

POPULAR ANNUAL FINANCIAL REPORT



County of Suffolk, New York

For the year ended
December 31, 2008

Suffolk County, New York
Popular Annual Financial Report
For the Fiscal Year Ended December 31, 2008

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Joseph Sawicki, Jr.

County Comptroller



June 22, 2009

The Citizens of the County of Suffolk:

The County of Suffolk is pleased to present the Suffolk County Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2008. This report provides a brief analysis of where County revenues come from and where those dollars are spent, as well as an overview of the County's demographics.

Most of the information in this report has been taken from the 2008 Suffolk County Comprehensive Annual Financial Report (CAFR). The CAFR is comprised of 193 pages of detailed financial statements, notes, schedules, and reports. The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was audited by the accounting firm of Ernst & Young LLP, and received an unqualified opinion. An unqualified opinion is given when an auditor can state that the financial statements are accurately and fairly presented. The PAFR is unaudited and presented on a GAAP basis. This is a summarized report that presents selected statistical and primary government information. The primary government includes the County's general fund, fifty-five special revenue funds, three capital funds and five enterprise funds. This report does not include the County's discretely presented component units, legally separate entities that the County is considered to be financially accountable for, and fiduciary funds information.

Suffolk County has received the Certificate of Achievement for Excellence in Financial Reporting for its CAFR for the 25th consecutive year from the Government Finance Officers Association (GFOA) of the United States and Canada. This is the highest award for excellence in governmental accounting. The 2008 CAFR has been submitted to the GFOA for evaluation for the 26th Certificate of Achievement. Copies of this report and the CAFR are available online at <http://suffolkcountyny.gov/departments/comptroller.aspx>.

With all of the financial and statistical information available, it is often difficult to determine what information is important and how to use this information. The Popular Annual Financial Report of Suffolk County provides to the public the County's significant financial and economic activities presented in an easy to read overview. I hope that you will find this report both useful and informative.

Sincerely,

Joseph Sawicki, Jr.
County Comptroller

SUFFOLK COUNTY, NEW YORK

List of Principal Officials

At December 31, 2008

Suffolk County Legislature

District

1 st	Edward P. Romaine
2 nd	Jay Schneiderman
3 rd	Kate M. Browning
4 th	Brian Beedenbender
5 th	Vivian Viloría-Fisher*
6 th	Daniel P. Losquadro
7 th	Jack Eddington
8 th	William J. Lindsay**
9 th	Ricardo Montano
10 th	Cameron Alden
11 th	Thomas F. Barraga
12 th	John M. Kennedy, Jr.
13 th	Lynne C. Nowick
14 th	Wayne R. Horsley
15 th	DuWayne Gregory
16 th	Steven H. Stern
17 th	Louis D'Amaro
18 th	Jon Cooper

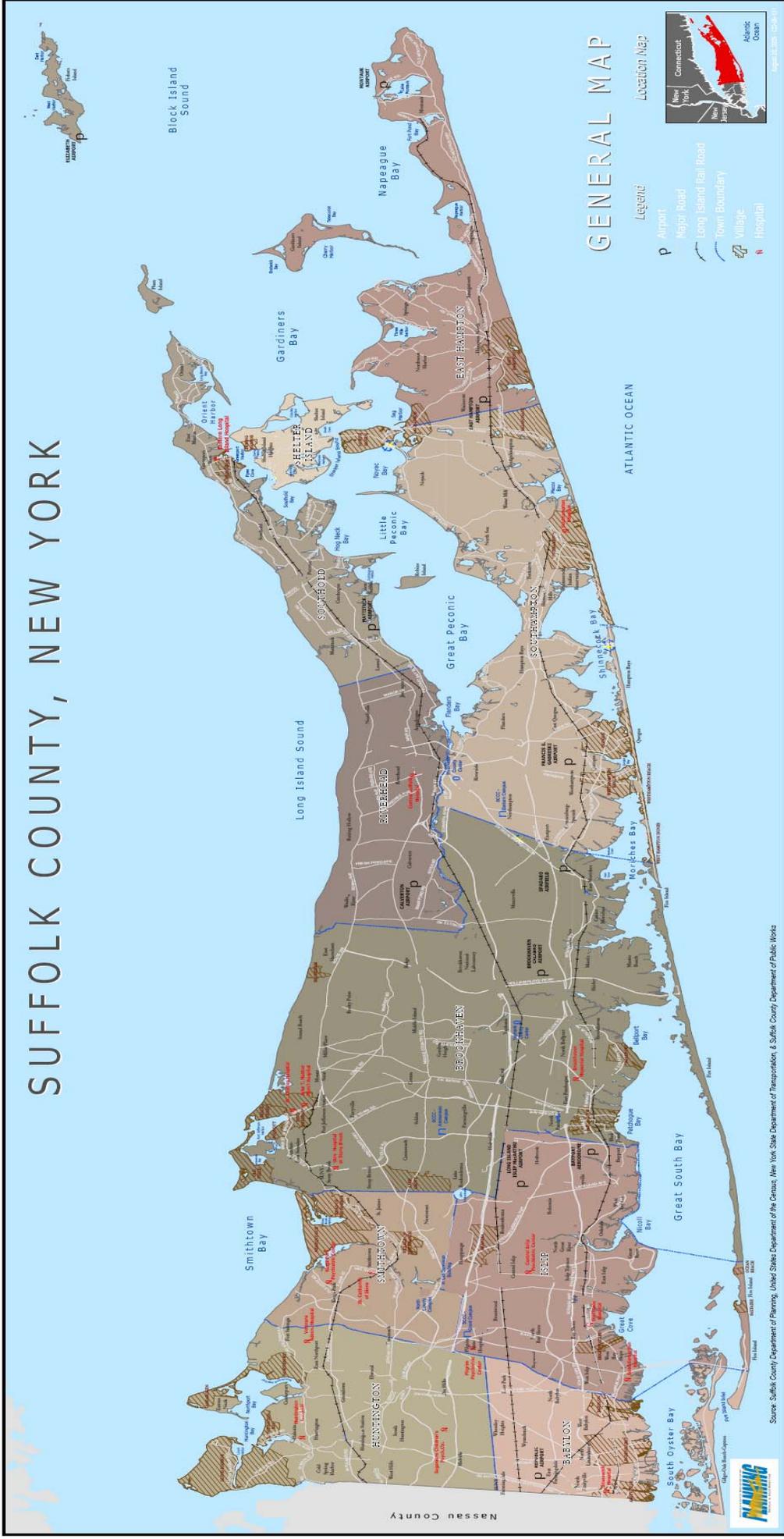
County Executive	Steve Levy
County Comptroller	Joseph Sawicki, Jr.
County Treasurer	Angie M. Carpenter
County Clerk	Judith A. Pascale
District Attorney	Thomas J. Spota
Sheriff	Vincent F. DeMarco

Notes:

* Deputy Presiding Officer

** Presiding Officer

SUFFOLK COUNTY, NEW YORK



Fire Island Lighthouse



Bayard Cutting Arboretum



Long Island Beaches



Long Island Vineyards

County of Suffolk

Suffolk County was established on November 1, 1683, as one of the ten original counties of what became the State of New York. Since 1960, Suffolk County has operated under a charter form of government that provides for an executive administration of County affairs. On January 1, 1970, an 18-member County Legislature was organized, consisting of representatives elected from 18 districts of approximately equal population, based upon the most recently completed Federal Census. Such districts were revised based on the 2000 Census. This redistricting was effective with the 2003 elections.

The County Legislature is the principal policy-making body of the County, and its members are elected to two-year terms. The County Executive, who heads the executive branch of the County, and the County Comptroller, who is the Chief Fiscal Officer of the County, are each elected to four-year terms. The County Treasurer is also elected to a four-year term and is responsible for the receipt and custody of all County funds.

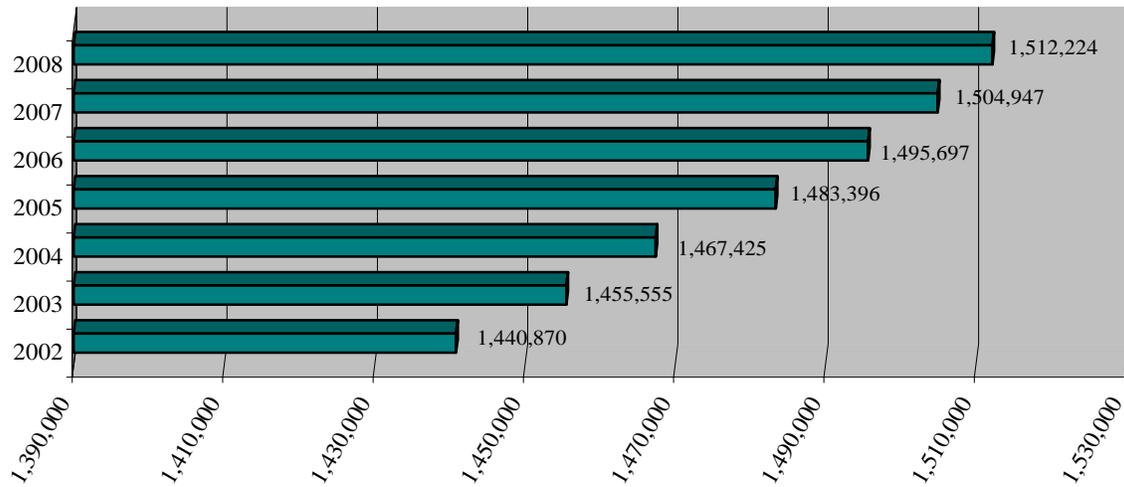
Suffolk County comprises the eastern two-thirds of Long Island and, with a 2008 population of 1,512,224, contains slightly more than one-half the population of Long Island. Suffolk County's western border is approximately 15 miles from the eastern border of the City of New York and the County is bordered by Nassau County to the west, Long Island Sound to the north and the Atlantic Ocean to the south and east. It covers an area of approximately 911 square miles of land.

Suffolk County's charter specifies that it provide certain services, including police and law enforcement, economic assistance, health and nursing services, education, home and community services, transportation and maintenance of County roads, parks and waterways. The County operates several enterprise activities, including a nursing home, airport, ballpark, health plan, and economic development.

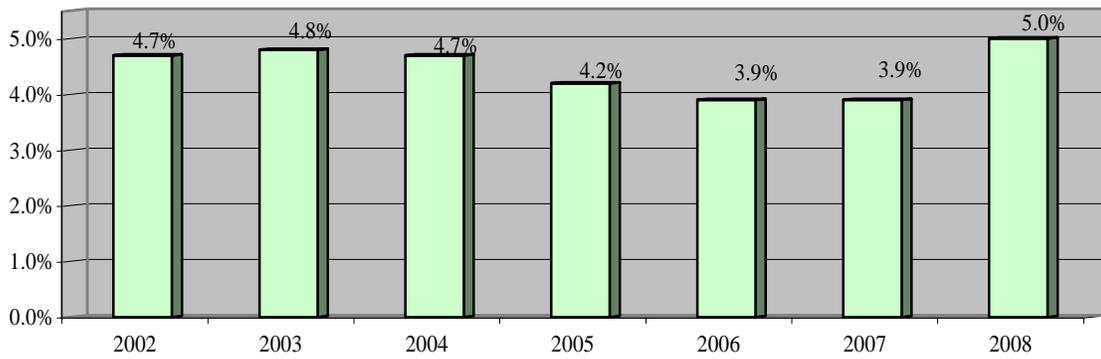


Demographics

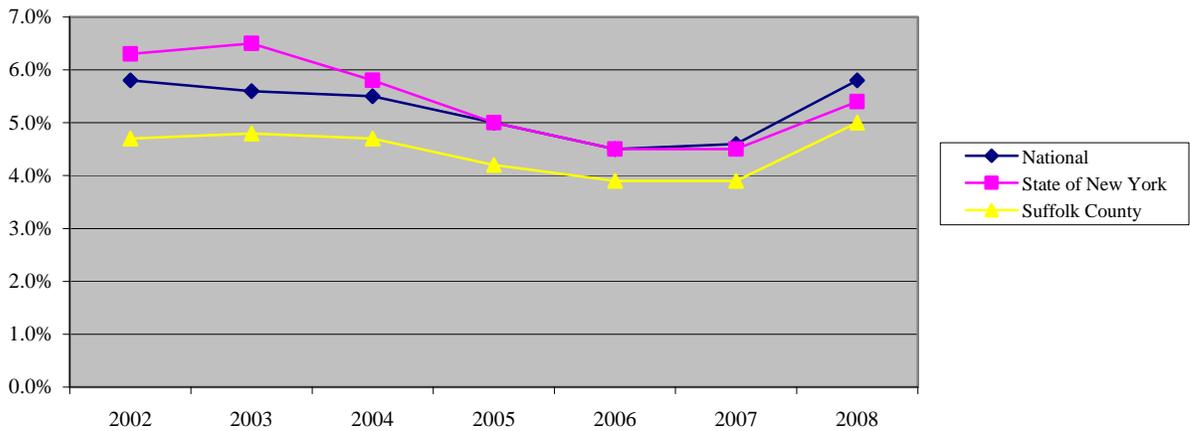
Population



Suffolk County Unemployment Rates



Unemployment Rate - National, State, and County



Major Initiatives

The State Commission of Correction has mandated the construction of a new correctional facility in Yaphank. The total cost of constructing the facility is estimated at \$229,799,842.



Land was acquired during 2008 pursuant to various land preservation and protection programs at a cost of \$47.9 million. In addition, \$44 million was spent for the acquisition of farmland development rights.

Major renovation of the civil court building and construction of a nine courtroom addition are underway at the County Civil Court Complex in Riverhead. Completion of this construction will enable the Supreme Court to relocate to Riverhead from the Cohalan Court Complex in Islip and District Court judges in outlying courts will be permanently relocated to Cohalan.



Construction of a new 40,000 square foot Fourth Police Precinct is underway at the Hauppauge North County Complex. The total cost of constructing the building is estimated at \$27.9 million. This building will be constructed in accordance with the Green Building Rating System known as Leadership in Energy and Environmental Design (LEED).

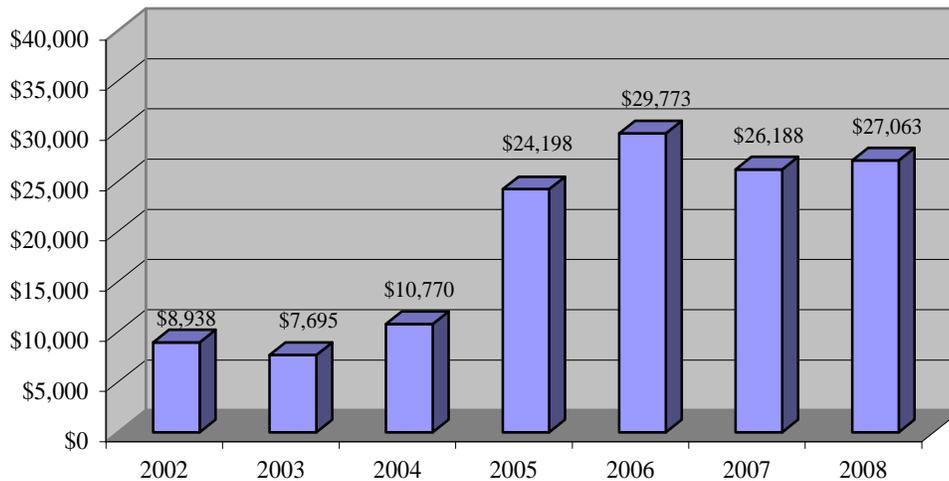
Investments

At December 31, 2008, Suffolk County's bank balance in all financial institutions was \$567,938,025. The entire bank balance was either covered by federal depository insurance or by collateral held by the County's agent in the County's name.

The County's investment policy, approved by the Suffolk County Legislature, annually authorizes investments by the Suffolk County Treasurer in investments governed by New York State statute. The Treasurer invests monies not required for immediate expenditure for terms not to exceed the County's cash flow needs in the following types of investments: certificate of deposit, time deposits, obligations of NY State, obligations of the United States government, repurchase agreements, obligations of agencies of the Federal government if principal and interest are guaranteed by the United States government, obligations issued pursuant to Local Finance Law Section 24 or 25 (with the approval of the State Comptroller) by any municipality, school district or district corporation other than Suffolk County, and participation in a cooperative investment program.

The County reports a revocable trust investment which was funded from the Suffolk Tobacco Asset Securitization Corporation 2008 series bonds. This trust consists primarily of U.S Treasury Notes held by the Trustee for the benefit of Suffolk County. At December 31, 2008 the revocable trust market value balance was \$188,928,782.

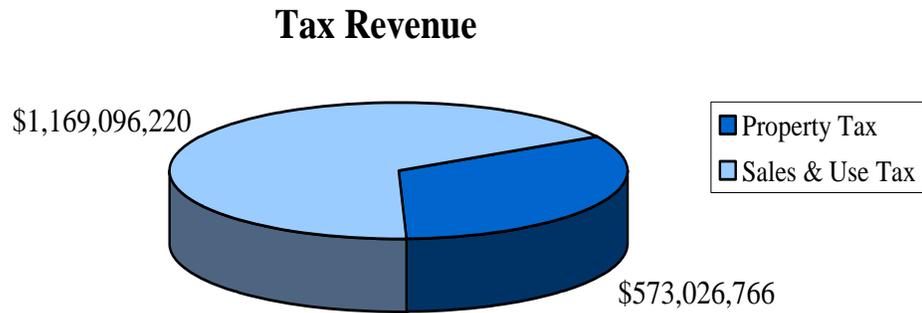
Investment Earnings (Amounts in 000's)



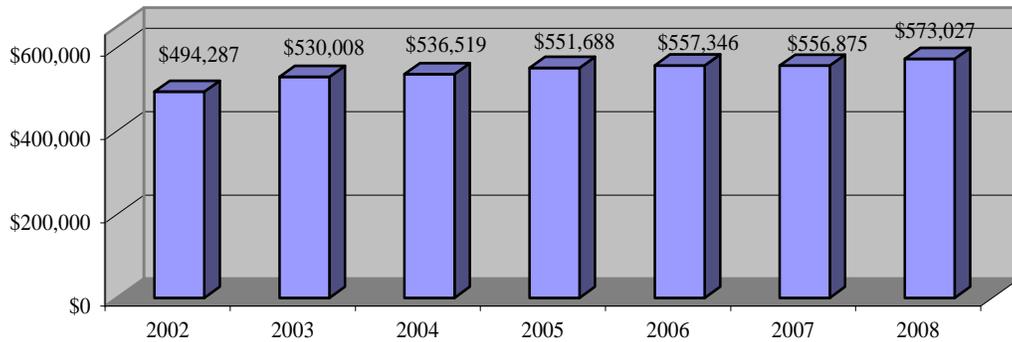
Investment earnings represent the amount of interest income earned by the County. The factors affecting interest income are interest rates and portfolio size, which fluctuate over time.

Taxes

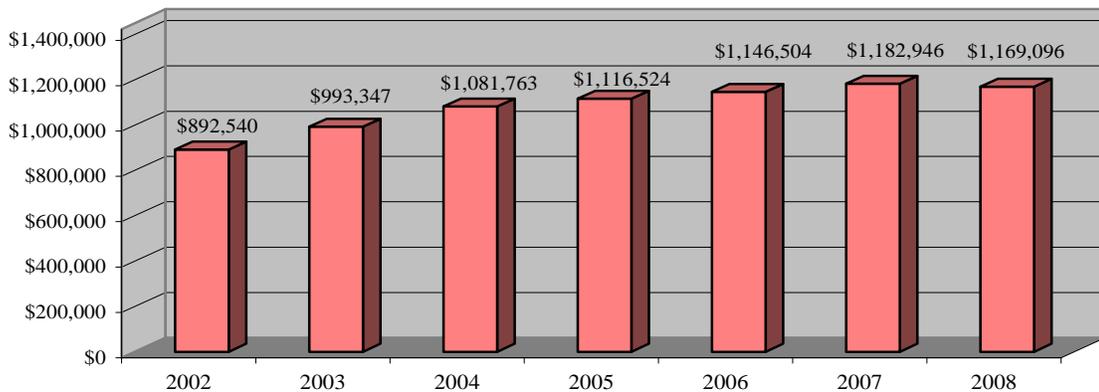
During 2008, the County received \$1.74 billion in tax revenue. The following chart shows the proportion derived from each type of tax.



Property Tax received by County (Amounts in 000's)



Sales Tax received by County (Amounts in 000's)



Financial Position

Capital Assets

The composition of the capital assets for governmental and business-type activities at December 31, 2008 is shown below:

Suffolk County Capital Assets
(December 31; net of depreciation, amounts in 000's)

	2008	2007
Land	\$ 722,253	\$ 674,401
Development Rights	165,489	121,454
Historic Buildings	4,608	4,608
Construction in Progress	288,895	221,597
Buildings	310,992	326,144
Improvements other than Buildings	30,441	31,250
Vehicle and Equipment	107,459	103,611
Infrastructure	546,621	542,359
Total	<u>\$ 2,176,758</u>	<u>\$ 2,025,424</u>

Suffolk County's investment in capital assets for its governmental and business-type activities as of December 31, 2008 amounts to \$2.177 billion (net of accumulated depreciation). This investment in capital assets includes land and development rights, buildings including some on the National Registry of Historic Treasures, improvements other than buildings, vehicles, equipment and infrastructure as well as construction in progress. The net increase in Suffolk County's investment in capital assets for the current fiscal year was \$151 million, which represents a 7.47% increase.

Outstanding Debt

The outstanding debt for governmental and business-type activities for the year ended December 31, 2008 is shown below:

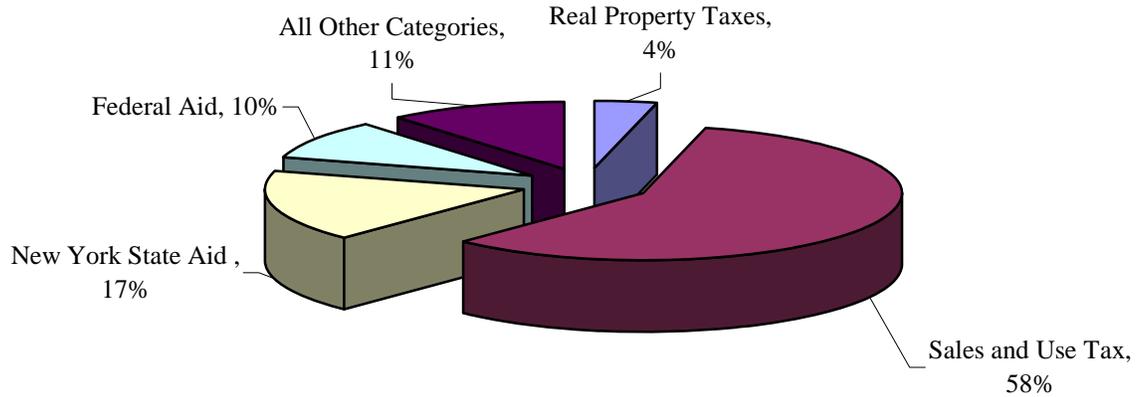
Suffolk County's Outstanding Debt
Bonds and Other Long-Term Debt
(Amounts in 000's)

	2008 Beginning Balance	Additions	Reductions	2008 Ending Balance
General Obligation Bonds	\$ 874,859	\$ 185,329	\$ 114,775	\$ 945,413
STASC	-	232,028	-	232,028
Total Bonds Payable	874,859	417,357	114,775	1,177,441
Compensated Absences	350,654	21,991	19,960	352,685
Claims and judgements	441,812	47,239	30,089	458,962
OPEB	303,930	391,515	94,935	600,510
Capital leases	129,659	-	37,227	92,432
Total Long-term liabilities	<u>\$ 2,100,914</u>	<u>\$ 878,102</u>	<u>\$ 296,986</u>	<u>\$ 2,682,030</u>

General Fund Revenues

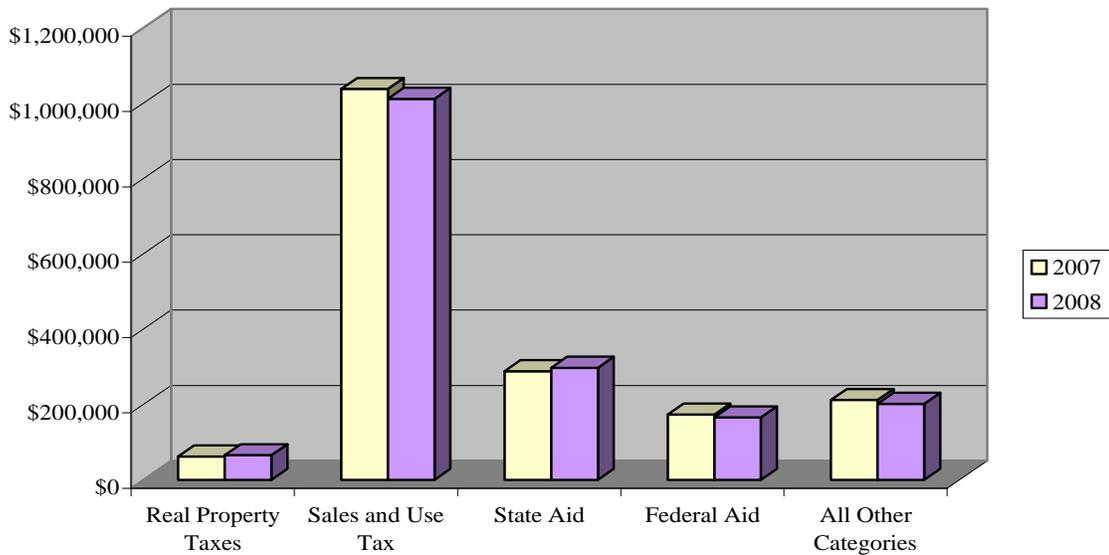
The General Fund accounts for the general operating revenues of Suffolk County not recorded elsewhere. The primary revenue sources are Sales and Use Tax, New York State Aid, Federal Aid and Real Property Taxes.

Revenue Dollar by Source



A comparison of these same revenue sources for the past two years is presented below.

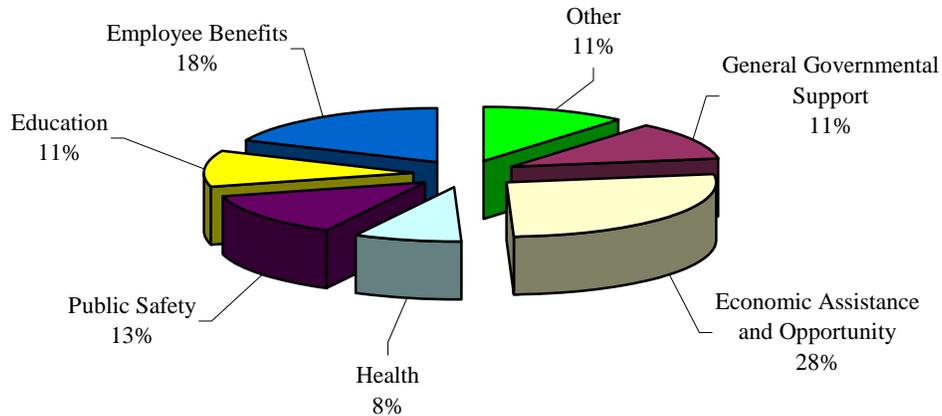
2007 & 2008 Revenues (Amounts in 000's)



General Fund Expenditures

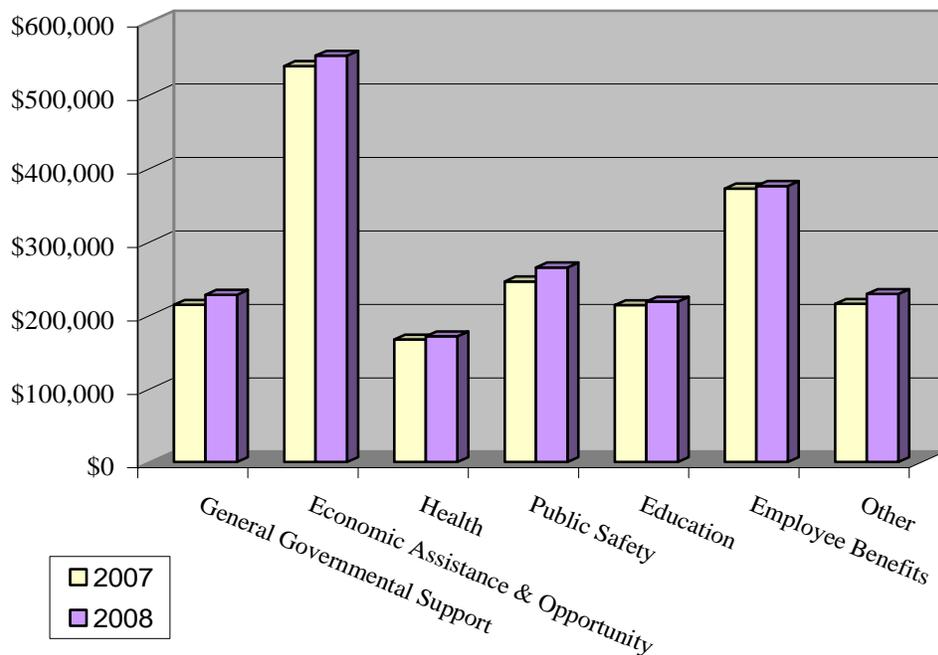
The General Fund accounts for the general operating expenditures of Suffolk County not reported elsewhere. The primary expenditure functions are General Governmental Support, Economic Assistance and Opportunity, Health, Public Safety, Education and Employee Benefits.

Expenditure Dollar by Function



A comparison of these same expenditures for the past two years is presented below.

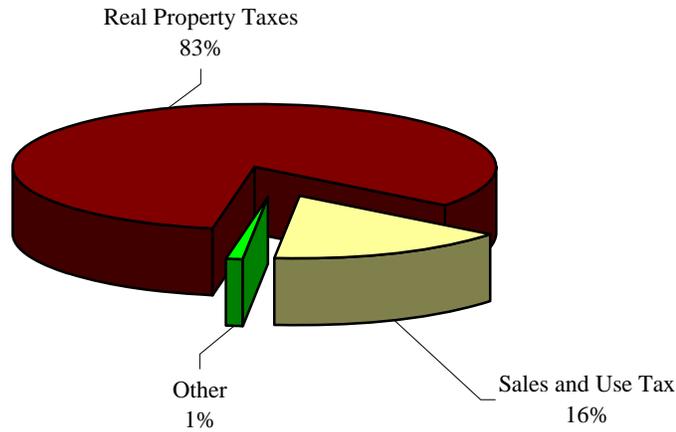
2007 & 2008 Expenditures (Amounts in 000's)



Police District Fund Revenues

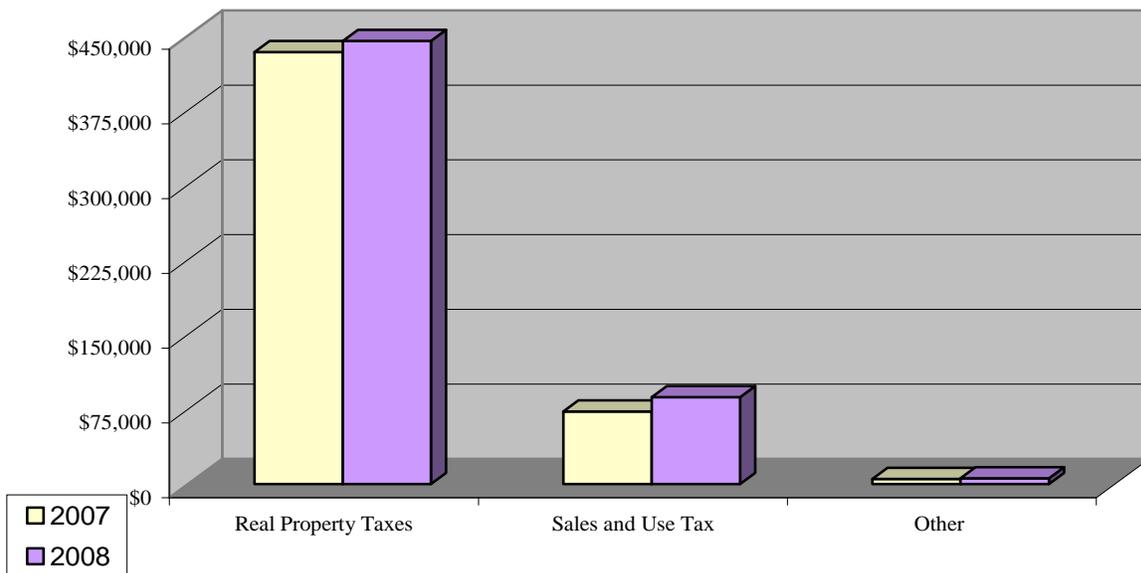
The Police District Fund which accounts for the operations of the Suffolk County Police District, is classified as a major fund. The primary revenue sources are Real Property Taxes as well as allocated Sales and Use Tax. Other revenue sources include Federal and New York State Aid, Interest on Investments, and Licenses, Permits, Fines, Fees, etc.

Revenue Dollar by Source



A comparison of these same revenues for the past two years is presented below.

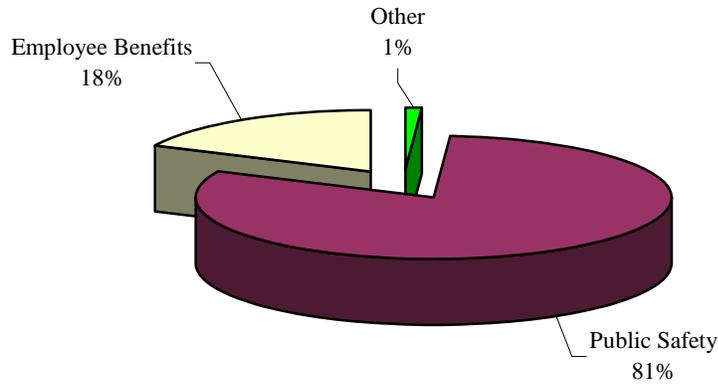
2007 & 2008 Revenues (Amounts in 000's)



Police District Fund Expenditures

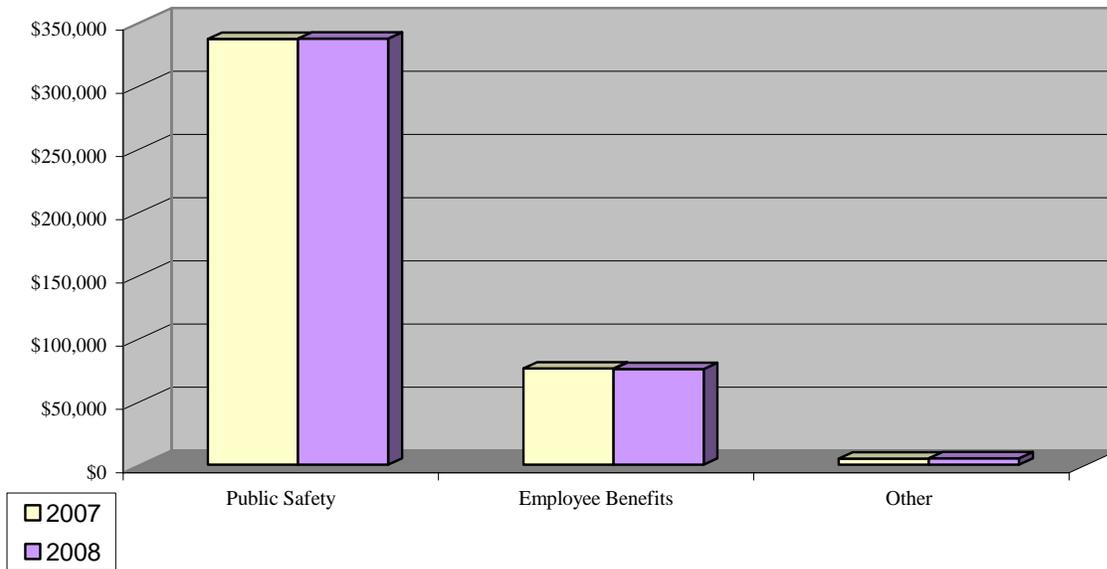
The Police District Fund accounts for the operations of the Suffolk County Police District, which provides services to the residents of the five western towns of Suffolk County. The primary expenditure function is Public Safety/Law Enforcement.

Expenditure Dollar by Function



A comparison of these same expenditures for the past two years is presented below.

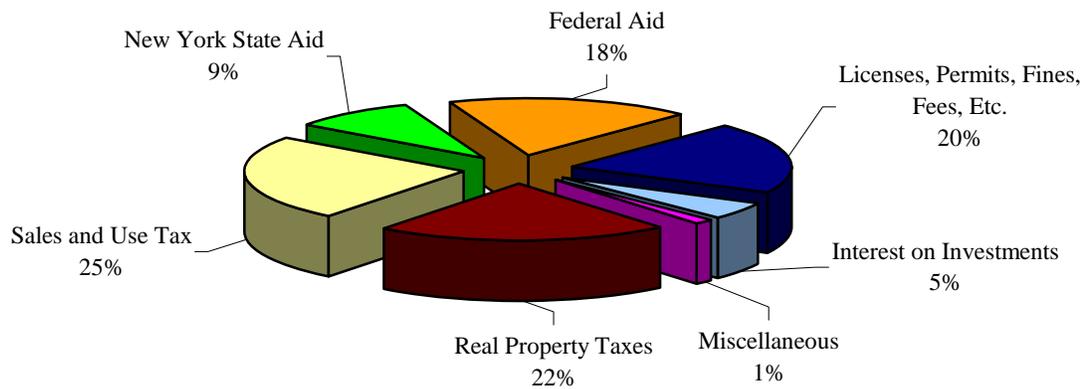
2007 & 2008 Expenditures (Amounts in 000's)



Other Governmental Fund Revenues

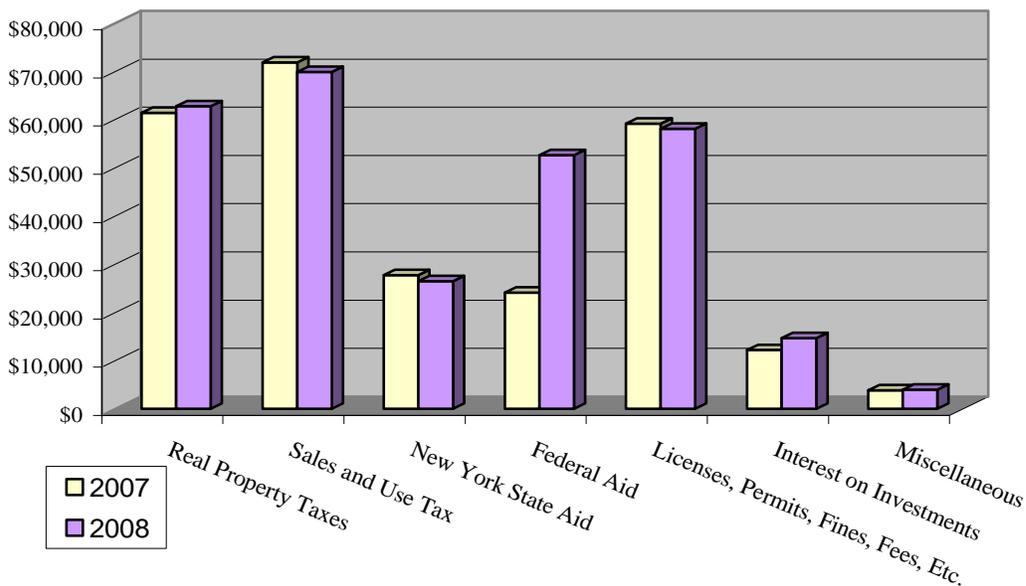
Suffolk County maintains 54 special revenue funds, excluding the Police District Fund, with specific revenue sources which are legally restricted to expenditures for specified purposes some of which include Sewer Maintenance and Operations, Public Safety Communication System E-911, County Road, Suffolk County Water Protection and 3 Capital funds. The primary revenue sources are Real Property Taxes, Sales and Use Tax, and Licenses, Permits, Fines and Fees, etc.

Revenue Dollar by Source



A comparison of these same revenues for the past two years is presented below.

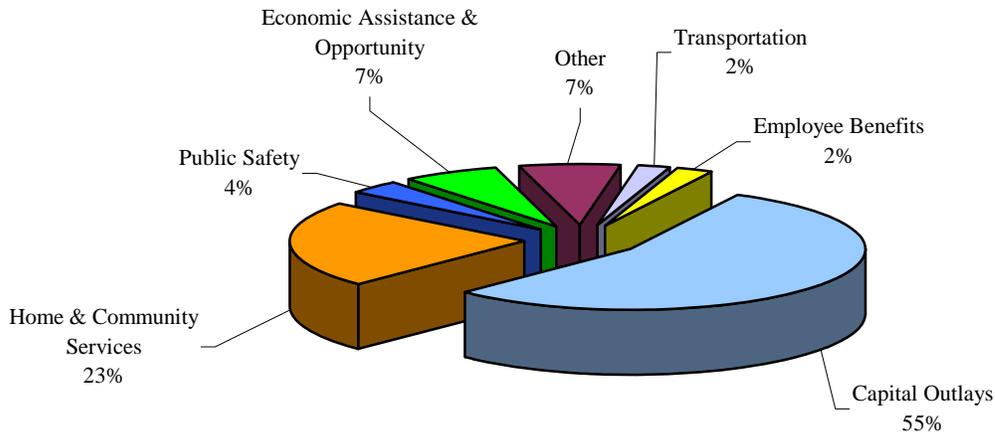
2007 & 2008 Revenues (Amounts in 000's)



Other Governmental Fund Expenditures

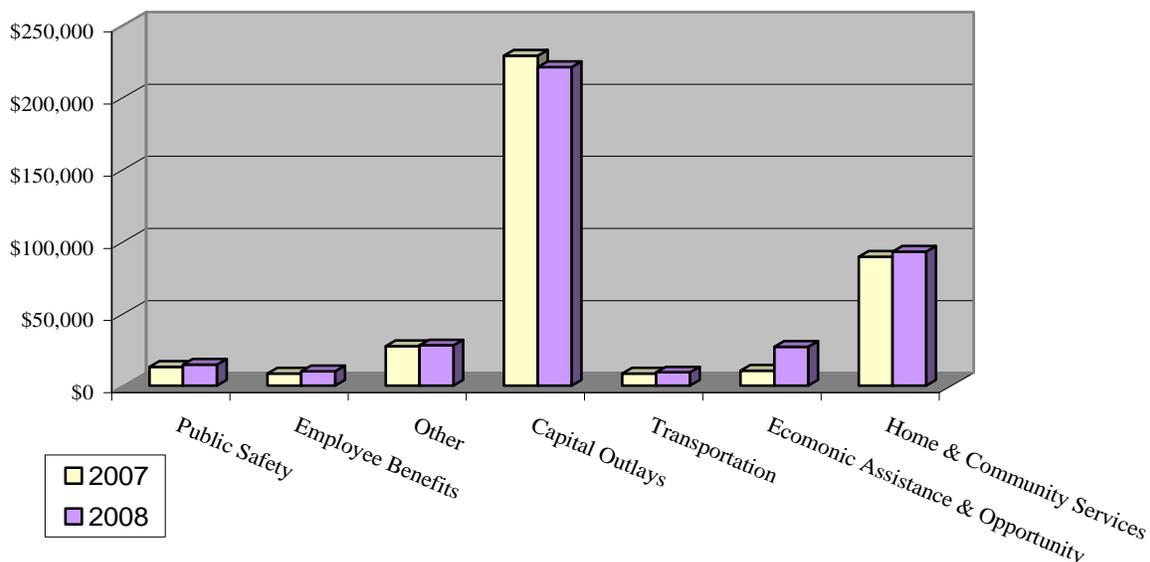
Other Governmental Funds account for the specific revenue sources which are legally restricted to expenditures for specified purposes and capital projects. Currently there are 54 special revenue funds, excluding the Police District Fund, that are representative of sewer district operations, county road maintenance, environmental trusts, workforce investment, Medicaid compliance, tax stabilization, assessment stabilization, water protection and three Capital Funds. The primary expenditure functions are: Capital Outlays and Home & Community Services.

Expenditures by Function



A comparison of these same expenditures for the past two years is presented below.

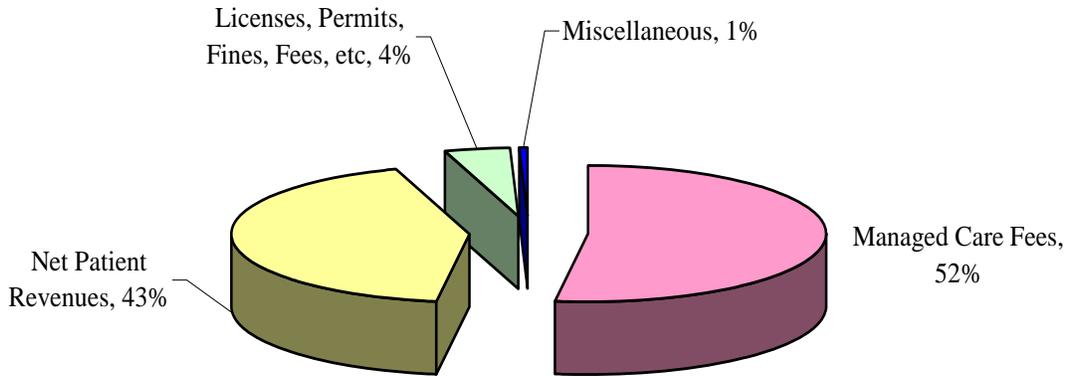
2007 & 2008 Expenditures (Amounts in 000's)



Enterprise Fund Revenues

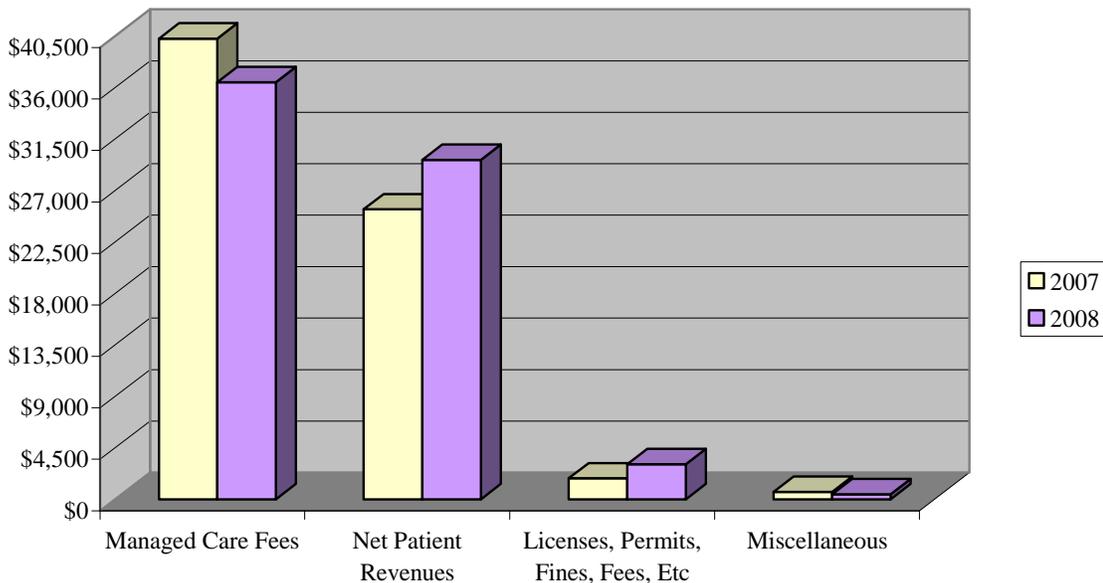
The enterprise funds consist of the Suffolk Health Plan, the Suffolk County Ball Park, Francis S. Gabreski Airport, Regional Economic Development Initiative, and the John J. Foley Skilled Nursing Facility. The primary revenue sources for the enterprise funds are Managed Care Fees and Net Patient Revenues. During 2008 the membership roster of the Suffolk Health Plan was sold.

Revenue Dollar by Source



A comparison of these same revenue sources for the past two years is presented below.

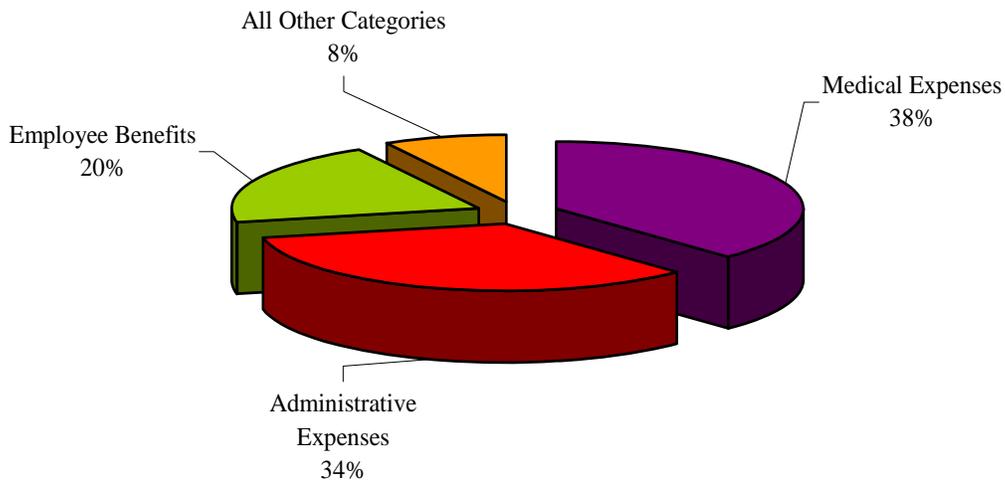
2007 & 2008 Revenues (Amounts in 000's)



Enterprise Fund Expenses

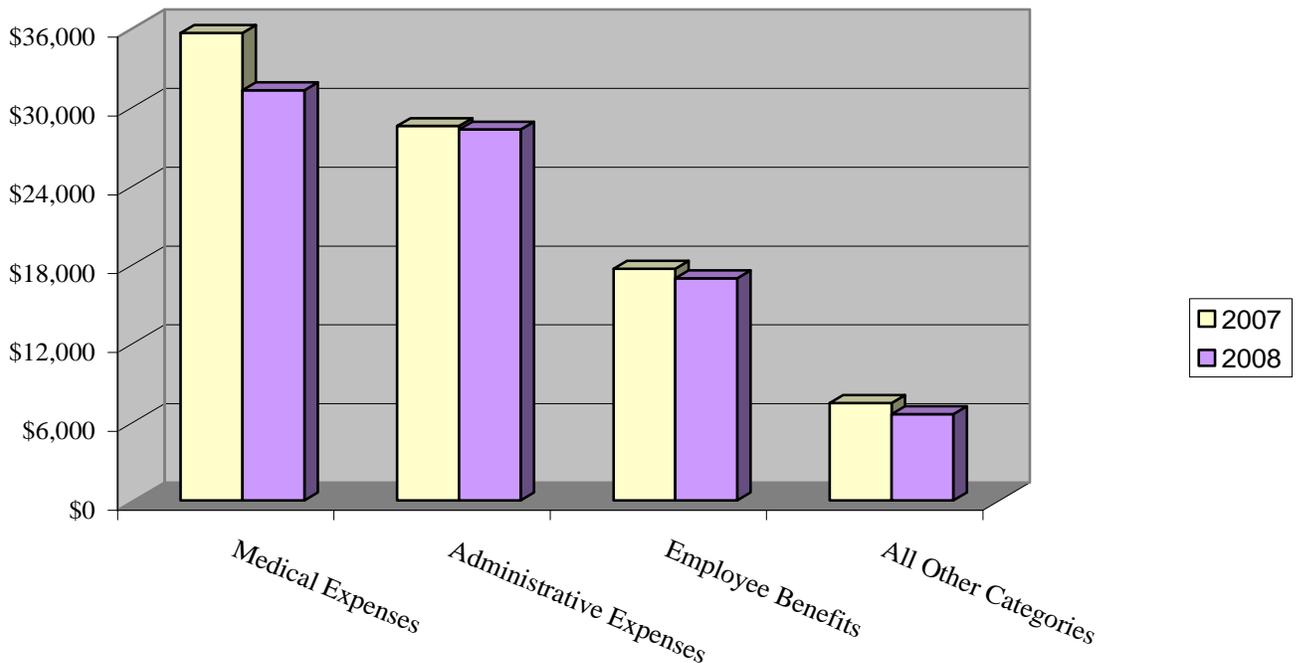
Suffolk County uses enterprise funds to account for the Suffolk Health Plan, Suffolk County Ball Park, Francis S. Gabreski Airport, Regional Economic Development Initiative, and the John J. Foley Skilled Nursing Facility. The primary expenses for the enterprise funds are Medical, Administrative, and Employee Benefits. During 2008 the membership roster of the Suffolk Health Plan was sold and henceforth activity reported for the fund will relate to close-out costs.

Expenses by Type



A comparison of these same expenses for the past two years is presented below.

2007 & 2008 Expenses (Amounts in 000's)



SUFFOLK'S SENSATIONAL SITES

- ❖ Suffolk County is known for beautiful beaches located along nearly 1,000 miles of marine coastline. Suffolk County Department of Parks operates some of Suffolk County's over 100 beaches including Smith Point Beach in Shirley, Cupsogue Beach in Westhampton, and Meschutt Beach located in Hampton Bays.
- ❖ Many New York State parks and beaches are also in Suffolk such as Bayard Cutting Arboretum State Park in Oakdale, Hither Hills State Park in Montauk, and Wildwood State Park in Wading River.
- ❖ The National Parks Service owns approximately 3,000 acres of the Fire Island National Seashore in Suffolk County. The Fire Island Lighthouse, completed in 1858, is listed on the National Register of Historic Places.
- ❖ The Montauk Point Lighthouse located in Montauk Point State Park was completed in 1796 and is the first lighthouse in New York State.
- ❖ The Suffolk County Department of Parks manages over 200 historic sites and with the help from local historical societies provides guided tours and special events. These sites include the Sagtikos Manor in West Bay Shore built in 1692 and the Old Field Farm in Setauket built in 1931.
- ❖ The Big Duck, located at the entrance to Sears Bellows County Park in Flanders, was built in 1931 and is listed on the National Register of Historic Places. Long Island's most famous landmark now serves as a gift shop and as a tourist information center for the Long Island Convention and Visitors Bureau.
- ❖ Suffolk County has a wide variety of museums such as the Long Island Maritime Museum in West Sayville, the Long Island Museum of American Art, History & Carriages in Stony Brook, the Heckscher Museum of Art in Huntington, and the Cold Spring Harbor Whaling Museum in Cold Spring Harbor.
- ❖ The Vanderbilt Museum & Planetarium is located in Centerport on a 43 acre estate, overlooking Northport Harbor. The 238 seat, state of the art planetarium features 3 different shows on weekends and holidays.
- ❖ Long Island's wine region encompasses both the north fork and south fork of Long Island. This part of Long Island, located at the east end of Suffolk County, is home to over 50 vineyards and over 30 wineries. Tours and wine tasting are available throughout the region.

For an extensive list of the sites within Suffolk County visit www.suffolktimeyourtime.com or www.suffolkcountyny.gov .