets	3	-	(8)	-	(7)	(12)	(1,045)
Accounts payable, accrued and other liabilities	239	(29)	1,812	(717)	(173)	1,132	10,489
Due to other governments	-	5	(165)	(374)	-	(534)	(63)
Net cash provided by operating activities	<u>\$ 451</u>	<u>\$ 1,925</u>	<u>\$ 1,655</u>	<u>\$ 19,047</u>	<u>\$ (129)</u>	<u>\$ 22,949</u>	<u>\$ 6,793</u>

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

COUNTY OF MONROE, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF DECEMBER 31, 2014
(000's Omitted)

	Private Purpose Trusts	Agency
ASSETS		
Restricted cash and cash equivalents	\$ 116	\$ 16,248
Accounts receivable	-	25
	116	16,273
Total assets	116	16,273
 LIABILITIES		
Accounts payable and accrued expenses	-	16,273
 NET POSITION		
Held in trust for private purpose	\$ 116	\$ -

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 POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014
(000's Omitted)

		Private Purpose Trusts
ADDITIONS		
Miscellaneous revenue	\$	1
Total additions		1
 DEDUCTIONS		
Payments in accordance with trust agreements		4
Change in net position		(3)
Net position at beginning of year		119
Net position at end of year	\$	116

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

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
AS OF DECEMBER 31, 2014
(000's Omitted)

	Major Component Units			Non-Major Component Units	Total
	Community College (Year End 8/31/14)	Airport Authority	Water Authority		
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 39,702	\$ 12,356	\$ 48,532	\$ 8,228	\$ 108,818
Investments	21,663	-	-	3,850	25,513
Accounts receivables, net	11,280	970	11,801	707	24,758
Inventories	-	-	1,655	-	1,655
Other assets	1,392	-	1,462	3,167	6,021
Total current assets	<u>74,037</u>	<u>13,326</u>	<u>63,450</u>	<u>15,952</u>	<u>166,765</u>
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	31,555	7,514	3,469	-	42,538
Investments	-	-	-	66,090	66,090
Funds held by trustee	-	11,318	26,758	8,274	46,350
Capital assets, net of accumulated depreciation	158,217	27,569	408,824	19,799	614,409
Other assets	3,163	-	-	5,836	8,999
Total noncurrent assets	<u>192,935</u>	<u>46,401</u>	<u>439,051</u>	<u>99,999</u>	<u>778,386</u>
Total assets	<u>266,972</u>	<u>59,727</u>	<u>502,501</u>	<u>115,951</u>	<u>945,151</u>
DEFERRED OUTFLOWS					
Deferred loss on refunding	-	480	557	398	1,435
Deferred amount on interest rate swap	-	-	-	790	790
Total deferred outflows	<u>-</u>	<u>480</u>	<u>557</u>	<u>1,188</u>	<u>2,225</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	11,202	1,340	10,127	3,308	25,977
Accrued interest payable	-	1,001	3,063	860	4,924
Unearned revenue	8,379	296	-	-	8,675
Other	656	651	-	-	1,307
Notes payable	94	-	-	114	208
Current portion of:					
Capital leases payable	-	-	535	320	855
Bonds payable	1,100	6,625	2,951	6,185	16,861
Total current liabilities	<u>21,431</u>	<u>9,913</u>	<u>16,676</u>	<u>10,787</u>	<u>58,807</u>
Noncurrent liabilities:					
Capital leases payable	-	-	1,717	860	2,577
Bonds payable	34,425	30,482	143,773	87,793	296,473
Other long-term liabilities	41,648	-	13,517	2,421	57,586
Total noncurrent liabilities	<u>76,073</u>	<u>30,482</u>	<u>159,007</u>	<u>91,074</u>	<u>356,636</u>
Total liabilities	<u>97,504</u>	<u>40,395</u>	<u>175,683</u>	<u>101,861</u>	<u>415,443</u>
DEFERRED INFLOWS					
Deferred revenue	3,817	-	-	3,060	6,877
Total deferred inflows	<u>3,817</u>	<u>-</u>	<u>-</u>	<u>3,060</u>	<u>6,877</u>
NET POSITION					
Net investment in capital assets	131,570	(9,538)	259,498	(6,897)	374,633
Restricted for:					
Debt service	-	6,954	3,468	12,498	22,920
Nonexpendable	3,580	-	-	-	3,580
Expendable	15,767	-	-	-	15,767
Passenger facility charges	-	191	-	-	191
Unrestricted	14,734	22,205	64,409	6,617	107,965
Total net position	<u>\$ 165,651</u>	<u>\$ 19,812</u>	<u>\$ 327,375</u>	<u>\$ 12,218</u>	<u>\$ 525,056</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
 FOR THE YEAR ENDED DECEMBER 31, 2014
 (000's Omitted)**

	<u>Major Component Units</u>			<u>Non-Major Component Units</u>	<u>Total</u>
	<u>Community College (Year End 8/31/14)</u>	<u>Airport Authority</u>	<u>Water Authority</u>		
Expenses	\$ 187,083	\$ 29,724	\$ 67,106	\$ 19,882	\$ 303,795
Program revenues:					
Charges for services	45,551	30,779	60,001	26,932	163,263
Operating grants and contributions	129,431	-	-	189	129,620
Capital grants and contributions	8,209	37	2,218	-	10,464
Total program revenues	<u>183,191</u>	<u>30,816</u>	<u>62,219</u>	<u>27,121</u>	<u>303,347</u>
Net program revenue	<u>(3,892)</u>	<u>1,092</u>	<u>(4,887)</u>	<u>7,239</u>	<u>(448)</u>
General revenues:					
Unrestricted investment earnings	3,271	23	2,128	3	5,425
Miscellaneous revenue	-	-	-	334	334
Change in net position	<u>(621)</u>	<u>1,115</u>	<u>(2,759)</u>	<u>7,576</u>	<u>5,311</u>
Total net position at beginning of year	<u>166,272</u>	<u>18,697</u>	<u>330,134</u>	<u>4,642</u>	<u>519,745</u>
Total net position at end of year	<u>\$ 165,651</u>	<u>\$ 19,812</u>	<u>\$ 327,375</u>	<u>\$ 12,218</u>	<u>\$ 525,056</u>

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

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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 organizations where the nature and significance of their relationship with the County is 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 nonmajor, 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 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. As a result, the College, a legally separate entity, 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 (000's omitted)
Year Ended December 31, 2014

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 due to the County's ability to impose will.

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, 2014 were approximately \$18.4 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 the State of New York. 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 \$2.3 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) – Nonmajor 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 (000's omitted)
Year Ended December 31, 2014

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

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

Monroe Security and Safety Systems (M3SLDC) – Nonmajor 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 governed by a Board of Directors whose members are appointed by the County Executive of Monroe County. 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 nonmajor governmental (debt service) fund. Separate financial statements may be obtained from the Monroe County Finance Department, 39 West Main Street, Rochester, New York 14614.

Monroe Newpower Corporation – Nonmajor Discretely Presented Component Unit

Monroe Newpower Corporation, a local development corporation, was formed in 2002 to buy the Iola Powerhouse from the County and to borrow funds to build natural gas-fired units as its replacement. The Corporation is governed by a Board of Directors whose members are appointed by the County Executive of Monroe County. Monroe Newpower Corporation 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 Monroe Newpower Corporation.

Monroe Newpower Corporation 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 Monroe Newpower Corporation should be addressed in writing to: 50 West Main Street, Suite 6100, Rochester, New York 14614.

Civic Center Monroe County Local Development Corporation (CCLDC) – Nonmajor Discretely Presented Component Unit

Civic Center Monroe County Local Development Corporation (CCLDC) was formed in 2002 to purchase the Civic Center Garage and manage other surface parking lots. The Corporation is governed by a Board of Directors whose members are appointed by the County Executive of Monroe County. CCLDC 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 CCLDC.

CCLDC 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 CCLDC should be addressed in writing to: 50 West Main Street, Suite 6100, Rochester, New York 14614.

Upstate Telecommunications Corporation (UTC) – Nonmajor Discretely Presented Component Unit

Upstate Telecommunications Corporation (UTC), a local development corporation was organized in 2005 to provide technology and telecommunications services. The Corporation is governed by a Board of Directors whose members are appointed by the County Executive of Monroe County. UTC is included as a discretely presented component unit within the County's financial statements due to the County's ability to impose will on UTC.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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

B. Financial Reporting Entity (continued)

UTC 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 UTC should be addressed in writing to: 50 West Main Street, Suite 6100, 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 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. The Commission was dissolved at the end of 2013. Requests for financial statements from the Commission should be addressed in writing to: Cultural Center Commission, City Hall, Room 005A, 30 Church Street, Rochester, New York 14614-1290.

C. Non-Major Fund Deficits

The internal services fund had a negative net position of \$7.4 million at December 31, 2014. This deficit is primarily due to the actuarial liability for workers compensation claims. The internal services fund recovers its costs by charging other funds for current year payments. This is an area of risk management that the County continues to address looking for opportunities to reduce claim expenses.

D. Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities and changes in net position) 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 and changes in net position 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.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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

D. **Basis of Presentation (continued)**

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, deferred inflows/outflows, fund equity/net position, 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. Amounts due for State and Federal aid are generally considered available if they are expected to be collected within one year 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.

The County has the following two 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.

Capital Projects Fund - 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. Funds include capital project funds for general government, public safety and fire protection, transportation, cultural and recreation and education.

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.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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

D. **Basis of Presentation (continued)**

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. The assets, liabilities and changes in net position of those funds are reported in governmental activities. 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.

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 have been met. Proprietary and fiduciary fund financial statements are also prepared on an accrual basis.

Modified Accrual Basis - All governmental funds are accounted for using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. The three primary revenue sources which are treated as susceptible to accrual are: (1) property tax recorded when collected during the current period or within 60 days after year end; (2) reimbursements of expenditures due from other governments recorded primarily when the qualifying expenditures have been incurred and all other grant requirements have been met and are expected to be collected within one year after the end of the current fiscal period; 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 in the governmental funds which are not available to finance current operations have been reported as deferred inflows of resources. 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

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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

E. **Basis of Accounting/Measurement Focus (continued)**

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, producing, and delivering goods. Non-operating revenues and expenses, such as interest and fiscal charges, are reported as capital and related financing activities, noncapital financing activities, or investing activities.

F. **Cash and Cash Equivalents**

Cash and 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 and 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.

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. 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, 2014 included \$4.5 million in the general fund, \$17.0 million in the capital projects fund and \$1.6 million in other nonmajor governmental funds.

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 governmental activities 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.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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

K. Capital Assets (continued)

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:

Class	Life in Years
Buildings	30-55
Improvements other than buildings	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.

L. Due to Other Governments

In the 2014 government-wide and fund financial statements, the category “*due to other governments*” includes primarily sales tax collections of \$53.7 million and school tax collections of \$21.5 million that are due to other municipalities within the County. It also includes \$26.7 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, 2014 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 Discounts, Premiums and Refunding Gain or Loss

Bond discounts, premiums and refunding gain or loss are amortized over the term of the respective bond issues for the governmental and business-type activities, and those funds reporting on the full accrual basis. Bond premiums and discounts are included in the outstanding bond liability, whereas the refunding gain or loss is reported as a deferred inflow or outflow. In the governmental funds, bond discounts, premiums and refunding gain or loss are reported as other financing sources or uses in the year that the bonds are issued.

O. Deferred Inflows/Outflows of Resources

In addition to assets and liabilities, the Statement of Net Position reports a separate section for deferred outflows and deferred inflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. Deferred inflows of resources, represents a portion of net position that also applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The County reports deferred outflow amounts on loss on debt refunding and interest rate swap. Reported deferred inflow amounts are gain on debt refunding and deferred revenue.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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

P. 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.

Q. Accounting and Reporting Change

In June 2012, GASB issued GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, effective for fiscal year ending December 31, 2014 and Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, effective for fiscal year ending December 31, 2015. In November 2013, GASB issued GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, effective for fiscal year ending December 31, 2015. The objective of Statement No. 67 is to improve financial reporting by state and local governmental pension plans, establishing requirements for pension plans that are administered through trusts. Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions as well as non-employer governments that have a legal obligation to contribute to those plans. Statement No. 71 addresses an issue regarding application of the transition provisions of Statement No. 68. The impact of adopting Statement No. 67 did not have a material impact on our financial condition or results of operation in 2014. We are reviewing the impact of adopting Statement Nos. 68 and 71, and we do not expect that they will have a material impact on our financial condition or results of operation.

In January 2013, GASB issued GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, effective for fiscal year ending December 31, 2014. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combination includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The impact of adopting this Statement did not have a material impact on our financial condition or results of operation in 2014.

In April 2013, GASB issued GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for fiscal year ending December 31, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. The impact of adopting this Statement did not have a material impact on our financial condition or results of operation in 2014.

R. 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.

S. Net Position/Fund Balance

Net Position

Net Position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted and unrestricted. Net investment in capital assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net position represents 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.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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

S. **Net Position/Fund Balance (continued)**

As of December 31, 2014 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 position whose use is subject to externally imposed conditions and the County must maintain them in perpetuity.

Expendable – represents the net position 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 funds 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 position to be used for Federal Aviation Administration approved projects.

When net position resources are available for a specific purpose in more than one classification, it is the County's practice to use restricted funds first.

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 – by resolution); 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 (County Legislature) or by an official (Director of Finance) 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 (000's omitted)
Year Ended December 31, 2014

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

S. **Net Position/Fund Balance (continued)**

As of December 31, 2014 Governmental Fund Balances were classified as follows:

	General	Capital Projects	Special Revenue	Nonmajor Funds		Total
				Debt Service		
				General	MTASC	
Nonspendable						
Inventory	\$ 1,699	\$ -	\$ -	\$ -	\$ -	\$ 1,699
Prepaid Expenses	2,401	-	605	-	9	3,015
Total Nonspendable	4,100	-	605	-	9	4,714
Restricted						
Jail Trust Funds	-	-	7,026	-	-	7,026
Debt Service	-	-	-	2,643	12,915	15,558
STOP DWI	700	-	-	-	-	700
Handicapped Parking	39	-	-	-	-	39
Other Programs	808	-	-	-	-	808
Capital Projects	-	17,040	-	-	-	17,040
Total Restricted	1,547	17,040	7,026	2,643	12,915	41,171
Committed						
Unspent Contract Encumbrances	2,926	-	160	-	-	3,086
Green Space Initiative	-	-	326	-	-	326
Trust Funds	-	-	1,291	-	-	1,291
Total Committed	2,926	-	1,777	-	-	4,703
Assigned						
Unspent Purchase Order Encumbrances	722	-	87	-	-	809
Debt Service	2,725	-	-	1,048	299	4,072
Probation/Juvenile Detention Expenses	2,103	-	-	-	-	2,103
Pension Amortization Expenses	1,951	-	-	-	-	1,951
Appropriated for Library Fund	-	-	494	-	-	494
Road Fund	-	-	3	-	-	3
Library Fund	-	-	184	-	-	184
Total Assigned	7,501	-	768	1,048	299	9,616
Unassigned	4,212	(48,326)	-	-	-	(44,114)
Total Fund Balance	\$ 20,286	\$ (31,286)	\$ 10,176	\$ 3,691	\$ 13,223	\$ 16,090

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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, 2014 budget is:

Five-year average full valuation of taxable real property	<u>\$39,092,408</u>
Tax limit (1.5% of 5-year average full valuation of property)	<u>586,386</u>
Total Tax Levy	350,428
Less: Exclusions from tax limit	<u>43,099</u>
Total tax levy subject to taxing power limit	307,329
Tax margin (Unused Taxing Power)	<u>\$ 279,057</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 reported as deferred inflows of resources on the basis that they are not available to finance current operations. Those collected within the first sixty days of 2014 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, 2015.

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 (000's omitted)
Year Ended December 31, 2014

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

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. 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. The County has no long-term investments that expose it to significant interest rate risk.

C. Credit Risk

For investments, credit risk is the risk that in the event of a failure of a counterparty, the County may not be able to recover the value of its investments. New York State General Municipal Law and the County's Investment and Deposit Policy authorize the County to purchase the following types of investments:

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

The County has no investments that expose it to significant credit risk.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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, 2014, \$122.5 million of the County's deposits of \$125.1 million, which are included in cash and cash equivalents, was exposed to custodial credit risk. This credit risk was uninsured and collateralized by securities or money market fund held by the pledging bank's trust department not in the County's name. The difference is insured under the provisions of the Federal Deposit Insurance Act.

2. Investments

For investments, custodial credit risk is the risk that a government will not be able to recover the value of an investment or collateral securities that are in the possession of an outside party if the counterparty to the transaction fails. The County's Investment and Deposit Policy requires that all investments be registered or insured in the County's name and held in the custody of the bank or the bank's trust department. The County requires that all repurchase agreements be limited to obligations of the United States of America or obligations whose principal and interest are fully guaranteed, or insured by the United States of America. At year end, the County had no custodial credit risk related to repurchase agreements since no repurchase agreements were purchased or outstanding during 2014.

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.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

5. Custodial Accounts

Custodial assets refer to cash and cash equivalents held by the County for a third party. The Hospital holds \$625 thousand of funds owned by its patients and residents at the end of 2014.

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, 2014, 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, 2014 are restricted to the following uses:

Restricted Cash and Cash Equivalents				
	Capital Projects	Debt Service	Other	Total
Governmental Activities:				
Major Governmental Funds				
General Fund	\$ -	\$ 15,000	\$ -	\$ 15,000
Capital Projects	17,074	-	-	17,074
Total Major Governmental Funds	<u>17,074</u>	<u>15,000</u>	<u>-</u>	<u>32,074</u>
Debt Service	<u>-</u>	<u>15,558</u>	<u>-</u>	<u>15,558</u>
Internal Service	<u>5,086</u>	<u>1,795</u>	<u>-</u>	<u>6,881</u>
Total Governmental Activities	<u>22,160</u>	<u>32,353</u>	<u>-</u>	<u>54,513</u>
Business-type Activities:				
Solid Waste	345	436	-	781
Airport	2,070	-	-	2,070
Hospital	760	35	-	795
Pure Waters	13,565	408	-	13,973
Total Business-type Activities	<u>16,740</u>	<u>879</u>	<u>-</u>	<u>17,619</u>
Fiduciary Funds:				
Agency	-	-	16,248	16,248
Private Purpose Trust	-	-	116	116
Total Fiduciary Funds	<u>-</u>	<u>-</u>	<u>16,364</u>	<u>16,364</u>
Total Restricted Cash and Cash Equivalents	<u><u>\$ 38,900</u></u>	<u><u>\$ 33,232</u></u>	<u><u>\$ 16,364</u></u>	<u><u>\$ 88,496</u></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 agency funds are primarily composed of third-party medical insurance and mortgage tax monies.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

8. Receivables and Payables

A. Receivables

As of December 31, 2014 receivables are summarized as follows:

Accounts Receivable					
	<u>Taxes and Assessments</u>	<u>Returned School Taxes</u>	<u>Other Accounts Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Total</u>
Governmental Activities:					
General Fund	\$ 7,522	\$ 20,829	\$ 1,893	\$ -	\$ 30,244
Nonmajor Governmental:					
Special Revenue	-	-	435	-	435
Debt Service	-	-	41,033	(30,127)	10,906
Total Nonmajor Governmental	-	-	41,468	(30,127)	11,341
Internal Service	-	-	59	-	59
Total Governmental Activities	<u>7,522</u>	<u>20,829</u>	<u>43,420</u>	<u>(30,127)</u>	<u>41,644</u>
Business-type Activities:					
Solid Waste	-	-	2,351	-	2,351
Airport	-	-	137	-	137
Hospital	-	-	14,416	(1,800)	12,616
Pure Waters	-	-	861	-	861
Energy	-	-	35	-	35
Total Business-type Activities	<u>-</u>	<u>-</u>	<u>17,800</u>	<u>(1,800)</u>	<u>16,000</u>
Total Accounts Receivable	<u>\$ 7,522</u>	<u>\$ 20,829</u>	<u>\$ 61,220</u>	<u>\$ (31,927)</u>	<u>\$ 57,644</u>

Accounts receivable as of December 31, 2014 for governmental activities are comprised mainly of property tax and assessments of \$7.5 million and returned school taxes of \$20.8 million. The nonmajor governmental funds receivable of \$41.5 million is comprised primarily of an amount billed to the Greater Rochester Outdoor Sports Facility Corporation for stadium related debt service, of which \$30.1 million is in allowance for doubtful accounts, and Tobacco Settlement Revenues due to MTASC of \$10.9 million. Business-type activity accounts receivable are comprised primarily of \$2.3 million for solid waste user fees, and \$12.6 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 54 percent payable to vendors and 46 percent accrued salaries and benefits. The accounts payable and accrued liabilities in the business-type activities include approximately 70 percent payable to vendors and 30 percent accrued salaries and benefits. The accounts payable and accrued liabilities balances in governmental funds include approximately 90 percent payable to vendors and 10 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 Inflows/Unearned Revenues

At the governmental fund level, revenues that are measurable but not available to finance current operations have been reported as deferred inflows. Unearned revenues in the general fund as of December 31, 2014 include state aid advances for social services and mental health programs. Deferred inflows in the general and non-major governmental funds represent property tax receivables and MTASC tobacco proceeds, respectively.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

9. **Capital Assets**

Capital asset activity for the County's **governmental activities** consists of the following for the year ended December 31, 2014:

Capital Asset Activity – Governmental Activities					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:					
Nondepreciable Assets					
Land	\$ 23,376	\$ 732	\$ 13	\$ (12)	\$ 24,109
Assets under Construction	27,985	28,347	(15,904)	-	40,428
Total Nondepreciable Assets	<u>51,361</u>	<u>29,079</u>	<u>(15,891)</u>	<u>(12)</u>	<u>64,537</u>
Depreciable Assets					
Buildings	172,922	-	855	-	173,777
Infrastructure	935,120	4,036	12,954	(8,122)	943,988
Improvements other than Buildings	239,200	228	695	(17,607)	222,516
Machinery and Equipment	<u>112,055</u>	<u>4,184</u>	<u>1,614</u>	<u>(3,499)</u>	<u>114,354</u>
Total Depreciable Assets	<u>1,459,297</u>	<u>8,448</u>	<u>16,118</u>	<u>(29,228)</u>	<u>1,454,635</u>
Total Investments in Capital Assets	<u>1,510,658</u>	<u>37,527</u>	<u>227</u>	<u>(29,240)</u>	<u>1,519,172</u>
Less Accumulated Depreciation					
Buildings	(96,012)	(4,612)	-	-	(100,624)
Infrastructure	(488,711)	(20,228)	-	2,606	(506,333)
Improvements other than Buildings	(125,917)	(10,718)	-	16,974	(119,661)
Machinery and Equipment	<u>(81,148)</u>	<u>(6,039)</u>	<u>(227)</u>	<u>3,274</u>	<u>(84,140)</u>
Total Accumulated Depreciation	<u>(791,788)</u>	<u>(41,597)</u>	<u>(227)</u>	<u>22,854</u>	<u>(810,758)</u>
Capital Assets, Net	<u>\$ 718,870</u>	<u>\$ (4,070)</u>	<u>\$ -</u>	<u>\$ (6,386)</u>	<u>\$ 708,414</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, 2014 as follows:

Depreciation Expense Charged to Functions / Programs	
Governmental Activities:	Amount
General government	\$ 8,848
Public safety	8,210
Health and welfare	485
Culture, recreation and education	3,354
Transportation	20,625
Sanitation	75
Total	<u>\$ 41,597</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

9. **Capital Assets (continued)**

Capital asset activity of the County's **business-type activities** consists of the following for the year ended December 31, 2014:

Capital Asset Activity – Business-type Activities					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-type Activities:					
Nondepreciable Assets					
Land	\$ 27,270	\$ -	\$ -	\$ (222)	\$ 27,048
Assets under Construction	28,786	31,555	(16,361)	-	43,980
Total Nondepreciable Assets	<u>56,056</u>	<u>31,555</u>	<u>(16,361)</u>	<u>(222)</u>	<u>71,028</u>
Depreciable Assets					
Buildings	195,000	2,040	-	-	197,040
Infrastructure	690,167	40	-	-	690,207
Improvements other than Buildings	450,498	111	13,789	(4,537)	459,861
Machinery and Equipment	121,072	2,673	513	(844)	123,414
Total Depreciable Assets	<u>1,456,737</u>	<u>4,864</u>	<u>14,302</u>	<u>(5,381)</u>	<u>1,470,522</u>
Total Investments in Capital Assets	<u>1,512,793</u>	<u>36,419</u>	<u>(2,059)</u>	<u>(5,603)</u>	<u>1,541,550</u>
Less Accumulated Depreciation					
Buildings	(144,729)	(4,591)	-	-	(149,320)
Infrastructure	(510,898)	(23,099)	-	-	(533,997)
Improvements other than Buildings	(225,827)	(21,452)	-	4,538	(242,741)
Machinery and Equipment	(103,373)	(2,949)	228	806	(105,288)
Total Accumulated Depreciation	<u>(984,827)</u>	<u>(52,091)</u>	<u>228</u>	<u>5,344</u>	<u>(1,031,346)</u>
Capital Assets, Net	<u>\$ 527,966</u>	<u>\$ (15,672)</u>	<u>\$ (1,831)</u>	<u>\$ (259)</u>	<u>\$ 510,204</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 (000's omitted)
Year Ended December 31, 2014

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, 2014:

Solid Waste Enterprise Fund – Capital Asset Activity					
	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Business-type Activities:					
Nondepreciable Assets					
Land	\$ 6,324	\$ -	\$ -	\$ (222)	\$ 6,102
Assets under Construction	1,662	745	(1,605)	-	802
Total Nondepreciable Assets	7,986	745	(1,605)	(222)	6,904
Depreciable Assets					
Buildings	11,375	-	-	-	11,375
Improvements other than Buildings	57,358	-	1,604	-	58,962
Machinery and Equipment	2,825	136	(50)	-	2,911
Total Depreciable Assets	71,558	136	1,554	-	73,248
Total Investments in Capital Assets	79,544	881	(51)	(222)	80,152
Less Accumulated Depreciation					
Buildings	(10,870)	(45)	-	-	(10,915)
Improvements other than Buildings	(49,923)	(2,835)	-	-	(52,758)
Machinery and Equipment	(2,243)	(52)	51	-	(2,244)
Total Accumulated Depreciation	(63,036)	(2,932)	51	-	(65,917)
Capital Assets, Net	\$ 16,508	\$ (2,051)	\$ -	\$ (222)	\$ 14,235

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

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

9. **Capital Assets (continued)**

Capital asset activity of the County's **airport enterprise fund** consists of the following for the year ended December 31, 2014:

Airport Enterprise Fund – Capital Asset Activity					
	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Business-type Activities:					
Nondepreciable Assets					
Land	\$ 18,466	\$ -	\$ -	\$ -	\$ 18,466
Assets under Construction	4,254	8,371	(2,737)	-	9,888
Total Nondepreciable Assets	<u>22,720</u>	<u>8,371</u>	<u>(2,737)</u>	<u>-</u>	<u>28,354</u>
Depreciable Assets					
Buildings	22,723	-	-	-	22,723
Improvements other than Buildings	276,116	111	2,685	(4,531)	274,381
Machinery and Equipment	12,581	751	74	(563)	12,843
Total Depreciable Assets	<u>311,420</u>	<u>862</u>	<u>2,759</u>	<u>(5,094)</u>	<u>309,947</u>
Total Investments in Capital Assets	<u>334,140</u>	<u>9,233</u>	<u>22</u>	<u>(5,094)</u>	<u>338,301</u>
Less Accumulated Depreciation					
Buildings	(14,651)	(624)	-	-	(15,275)
Improvements other than Buildings	(132,034)	(12,463)	-	4,532	(139,965)
Machinery and Equipment	(8,375)	(511)	31	559	(8,296)
Total Accumulated Depreciation	<u>(155,060)</u>	<u>(13,598)</u>	<u>31</u>	<u>5,091</u>	<u>(163,536)</u>
Capital Assets, Net	<u>\$ 179,080</u>	<u>\$ (4,365)</u>	<u>\$ 53</u>	<u>\$ (3)</u>	<u>\$ 174,765</u>

Assets under Construction (AuC) include work in progress on improvements.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

9. **Capital Assets (continued)**

Capital asset activity of the County's **hospital enterprise fund** consists of the following for the year ended December 31, 2014:

Hospital Enterprise Fund – Capital Asset Activity					
	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Business-type Activities:					
Nondepreciable Assets					
Land	\$ 109	\$ -	\$ -	\$ -	\$ 109
Assets under Construction	847	1,832	(2,519)	-	160
Total Nondepreciable Assets	956	1,832	(2,519)	-	269
Depreciable Assets					
Buildings	92,868	2,040	-	-	94,908
Infrastructure	3,614	40	-	-	3,654
Machinery and Equipment	49,867	-	687	-	50,554
Total Depreciable Assets	146,349	2,080	687	-	149,116
Total Investments in Capital Assets	147,305	3,912	(1,832)	-	149,385
Less Accumulated Depreciation					
Buildings	(74,883)	(2,581)	-	-	(77,464)
Infrastructure	(2,826)	(152)	-	-	(2,978)
Machinery and Equipment	(43,685)	(1,042)	-	-	(44,727)
Total Accumulated Depreciation	(121,394)	(3,775)	-	-	(125,169)
Capital Assets, Net	\$ 25,911	\$ 137	\$ (1,832)	\$ -	\$ 24,216

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

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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, 2014:

Pure Waters Enterprise Fund – Capital Asset Activity					
	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Business-type Activities:					
Nondepreciable Assets					
Land	\$ 2,371	\$ -	\$ -	\$ -	\$ 2,371
Assets under Construction	22,023	20,607	(9,500)	-	33,130
Total Nondepreciable Assets	24,394	20,607	(9,500)	-	35,501
Depreciable Assets					
Buildings	68,034	-	-	-	68,034
Infrastructure	686,553	-	-	-	686,553
Improvements other than Buildings	117,024	-	9,500	(6)	126,518
Machinery and Equipment	55,799	1,786	(198)	(281)	57,106
Total Depreciable Assets	927,410	1,786	9,302	(287)	938,211
Total Investments in Capital Assets	951,804	22,393	(198)	(287)	973,712
Less Accumulated Depreciation					
Buildings	(44,325)	(1,341)	-	-	(45,666)
Infrastructure	(508,072)	(22,947)	-	-	(531,019)
Improvements other than Buildings	(43,870)	(6,154)	-	6	(50,018)
Machinery and Equipment	(49,070)	(1,344)	146	247	(50,021)
Total Accumulated Depreciation	(645,337)	(31,786)	146	253	(676,724)
Capital Assets, Net	\$ 306,467	\$ (9,393)	\$ (52)	\$ (34)	\$ 296,988

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

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

10. Indebtedness and Certain Long-term Obligations

A. Short Term Indebtedness

The County had a total of \$155 million in outstanding notes payable as of December 31, 2014. This was comprised of \$80 million of bond anticipation notes (BANS) and \$75 million of revenue anticipation notes (RANS).

During 2014, the County issued a total of \$80 million in bond anticipation notes. \$31 million were to renew previously issued bond anticipation notes. \$13 million in new bond anticipation notes were issued for business-type activities and the remaining \$36 million in new funds were issued for various other county projects. The County also issued a total of \$75 million in revenue anticipation notes, which provided \$58 million of working capital for the general fund and \$17 million for the 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, 2014:

Changes in Notes Payable - Primary Government				
	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities:				
Capital Project Funds-Bond Anticipation Notes	\$ 24,125	\$ 47,266	\$ (24,125)	\$ 47,266
Internal Service Funds-Bond Anticipation Notes	2,219	14,708	(2,219)	14,708
General Fund-Revenue Anticipation Notes	58,000	58,000	(58,000)	58,000
Total Governmental Activities	<u>84,344</u>	<u>119,974</u>	<u>(84,344)</u>	<u>119,974</u>
Business-type Activities:				
Solid Waste-Bond Anticipation Notes	-	900	-	900
Airport-Bond Anticipation Notes	8,000	2,700	(8,000)	2,700
Hospital-Bond Anticipation Notes	2,992	4,471	(2,992)	4,471
Hospital-Revenue Anticipation Notes	17,000	17,000	(17,000)	17,000
Pure Waters-Bond Anticipation Notes	9,664	10,400	(9,664)	10,400
Total Business-type Activities	<u>37,656</u>	<u>35,471</u>	<u>(37,656)</u>	<u>35,471</u>
Total Notes Payable	<u><u>\$ 122,000</u></u>	<u><u>\$ 155,445</u></u>	<u><u>\$ (122,000)</u></u>	<u><u>\$ 155,445</u></u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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, 2014:

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	11/6/2014	0.85%	4/10/2015	\$ 58,000
Public Improvement Bond Anticipation Notes	7/2/2014	1.00%	7/1/2015	49,805
Public Improvement Bond Anticipation Notes	12/4/2014	0.84%	7/1/2015	<u>4,461</u>
Internal Service Fund				
Public Improvement Bond Anticipation Notes	7/2/2014	1.00%	7/1/2015	7,583
Public Improvement Bond Anticipation Notes	12/4/2014	0.84%	7/1/2015	<u>125</u>
Total Governmental Activities				<u>119,974</u>
Business-type Activities:				
Solid Waste				
Public Improvement Bond Anticipation Notes	7/2/2014	1.00%	7/1/2015	900
Airport				
Public Improvement Bond Anticipation Notes	7/2/2014	1.00%	7/1/2015	2,700
Hospital				
Revenue Anticipation Notes	11/6/2014	0.85%	4/10/2015	17,000
Public Improvement Bond Anticipation Notes	7/2/2014	1.00%	7/1/2015	4,457
Public Improvement Bond Anticipation Notes	12/4/2014	0.84%	7/1/2015	14
Pure Waters				
Public Improvement Bond Anticipation Notes	12/4/2014	0.84%	7/1/2015	<u>10,400</u>
Total Business-type Activities				<u>35,471</u>
Total Notes Payable				<u><u>\$ 155,445</u></u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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, 2014:

Long-term Liabilities – Primary Government					
	Beginning Balance	Additions	Deductions	Current Portion	Long-term Portion
Governmental Activities:					
Capital Leases Payable	\$ 789	\$ 90	\$ (428)	\$ 290	\$ 161
Bonds Payable	514,112	8,630	(39,500)	28,798	454,444
Other Long-term Liabilities					
Due to New York State Retirement System	68,407	33,770	(17,658)	21,009	63,510
Postemployment benefits other than pension	129,974	24,392	-	-	154,366
Federal, State and other long-term liabilities	4,112	12,767	-	2,221	14,658
Compensated Absences	25,462	1,029	(70)	16,363	10,058
Total Other Long-term Liabilities	227,955	71,958	(17,728)	39,593	242,592
Total Governmental Long-term Liabilities	\$ 742,856	\$ 80,678	\$ (57,656)	\$ 68,681	\$ 697,197
Business-type Activities:					
Capital Leases Payable	7,856	-	(733)	762	6,361
Bonds Payable	162,163	22,920	(16,338)	17,368	151,377
Due to Other Funds	-	21,400	-	-	21,400
Patient funds held in trust	599	26	-	-	625
Other Long-term Liabilities					
Due to New York State Retirement System	6,203	5,580	(5,971)	5,692	120
Postemployment benefits other than pension	31,217	5,196	-	-	36,413
Federal, State and other long-term liabilities	-	394	-	117	277
Compensated Absences	1,962	4	(112)	1,673	181
Total Other Long-term Liabilities	39,382	11,174	(6,083)	7,482	36,991
Total Business-type Long-term Liabilities	\$ 210,000	\$ 55,520	\$ (23,154)	\$ 25,612	\$ 216,754

The current portion of the amount Due to New York State Retirement System in the statement of net position represents the next payment to the New York State Retirement System due on February 1, 2015. The current portion of compensated absences is included in accounts payable and accrued liabilities in the statement of net position. 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 statement of net position. 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 (000's omitted)
Year Ended December 31, 2014

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, 2014:

Bonds Payable – Primary Government					
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Governmental Activities:					
Governmental Funds	\$ 455,924	\$ 8,630	\$ (33,767)	\$ 430,787	\$ 24,200
Internal Service Funds	58,188	-	(5,733)	52,455	4,598
Total Governmental Activities	<u>514,112</u>	<u>8,630</u>	<u>(39,500)</u>	<u>483,242</u>	<u>28,798</u>
Business-type Activities:					
Solid Waste	11,322	-	(2,772)	8,550	2,650
Airport	18,283	-	(1,878)	16,405	1,856
Hospital	11,539	-	(1,829)	9,710	1,790
Pure Waters	121,019	22,920	(9,859)	134,080	11,072
Total Business Type Activities	<u>162,163</u>	<u>22,920</u>	<u>(16,338)</u>	<u>168,745</u>	<u>17,368</u>
Total Bonds Payable	<u><u>\$ 676,275</u></u>	<u><u>\$ 31,550</u></u>	<u><u>\$ (55,838)</u></u>	<u><u>\$ 651,987</u></u>	<u><u>\$ 46,166</u></u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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, 2014:

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					
<u>Bonds issued by the County</u>					
PI-1996	\$ 33,313	7/2/1996	5.75	2016	\$ 7
PI Refunding-1996-Series A	56,613	12/1/1996	6.00	2019	2,190
PI-1997-Series A	25,580	12/1/1997	4.90/5.00	2017	46
PI-2002 CABS	61,091	3/14/2002	4.59/4.96	2019	1,688
PI-2005	29,369	7/15/2005	4.125/4.250	2025	17,313
PI-2007	36,959	7/15/2007	4.25/4.375	2027	12,944
GO Refunding Bonds - 2008-A	20,032	6/19/2008	3.75/4.00	2017	1,265
GO Refunding Bonds - 2008-C	2,570	6/19/2008	3.75/4.00	2017	780
PI-2009-A	27,253	7/14/2009	4.00/5.00	2029	15,496
PI-2010	38,812	7/13/2010	3.00/4.375	2030	29,342
GO Refunding Bonds - 2012	35,299	4/3/2012	3.75/5.00	2023	24,051
PI-2012	30,350	6/27/2012	3.00/5.00	2031	26,970
Public Stadium Refunding 2014	8,630	10/15/2014	.690/3.590	2024	8,630
					<u>140,722</u>
Add: Accretion of capital appreciation bonds					1,573
Unamortized bond premium					<u>5,187</u>
Total Bonds Issued by the County					<u>147,482</u>
<u>Bonds Issued by MTASC</u>					
MTASC Series 2005	157,720	8/25/2005	5.00/6.65	2060	145,161
MTASC Series 2006	14,579	2/7/2006	7.70	2061	14,579
MTASC Series 2010	63,100	6/1/2010	6.25	2060	63,100
					<u>222,840</u>
Add: Accretion of capital appreciation bonds					38,564
Less: Unamortized bond discount					<u>(2,109)</u>
Total Bonds Issued by MTASC					<u>\$ 259,295</u>

*PI: Public Improvement, GO: General Obligation

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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

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

Bonds Payable – Primary Government (continued)					
	<u>Original Amount</u>	<u>Date of Bonds</u>	<u>Interest Rate Percent</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Governmental Activities (continued):					
<u>Bonds Issued by the County for Monroe Community College (MCC)</u>					
PI-1997-Series A	\$ 3,400	12/1/1997	4.90/5.00	2017	\$ 4
PI-2002 CABS	10,506	3/14/2002	4.59/4.96	2019	57
PI-2005	1,328	7/15/2005	4.125/4.250	2025	776
PI-2007	654	7/15/2007	4.25	2017	37
GO Refunding Bonds - 2008-A	2,073	6/19/2008	3.75/4.00	2017	575
PI-2009-A	7,910	7/14/2009	4.00/5.00	2029	5,725
PI-2010	5,300	7/13/2010	3.00/4.375	2030	4,517
GO Refunding Bonds - 2012	7,792	4/3/2012	3.75/5.00	2022	5,517
PI-2012	6,778	6/27/2012	3.00/5.00	2031	5,663
					<u>22,871</u>
Add: Unamortized bond premium					<u>1,139</u>
Total Bonds Issued by the County for MCC					<u>24,010</u>
Total Governmental Funds					<u>430,787</u>
<u>Internal Service Funds</u>					
PI Refunding-1996-Series A	6,128	12/1/1996	6.00	2019	177
PI-1999	21,025	5/27/1999	4.50	2015	-
PI-2005	8,880	7/15/2005	4.125/4.250	2025	5,248
PI-2007	8,358	7/15/2007	4.25/4.375	2027	4,920
GO Refunding Bonds - 2008-A	4,825	6/19/2008	3.75	2015	65
PI-2009-A	10,590	7/14/2009	4.00/5.00	2029	6,368
PI-2010	24,088	7/13/2010	3.00/4.375	2030	20,194
GO Refunding Bonds - 2012	3,621	4/3/2012	5.00	2019	2,373
PI-2012	12,918	6/27/2012	3.00/5.00	2031	11,564
					<u>50,909</u>
Add: Unamortized bond premium					<u>1,546</u>
Total Internal Service Funds					<u>52,455</u>
Total Governmental Activities					<u>\$ 483,242</u>

*PI: Public Improvement, GO: General Obligation

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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

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

Bonds Payable – Primary Government (continued)					
	<u>Original Amount</u>	<u>Date of Bonds</u>	<u>Interest Rate Percent</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Business-type Activities:					
Bonds issued by the County					
<u>Solid Waste Fund</u>					
PI-1994	\$ 59,717	8/24/1994	6.10/6.15	2016	\$ 127
EFC PI Refunding -1995	15,005	6/1/1995	4.20	2015	1,030
PI Refunding-1996-Series A	46,343	12/1/1996	6.00	2019	1,885
PI-1997-Series A	5,714	12/1/1997	4.90/5.00	2017	148
PI-1999	6,825	5/27/1999	4.50	2015	40
PI-2005	4,570	7/15/2005	4.125/4.25	2025	2,661
PI-2007	123	7/15/2007	4.25	2020	60
GO Refunding Bonds - 2008-A	770	6/19/2008	3.75/4.00	2016	175
PI-2009-A	665	7/14/2009	4.00/5.00	2018	128
GO Refunding Bonds - 2012	81	4/3/2012	5.00	2019	59
PI-2012	2,009	6/27/2012	3.00/5.00	2031	1,833
					<u>8,146</u>
Add: Accretion of capital appreciation bonds					317
Unamortized bond premium					<u>87</u>
Total Solid Waste Fund					<u>8,550</u>
<u>Airport Fund</u>					
PI-2005	3,555	7/15/2005	4.125/4.25	2025	2,113
PI-2007	4,556	7/15/2007	4.25	2016	458
GO Refunding Bonds - 2008-A	1,155	6/19/2008	3.75/4.00	2017	180
PI-2009-B	14,200	7/14/2009	4.25/5.25	2029	10,935
GO Refunding Bonds - 2012	2,942	4/3/2012	3.75/5.00	2023	2,231
					<u>15,917</u>
Add: Unamortized bond premium					<u>488</u>
Total Airport Fund					<u>\$ 16,405</u>

*PI: Public Improvement, GO: General Obligation

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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

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

Bonds Payable – Primary Government (continued)					
	<u>Original Amount</u>	<u>Date of Bonds</u>	<u>Interest Rate Percent</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Business-type Activities (continued):					
Bonds issued by the County					
<u>Hospital Fund</u>					
PI-2005	\$ 1,515	7/15/2005	4.125/4.25	2025	\$ 892
PI-2007	1,332	7/15/2007	4.25	2019	264
GO Refunding Bonds - 2008-A	595	6/19/2008	3.75	2015	10
PI-2009-A	2,382	7/14/2009	4.00/5.00	2023	1,142
PI-2010	1,560	7/13/2010	3.00/4.00	2025	853
GO Refunding Bonds - 2012	2,350	4/3/2012	5.00	2019	1,696
PI-2012	5,660	6/27/2012	3.00/5.00	2027	<u>4,446</u>
					9,303
Add: Unamortized bond premium					<u>407</u>
Total Hospital Fund					<u>9,710</u>
<u>Pure Waters Fund</u>					
PI-1996	2,850	7/2/1996	5.75	2016	358
PI Refunding-1996-Series A	46,343	12/1/1996	6.00	2019	12,348
PI-1997-Series A	5,714	12/1/1997	4.90/5.00	2017	207
EI Bonds-1999	16,046	3/31/1999	4.63/4.905	2018	3,750
EI Bonds-2001	19,999	7/26/2001	4.704/5.154	2021	8,250
EI Bonds-2002	2,287	3/14/2002	4.422/4.982	2021	905
PI-2005	25,698	7/15/2005	4.125/4.25	2025	14,942
PI-2007	23,903	7/15/2007	4.25/4.375	2027	16,862
GO Refunding Bonds - 2008-A	665	6/19/2008	3.75/4.00	2017	220
PI-2009-A	18,300	7/14/2009	4.00/5.00	2029	14,416
PI-2010	14,955	7/13/2010	3.00/4.375	2030	12,969
GO Refunding Bonds - 2012	4,490	4/3/2012	3.75/5.00	2023	3,333
PI-2012	21,950	6/27/2012	3.00/5.00	2031	20,614
PI-2014	22,920	7/2/2014	2.00/5.00	2034	<u>22,920</u>
					132,094
Add: Unamortized bond premium					<u>1,986</u>
Total Pure Waters Fund					<u>134,080</u>
Total Business-type Activities					<u>\$ 168,745</u>
Total Primary Government					<u>\$ 651,987</u>

*PI: Public Improvement, GO: General Obligation, EI: Environmental Improvement

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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, 2014:

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							
2015	\$ 24,200	\$ 4,598	\$ 2,650	\$ 1,856	\$ 1,790	\$ 11,072	\$ 46,166
2016	22,755	4,194	1,670	1,405	1,621	11,575	43,220
2017	21,246	4,145	543	1,303	1,341	11,715	40,293
2018	15,058	3,357	519	1,319	1,249	12,082	33,584
2019	15,197	3,631	487	1,133	908	10,938	32,294
2020-2024	48,074	16,087	1,922	4,879	2,110	36,992	110,064
2025-2029	39,719	12,691	326	4,022	284	27,728	84,770
2030-2034	1,448	2,206	29	-	-	9,992	13,675
2035-2039	-	-	-	-	-	-	-
2040-2044	118,755	-	-	-	-	-	118,755
2045-2049	35,465	-	-	-	-	-	35,465
2050-2054	5,387	-	-	-	-	-	5,387
2055-2059	8,924	-	-	-	-	-	8,924
2060-2061	30,205	-	-	-	-	-	30,205
Total Principal	386,433	50,909	8,146	15,917	9,303	132,094	602,802
Interest							
2015	16,496	2,039	436	733	382	5,842	25,928
2016	15,539	1,844	422	660	304	4,967	23,736
2017	14,751	1,655	154	596	232	4,393	21,781
2018	14,515	1,494	129	531	171	3,812	20,652
2019	13,136	1,352	107	470	121	3,241	18,427
2020-2024	57,412	4,657	240	1,593	219	10,731	74,852
2025-2029	47,631	1,664	17	488	7	4,196	54,003
2030-2034	42,536	57	1	-	-	659	43,253
2035-2039	42,499	-	-	-	-	-	42,499
2040-2044	21,739	-	-	-	-	-	21,739
2045-2049	887	-	-	-	-	-	887
2050-2054	62,708	-	-	-	-	-	62,708
2055-2059	186,668	-	-	-	-	-	186,668
2060-2061	1,503,825	-	-	-	-	-	1,503,825
Total Interest	2,040,342	14,762	1,506	5,071	1,436	37,841	2,100,958
Total Principal and Interest	\$ 2,426,775	\$ 65,671	\$ 9,652	\$ 20,988	\$ 10,739	\$ 169,935	\$ 2,703,760

Approximately \$388.3 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. Included in the interest payments for 2060-2061 are the tobacco settlement capital appreciation bonds maturing in 2061.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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

D. **Advanced Refunding/Defeased Debt**

As of December 31, 2014, the County's total outstanding defeased debt is as follows:

<u>Bond Issue</u>	<u>Outstanding Debt</u>
Public Improvement-1994 (Capital Appreciation)	\$ 397
Total:	<u><u>\$ 397</u></u>

E. **Commitments**

The County has a service agreement with M3S LDC to provide certain public safety and related security services. 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 2014, the County paid \$10.4 million.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

11. Leases

Capital Lease Agreements

The following is a schedule of the future minimum lease payments for equipment leases capitalized together with the present value of the net minimum lease payments as of December 31, 2014:

	Capital Lease Agreements							
	Governmental Activities				Business-type Activities			
	General Fund	Internal Service Funds	Revenue Funds		Airport	Hospital	Pure Waters	Total
			Road	Library				
Year								
2015	\$ 240	\$ 7	\$ 23	\$ 34	\$ 8	\$ 952	\$ 151	\$ 1,415
2016	69	-	22	-	-	952	149	1,192
2017	39	-	18	-	-	952	85	1,094
2018	10	-	9	-	-	952	-	971
2019	-	-	-	-	-	952	-	952
2020-2023	-	-	-	-	-	3,806	-	3,806
Total minimum lease payments	358	7	72	34	8	8,566	385	9,430
Less amounts representing interest rates ranging from 2.3% to 7.7%	(15)	-	(4)	(1)	-	(1,822)	(14)	(1,856)
Net minimum lease payments	\$ 343	\$ 7	\$ 68	\$ 33	\$ 8	\$6,744	\$ 371	\$ 7,574

The 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 \$3.7 million at December 31, 2014.

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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 MCC 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 between January 1, 2010 and March 31, 2012 are required to contribute 3% of their salary for the duration of service. Effective April 1, 2012 all members joining the system are required to contribute 3% of their salary for the duration of service. This contribution rate will remain in effect until March 31, 2013. Beginning April 1, 2013 those members having joined as of April 1, 2012 and subsequently will then have their contribution rates vary from 3% to 6% based on their level of annualized wages 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:

Required Contributions for ERS and PFRS			
Year		ERS	PFRS
2014	\$	37,394	\$ 443
2013		35,006	407
2012		31,735	370

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 (000's omitted)
Year Ended December 31, 2014

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. The Chapter 57 Laws, in 2013, allowed for an alternate program allowing the option of amortizing over 12 years. Interest for the amortization is based on a rate established by the Comptroller using current market rates. In the years 2010 through 2012, in accordance with Chapter 57 Laws, the County elected to amortize a portion of retirement costs over 10 years. In 2013 and 2014, in accordance with Chapter 57 Laws, the County elected to amortize a portion of retirement costs over 12 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 \$37.8 million on February 1, 2015. The following is a breakdown of the retirement liability as of December 31, 2014 by activity:

	Year	Chapter 260 Elective Deferral	Chapter 57 Elective Deferral	Chapter 105, Part A Early Incentive	Chapter 260 Current Year	Total
Governmental Activities:						
	2015	\$ 1,639	\$ 6,077	\$ 260	\$ 13,033	\$ 21,009
	2016	-	5,756	242	-	5,998
	2017	-	5,965	-	-	5,965
	2018	-	6,181	-	-	6,181
	2019	-	6,406	-	-	6,406
	2020	-	6,637	-	-	6,637
	2021	-	6,879	-	-	6,879
	2022	-	6,332	-	-	6,332
	2023	-	5,579	-	-	5,579
	2024	-	3,744	-	-	3,744
	2025	-	3,881	-	-	3,881
	2026	-	4,023	-	-	4,023
	2027	-	1,885	-	-	1,885
Total Governmental Activities		<u>1,639</u>	<u>69,345</u>	<u>502</u>	<u>13,033</u>	<u>84,519</u>
Business-type Activities:						
	2015	-	-	129	5,563	5,692
	2016	-	-	120	-	120
Total Business-type Activities		<u>-</u>	<u>-</u>	<u>249</u>	<u>5,563</u>	<u>5,812</u>
Total Retirement Liability		<u>\$ 1,639</u>	<u>\$ 69,345</u>	<u>\$ 751</u>	<u>\$ 18,596</u>	<u>\$ 90,331</u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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 2014 was \$24.1 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		
	Governmental Activities	Business-type Activities	Total Primary Government
Annual Required Contribution (ARC)	\$ 46,714	\$ 9,870	\$ 56,584
Interest on Net OPEB Obligation	5,199	1,247	6,446
Adjustments to ARC	(7,516)	(1,803)	(9,319)
Annual OPEB cost	44,396	9,314	53,711
Contributions made	(20,005)	(4,115)	(24,120)
Increase in Net OPEB Obligation	24,392	5,199	29,591
Net OPEB Obligation – 12/31/13	129,974	31,187	161,161
Net OPEB Obligation – 12/31/14	<u>\$ 154,366</u>	<u>\$ 36,386</u>	<u>\$ 190,752</u>
Net OPEB Obligation – 12/31/12	\$ 105,961	\$ 26,021	\$ 131,082
Annual OPEB Cost:			
2014	\$ 44,397	\$ 9,314	\$ 53,711
2013	44,824	9,406	54,230
2012	42,812	9,479	52,291
Percentage of Annual OPEB cost contributed:			
2014	45.1%	44.2%	44.9%
2013	46.4%	45.1%	46.2%
2012	45.7%	42.8%	45.2%

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

13. Post-Employment Health Care Benefits (continued)

The net OPEB obligation at December 31, 2014 is recorded as follows:

	Governmental Activities	Business-type Activities	Total Primary Government
Current assets – other	\$ -	\$ (27)	\$ (27)
Other long-term liabilities	154,366	36,413	190,779
Net OPEB Obligation	<u>\$ 154,366</u>	<u>\$ 36,386</u>	<u>\$ 190,752</u>

Funded Status and Funding Progress

As of December 31, 2014, the actuarial accrued liability for benefits was \$686.7 million, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$224.8 million, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 305.5%.

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

	Governmental Activities	Business- type Activities	Total Primary Government
Actuarial Accrued Liability (AAL) at 12/31/2014 (unfunded)	\$ 572,738	\$ 113,963	\$ 686,701
Covered Payroll	\$ 181,222	\$ 43,537	\$ 224,759
Ratio of Unfunded AAL to Covered Payroll	<u>316.0%</u>	<u>261.8%</u>	<u>305.5%</u>

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, 2013
Actuarial Cost Method	Projected Unit Credit
Discount Rate	4%
Health Care Trends	9% in 2013, reduced by decrements to an ultimate rate of 5.0% in 2017
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 (000's omitted)
Year Ended December 31, 2014

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

Schedule of Funding Progress (RSI – Unaudited)

The schedule of funding progress presents information on the actuarial accrued liabilities for benefits relative to the actuarial value of plan assets and covered payroll.

Schedule of Funding Progress for the County Plan

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b) – (a)</u>	<u>Funded Ratio (a)/(b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll (b-a)/(c)</u>
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%
01/01/2013	-	686,701	686,701	0.00%	231,295	296.9%

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

14. Interfund Activity

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

A. Receivables and Payables

Ninety four percent of the total amount of receivables and payables is a result of the overdraft of other funds' share of pooled cash, and six percent is a result of initial financing of capital projects. The following is a summary of interfund receivables and payables as of December 31, 2014:

Interfund Payables and Receivables					
	Interfund Receivables				
	Governmental Activities			Business-type Activities	
	General Fund	Special Revenue	Internal Service Fund	Airport Fund	Total
Interfund Payables					
Governmental Activities:					
Major Governmental Funds					
General Fund	\$ -	\$ 2,100	\$ 9,800	\$ 1,500	\$ 13,400
Capital Projects	1,298	1,807	-	-	3,105
Total Major Governmental Funds	<u>1,298</u>	<u>3,907</u>	<u>9,800</u>	<u>1,500</u>	<u>16,505</u>
Special Revenue - Road	8,600	-	-	-	8,600
Internal Service Fund	5,500	-	-	-	5,500
Total Governmental Activities	<u>15,398</u>	<u>3,907</u>	<u>9,800</u>	<u>1,500</u>	<u>30,605</u>
Business-type Activities:					
Solid Waste	21,400	-	-	-	21,400
Energy	2,200	-	-	-	2,200
Total Business-type Activities	<u>23,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,600</u>
Total Governmental/ Business-type Activities	<u><u>\$ 38,998</u></u>	<u><u>\$ 3,907</u></u>	<u><u>\$ 9,800</u></u>	<u><u>\$ 1,500</u></u>	<u><u>\$ 54,205</u></u>

COUNTY OF MONROE, NEW YORK
Notes to Basic Financial Statements (000's omitted)
Year Ended December 31, 2014

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, 2014:

Interfund Transfers From:	Governmental Activities					
	Interfund Transfers to:					
	General Fund	Non-major Governmental Funds		Debt Service Funds	Internal Service Funds	Total
		Road	Library			
Governmental Activities:						
Major Governmental Funds						
General Fund	\$ -	\$12,999	\$ 6,908	\$19,022	\$ 2,099	\$41,028
Capital Projects	-	-	-	1,156	-	1,156
Total Major Governmental Funds	-	12,999	6,908	20,178	2,099	42,184
Nonmajor Governmental Funds						
Special Revenue						
Road	-	-	-	11,653	-	11,653
Library	-	-	-	288	-	288
Trust Funds	-	-	-	-	150	150
Total Special Revenue	-	-	-	11,941	150	12,091
Total Governmental Activities	-	12,999	6,908	32,119	2,249	54,275
Business-type Activities:						
Solid Waste	1,369	-	-	-	-	1,369
Total Business-type Activities	1,369	-	-	-	-	1,369
Total Transfers	\$ 1,369	\$12,999	\$ 6,908	\$32,119	\$ 2,249	\$55,644

15. **Miscellaneous Revenue**

For the year ended December 31, 2014, the miscellaneous revenue for the primary government is \$19.3 million, consisting of \$6.9 million for governmental activities and \$12.4 million for business-type activities. This includes \$9.6 million in the solid waste fund for the sale of recycled materials and waste refuse complex fees and \$1.7 million in the hospital fund, consisting primarily of rental fees.

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 (000's omitted)
Year Ended December 31, 2014

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. In 2014, the County became self-insured for medical claims.

In addition to the self-insured risks noted above, the County is also self-insured for any malpractice claims against the Hospital. As of December 31, 2014 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, 2014, 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, 2014.

The table below illustrates changes in the fund's liabilities for the last two years:

Risk Management Fund				
Year	Balance January 1,	Current-Year Claims and Changes In Estimates	Claim Payments	Balance December 31,
2014	\$ 46,783	\$ 74,519	\$ (71,021)	\$ 50,281
2013	42,740	15,128	(11,085)	46,783

The estimated accrued liabilities are reported in the accounts payable and accrued liabilities in the internal service fund. This is comprised of \$5.1 million, which is the County Attorney's estimate of general liability claims which may likely settle, \$32.9 million representing Workers' Compensation claims already reported, and additional claims incurred but not yet reported, \$3.5 million for medical claims incurred but not yet reported, and other liabilities amounting to \$1.8 million. The County utilizes a third party administrator who is responsible for processing claims and estimating liabilities under this coverage. In addition to claim activity, liabilities include a \$7 million bond anticipation note issued in July 2014 for a legal settlement.

The County has evaluated its potential pollution remediation obligations and as of December 31, 2014, the County is aware of certain 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.

Pollution remediation obligations are estimates and are subject to changes resulting from price increases or reductions, technology, or changes in applicable laws and regulations.

**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, 2014
(000's Omitted)

	Original Budget	Amended Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
REVENUES					
Real property tax levy and delinquencies	\$ 356,930	\$ 356,930	\$ 356,930	\$ 352,140	\$ (4,790)
Sales and other taxes	144,827	144,827	144,827	142,381	(2,446)
Federal aid	136,461	144,639	155,381	148,335	(7,046)
State aid	194,162	203,015	214,884	184,081	(30,803)
Charges for services	25,356	25,356	25,356	20,651	(4,705)
Intergovernmental	41,344	41,344	41,344	38,938	(2,406)
Interdepartmental	4,733	4,733	4,733	2,105	(2,628)
Use of money and property	4,794	4,794	4,794	5,517	723
Repayments and refunds	22,809	22,809	22,809	12,679	(10,130)
Payments in lieu of taxes	6,485	6,485	6,485	7,169	684
Miscellaneous	18,517	19,471	19,468	26,106	6,638
Total revenues	<u>956,418</u>	<u>974,403</u>	<u>997,011</u>	<u>940,102</u>	<u>(56,909)</u>
EXPENDITURES					
Health and welfare	576,921	589,606	599,161	556,814	42,347
Public safety	223,193	229,771	244,374	230,224	14,150
Culture, recreation and education	77,200	75,586	75,976	72,297	3,679
General government	31,791	32,127	33,716	28,537	5,179
Transportation	3,524	3,524	3,524	3,524	-
Total expenditures	<u>912,629</u>	<u>930,614</u>	<u>956,751</u>	<u>891,396</u>	<u>65,355</u>
Excess of revenues over expenditures	<u>43,789</u>	<u>43,789</u>	<u>40,260</u>	<u>48,706</u>	<u>8,446</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	1,369	1,369
Transfers out	(43,789)	(43,789)	(43,789)	(41,028)	2,761
Total other financing sources (uses)	<u>(43,789)</u>	<u>(43,789)</u>	<u>(43,789)</u>	<u>(39,659)</u>	<u>4,130</u>
Changes in budgeted fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,529)</u>	9,047	<u>\$ 12,576</u>
Fund balance at beginning of year				<u>11,239</u>	
Fund balance at end of year				<u>\$ 20,286</u>	

See accompanying notes to required supplementary information.

COUNTY OF MONROE, NEW YORK
Notes to Required Supplementary Information (Unaudited)
Year Ended December 31, 2014

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.

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, 2014

Budgetary Basis Reporting (continued)

A summary of legally-adopted budgetary activity for the County's general fund for the year ended 2014 follows (000's omitted):

Revenues and other Financing Sources	
Original Adopted Budget	\$ 956,418
Budget Amendments and Transfers	<u>17,985</u>
Amended Budget	974,403
Grants Residual Budget Carryover	<u>22,608</u>
Modified Budget	<u><u>\$ 997,011</u></u>
Expenditures and other Financing Uses	
Original Adopted Budget	\$ 956,418
Budget Amendments and Transfers	<u>17,985</u>
Amended Budget	974,403
Prior Year Encumbrances and Grants Residual Budget Carryover	<u>26,137</u>
Modified Budget	<u><u>\$ 1,000,540</u></u>

The general fund budget includes grants awarded to the County from state and federal sources. The adopted budget reflects the budget originally approved by the County Legislature. The amended budget includes transfers and amendments approved during the current year including new grant awards not part of the original adopted budget. The amended budget is balanced as budgeted revenues and expenditures are equally impacted. The modified budget includes a carryover of prior year encumbrances affecting the expenditure budget only, as well as reappropriations of grants from the prior year that will be expended and received in later years of multi-year funded federal and state grants.

COMBINING FINANCIAL INFORMATION

**COUNTY OF MONROE, NEW YORK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2014
(000's Omitted)**

	Special Revenue Funds	Debt Service Funds		Total Nonmajor Governmental Funds
		General	MTASC	
ASSETS				
Cash and cash equivalents	\$ 9,199	\$ 1,048	\$ 299	\$ 10,546
Accounts receivables, net	435	-	10,906	11,341
Due from other funds	3,907	-	-	3,907
Due from other governments:				
State and Federal - other	2,612	-	-	2,612
Local governments	5,516	-	-	5,516
Inventories	605	-	-	605
Restricted assets:				
Cash and cash equivalents	-	2,643	12,915	15,558
Other assets	-	-	9	9
Total assets	22,274	3,691	24,129	50,094
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	2,759	-	-	2,759
Due to other funds	8,600	-	-	8,600
Due to other governments	739	-	-	739
Total liabilities	12,098	-	-	12,098
Deferred inflows:				
Tobacco settlement revenue	-	-	10,906	10,906
Total deferred inflows	-	-	10,906	10,906
Fund balances:				
Nonspendable	605	-	9	614
Restricted	7,026	2,643	12,915	22,584
Committed	1,777	-	-	1,777
Assigned	768	1,048	299	2,115
Total fund balances	10,176	3,691	13,223	27,090
Total liabilities, deferred inflows and fund balances	\$ 22,274	\$ 3,691	\$ 24,129	\$ 50,094

See accompanying independent auditor's report.

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2014
(000's Omitted)

	Special Revenue Funds	Debt Service Funds		Total Nonmajor Governmental Funds
		General	MTASC	
REVENUES:				
Federal aid	\$ 3,256	\$ -	\$ -	\$ 3,256
State aid	8,287	-	-	8,287
Charges for services	8,705	-	-	8,705
Intergovernmental	7,096	1,231	-	8,327
Interdepartmental	69	-	-	69
Use of money and property	75	1,589	-	1,664
Repayments and refunds	74	-	-	74
Tobacco settlement	-	-	12,188	12,188
Miscellaneous	1,244	219	-	1,463
Total revenues	<u>28,806</u>	<u>3,039</u>	<u>12,188</u>	<u>44,033</u>
EXPENDITURES:				
Public safety	2,352	-	-	2,352
Culture, recreation and education	10,993	-	-	10,993
General government	265	-	77	342
Transportation	18,871	-	-	18,871
Economic development	3,064	-	-	3,064
Debt service:				
Principal retirement	-	36,570	2,115	38,685
Interest and fiscal charges	-	8,287	10,041	18,328
Total expenditures	<u>35,545</u>	<u>44,857</u>	<u>12,233</u>	<u>92,635</u>
Deficiency of revenues over expenditures	<u>(6,739)</u>	<u>(41,818)</u>	<u>(45)</u>	<u>(48,602)</u>
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	8,630	-	8,630
Loss on refunding issue	-	(265)	-	(265)
Premium on bonds/notes issued	-	179	-	179
Transfers in	19,907	32,119	-	52,026
Transfers out	<u>(12,091)</u>	<u>-</u>	<u>-</u>	<u>(12,091)</u>
Total other financing sources	<u>7,816</u>	<u>40,663</u>	<u>-</u>	<u>48,479</u>
Changes in fund balances	1,077	(1,155)	(45)	(123)
Fund balances at beginning of year	<u>9,099</u>	<u>4,846</u>	<u>13,268</u>	<u>27,213</u>
Fund balances at end of year	<u>\$ 10,176</u>	<u>\$ 3,691</u>	<u>\$ 13,223</u>	<u>\$ 27,090</u>

See accompanying independent auditor's report.

COUNTY OF MONROE, NEW YORK
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2014
(000's Omitted)

	Road	Special Grants	Green Space Initiative	Jail Funds	Golf Course Funds	Library System Automation	Library
ASSETS							
Cash and cash equivalents	\$ 24	\$ 212	\$ 326	\$ 6,988	\$ 1	\$ 190	\$ 52
Accounts receivables, net	30	121	-	284	-	-	-
Due from other funds	1,807	-	-	-	-	-	2,100
Due from other governments:							
State and Federal - other	2,470	115	-	-	-	-	27
Local governments	5,516	-	-	-	-	-	-
Inventories	605	-	-	-	-	-	-
Total assets	10,452	448	326	7,272	1	190	2,179
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	718	148	-	246	-	-	1,501
Due to other funds	8,600	-	-	-	-	-	-
Due to other governments	439	300	-	-	-	-	-
Total liabilities	9,757	448	-	246	-	-	1,501
Fund balances:							
Nonspendable	605	-	-	-	-	-	-
Restricted	-	-	-	7,026	-	-	-
Committed	-	-	326	-	1	190	-
Assigned	90	-	-	-	-	-	678
Total fund balances	695	-	326	7,026	1	190	678
Total liabilities and fund balances	\$ 10,452	\$ 448	\$ 326	\$ 7,272	\$ 1	\$ 190	\$ 2,179

(continued)

COUNTY OF MONROE, NEW YORK
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2014
(000's Omitted)

	Parkland Acquisition	Horticulture Division Fund	Stormwater Coalition Dues	Hazmat Team Fund	Carousel Fund	Miscellaneous Funds	Total Special Revenue Funds
ASSETS							
Cash and cash equivalents	\$ 91	\$ 32	\$ 659	\$ 36	\$ 3	\$ 585	\$ 9,199
Accounts receivables, net	-	-	-	-	-	-	435
Due from other funds	-	-	-	-	-	-	3,907
Due from other governments:							
State and Federal - other	-	-	-	-	-	-	2,612
Local governments	-	-	-	-	-	-	5,516
Inventories	-	-	-	-	-	-	605
Total assets	91	32	659	36	3	585	22,274
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	-	1	102	-	-	43	2,759
Due to other funds	-	-	-	-	-	-	8,600
Due to other governments	-	-	-	-	-	-	739
Total liabilities	-	1	102	-	-	43	12,098
Fund balances:							
Nonspendable	-	-	-	-	-	-	605
Restricted	-	-	-	-	-	-	7,026
Committed	91	31	557	36	3	542	1,777
Assigned	-	-	-	-	-	-	768
Total fund balances	91	31	557	36	3	542	10,176
Total liabilities and fund balances	\$ 91	\$ 32	\$ 659	\$ 36	\$ 3	\$ 585	\$ 22,274

See accompanying independent auditor's report.

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2014
(000's Omitted)

	Road	Special Grants	Green Space Initiative	Jail Funds	Golf Course Funds	Library System Automation	Library
REVENUES:							
Federal aid	\$ 571	\$ 2,683	\$ -	\$ -	\$ -	\$ -	\$ 2
State aid	6,217	-	-	-	-	-	2,070
Charges for services	4,453	-	-	3,373	217	-	1
Intergovernmental	5,957	-	-	16	-	-	1,123
Interdepartmental	69	-	-	-	-	-	-
Use of money and property	-	-	1	18	-	-	-
Repayments and refunds	74	-	-	-	-	-	-
Miscellaneous	166	381	-	-	-	-	513
Total revenues	17,507	3,064	1	3,407	217	-	3,709
EXPENDITURES:							
Public safety	-	-	-	2,280	-	-	-
Culture, recreation and education	-	-	-	-	219	-	10,425
Transportation	18,871	-	-	-	-	-	-
Economic development	-	3,064	-	-	-	-	-
Total expenditures	18,871	3,064	-	2,280	219	-	10,425
Excess (deficiency) of revenues over expenditures	(1,364)	-	1	1,127	(2)	-	(6,716)
OTHER FINANCING SOURCES (USES):							
Transfers in	12,999	-	-	-	-	-	6,908
Transfers out	(11,653)	-	-	-	-	-	(288)
Total other financing sources	1,346	-	-	-	-	-	6,620
Changes in fund balances	(18)	-	1	1,127	(2)	-	(96)
Fund balances at beginning of year	713	-	325	5,899	3	190	774
Fund balances at end of year	\$ 695	\$ -	\$ 326	\$ 7,026	\$ 1	\$ 190	\$ 678

(continued)

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2014
(000's Omitted)

	Parkland Acquisition	Horticulture Division Fund	Stormwater Coalition Dues	Hazmat Team Fund	Carousel Fund	Miscellaneous Funds	Total Special Revenue Funds
REVENUES:							
Federal aid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,256
State aid	-	-	-	-	-	-	8,287
Charges for services	-	66	198	-	-	397	8,705
Intergovernmental	-	-	-	-	-	-	7,096
Interdepartmental	-	-	-	-	-	-	69
Use of money and property	-	-	-	-	-	56	75
Repayments and refunds	-	-	-	-	-	-	74
Miscellaneous	31	-	-	-	3	150	1,244
Total revenues	31	66	198	-	3	603	28,806
EXPENDITURES:							
Public safety	-	-	-	16	-	56	2,352
Culture, recreation and education	38	56	-	-	-	255	10,993
General government	-	-	247	-	-	18	265
Transportation	-	-	-	-	-	-	18,871
Economic development	-	-	-	-	-	-	3,064
Total expenditures	38	56	247	16	-	329	35,545
Excess (deficiency) of revenues over expenditures	(7)	10	(49)	(16)	3	274	(6,739)
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	-	-	19,907
Transfers out	-	-	-	-	-	(150)	(12,091)
Total other financing sources (uses)	-	-	-	-	-	(150)	7,816
Changes in fund balances	(7)	10	(49)	(16)	3	124	1,077
Fund balances at beginning of year	98	21	606	52	-	418	9,099
Fund balances at end of year	\$ 91	\$ 31	\$ 557	\$ 36	\$ 3	\$ 542	\$ 10,176

See accompanying independent auditor's report.

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AS OF DECEMBER 31, 2014
(000's Omitted)

	Central Services	Building Accounts	Information Services	Fleet Management	Risk Management	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 657	\$ 93	\$ 1,042	\$ 247	\$ 611	\$ 2,650
Accounts receivables, net	-	17	42	-	-	59
Due from other funds	-	-	-	-	9,800	9,800
Due from other governments	-	11,621	-	1,267	-	12,888
Inventories	126	-	12	330	-	468
Other assets	-	-	-	-	1,098	1,098
Total current assets	<u>783</u>	<u>11,731</u>	<u>1,096</u>	<u>1,844</u>	<u>11,509</u>	<u>26,963</u>
Noncurrent assets:						
Restricted assets						
Cash and cash equivalents	-	6,861	20	-	-	6,881
Securities in lieu of retained percentages	-	26	-	-	-	26
Capital assets, net of accumulated depreciation	-	84,264	4,417	6,662	-	95,343
Total noncurrent assets	<u>-</u>	<u>91,151</u>	<u>4,437</u>	<u>6,662</u>	<u>-</u>	<u>102,250</u>
Total assets	<u>783</u>	<u>102,882</u>	<u>5,533</u>	<u>8,506</u>	<u>11,509</u>	<u>129,213</u>
DEFERRED OUTFLOWS						
Deferred loss on refunding	-	21	5	-	-	26
Total deferred outflows	<u>-</u>	<u>21</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>26</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	59	2,735	1,513	183	43,281	47,771
Due to other funds	-	5,500	-	-	-	5,500
Due to other governments	28	250	345	85	-	708
Current portion of:						
Capital leases payable	-	-	-	7	-	7
Notes payable	-	5,779	429	1,500	7,000	14,708
Bonds payable	-	3,842	756	-	-	4,598
Total current liabilities	<u>87</u>	<u>18,106</u>	<u>3,043</u>	<u>1,775</u>	<u>50,281</u>	<u>73,292</u>
Noncurrent liabilities:						
Bonds payable	-	47,153	704	-	-	47,857
Other long-term liabilities	245	13,565	1,212	321	-	15,343
Total noncurrent liabilities	<u>245</u>	<u>60,718</u>	<u>1,916</u>	<u>321</u>	<u>-</u>	<u>63,200</u>
Total liabilities	<u>332</u>	<u>78,824</u>	<u>4,959</u>	<u>2,096</u>	<u>50,281</u>	<u>136,492</u>
DEFERRED INFLOWS						
Deferred gain on refunding	-	145	22	-	-	167
Total deferred inflows	<u>-</u>	<u>145</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>167</u>
NET POSITION						
Net investment in capital assets	-	20,500	1,601	5,155	-	27,256
Restricted for:						
Debt service	-	143	-	-	-	143
Unrestricted (deficit)	451	3,291	(1,044)	1,255	(38,772)	(34,819)
Total net position (deficit)	<u>\$ 451</u>	<u>\$ 23,934</u>	<u>\$ 557</u>	<u>\$ 6,410</u>	<u>\$ (38,772)</u>	<u>\$ (7,420)</u>

See accompanying independent auditor's report.

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
AS OF DECEMBER 31, 2014
(000's Omitted)

	Central Services	Building Accounts	Information Services	Fleet Management	Risk Management	Total
Operating revenues:						
Charges for services	\$ -	\$ 134	\$ -	\$ 121	\$ 318	\$ 573
Interdepartmental	1,609	31,102	13,797	3,768	69,553	119,829
Repayments and refunds	-	14	-	-	1,359	1,373
Miscellaneous	-	1,307	130	5	-	1,442
Total operating revenues	1,609	32,557	13,927	3,894	71,230	123,217
Operating expenses:						
Personnel services	184	1,672	2,409	625	-	4,890
Employee benefits	87	780	870	218	-	1,955
Contractual	819	13,871	9,309	156	68,284	92,439
Depreciation and amortization	-	5,518	159	452	-	6,129
Other	560	10,093	1,226	2,467	538	14,884
Total operating expenses	1,650	31,934	13,973	3,918	68,822	120,297
Operating income (loss)	(41)	623	(46)	(24)	2,408	2,920
Nonoperating revenues (expenses):						
Federal aid	4	23	9	2	-	38
State aid	-	-	-	1	-	1
Use of money and property	-	29	2	6	29	66
Interest and fiscal charges	-	(2,193)	(76)	(12)	-	(2,281)
Gain on disposal of capital assets	-	20	4	-	-	24
Other income (expense)	-	(21)	(82)	5	(6)	(104)
Total nonoperating revenues (expenses)	4	(2,142)	(143)	2	23	(2,256)
Income (loss) before capital contributions and transfers	(37)	(1,519)	(189)	(22)	2,431	664
Capital contributions	-	-	-	968	-	968
Transfers in	2	2,247	-	-	-	2,249
Change in net position	(35)	728	(189)	946	2,431	3,881
Net position (deficit)-beginning of year	486	23,206	746	5,464	(41,203)	(11,301)
Net position (deficit)-end of year	<u>\$ 451</u>	<u>\$ 23,934</u>	<u>\$ 557</u>	<u>\$ 6,410</u>	<u>\$ (38,772)</u>	<u>\$ (7,420)</u>

See accompanying independent auditor's report.

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014
(000's Omitted)

	Central Services	Building Accounts	Information Services	Fleet Management	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from providing services	\$ -	\$ 199	\$ -	\$ 39	\$ 1,677	\$ 1,915
Cash received from other funds for services	1,609	31,102	13,797	3,768	69,553	119,829
Payments to or on behalf of employees	(300)	(2,738)	(3,518)	(904)	(4,544)	(12,004)
Payments to suppliers	(893)	(934)	(8,036)	(2,128)	(7,094)	(19,085)
Payments for interfund services	(454)	(9,845)	(1,197)	(408)	(538)	(12,442)
Claims paid	-	-	-	-	(71,021)	(71,021)
Other receipts (payments)	16	(10,317)	63	11	9,828	(399)
Net cash provided by (used in) operating activities	(22)	7,467	1,109	378	(2,139)	6,793
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Federal aid	4	23	9	2	-	38
State aid	-	-	-	1	-	1
Receipts from other funds	-	5,500	-	-	-	5,500
Payments to other funds	-	-	-	(1,900)	(4,300)	(6,200)
Transfers in	2	2,247	-	-	-	2,249
Net cash provided by (used in) noncapital financing activities	6	7,770	9	(1,897)	(4,300)	1,588
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Interest paid	-	(2,193)	(76)	(12)	-	(2,281)
Changes in securities and retainage	-	313	-	-	-	313
Proceeds from the issuance of notes	-	5,779	429	1,500	7,000	14,708
Principal paid on notes	-	(2,159)	(60)	-	-	(2,219)
Principal paid on bonds	-	(4,840)	(783)	-	-	(5,623)
Premium from the issuance of bonds	-	-	-	-	(6)	(6)
Capital contributions	-	-	-	968	-	968
Change in principal on capital leases	-	-	-	(134)	-	(134)
Additions to capital assets, net	-	(13,993)	(1,569)	(591)	-	(16,153)
Other receipts (payments)	-	-	(82)	5	-	(77)
Net cash provided by (used in) capital and related financing activities	\$ -	\$ (17,093)	\$ (2,141)	\$ 1,736	\$ 6,994	\$ (10,504)

(continued)

COUNTY OF MONROE, NEW YORK
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014
(000's Omitted)

	Central Services	Building Accounts	Information Services	Fleet Management	Risk Management	Total
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts from use of money and property	\$ -	\$ 29	\$ 2	\$ 6	\$ 29	\$ 66
Net cash provided by (used in) investing activities	-	29	2	6	29	66
Net increase (decrease) in cash and cash equivalents	(16)	(1,827)	(1,021)	223	584	(2,057)
Cash and cash equivalents, beginning of year	673	8,781	2,083	24	27	11,588
Cash and cash equivalents, end of year	657	6,954	1,062	247	611	9,531
Classified as:						
Cash and cash equivalents - unrestricted	657	93	1,042	247	611	2,650
Cash and cash equivalents - restricted	-	6,861	20	-	-	6,881
Total cash and cash equivalents	657	6,954	1,062	247	611	9,531
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	(41)	623	(46)	(24)	2,408	2,920
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:						
Depreciation and amortization	-	5,518	159	452	-	6,129
Change in:						
Accounts receivable	-	28	(42)	-	-	(14)
Due from other governments	-	(11,567)	-	(82)	-	(11,649)
Inventories	18	-	2	6	-	26
Other assets	-	-	-	-	(1,045)	(1,045)
Accounts payable, accrued and other liabilities	3	12,899	1,063	26	(3,502)	10,489
Due to other governments	(2)	(34)	(27)	-	-	(63)
Net cash provided by (used in) operating activities	\$ (22)	\$ 7,467	\$ 1,109	\$ 378	\$ (2,139)	\$ 6,793

See accompanying independent auditor's report.

STATISTICAL SECTION (UNAUDITED)

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.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Invested in capital assets, net of related debt	\$ 447,552	\$ 440,162	\$ 406,161	\$ 433,694	\$ 454,550	\$ 450,049	\$ 459,858	\$ 525,032	\$ 527,458	\$ 519,371
Restricted	25,058	23,966	24,103	19,118	18,231	16,818	27,203	27,226	25,993	24,274
Unrestricted	(169,373)	(217,469)	(231,669)	(300,150)	(310,975)	(301,696)	(341,035)	(477,849)	(545,589)	(579,375)
Total governmental activities	<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>	<u>74,409</u>	<u>7,862</u>	<u>(35,730)</u>
Business-type activities:										
Invested in capital assets, net of related debt	428,307	407,978	376,941	392,625	414,340	395,359	374,431	358,820	341,366	322,138
Restricted	6,157	15,135	32,690	31,978	151	1,009	3,429	2,654	3,867	4,565
Unrestricted	28,308	19,687	28,564	14,747	10,525	9,282	(1,628)	(10,026)	(19,724)	(27,821)
Total business-type activities	<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>	<u>351,448</u>	<u>325,509</u>	<u>298,882</u>
Primary government:										
Invested in capital assets, net of related debt	875,859	848,140	783,102	826,319	868,890	845,408	834,289	883,852	868,824	841,509
Restricted	31,215	39,101	56,793	51,096	18,382	17,827	30,632	29,880	29,860	28,839
Unrestricted	(141,065)	(197,782)	(203,105)	(285,403)	(300,450)	(292,414)	(342,663)	(487,875)	(565,313)	(607,196)
Total primary government	<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>	<u>\$ 425,857</u>	<u>\$ 333,371</u>	<u>\$ 263,152</u>

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental activities:										
General government	\$ 316,365	\$ 314,852	\$ 325,666	\$ 341,375	\$ 320,086	\$ 332,712	\$ 351,047	\$ 375,682	\$ 367,927	\$ 363,509
Public safety	179,394	188,233	199,815	204,145	207,452	219,760	237,357	253,206	253,090	265,372
Health and welfare	541,100	545,490	535,354	572,712	553,751	572,101	572,980	572,866	579,703	561,707
Culture, recreation and education	80,920	81,245	88,842	108,042	91,599	96,699	95,862	101,532	98,672	100,361
Transportation	55,545	43,050	45,130	46,370	51,013	58,541	51,957	58,012	58,926	57,656
Sanitation	625	74	74	75	75	75	76	74	74	75
Economic development	3,239	3,567	3,757	3,800	4,519	5,583	4,620	3,009	3,381	3,064
Interest on long-term debt	33,531	27,200	24,263	26,655	26,316	23,264	22,758	23,406	22,345	20,608
Total government activities	<u>1,210,719</u>	<u>1,203,711</u>	<u>1,222,901</u>	<u>1,303,174</u>	<u>1,254,811</u>	<u>1,308,735</u>	<u>1,336,657</u>	<u>1,387,787</u>	<u>1,384,118</u>	<u>1,372,352</u>
Business-type activities:										
Refuse	16,092	19,928	20,140	17,313	17,215	17,496	17,013	17,109	18,702	18,295
Airport	23,734	24,519	25,905	26,865	31,340	33,255	31,861	31,290	30,884	31,398
Hospital	61,779	63,622	66,191	66,664	68,007	69,611	71,025	72,587	72,316	73,341
Sewer	74,254	75,733	75,855	76,496	75,797	75,549	79,303	78,774	81,082	78,505
Utilities	15,464	10,308	11,176	14,010	12,477	15,280	14,710	15,069	16,208	16,830
Total business-type activities	<u>191,323</u>	<u>194,110</u>	<u>199,267</u>	<u>201,348</u>	<u>204,836</u>	<u>211,191</u>	<u>213,912</u>	<u>214,829</u>	<u>219,192</u>	<u>218,369</u>
Total primary government	<u>1,402,042</u>	<u>1,397,821</u>	<u>1,422,168</u>	<u>1,504,522</u>	<u>1,459,647</u>	<u>1,519,926</u>	<u>1,550,569</u>	<u>1,602,616</u>	<u>1,603,310</u>	<u>1,590,721</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	28,645	25,621	25,261	25,129	27,792	34,273	33,611	33,686	30,140	32,961
Public safety	13,244	9,184	10,085	10,365	10,658	11,737	11,351	11,953	11,664	12,480
Health and welfare	5,069	3,538	3,529	3,981	3,970	3,821	3,910	4,007	3,893	3,992
Culture, recreation and education	6,083	6,783	6,950	22,564	21,763	23,755	25,488	27,999	29,241	29,902
Transportation	1,783	1,021	1,054	4,226	5,154	5,263	5,586	10,937	10,930	10,553
Sanitation	551	304	-	-	-	-	-	-	-	-
Economic development	1	1	-	-	-	-	-	-	-	-
Operating grants and contributions	363,489	363,347	353,010	376,555	406,172	412,470	395,445	365,603	370,041	368,133
Capital grants and contributions	10,115	7,815	11,500	29,611	23,233	31,553	30,471	35,009	36,855	17,038
Total governmental activities	<u>\$ 428,980</u>	<u>\$ 417,614</u>	<u>\$ 411,389</u>	<u>\$ 472,431</u>	<u>\$ 498,742</u>	<u>\$ 522,872</u>	<u>\$ 505,862</u>	<u>\$ 489,194</u>	<u>\$ 492,764</u>	<u>\$ 475,059</u>

(continued)

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services:										
Refuse	\$ 6,701	\$ 6,700	\$ 5,978	\$ 5,814	\$ 5,831	\$ 5,927	\$ 6,471	\$ 5,704	\$ 5,755	\$ 5,888
Airport	14,566	16,374	16,982	17,529	17,294	19,651	19,056	18,463	18,852	18,408
Hospital	53,193	58,667	58,872	67,298	69,470	68,856	67,423	70,883	69,289	66,320
Sewer	51,032	52,617	54,454	54,783	54,608	56,047	55,003	58,552	58,587	60,923
Utilities	15,536	10,021	11,358	14,039	12,461	14,992	14,727	15,076	16,291	16,830
Operating grants and contributions	4,683	4,582	4,340	2,404	1,706	1,408	1,315	1,193	1,122	1,007
Capital grants and contributions	10,305	16,576	31,943	31,853	19,688	14,622	11,665	10,448	13,259	9,951
Total business-type activities	<u>156,016</u>	<u>165,537</u>	<u>183,927</u>	<u>193,720</u>	<u>181,058</u>	<u>181,503</u>	<u>175,660</u>	<u>180,319</u>	<u>183,155</u>	<u>179,327</u>
Total primary government	<u>584,996</u>	<u>583,151</u>	<u>595,316</u>	<u>666,151</u>	<u>679,800</u>	<u>704,375</u>	<u>681,522</u>	<u>669,513</u>	<u>675,919</u>	<u>654,386</u>
Net (Expense)/Revenue										
Governmental activities	(781,739)	(786,097)	(811,512)	(830,743)	(756,069)	(785,863)	(830,795)	(898,593)	(891,354)	(897,293)
Business-type activities	(35,307)	(28,573)	(15,340)	(7,628)	(23,778)	(29,688)	(38,252)	(34,510)	(36,037)	(39,042)
Total primary government	<u>(817,046)</u>	<u>(814,670)</u>	<u>(826,852)</u>	<u>(838,371)</u>	<u>(779,847)</u>	<u>(815,551)</u>	<u>(869,047)</u>	<u>(933,103)</u>	<u>(927,391)</u>	<u>(936,335)</u>
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes	697,698	712,316	745,124	764,514	747,026	774,514	798,258	812,310	817,430	832,462
Tobacco settlement revenues	11,469	11,356	11,638	12,538	14,153	10,674	9,227	10,604	10,870	12,857
Investment earnings	4,198	4,137	6,291	3,184	440	218	269	203	162	90
Miscellaneous	8,702	2,710	3,691	3,719	3,594	3,822	3,896	3,859	3,866	6,923
Transfers	-	-	505	-	-	-	-	-	-	1,369
Special items	-	-	(3,801)	855	-	-	-	-	-	-
Total governmental activities	<u>722,067</u>	<u>730,519</u>	<u>763,448</u>	<u>784,810</u>	<u>765,213</u>	<u>789,228</u>	<u>811,650</u>	<u>826,976</u>	<u>832,328</u>	<u>853,701</u>
Business-type activities:										
Investment earning	80	149	48	28	-	-	-	-	-	-
Miscellaneous	5,024	9,702	11,192	8,755	9,444	10,322	8,834	9,726	11,491	13,784
Transfers	-	-	(505)	-	-	-	-	-	-	(1,369)
Total business-type activities	<u>5,104</u>	<u>9,851</u>	<u>10,735</u>	<u>8,783</u>	<u>9,444</u>	<u>10,322</u>	<u>8,834</u>	<u>9,726</u>	<u>11,491</u>	<u>12,415</u>
Total primary government	<u>727,171</u>	<u>740,370</u>	<u>774,183</u>	<u>793,593</u>	<u>774,657</u>	<u>799,550</u>	<u>820,484</u>	<u>836,702</u>	<u>843,819</u>	<u>866,116</u>
Change in Net Position:										
Governmental activities	(59,672)	(55,578)	(48,064)	(45,933)	9,144	3,365	(19,145)	(71,617)	(59,026)	(43,592)
Business-type activities	(30,203)	(18,722)	(4,605)	1,155	(14,334)	(19,366)	(29,418)	(24,784)	(24,546)	(26,627)
Total primary government	<u>\$ (89,875)</u>	<u>\$ (74,300)</u>	<u>\$ (52,669)</u>	<u>\$ (44,778)</u>	<u>\$ (5,190)</u>	<u>\$ (16,001)</u>	<u>\$ (48,563)</u>	<u>\$ (96,401)</u>	<u>\$ (83,572)</u>	<u>\$ (70,219)</u>

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Reserved	\$ 5,082	\$ 8,420	\$ 11,079	\$ 8,957	\$ 9,386	\$ 12,078	\$ -	\$ -	\$ -	\$ -
Unreserved	9,770	(7,903)	(9,377)	(10,027)	(3,148)	89	-	-	-	-
Nonspendable	-	-	-	-	-	-	1,619	1,617	2,794	4,100
Restricted	-	-	-	-	-	-	6,126	5,565	4,401	1,547
Committed	-	-	-	-	-	-	2,608	2,219	3,110	2,926
Assigned	-	-	-	-	-	-	761	2,993	917	7,501
Unassigned	-	-	-	-	-	-	7,842	1,708	17	4,212
Total general fund	<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>	<u>14,102</u>	<u>11,239</u>	<u>20,286</u>
All Other Governmental Funds:										
Reserved	37,832	31,683	42,253	34,577	52,748	37,527	-	-	-	-
Unreserved, reported in:										
Special revenue funds	3,709	3,633	4,360	6,750	7,297	8,306	-	-	-	-
Capital projects funds	1,946	(11,840)	(10,861)	(29,474)	(32,985)	(1,104)	-	-	-	-
Debt service funds	(1,013)	(1,529)	(91)	1,523	720	1,063	-	-	-	-
Nonspendable	-	-	-	-	-	-	955	736	697	614
Restricted	-	-	-	-	-	-	36,532	46,611	38,939	39,624
Committed	-	-	-	-	-	-	2,087	1,811	1,713	1,777
Assigned	-	-	-	-	-	-	3,205	3,187	3,376	2,115
Unassigned	-	-	-	-	-	-	(21,541)	(9,957)	(23,292)	(48,326)
Total all other governmental funds	<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>	<u>\$ 42,388</u>	<u>\$ 21,433</u>	<u>\$ (4,196)</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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Taxes	\$ 687,434	\$ 699,007	\$ 727,594	\$ 739,655	\$ 726,995	\$ 755,293	\$ 778,843	\$ 797,472	\$ 800,599	\$ 804,311
Federal aid	118,825	125,689	100,252	127,223	166,623	193,650	196,555	162,471	168,011	157,225
State aid	231,472	219,974	232,275	245,078	228,614	219,084	202,808	202,220	207,377	196,228
Charges for services	20,852	19,429	19,904	22,386	24,369	24,748	27,550	28,381	29,922	29,356
Intergovernmental	15,911	19,280	18,508	34,987	35,476	37,233	38,080	47,386	45,385	47,265
Interdepartmental	15,671	2,312	3,184	3,293	3,351	2,904	2,509	2,045	2,155	2,174
Use of money and property	10,505	10,650	13,522	10,112	6,502	6,684	7,121	7,867	7,161	7,181
Repayments and refunds	13,001	15,403	15,027	17,211	18,173	16,518	15,404	16,469	14,781	12,753
Payments in lieu of taxes	5,967	6,304	6,710	7,858	7,557	8,062	7,836	7,932	8,099	7,169
Tobacco settlement	12,497	11,434	11,899	12,148	13,397	11,149	10,570	10,779	10,773	12,188
Miscellaneous*	14,170	10,280	38,823	16,318	11,205	13,973	16,842	25,675	28,735	28,556
Total revenues	1,146,305	1,139,762	1,187,698	1,236,269	1,242,262	1,289,298	1,304,118	1,308,697	1,322,998	1,304,406
Expenditures:										
Health and welfare	542,881	546,223	530,888	563,305	552,824	568,672	565,953	560,448	569,178	556,814
Public safety	171,768	179,166	187,227	191,529	193,969	204,167	212,549	224,773	223,937	232,576
Culture, recreation and education	73,549	74,915	78,291	85,468	82,055	84,813	82,779	87,025	84,609	83,290
General government	301,548	303,000	309,554	293,235	307,262	318,123	333,234	343,307	345,151	338,669
Transportation	19,619	19,000	19,415	20,020	21,320	20,840	21,635	21,792	21,586	22,395
Sanitation	550	-	-	-	-	-	-	-	-	-
Economic development	3,239	3,584	3,774	3,800	4,519	5,583	4,620	3,009	3,381	3,064
Debt service:										
Principal	24,425	15,468	21,948	54,588	30,222	30,041	25,211	27,301	29,137	38,685
Interest	35,333	24,851	23,019	25,217	23,970	21,251	20,467	21,024	19,889	18,328
Capital outlay	20,791	22,416	35,518	48,628	37,624	53,737	52,776	40,356	47,726	34,831
Total expenditures	1,193,703	1,188,623	1,209,634	1,285,790	1,253,765	1,307,227	1,319,224	1,329,035	1,344,594	1,328,652
Other Financing Sources (Uses):										
Bonds Issued	251,517	14,579	37,614	26,160	35,163	44,112	-	37,128	-	-
Refunding bonds Issued	-	-	-	-	-	-	-	43,091	-	8,630
Gain(loss) on refunding issue	-	-	-	-	-	-	-	-	-	(265)
Premium on bonds issued	-	-	-	-	-	-	-	5,262	-	179
Redemption/payments to Escrow Agent	-	-	-	-	-	-	-	(45,744)	-	-
Transfers in	101,213	60,559	61,840	63,860	69,629	63,356	57,559	54,866	53,762	53,395
Transfers out	(251,770)	(61,139)	(62,619)	(65,556)	(71,577)	(65,598)	(60,218)	(57,969)	(55,984)	(54,275)
Total other financing sources (uses)	100,960	13,999	36,835	24,464	33,215	41,870	(2,659)	36,634	(2,222)	7,664
Net change in fund balances	\$ 53,562	\$ (34,862)	\$ 14,899	\$ (25,057)	\$ 21,712	\$ 23,941	\$ (17,765)	\$ 16,296	\$ (23,818)	\$ (16,582)
Debt service as a percentage of noncapital expenditures	5.3%	3.5%	3.8%	6.5%	4.5%	4.1%	3.6%	3.7%	3.8%	4.4%

* In 2007, miscellaneous revenues included the sale of property tax liens which was reported as an extraordinary item. In subsequent years, sale of property tax liens, if any, is reported under miscellaneous revenues.

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Five-Year Average Full Valuation of Taxable Property ¹	\$30,298,412	\$31,231,771	\$32,392,529	\$33,711,847	\$35,108,215	\$36,321,487	\$37,381,847	\$38,157,176	\$38,687,746	\$39,092,408
Constitutional Property Tax Limit	483,337	468,477	485,888	505,678	526,623	544,822	560,728	572,358	580,316	586,386
Total Tax Levy Subject to Constitutional Limit	258,576	239,426	250,714	270,522	277,154	286,427	296,402	297,501	306,082	307,329
Taxing Power Unused	<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>\$ 264,326</u>	<u>\$ 274,857</u>	<u>\$ 274,234</u>	<u>\$ 279,057</u>
Percent of Taxing Power Used	53.5%	51.1%	51.6%	53.5%	52.6%	52.6%	52.9%	52.0%	52.7%	52.4%

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)

Year Ended December 31,	Residential Property	Commercial Property	Industrial Property	Other Property ¹	Tax Exempt Property	Assessed Value of Taxable Property	Full Value of Taxable Property	Full Value Tax Rate ²
2014	\$29,437,659	\$ 6,202,053	\$ 932,196	\$ 2,852,309	\$ 7,512,858	\$39,424,217	\$39,702,967	8.99
2013	29,239,952	6,113,631	862,118	2,829,183	7,595,214	39,044,884	39,321,378	8.99
2012	28,968,978	6,064,981	826,765	2,892,861	7,554,849	38,753,585	39,106,258	8.99
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
Year Ended December 31,	Assessed Value of Taxable Property	Full Value of Taxable Property	Full Value Tax Rate ²					
2008	\$24,956,177	\$36,668,517	8.99					
2007	34,369,302	35,230,115	9.10					
2006	32,937,079	33,535,276	9.10					
2005	31,833,026	32,434,345	9.10					

Notes:

Figures represent values for referenced tax year. Property classifications data not available for 2005-2008.

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
2014	\$ 658,732	\$ 356,930	\$ 655,756	99.6%	\$ 18,241	\$ 673,997	102.3%
2013	648,405	353,499	646,206	99.7%	14,114	660,320	101.8%
2012	633,445	351,565	620,664	98.0%	16,337	637,001	100.6%
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%

Note:

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

Source: Monroe County Department of Finance - Treasury Division

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

Taxpayer	2014			2005		
	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	\$ 1,432,463	1	3.61%	\$ 949,139	1	2.93%
Frontier Telephone / Citizens Communications (formerly Rochester Telephone Corp.)	273,749	2	0.69%	253,820	2	0.78%
Wegmans	233,157	3	0.59%	84,046	6	0.26%
Morgan Management	236,071	4	0.59%	-	-	-
Corporate Woods	125,920	5	0.32%	-	-	-
Hylan Flying Services	108,158	6	0.27%	67,073	9	0.21%
Mark IV Enterprises	107,859	7	0.27%	-	-	-
HUB Properties	102,427	8	0.26%	-	-	0.00%
Xerox Corp	105,940	9	0.27%	120,475	4	0.37%
Eastman Kodak	92,184	10	0.23%	216,054	3	0.67%
Farash Construction Corp	-	-	-	107,246	5	0.33%
RAM Limited Partnership	-	-	-	83,405	7	0.26%
Greece Ridge LLC	-	-	-	82,549	8	0.25%
Niagara Mohawk Power Company	-	-	-	44,075	10	0.13%
Total	\$ 2,817,928		7.10%	\$ 2,007,882		6.19%

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Five-Year Average Full Valuation of Taxable Real Property ¹	\$ 31,231,771	\$ 32,392,529	\$ 33,711,847	\$ 35,108,215	\$ 36,321,487	\$ 37,381,947	\$ 38,157,175	\$ 38,687,746	\$ 39,092,408	\$ 39,444,921
Constitutional Debt Limit	2,186,224	2,267,477	2,359,829	2,457,575	2,542,504	2,616,736	2,671,002	2,708,142	2,736,468	2,761,144
Total Net Debt Applicable to Limit	416,936	415,109	417,331	403,825	396,661	429,946	414,358	420,207	418,084	426,372
Legal Debt Margin	<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>	<u>\$ 2,287,935</u>	<u>\$ 2,318,384</u>	<u>\$ 2,334,772</u>
Percent of Debt Limit Used	19.1%	18.3%	17.7%	16.4%	15.6%	16.4%	15.5%	15.5%	15.3%	15.4%

Notes:

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

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

Source: Monroe County Department of Finance - Finance Division

County of Monroe, New York
Ratios of Outstanding Debt by Type and Activity
Last 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			
2014	\$ 223,947	\$ 61,974	\$ 58,000	\$ 451	\$ 168,745	\$ 18,471	\$ 17,000	\$ 7,123	\$ 555,711	1.40%	\$ 741
2013	258,208	26,344	58,000	789	162,163	20,656	17,000	7,856	551,016	1.40%	737
2012	291,493	-	58,000	1,018	180,398	9,000	17,000	8,144	565,053	1.44%	758
2011	270,203	17,856	58,000	1,362	166,875	21,124	17,000	8,046	560,466	1.44%	753
2010	298,645	815	58,000	638	185,266	16,000	17,000	9,209	585,573	1.52%	787
2009	262,904	4,591	58,000	89	186,255	16,000	17,000	11,504	556,343	1.48%	759
2008	248,394	32,680	63,000	133	167,410	9,485	17,000	12,844	550,946	1.50%	755
2007	277,881	11,620	68,000	386	182,543	7,795	17,000	13,241	578,466	1.58%	792
2006	258,071	27,440	71,000	473	167,111	24,650	14,000	4,415	567,160	1.61%	776
2005	279,432	6,240	45,000	912	182,119	12,930	10,000	5,200	541,833	1.62%	739

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>
2014	\$ 223,947	\$ 2,643	\$ 221,304	0.56%	\$ 295.23
2013	258,208	4,604	253,604	0.64%	339.13
2012	291,493	4,362	287,131	0.73%	385.09
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	0.77%	368.94
2006	258,071	6,845	251,226	0.75%	343.77
2005	279,432	4,679	274,753	0.85%	374.65

Note:

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

Source: Monroe County Department of Finance - Finance Division

County of Monroe, New York
Demographic and Economic Statistics
Last 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
2014	749,606	\$ 36,102,780	\$ 48,162	\$ 52,394	5.8%
2013	747,813	34,478,067	46,105	52,700	7.0%
2012	745,625	32,728,163	43,894	52,260	8.0%
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%

Sources:

¹U.S. Census Bureau.

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	2014			2005		
	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	25,773 ²	1	4.93%	14,405	1	2.51%
Rochester General Health System	13,986 ²	2	2.68%	-	-	-
Xerox Corp	6,722	3	1.29%	8,100 ²	3	1.41%
Wegmans Food Market, Inc	5,921	4	1.13%	5,651	4	0.99%
Paychex, Inc.	3,872	5	0.74%	2,525	9	0.44%
Lifetime Healthcare Co.	3,611 ²	6	0.69%	4,086 ²	6	0.71%
Rochester Institute of Tech.	3,274	7	0.63%	2,695	8	0.47%
Sutherland Global Services	3,009	8	0.58%	-	-	-
Tops Markets LLC	2,620 ²	9	0.50%	-	-	-
Eastman Kodak Co.	2,300 ²	10	0.44%	14,100 ²	2	2.46%
Via Health	-	-	-	4,710	5	0.82%
Unity Health System	-	-	-	3,158	7	0.55%
Frontier	-	-	-	1,974 ²	10	0.34%
Total	71,088		13.61%	61,404		10.70%

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. Some 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, 2015. 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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Aviation	99	100	104	108.5	107.5	107.5	106.0	104.0	103.0	101.5
Board of Elections	44	44	48	55.0	53.0	53.0	52.0	52.0	52.0	51.0
Communications	6	6	5	5.5	5.5	5.5	5.5	5.5	5.5	4.5
County Executive	4	5	5	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Finance	92	91	91	91.5	89.0	85.0	83.0	84.0	80.5	75.5
Human Resources	29	29	29	36.5	33.5	33.5	33.5	33.0	31.0	30.5
Human Services	964	963	963	976.3	1,035.3	1,025.3	996.5	978.5	975.0	993.5
Information Services	50	50	46	48.0	46.0	46.0	43.0	43.0	43.0	41.0
Law	147	151	150	150.5	146.5	145.0	140.0	137.0	136.0	63.5
Monroe Community Hospital	637	637	637	724.8	711.8	709.5	688.3	680.3	680.0	664.5
Management and Budget	9	10	11	11.0	10.0	10.0	9.0	9.0	9.0	9.0
Planning and Development	26	26	25	23.5	22.0	20.5	18.5	17.5	18.5	19.5
Public Defender	81	81	84	85.0	84.0	82.0	82.0	82.0	82.0	85.0
Public Health	212	214	215	248.0	239.5	239.5	235.5	232.5	231.5	213.5
Public Safety	254	301	282	301.5	294.5	294.5	275.5	274.0	273.0	266.0
Environmental Services	377	370	367	382.5	371.5	363.5	342.5	339.0	333.0	328.5
Parks	75	75	74	143.3	141.3	142.8	139.8	139.8	139.8	138.8
Transportation	81	77	77	79.5	78.0	78.0	78.0	78.0	77.0	74.5
Veterans Service	5	5	5	5.0	4.0	4.0	4.0	4.0	5.0	5.0
County Clerk	86	86	85	110.5	107.5	107.5	107.5	105.5	105.5	103.5
County Legislature	53	53	53	58.0	58.0	58.0	58.0	56.0	56.0	54.0
District Attorney	140	141	140	143.5	143.0	143.0	144.0	144.0	142.0	139.0
Sheriff	1,003	1,034	1,025	1,087.0	1,087.0	1,090.0	1,087.0	1,086.5	1,086.5	1,082.0

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	Est. 2014
Transportation										
Lane Miles Sealed	112	145	98	107	79	115	115	99	147	100
Lane Miles Resurfaced	38	51	44	44	95	87	48	40	11	36
Signs Fabricated ¹	35,200	9,300	6,000	4,839	6,895	8,134	6,416	6,403	9,271	7,500
Traffic Signs Installed - New	6,927	6,500	5,000	5,628	5,255	4,068	6,935	5,747	8,471	9,000
Signal Locations Serviced (all types)	770	770	786	794	784	776	787	787	782	782
County Clerk										
Land Records	111,505	103,248	103,313	87,251	92,215	84,277	88,405	97,003	94,169	84,310
Vehicle Registration	252,499	239,240	242,276	232,702	233,538	224,460	223,944	220,256	218,234	221,770
Passports	9,233	6,801	11,603	8,503	8,417	7,242	4,820	5,641	4,658	5,087
Learner Permits	20,824	20,819	20,846	21,609	21,581	20,887	20,577	20,677	20,746	22,675
Planning and Development										
Jobs Created (over next 3 years)	4,073	1,857	1,925	1,870	960	2,183	707	1,652	1,708	500
Housing Rehab Projects	62	91	94	101	82	97	95	93	93	85
First-time Home Buyer Purchase Subsidy	31	33	20	20	59	75	35	56	33	30
Health Department										
Clinics/Visits - Tuberculosis	15,630	17,054	20,600	15,215	15,189	14,269	14,269	14,406	13,226	15,000
Clinics/Visits - STD	15,087	14,560	14,177	13,754	13,462	13,773	13,773	11,946	11,000	10,500
Clinics/Visits - Immunization	5,756	4,233	5,817	6,012	6,993	4,939	4,939	5,305	4,310	4,500
Clinics/Visits - Foster Care	3,334	3,241	3,080	2,769	2,797	2,343	2,343	1,727	2,143	2,000
Sheriff										
Calls for Service	174,215	162,000	143,002	146,697	150,504	157,306	165,965	184,376	207,497	220,366
Safety Education Presentations	1,206	1,150	1,012	1,157	1,213	1,073	496	981	872	1,000
DARE Classrooms	4,210	4,210	3,910	3,102	3,442	3,602	3,550	2,968	2,267	3,500
SWAT Activations	9	8	4	2	5	5	4	3	4	5
Hostage Recovery Team Activations	5	9	7	3	3	5	4	3	1	5
Hazardous Device Team Activations	50	58	56	56	53	44	36	46	29	50
Public Safety - 911										
Calls Received	1,071,679	1,206,530	1,116,878	1,030,031	1,040,731	1,078,747	1,099,131	1,148,257	1,132,947	1,133,000
Police Events Dispatched	1,002,279	974,591	1,025,282	1,037,798	1,013,463	1,047,184	1,019,303	1,036,444	1,027,802	1,040,000
Fire Events Dispatched	66,121	77,789	83,374	88,065	87,051	108,571	110,111	109,544	102,469	104,000
EMS Events Dispatched	82,973	95,114	100,100	105,542	106,728	111,791	116,406	118,154	117,314	120,000
District Attorney										
Local Court Arraignments	30,400	30,702	29,613	33,962	27,878	27,847	18,668	18,210	14,548	18,300
STOP-DWI Felony Cases Screened	603	583	766	879	828	877	987	1,011	938	980
Aviation										
Passengers Boarded	1,457,573	1,430,418	1,443,352	1,396,522	1,287,552	1,268,792	1,209,746	1,217,974	1,222,055	1,200,000
Takeoffs and Landings	136,553	137,601	114,487	106,051	110,312	103,735	104,433	88,819	91,847	88,500

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Streets (Center Line Miles) ¹	648.9	648.9	663.0	661.0	662.5	662.5	662.5	662.3	662.7	661.5
3-Color Traffic Signals ¹	614.0	614.0	620.0	627.0	625.0	627.0	629.0	632.0	634.0	634.0
Sewer Pipe Miles ²	1,225.0	1,226.0	1,226.0	1,226.0	1,246.0	1,263.0	1,268.2	1,269.0	1,271.7	1,273.0
Vehicles ²	813.0	775.0	750.0	674.0	679.0	681.0	669.0	699.0	692.0	695.0

Sources:

¹Monroe County Department of Transportation

²Monroe County Department of Environmental Services, Fleet Services