

POPULAR ANNUAL FINANCIAL REPORT



County of Suffolk, New York

For the year ended
December 31, 2010

Suffolk County, New York
Popular Annual Financial Report
For the Fiscal Year Ended December 31, 2010

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Additional copies of this report and Suffolk County's Comprehensive Annual Financial Report (CAFR) may be obtained by contacting:

Suffolk County Office of the Comptroller
H. Lee Dennison Building
100 Veterans Memorial Highway
P.O. Box 6100
Hauppauge, NY 11788-0099
(631) 853-5040

In addition, the PAFR and CAFR are made available on the Suffolk County Comptroller's website by visiting <http://suffolkcountyny.gov/departments/comptroller.aspx>



Joseph Sawicki, Jr.

County Comptroller



June 23, 2011

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, 2010. 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 2010 Suffolk County Comprehensive Annual Financial Report (CAFR). The CAFR is comprised of 198 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 materially correct. 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-nine 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 27th 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 2010 CAFR has been submitted to the GFOA for evaluation for the 28th Certificate of Achievement.

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

The Government Finance Officers Association

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Suffolk County, New York for its Popular Annual Financial Report for the fiscal year ended December 31, 2009. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report (PAFR), whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting our 2010 PAFR to GFOA.

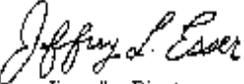
Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

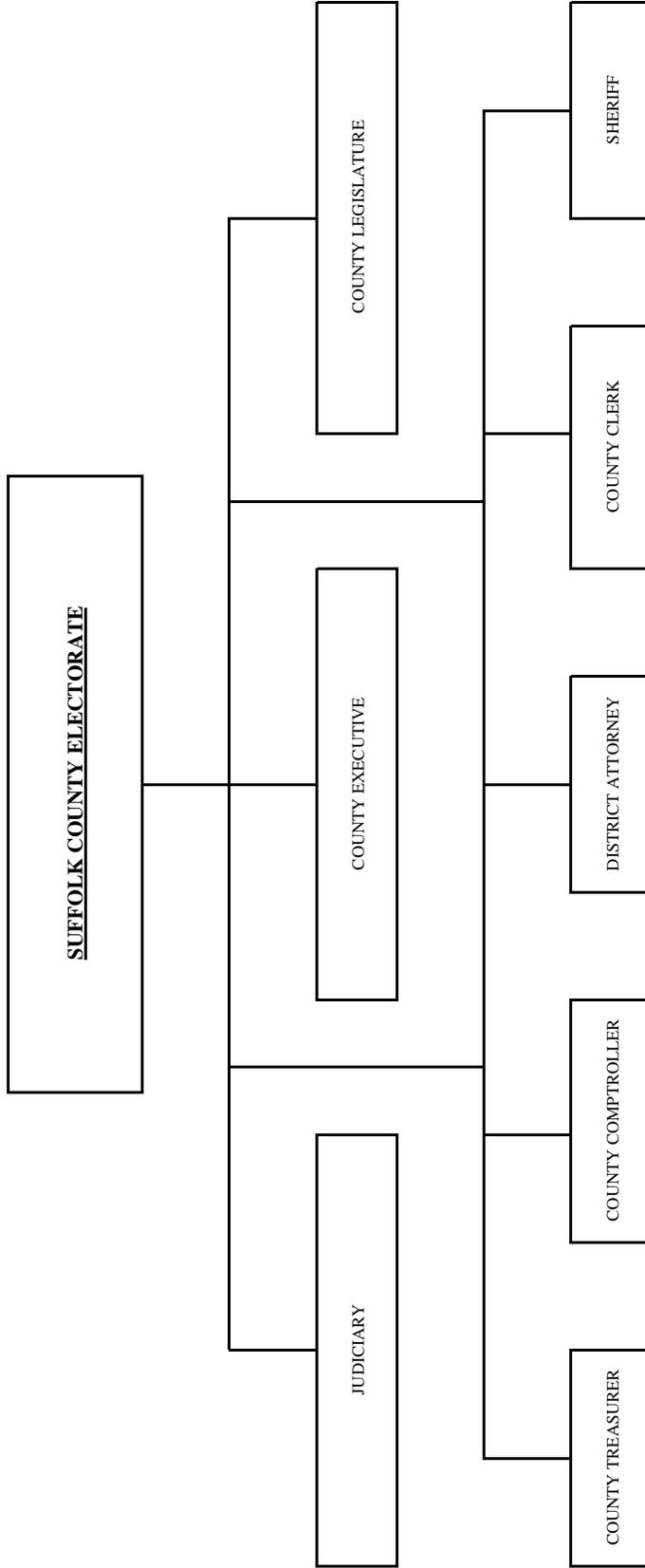
**Suffolk County
New York**

**for the Fiscal Year Ended
December 31, 2009**




President

Executive Director

SUFFOLK COUNTY ORGANIZATIONAL CHART



SUFFOLK COUNTY, NEW YORK

List of Principal Officials

At December 31, 2010

Suffolk County Legislature

District

1 st	Edward P. Romaine
2 nd	Jay Schneiderman
3 rd	Kate M. Browning
4 th	Tom Muratore
5 th	Vivian Vilorio-Fisher*
6 th	Daniel P. Losquadro
7 th	Jack Eddington
8 th	William J. Lindsay**
9 th	Ricardo Montano
10 th	Tom Cilmi
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



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.

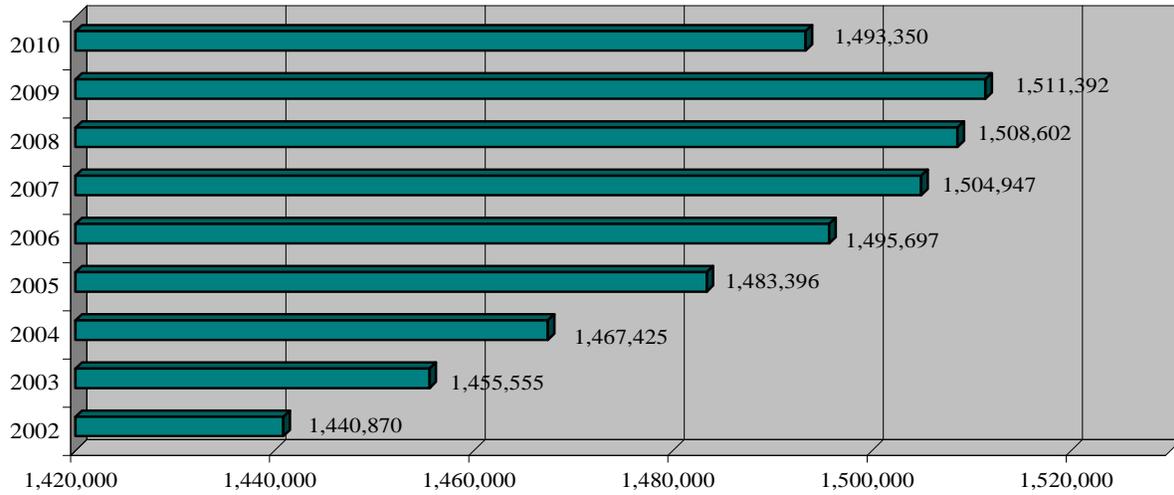
Suffolk County comprises the eastern two-thirds of Long Island and, with a 2010 population of 1,493,350, contains slightly more than one-half the population of Long Island. Suffolk County's western border is approximately 15 miles from the eastern border of the City of New York and the County is bordered 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.

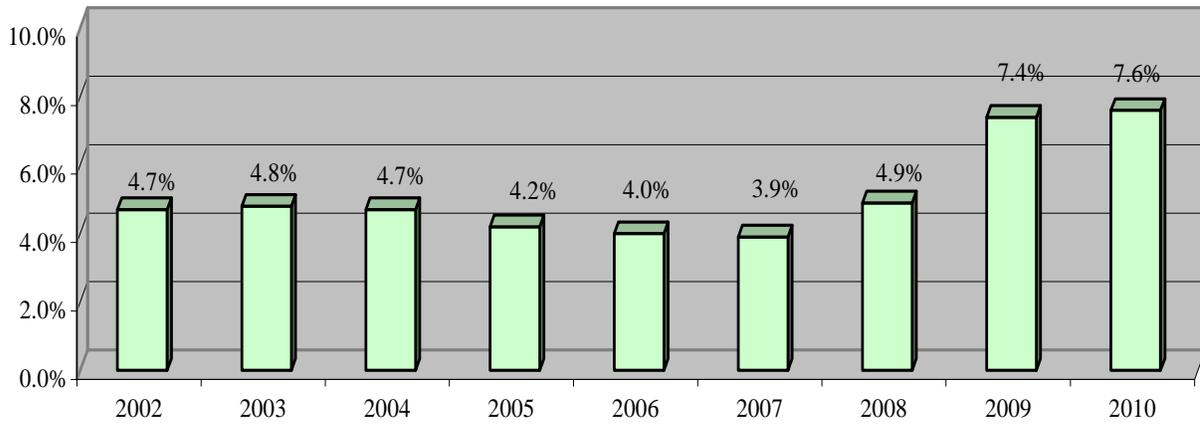


Demographics

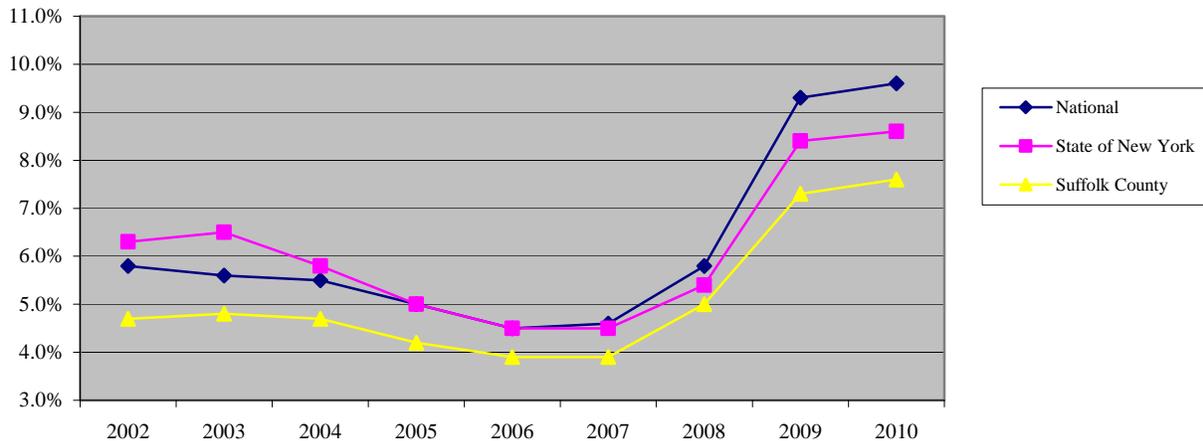
Population



Suffolk County Unemployment Rates

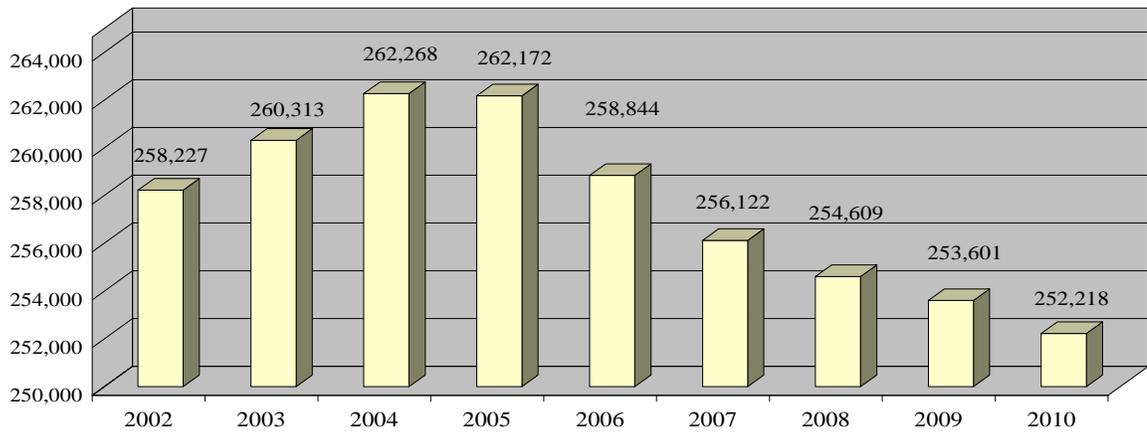


Unemployment Rate - National, State, and County

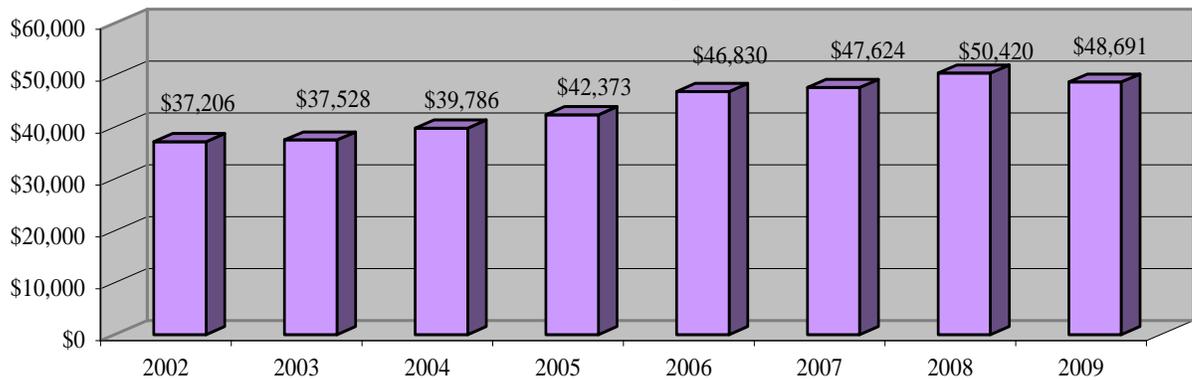


Demographics

Public School Enrollment

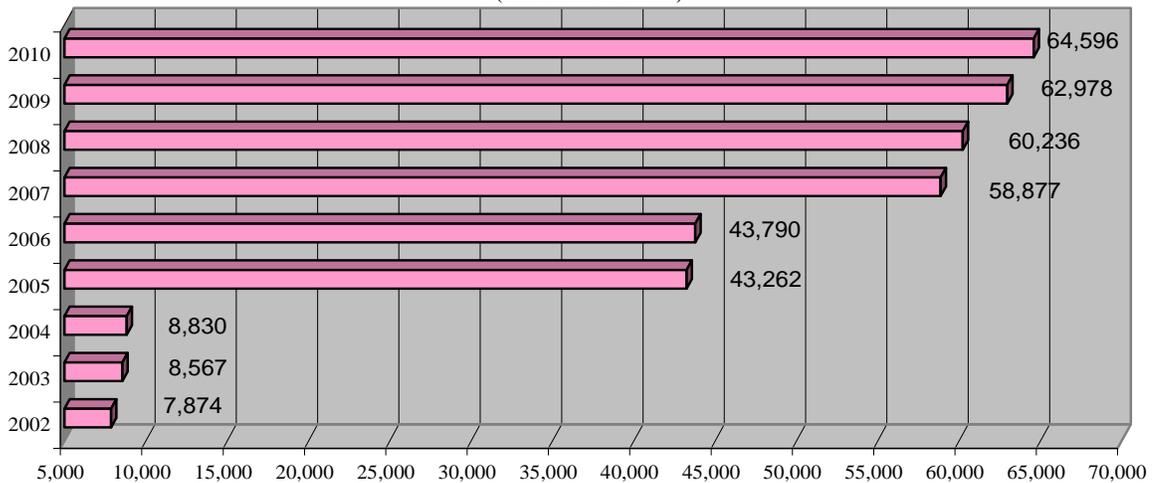


Income Per Capita



Assessed Property Values*

(in millions of dollars)



* The Town of Southamptton began assessing the value of real property at full value in 2005; therefore, a significant increase in assessed value totals occurred from 2004 to 2005.

Major Initiatives

The New York State Commission of Correction has mandated the construction of a new correctional facility in Yaphank. The total cost of construction is estimated at \$242,706,722. The new facility is scheduled to open in 2012.



Land was acquired during 2010 pursuant to various land preservation and protection programs at a cost of \$46.3 million. In addition, \$31.8 million was spent for the acquisition of farmland development rights.

Major renovations are nearly complete at the County Civil Court Complex in Riverhead. The total appropriation for renovations is \$46,395,000 with total spending at \$44,866,027 through 2010. Renovations 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 nearly complete at the Hauppauge North County Complex. The total cost of construction is estimated at \$17,500,000 with total spending at \$17,122,044 through 2010. Building construction is in accordance with the Green Building Rating System known as Leadership in Energy & Environmental Design (LEED).

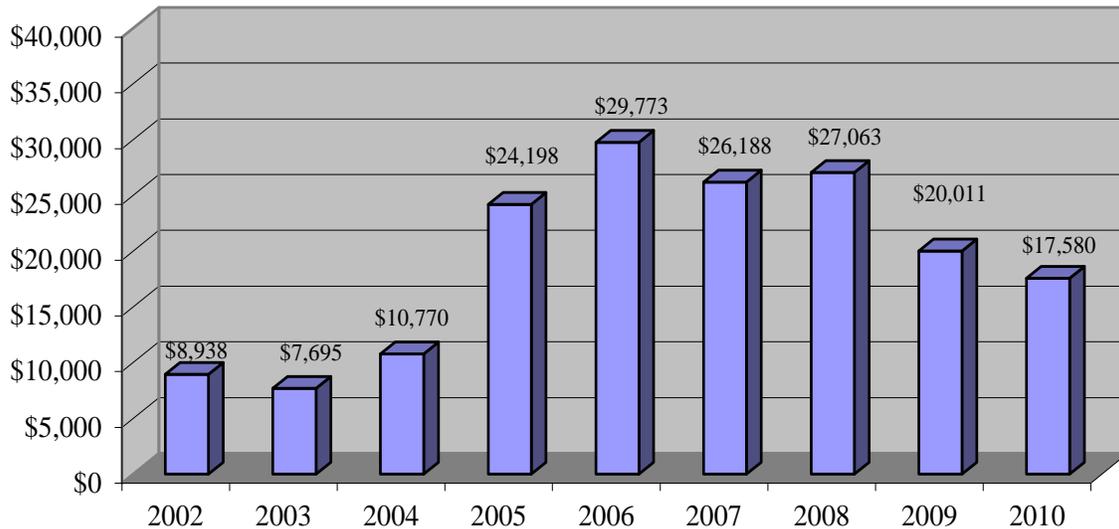
Investments

At December 31, 2010, Suffolk County's bank balance in all financial institutions was \$791,507,055. 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, 2010 the revocable trust market value balance was \$95,719,405.

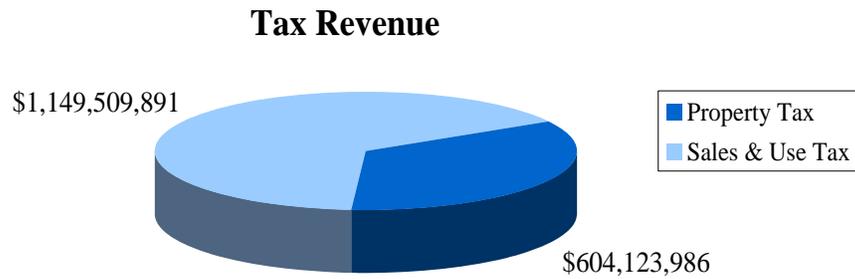
Investment Earnings (Amounts in 000's)



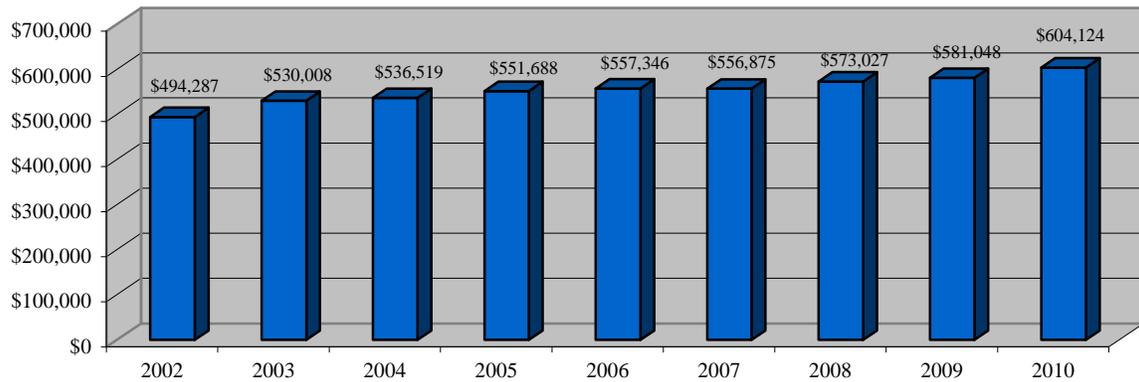
Investment earnings represent the amount of interest income earned by the County. The factors affecting interest income are interest rates and portfolio size, which fluctuate over time.

Taxes

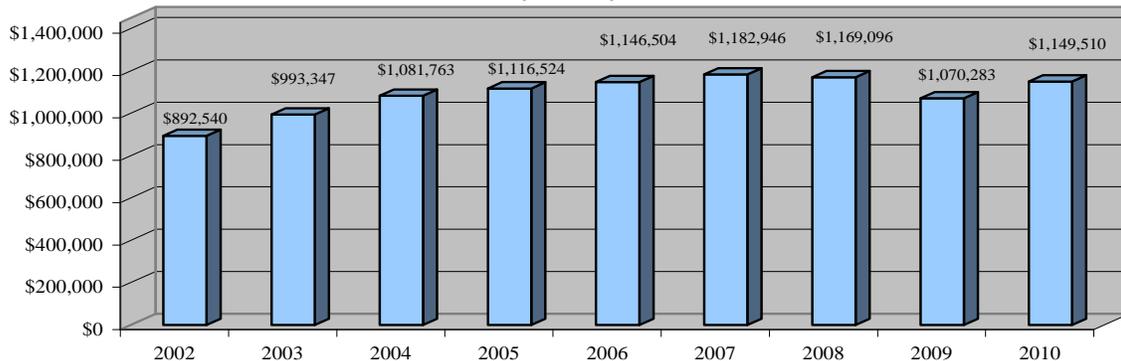
During 2010, the County received \$1.75 billion in tax revenue. The following chart shows the proportion derived from each type of tax.



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



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



Financial Position

The County’s financial statements account for their financial activities within funds. These funds are identified as either Governmental or Business-type. The majority of the County’s activities are accounted for as Governmental funds and are financed primarily by taxes, grants, charges for services and other intergovernmental revenues. The County’s Business-type activities consists of five enterprise funds, in which user fees and charges constitute the majority of these funds’ revenues.

Outstanding Debt and Other Long-Term Obligations

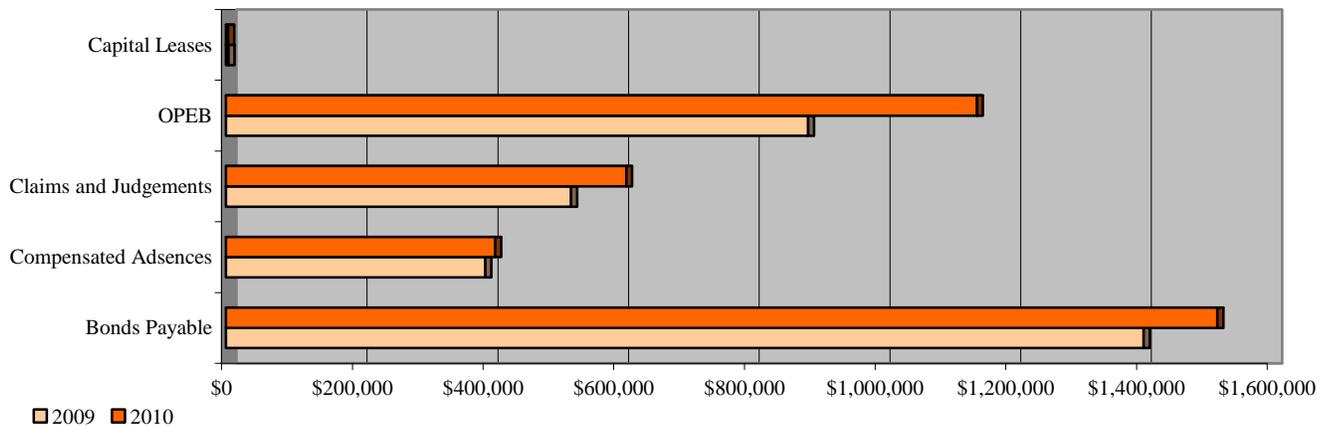
The outstanding debt and other long-term obligations for governmental and business-type activities for the year ended December 31, 2010 is shown below:

Suffolk County Outstanding Debt & Other Long-Term Obligations
(Amounts in 000's)

	2010 Beginning Balance	Additions	Reductions	2010 Ending Balance
General Obligation debt (Inclusive of advanced refunding)	\$ 1,165,425	\$ 202,525	\$ 97,488	\$ 1,270,462
STASC	238,854	9,139	1,494	246,499
Total Bonds Payable	1,404,279	211,664	98,982	1,516,961
Compensated Absences	396,553	47,178	31,934	411,797
Claims and Judgements	528,010	117,130	32,869	612,271
OPEB (Other Post Employment Benefits)	890,600	344,800	86,160	1,149,240
Capital Leases	3,717	-	423	3,294
Total Long-term Liabilities	\$ 3,223,159	\$ 720,772	\$ 250,368	\$ 3,693,563

Suffolk County maintains an “AA” rating with a negative outlook from Standard & Poor’s, an “AA-” rating from Fitch and an “Aa2” rating from Moody’s for general obligation debt.

2009 & 2010 Long-Term Obligations
(Amounts in 000's)



Financial Position

Capital Assets

The composition of the capital assets for governmental and business-type activities at December 31, 2010 is shown below:

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

	2010	2009
Land	\$ 786,851	\$ 740,561
Development Rights	215,433	183,609
Historic Buildings	4,608	4,608
Construction in Progress	545,141	396,768
Buildings	305,003	297,320
Improvements other than Buildings	33,753	31,184
Vehicles and Equipment	138,340	102,104
Infrastructure	539,500	545,229
Total	\$ 2,568,629	\$ 2,301,383

The net increase in Suffolk County's investment in capital assets for the current fiscal year was \$267 million, which represents an 11.61% increase.

Land

The total amount of land purchased and owned by Suffolk County. Land is characterized as having an unlimited life.

Development Rights

Development rights legally restrict the use of the land by the owner. The County does not own the land only the right to restrict the use of the land.

Historic Buildings

This includes buildings of historic significance, and generally is listed on the national or state register of historic places.

Construction in Progress (CIP)

Reflects the economic construction activity status of buildings and other structures, which are substantially incomplete.

Buildings

Any structure erected to stand permanently. The amount is the cost to purchase or the cost of construction of the building.

Improvements other than Buildings

Assets built, installed or established to enhance the quality or facilitate the use of land for a particular purpose. Some examples include parking lots, landscaping, and fencing.

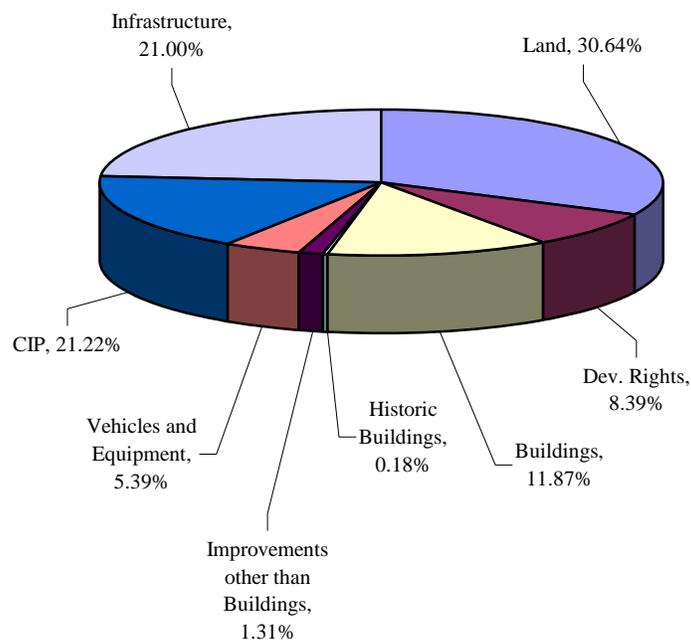
Vehicles and Equipment

Fixed or movable tangible assets such as equipment, machinery, vehicles, boats and aircrafts.

Infrastructure

Long lived capital assets that normally are stationary in nature such as roads, bridges, waterways, light systems and airport runways.

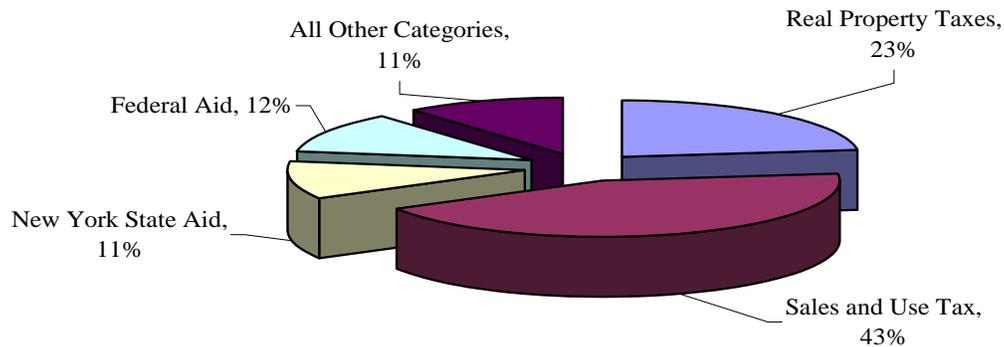
2010 Capital Assets



Governmental Fund Revenues

The revenues presented are the total governmental funds reported in the 2010 CAFR's Statement of Revenues, Expenditures, and Changes in Fund Balances. The primary revenue sources are Sales and Use Tax, Real Property Taxes, New York State Aid, and Federal Aid.

Revenue Dollar by Source



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

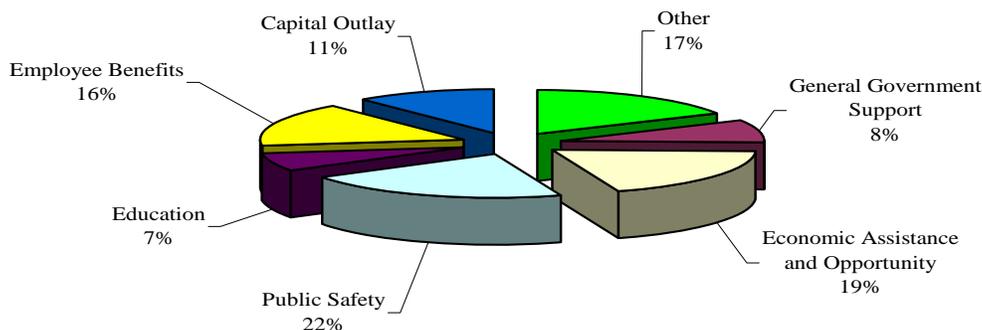
(Amounts in 000's)				
Revenues	2010 Actual	2009 Actual	\$ Change	% Change
Real Property Taxes	\$ 604,124	\$ 581,048	\$ 23,076	3.97%
Sales and Use Tax	1,149,510	1,070,283	79,227	7.40%
State Aid	283,287	312,828	(29,541)	-9.44%
Federal Aid	335,531	259,340	76,191	29.38%
All Other Categories	287,136	302,054	(14,918)	-4.94%
	<u>\$ 2,659,588</u>	<u>\$ 2,525,553</u>	<u>\$ 134,035</u>	5.31%

- Federal aid increased (29.38%) and New York State aid decreased (9.44%); this shift in aid is primarily due to receipts of Federal stimulus funds.
- Sales and use tax increased (7.40%) and real property tax increased (3.97%), an indication of the stabilization of the local economy.

Governmental Fund Expenditures

The expenditures presented are the total governmental funds reported in the 2010 CAFR's Statement of Revenues, Expenditures, and Changes in Fund Balances. The primary expenditure functions are Economic Assistance and Opportunity, Public Safety, Employee Benefits, and Capital Outlays.

Expenditure Dollar by Function



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

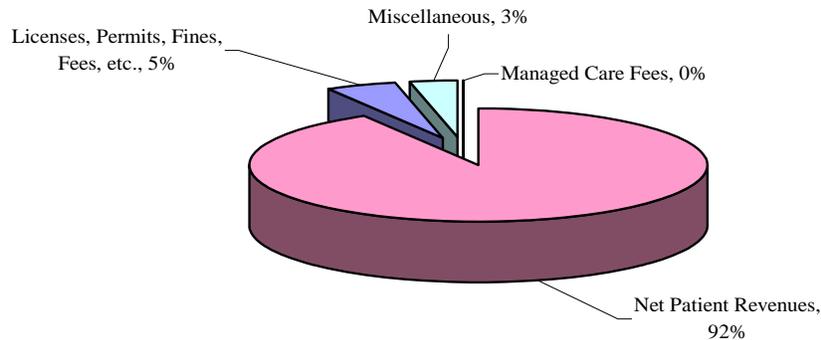
(Amounts in 000's)				
Expenditures	2010 Actual	2009 Actual	\$ Change	% Change
General Government Support	\$ 225,648	\$ 219,346	\$ 6,302	2.87%
Economic Assistance & Opportunity	577,429	557,620	19,809	3.55%
Public Safety	652,034	609,208	42,826	7.03%
Education	208,098	215,779	(7,681)	-3.56%
Employee Benefits	489,857	461,546	28,311	6.13%
Capital Outlays	337,818	274,071	63,747	23.26%
Other	526,973	500,643	26,330	5.26%
	<u>\$ 3,017,857</u>	<u>\$ 2,838,213</u>	<u>\$ 179,644</u>	6.33%

- The increase in capital outlays (23.26%) is due to the construction of the County's new correctional facility, as mandated by the NYS Commission of Corrections.
- The increase in Public Safety (7.03%) is primarily due to the settlement of collective bargaining agreements.
- The increase in Employee Benefits (6.13%) is attributable to the increase in NYS pension contributions.

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 source for the enterprise funds is Net Patient Revenues. The membership roster of the Suffolk Health Plan was sold in 2008.

Revenue Dollar by Source



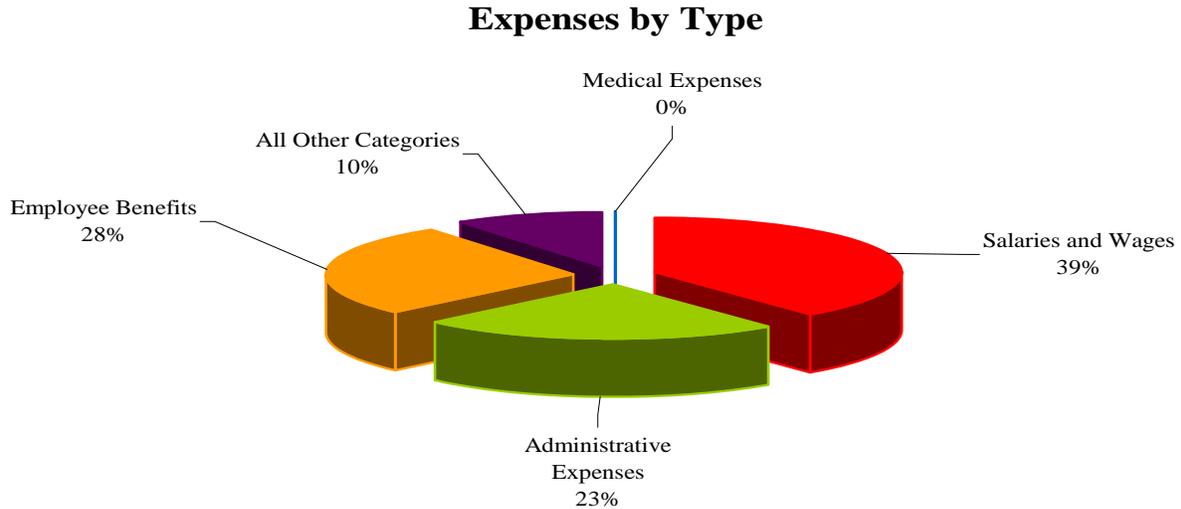
A comparison of these same revenue sources for the past two years is presented below.

(Amounts in 000's)				
Revenues	2010 Actual	2009 Actual	\$ Change	% Change
Managed Care Fees	\$ 34	\$ -	\$ 34	0.00%
Net Patient Revenues	30,514	25,892	4,622	17.85%
Licenses, Permits, Fines, Fees, Etc.	1,642	1,821	(179)	-9.83%
Miscellaneous	980	940	40	4.26%
	<u>\$ 33,170</u>	<u>\$ 28,653</u>	<u>\$ 4,517</u>	15.76%

- Net patient revenues increased by approximately \$4.6 million as a result of increased revenues in John J. Foley Skilled Nursing Facility.
- Licenses, permits, fines, fees, etc. decreased (9.83%) due primarily to a decrease in revenues from Suffolk County Ball Park.
- John J. Foley Skilled Nursing Facility had an increase in miscellaneous revenues by approximately 23%.

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 Salaries and Wages, 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.



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

(Amounts in 000's)				
Expenses	2010 Actual	2009 Actual	\$ Change	% Change
Medical Expenses	\$ -	\$ 836	\$ (836)	-100.00%
Salaries and Wages	15,017	15,371	(354)	-2.30%
Administrative Expenses	8,971	6,530	2,441	37.38%
Employee Benefits	10,538	10,530	8	0.08%
All Other Categories	3,686	3,685	1	0.03%
	<u>\$ 38,212</u>	<u>\$ 36,952</u>	<u>\$ 1,260</u>	3.41%

- The overall decrease to medical expenses is due to the sale of the Suffolk Health Plan in 2008. The 2009 expenditures represent closeout costs.
- The increase in administrative expenses is primarily attributable to an increase in the expenditures of the Francis S. Gabreski Airport.

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.suffolkcountyny.gov.