DEFERRED COMPENSATION PLAN
FOR EMPLOYEES OF THE
COUNTY OF ONONDAGA

Financial Statements as of
December 31, 2015 and 2014
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

DEFERRED COMPENSATION PLAN FOR EMPLOYEES OF THE COUNTY OF ONONDAGA

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Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

December 16, 2016

To the Deferred Compensation Committee of the
Deferred Compensation Plan for Employees
of the County of Onondaga:

We have audited the accompanying financial statements of the Deferred Compensation Plan for Employees of the County of Onondaga (the Plan), which comprise the statements of plan net position as of December 31, 2015 and 2014, and the related statements of changes in plan net position for the years then ended, and the related notes to the financial statements.

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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 Plan'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 Plan'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 opinion.

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(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the net position available for benefits of the Deferred Compensation Plan for Employees of the County of Onondaga as of December 31, 2015 and 2014, and the change in its net position available for benefits for the years 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 on pages 3-5 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.

Bonadio & Co., LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015 AND 2014

The Deferred Compensation Plan for Employees of the County of Onondaga (the Plan) is a defined contribution plan exempt from income taxes under Section 457(b) of the Internal Revenue Code (the Code). The Plan covers the employees of the County of Onondaga. The Onondaga County Deferred Compensation Committee (the Committee) is appointed by the County of Onondaga to administer the plan. The Committee is responsible for adopting any changes that are mandated by the New York State Deferred Compensation Board and is responsible for establishing and amending plan provisions.

The basic financial statements of the Plan include the statements of plan net position, the statements of changes in plan net position, and the related notes to the basic financial statements. The statements of plan net position provide information about the nature and the amounts of investments of the Plan (assets) and the obligations of the Plan (liabilities), if any, with the difference between the two reported as net position. The statements of changes in plan net position shows how the Plan's net position changed during the year. It accounts for all of the Plan's contributions and investment income (additions) and investment loss and benefit payments (deductions). The notes to the basic financial statements contain information that is essential to the understanding of the financial statements, such as a summary of the Plan's provisions and accounting methods and policies.

The Plan's management provides the following discussion and analysis (MD&A) of the Plan's financial position and activities. This overview is provided for the years ended December 31, 2015, 2014 and 2013. The information contained in this analysis should be used by the reader in conjunction with the information contained in the audited financial statements and the notes to those financial statements, all of which follow this narrative.

FINANCIAL HIGHLIGHTS

Overview of the Financial Statements
This annual report consists of two parts, MD&A (this section) and the basic financial statements. The statements of plan net position and changes in plan net position provide both long-term and short-term information about the Plan's overall financial status.

Financial Statements
The Plan's financial statements are prepared in conformity with accounting principles generally accepted in the United States as set forth by the Governmental Accounting Standards Board for proprietary funds.

FINANCIAL HIGHLIGHTS (Continued)

Financial Position

The Plan's net position is shown below:

	2015	2014	2013
INVESTMENTS, AT FAIR VALUE:			
Guaranteed investment contracts	$ 26,296,927	$ 25,312,153	$ 23,324,076
Pooled separate account	60,899,638	61,812,048	58,555,785
Mutual funds	5,255,422	4,668,504	4,275,889
Total investments, at fair value	92,451,987	91,792,705	86,155,750
NET POSITION – RESTRICTED FOR PENSION BENEFITS	$ 92,451,987	$ 91,792,705	$ 86,155,750

Changes in Plan Net Position

The Plan's change in net position available for benefits is shown below:

	2015	2014	2013
ADDITIONS:			
Investment income, net:			
Interest income, net of investment expenses	$ 819,265	$ 841,507	$ 812,557
Net appreciation in fair value of pooled separate accounts, net of investment expenses	530,484	4,630,692	13,292,987
Net appreciation (depreciation) in fair value of mutual funds, net of investment expenses	(23,202)	214,490	722,302
Total investment income, net	1,326,547	5,686,689	14,827,846
Contributions:			
Participant	4,571,486	4,298,963	4,421,705
Rollover	1,266,498	228,404	528,930
Total contributions	5,837,984	4,527,367	4,950,635
Total additions	7,164,531	10,214,056	19,778,481
DEDUCTIONS:			
Benefits paid to participants	6,505,249	4,577,101	4,334,316
Total deductions	6,505,249	4,577,101	4,334,316
CHANGE IN NET POSITION – RESTRICTED FOR PENSION BENEFITS	659,282	5,636,955	15,444,165
NET POSITION – RESTRICTED FOR PENSION BENEFITS – beginning of year	91,792,705	86,155,750	70,711,585
NET POSITION – RESTRICTED FOR PENSION BENEFITS – end of year	$ 92,451,987	$ 91,792,705	$ 86,155,750

FINANCIAL HIGHLIGHTS (Continued)

Financial Analysis

The value of the Plan’s net position was $92,451,987 as of December 31, 2015, compared to $91,792,705 as of December 31, 2014. During the 2015 plan year, the Plan experienced an increase in its net position of $659,282. During the 2015 plan year, the Plan had total additions of $7,164,531, including investment income, net of $1,326,547 (which included net unrealized investment gains and losses), participant contributions of $4,571,486 and rollover contributions of $1,266,498.

The value of the Plan’s net position was $91,792,705 as of December 31, 2014, compared to $86,155,750 as of December 31, 2013. During the 2014 plan year, the Plan experienced an increase in its net position of $5,636,955. During the 2014 plan year, the Plan had total additions of $10,214,056, including investment income, net of $5,686,689 (which included net unrealized investment gains), participant contributions of $4,298,963 and rollover contributions of $228,404.

The value of the Plan’s net position was $86,155,750 as of December 31, 2013, compared to $70,711,585 as of December 31, 2012. During the 2013 plan year, the Plan experienced an increase in its net position of $15,444,165. During the 2013 plan year, the Plan had total additions of $19,778,481, including investment income, net of $14,827,846 (which included net unrealized investment gains), participant contributions of $4,421,705 and rollover contributions of $528,930.

Benefits under the Plan are provided directly by the trustee. During the 2015, 2014 and 2013 plan year, Plan deductions were $6,505,249, $4,577,101, and $4,334,316, respectively. These deductions included both benefits paid to participants and beneficiaries, and administrative fees.

A total of 2,095, 2,110 and 2,119 persons were participants in or beneficiaries of the Plan as of December 31, 2015, 2014, and 2013, respectively.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Plan's finances. Questions concerning any of the information provided in this report or to request additional information should be addressed in writing to the Office of the Onondaga County Comptroller at 421 Montgomery Street, Syracuse, NY 13202.

DEFERRED COMPENSATION PLAN FOR EMPLOYEES OF THE COUNTY OF ONONDAGA

STATEMENTS OF PLAN NET POSITION
DECEMBER 31, 2015 AND 2014

	2015	2014
INVESTMENTS, AT FAIR VALUE:		
Guaranteed investment contracts	$ 26,296,927	$ 25,312,153
Pooled separate accounts	60,899,638	61,812,048
Mutual funds	5,255,422	4,668,504
Total investments, at fair value	92,451,987	91,792,705
NET POSITION - RESTRICTED FOR PENSION BENEFITS	$ 92,451,987	$ 91,792,705

The accompanying notes are an integral part of these statements.

DEFERRED COMPENSATION PLAN FOR EMPLOYEES OF THE COUNTY OF ONONDAGA

STATEMENTS OF CHANGES IN PLAN NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
ADDITIONS:		
Investment income, net:		
Interest income, net of investment expenses	$ 819,265	$ 841,507
Net appreciation in fair value of pooled separate accounts, net of investment expenses	530,484	4,630,692
Net appreciation (depreciation) in fair value of mutual funds, net of investment expenses	(23,202)	214,490
Total investment income, net	1,326,547	5,686,689
Contributions:		
Participant	4,571,486	4,298,963
Rollover	1,266,498	228,404
Total contributions	5,837,984	4,527,367
Total additions	7,164,531	10,214,056
DEDUCTIONS:		
Benefits paid to participants	6,505,249	4,577,101
Total deductions	6,505,249	4,577,101
CHANGE IN NET POSITION - RESTRICTED FOR PENSION BENEFITS	659,282	5,636,955
NET POSITION - RESTRICTED FOR PENSION BENEFITS - beginning of year	91,792,705	86,155,750
NET POSITION - RESTRICTED FOR PENSION BENEFITS - end of year	$ 92,451,987	$ 91,792,705

The accompanying notes are an integral part of these statements.

1. DESCRIPTION OF THE PLAN

The following description of Deferred Compensation Plan for Employees of the County of Onondaga (Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The County of Onondaga, New York (County) established the Plan to encourage employees to make contributions and continue careers with the County. There were 2,095 and 2,110 participants in the Plan as of December 31, 2015 and 2014, respectively.

The Onondaga County Deferred Compensation Committee (Committee) is appointed by the County of Onondaga to administer the plan. The Committee is responsible for adopting any changes that are mandated by the New York State Deferred Compensation Board and is responsible for establishing and amending Plan provisions.

Eligibility

The Plan is available to all employees of the County and the Plan permits employees who elect participation to defer a portion of their current salary until future years.

Contributions

The Plan provides for tax-deferred Plan member contributions between a minimum contribution of $260 per year and a maximum contribution equal to the lesser of 100% of the Plan member's compensation for the plan year or the maximum amount permitted by Section 457(e)(15) of the Code which was $18,000 and $17,500 in 2015 and 2014, respectively.

In addition, the Plan contains certain "catch-up" provisions that allow Plan members to make additional contributions to the Plan for the three years prior to that Plan member's normal retirement age. Under these provisions, eligible Plan members were able to contribute a total up to $36,000 and $35,000 in 2015 and 2014, respectively, or the sum of the limitations permitted by Section 457(e)(15) of the Code for all Plan years the Plan member was eligible to participate in the Plan, minus the aggregate amount actually deferred for such Plan years.

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of Plan earnings and losses. Allocations are based on participant earnings/loss or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus related earnings/losses thereon.

Investment Options

Upon enrollment in the Plan, a participant may direct their contributions in any of the investment options available from the providers. Participants may change their investment options at any time.

1. DESCRIPTION OF THE PLAN (Continued)

Payment of Benefits

Participants are eligible to receive benefits from their Plan account upon termination of employment. A participant may elect to receive benefits as a lump-sum amount equal to the value of the participant's vested interest in his or her account, installments to be paid over a period not greater than the joint life expectancy of the participant and his or her designated beneficiary, or partial lump-sum payments.

Upon the death of a participant, the designated beneficiary of the deceased participant is eligible to receive the benefits of the participant's Plan account.

Benefits paid to participants are recorded when paid.

A participant or a beneficiary who is the surviving spouse of the participant may elect to have all or any portion of the value of his or her account transferred to a qualified retirement plan, an IRA or to another public deferred compensation plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan's financial statements are prepared in conformity with accounting principles generally accepted in the United States as set forth by the Governmental Accounting Standards Board.

The financial statements are reported using the economic resources measurement focus and accrual basis accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of when the related cash transactions take place.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net position during the reporting period. Actual results could differ from these estimates.

Risks and Uncertainties

The Plan provides for participant-directed investments in various pooled separate accounts, mutual funds and guaranteed investment contracts. Investments are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the statements of net position available for benefits.

Investment Valuation and Income Recognition

Investments in pooled separate accounts and mutual funds are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When available, quoted prices are used to value investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Valuation and Income Recognition (Continued)
Guaranteed investment contracts (GICs) are not fully benefit responsive and are valued at contract value as estimated by the respective insurance providers, which approximates fair value. GICs provide for a guaranteed return on the principal invested over a specified time period. The credited interest rates are reset periodically on such contracts, subject to a minimum guaranteed return. GICs may be subject to surrender charges or market value adjustment upon liquidation.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis.

The Plan presents in the statements of changes in plan net position the net appreciation (depreciation) in the fair value of its investments which consists of realized gains or losses and the unrealized appreciation (depreciation) on those investments. Administrative expenses consist primarily of investment management fees and other operating expenses of the underlying fund and are deducted from investments.

3. INVESTMENTS

Investment balances which represent 5% or more of Plan assets available for benefits as of December 31:

Pooled separate accounts consisted of the following at December 31:

	2015	2014
Hartford Capital Appreciation HLS	$ 8,168,307	$ 8,392,190
Fidelity Contrafund	$ 5,538,843	$ 5,393,930

Guaranteed investment contracts consisted of the following at December 31, 2015:

Investment Manager	Contract Period	Crediting Interest Rate	Minimum Guaranteed Rate	Annual Effective Yield	Fair Value
Mass Mutual Financial Group	January 1, 2015 - December 31, 2015	3.0%	3.0%	3.0%	$ 9,973,383*
Nationwide Life Insurance Company	January 1, 2015 - December 31, 2015	3.5%	3.5%	3.5%	15,658,589*
Prudential Trust Company	January 1, 2015 - December 31, 2015	0.95%	1.5%	0.95%	664,955
Total					$ 26,296,927

* Represents 5% or more of net position available for benefits

3. INVESTMENTS (Continued)

Guaranteed investment contracts consisted of the following at December 31, 2014:

Investment Manager	Contract Period	Crediting Interest Rate	Minimum Guaranteed Rate	Annual Effective Yield	Fair Value
Mass Mutual Financial Group	January 1, 2014 - December 31, 2014	3.5%	3.5%	3.5%	$ 9,471,156*
Nationwide Life Insurance Company	January 1, 2014 - December 31, 2014	3.5%	3.5%	3.5%	15,251,048*
Prudential Trust Company	January 1, 2014 - December 31, 2014	1.05%	1.5%	1.05%	589,949
Total					$ 25,312,153

* Represents 5% or more of net position available for benefits

Effective interest rates are net of administrative expenses on the guaranteed investment contracts.

All investment contracts are awarded pursuant to a competitive bidding process as specified in Part 9003 of the Committee's Rules and Regulations. All investment contracts are subject to the approval of the Committee, the County's Chief Executive Officer and the County's Chief Legal Officer.

The Plan conforms to the reporting requirements of Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*.

As of December 31, 2015, the Plan had the following investments and maturities in its fixed earnings investments, pooled separate accounts and mutual funds which include investments in bonds.

	Fair Value	Weighted Average Maturity
Variable earnings investments		
Hartford US Government Securities HLS	$ 50,181	5.24
Hartford Total Return Bond HLS	492,534	9.75
Putnam High Yield Advantage	163,622	5.08
Waddell & Reed Advisor High Income Fund	511,429	4.90
Nationwide Bond Index Fund	359,730	7.95
Nationwide HighMark Bond InSvc	37,105	7.18
PIMCO Total Return Fund	924,505	6.55
Federated U.S. Government Securities: 2-5 Year	133,894	3.90
American Funds America High Income Trust	51,735	3.70
Prudential Government Income Fund	611,429	4.64
Goldman Sachs Core Fixed Income A	71,262	5.30

3. INVESTMENTS (Continued)

As of December 31, 2014, the Plan had the following investments and maturities in its fixed earnings investments, pooled separate accounts and mutual funds which include investments in bonds.

		Fair Value	Weighted Average Maturity
Variable earnings investments			
Hartford US Government Securities HLS	$	28,336	5.18
Hartford Total Return Bond HLS		517,153	9.40
Putnam High Yield Advantage		219,729	5.63
Waddell & Reed Advisor High Income Fund		607,252	5.07
Nationwide Bond Index Fund		346,159	12.06
Nationwide HighMark Bond InSvc		16,178	8.39
PIMCO Total Return Fund		991,907	7.74
Federated U.S. Government Securities: 2-5 Year		134,216	3.70
American Funds America High Income Trust		47,349	3.70
Prudential Government Income Fund		561,654	4.89
Goldman Sachs Core Fixed Income A		66,600	4.49

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Since all investments are participant directed, all risks exist at the participant level. Each individual within the Plan has the ability to liquidate their positions on demand and have responsibility for managing their exposure to fair value loss.

The guaranteed investment contracts, pooled separate accounts and mutual funds are unrated.

Custodial credit risk is the risk that, in the event of a bank failure, the Plan's deposits may not be returned to it. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in the Plan's name.

Foreign currency risk is the risk that changes in exchange rates could adversely affect the fair value of the investment. The Plan allows the option of investments in pooled separate accounts and mutual funds of countries outside the U.S. that invest in securities not required to disclose the individual assets within the fund. The fair value of these investments was $6,560,227 and $6,470,965 as of December 31, 2015 and 2014, respectively. The individual investment options are identified above.

All deposits of the Plan are held on behalf of the Plan by the Plan custodian in accordance with the formal deposit policy for custodial credit risk and are not exposed to custodial credit risk as defined by Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*.

4. CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Plan to concentrations of credit risk consist principally of investments. The Plan has invested in guaranteed investment contracts with high credit quality financial service institutions, pooled separate accounts with highly rated underlying funds and highly rated mutual funds, thereby limiting the amount of exposure.

5. PARTY-IN-INTEREST

Plan investments are managed by Mass Mutual Financial Group, Nationwide Life Insurance Company and Prudential Trust Company who are the Plan's custodians and record keepers as appointed by the Committee. Therefore, these transactions qualify as party-in-interest.

6. PLAN TERMINATION

Although it has not expressed any intent to do so, the County has the right under the Plan to discontinue deferrals and to terminate the Plan. Upon termination of the Plan, all amounts deferred shall be payable as provided in the Plan document.

7. INCOME TAX STATUS

The Internal Revenue Service has determined and informed the New York State Deferred Compensation Board by letter dated September 15, 2011 that the Model Plan is designed in accordance with Section 457 of the Internal Revenue Code (IRC) and, as such, not subject to tax under present income tax law. The Committee believes that the Plan, as amended, continues to qualify and operate in accordance with applicable provision of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.