

OFFICIAL STATEMENT

RATINGS: (See 'RATINGS' herein)

Fitch: "AAA (stable outlook)"

Moody's Investors Service, Inc.: "Aa2 (stable outlook)"

Standard & Poor's: "AA+ (stable outlook)"

NEW ISSUE

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest on the Bonds is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel is also of the opinion that interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (Including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

SERIAL BONDS



COUNTY OF ONONDAGA, NEW YORK

\$79,900,000 General Obligation (Serial) Bonds, 2015

CUSIP BASE†: 682745

Dated: Date of Delivery

Due: May 15, 2017-2045

MATURITIES

Year	Amount	Interest Rate	Yield	CUSIP†	Year	Amount	Interest Rate	Yield	CUSIP†	Year	Amount	Interest Rate	Yield	CUSIP†
2017	\$2,365,000	5.00%	0.68%	5G5	2027	\$3,115,000*	5.00%	2.85%	5S9	2037	\$1,960,000*	3.50%	3.60%	6C3
2018	2,430,000	5.00	1.05	5H3	2028	3,200,000*	3.00	2.90	5T7	2038	2,015,000*	3.50	3.65	6D1
2019	2,500,000	5.00	1.30	5J9	2029	3,295,000*	3.00	3.00	5U4	2039	2,070,000*	3.50	3.70	6E9
2020	2,570,000	5.00	1.50	5K6	2030	3,380,000*	3.00	3.10	5V2	2040	2,130,000*	3.625	3.75	6F6
2021	2,640,000	5.00	1.70	5L4	2031	3,480,000*	3.00	3.20	5W0	2041	2,190,000*	3.75	3.80	6G4
2022	2,720,000	5.00	1.90	5M2	2032	3,575,000*	3.125	3.30	5X8	2042	2,250,000*	3.75	3.85	6H2
2023	2,790,000	5.00	2.10	5N0	2033	3,675,000*	3.25	3.37	5Y6	2043	2,315,000*	4.00	3.80	6J8
2024	2,870,000	5.00	2.25	5P5	2034	3,775,000*	3.25	3.45	5Z3	2044	2,375,000*	4.00	3.80	6K5
2025	2,950,000*	5.00	2.35	5Q3	2035	3,880,000*	3.25	3.50	6A7	2045	2,445,000*	4.00	3.80	6L3
2026	3,030,000*	5.00	2.60	5R1	2036	1,910,000*	3.00	3.55	6B5					

* The Bonds maturing in the years 2025-2045 are subject to redemption prior to maturity as described herein under the heading "THE BONDS - Optional Redemption".

The Bonds are general obligations of the County of Onondaga, New York (hereinafter referred to as the "County") all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limitations. See "TAX LEVY LIMITATION LAW" herein.

The Bonds will be issued as registered bonds and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on May 15, 2016 and semi-annually thereafter on November 15 and May 15 in each year until maturity. Principal and interest will be paid by the County to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

The Bonds are offered, issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in Jersey City, New Jersey or as may be agreed upon on or about May 28, 2015.

May 14, 2015

THIS REVISED COVER SUPPLEMENTS THE OFFICIAL STATEMENT OF THE COUNTY DATED MAY 7, 2015 RELATING TO THE OBLIGATIONS THEREOF DESCRIBED THEREIN AND HEREIN BY INCLUDING CERTAIN INFORMATION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12. OTHER THAN AS SET FORTH ON THE REVISED COVER AND THE DATED DATE ON PAGE 49, THERE HAVE BEEN NO REVISIONS TO SAID OFFICIAL STATEMENT.

CITIGROUP

† Copyright 2009, American Bankers Association. CUSIP data herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. The CUSIP number is provided for convenience of reference only. Neither the County, nor the Financial Advisor take any responsibility for the accuracy of such CUSIP.

No person has been authorized by the County of Onondaga to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County of Onondaga.

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OFFICIAL STATEMENT
of the
COUNTY OF ONONDAGA, NEW YORK

Relating To
\$79,900,000 General Obligation (Serial) Bonds, 2015

This Official Statement, which includes the cover page, has been prepared by the County of Onondaga, New York (the "County") in connection with the sale by the County of \$79,900,000 principal amount of General Obligation (Serial) Bonds, 2015 (hereinafter referred to as the "Bonds").

The factors affecting the County's financial condition and the Bonds are described throughout this Official Statement. In as much as many of these factors, including economic and demographic factors, are complex and may influence the County tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the County contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Bonds and the proceedings of the County relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and such proceedings.

NATURE OF OBLIGATION

Each of the Bonds when duly issued and paid for will constitute a contract between the County and the holder thereof.

Holders of any series of notes or bonds of the County may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Bonds will be general obligations of the County and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the County has power and statutory authorization to levy ad valorem taxes on all real property within the County subject to such taxation by the County, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the County is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the County's power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "Tax Information - Tax Levy Limitation Law," herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

"A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean. So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in

taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted. While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority was to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk, the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold. See "TAX INFORMATION – Tax Levy Limitation Law" herein.

BOOK-ENTRY-ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE COUNTY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE COUNTY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE COUNTY MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law, or the County may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the purchaser if the purchaser requests certificated bonds or the County upon termination of the book-entry-only system. Interest on the Bonds will be payable on May 15, 2016 and semi-annually thereafter on November 15 and May 15 in each year until maturity. Such interest will remain payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the County Treasurer authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

THE BONDS

Description of the Bonds

The Bonds are general obligations of the County, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State of New York (the "State") (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the County is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limitations (see "TAX INFORMATION – Tax Levy Limitation Law" herein).

The Bonds will be dated the date of delivery and will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC"), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on May 15, 2016 and semi-annually thereafter on November 15 and May 15 in each year until maturity. Principal and interest will be paid by the County to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

Optional Redemption

The Bonds that mature on or before May 15, 2024 are not subject to optional redemption prior to their stated maturities. The Bonds that mature on or after May 15, 2025 will be subject to redemption in whole or in part at any time on or after May 15, 2024 at the option of the County, at 100% of the par amount plus accrued interest through the date of redemption. If less than all of the Bonds of a particular maturity are called for redemption, DTC or any successor securities depository will select the Bonds to be redeemed pursuant to its rules and procedures or, if book-entry system is discontinued, will be selected by the County's Chief Fiscal Officer, who has been appointed registrar (the "Registrar"), by lot in such manner as the Registrar in its discretion may determine. The County will cause notice of the call for redemption identifying the Bonds or portions thereof to be redeemed to be sent by facsimile transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the redemption date, to the registered owner thereof. The County shall not be responsible for mailing notice of redemption to anyone other than DTC or another qualified securities depository or its nominee unless no qualified securities depository is the registered owner of the Bonds. If no qualified securities depository is the registered owner of the Bonds, notice of redemption shall be mailed to the registered owners of the Bonds. If a portion of a Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion shall be issued to the registered owner upon the surrender thereof.

Purposes of Issue

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the County Charter and the Local Finance Law, for the following purposes and amounts:

<u>PROJECT</u>	<u>AMOUNT</u>
Ed Kochian COB Rehab & Renovations	\$ 500,000
OnCenter Rehabilitation	500,000
Downtown Campus & CC Masonary	1,075,026
PeopleSoft	988,741
Onondaga Lake W. Shore Revitalization (Amphitheater)	49,500,000
2008 County Road Improvements	1,712,500
2010 Road Improvements	78,500
2011 Road Improvements	295,000
2012 Road Improvements	375,000
2013 Road Improvements	632,500
2014 Road Improvements	2,986,500
Bridges 2013	400,000
Bridges 2014	357,500
E911 Main Center HVAC	350,000
OCC Technology Improvements	44,795
Central Library Reconfiguration	2,500,000
Terminal Reservoir Tanks	1,500,000
Comp Energy & Assest Renewal	4,000,000
Westside Pumping Station Service Area	500,000
Electronics Park Trunk Sewer	1,100,000
Metro WWTP Primary Pump Replace	219,500
Suburban Green Infastructure Imp.	1,000,000
Oneida Lake PS	500,000
Metro WWTP Primary Pump Replace	100,000
Hiawatha Trunk Sewer Service Area Improv.	2,000,000
LP ACJ Midland Ave	250,283
LP ACJ Harbor Brook In Water	194,000
LP ACJ Clinton St RTF	6,240,155
TOTAL:	<u>\$ 79,900,000</u>

The proceeds of the Bonds will provide new monies for the aforementioned purposes.

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THE COUNTY

General Information

The County of Onondaga is located in the central New York region, has a land area of 780.3 square miles and is approximately 35 miles in length and 30 miles in width. The County is governed under a home rule charter, which provides for the separation of the executive and legislative functions. This charter was approved by voter referendum in 1961. The 2010 U.S. Census showed a population of 467,026 for Onondaga County, which included a population of 145,170 for the City of Syracuse. The City of Syracuse is situated in the approximate center of the County and serves as the focus for commercial and business activities.

Pursuant to New York State Law, the County is responsible for the local funding of mandated social service programs, such as Medicaid. The County, in conjunction with its underlying units, is responsible for providing police, fire, sanitation and water services, as well as the maintenance of streets, parks and recreational facilities.

Governmental Organization

Onondaga County was established in 1794 and is comprised of separate municipalities, which include the City of Syracuse, 19 towns and 15 villages. The Onondaga Indian Reservation is also located in the County. In 1962, a County Charter became effective which divided the County into 24 legislative districts with an elected legislator representing each district in the County Legislature. Under the County Charter, a county executive was established to administer county government. The County Executive is the Chief Executive Officer and Chief Budget Officer of County government. The County Comptroller has responsibility for accounting and auditing of receipts and disbursements and is the Chief Accounting Officer. The County Executive and County Comptroller are elected to four-year terms and their current terms began in 2012. The County Clerk, Sheriff, and District Attorney are constitutional officials and are also elected to four-year terms. By Local Law No. 9 of 1995, the County merged the Division of Management and Budget into the Department of Finance, to be administered by the position of Chief Fiscal Officer. The Chief Fiscal Officer, who is appointed by and serves at the pleasure of the County Executive, is responsible for collection of taxes and other revenues, the custody and disbursement of all public funds of the County, and for the issuance of bonds, bond anticipation notes, and other financial offerings as provided for in the State Local Finance Law.

Pursuant to Local Law No. 11 of 1996, twenty-four legislative districts were reduced to nineteen districts effective January 1, 2002. Pursuant to Local Law No. 26 of 2010, nineteen legislative districts were further reduced to seventeen districts effective January 1, 2012.

Transportation

Approximately 60 million people live within a 350-mile radius of Onondaga County. This radius includes the populations of Boston, New York City, Philadelphia, Baltimore, Pittsburgh, Toronto and Montreal. The County's central location is enhanced by its excellent transportation infrastructure and systems.

Air. Air passenger service is provided by five major airlines and fifteen commuter airlines, offering approximately 125 daily arrivals and departures. The County is also served by three major air cargo carriers. Total passengers for 2014 (enplaned and deplaned) were 2,001,314, a .5% decrease as compared to 2013. In 2011 the Syracuse Regional Airport Authority was established and in March 2014 the FAA approved the transfer of the operating certificate from the City to the Authority. See "Economic Development" herein.

Rail. Onondaga County is served by the railroad facilities of CSX (formerly Conrail) and Amtrak, which maintain terminals within the County. CSX's computerized rail yard has the capacity to handle 2,200 cars per day, while Amtrak Rail serves Central New York travelers with daily departures from the inter-modal transportation center. See "Bus" herein.

Water. Water transportation is provided by the New York State Canal Corporation, a subsidiary of the New York State Thruway Authority. The system, designated as a National Heritage Corridor by the U.S. Congress, carries boaters the Niagara River with the Hudson River and the St. Lawrence Seaway, encompassing 524 miles. A major Barge Canal Terminal, located just one mile from downtown Syracuse, is being redeveloped for recreational boating uses by the New York State Thruway Authority, the City and private developers. The region is also served by the Port of Oswego, a deep-water port on Lake Ontario.

Highways. Onondaga County has been appropriately named the "Crossroads of New York State" due to the fact that the State's two major interstate routes – the east-west New York State Thruway (I-90) and the north-south Interstate 81 intersect just north of the City of Syracuse. The New York State Thruway is accessed by six interchanges within the County. Interstate 690 forms an east-west axis through the County and Interstate 481 links the City of Fulton and surrounding towns. Also, there are more than 2,600 miles of highways, roads, and streets throughout the County.

More than 150 trucking companies, including the nation's top 12 carriers of general freight, service the Onondaga County area.

Bus. Bus service is provided by two independent carriers, as well as by CENTRO, which is operated by the Central New York Regional Transportation Authority, and provides a high level of public transportation service to the County. Inter-city service is provided by several bus lines including Greyhound, Trailways and Stagecoach's Megabus. CENTRO operates an inter-modal transportation center adjacent to the regional market and in close proximity to NBT Bank Stadium and Destiny USA. The center provides mass transit lineage for rail and bus service. A new \$18.8 million downtown CENTRO hub opened in 2012.

Higher Education

Onondaga County is a center for higher learning, with over 40,000 students currently attending colleges within the County. The Central New York region houses the third largest concentration of colleges and universities in the nation. Syracuse University (SU) is a highly regarded private college, offering a diverse portfolio of undergraduate and graduate degrees to its approximately 21,200 full and part-time students. Syracuse University's Maxwell School of Citizenship and Public Affairs and Newhouse School of Communications are recognized as leaders in the field of public administration and journalism, respectively. It also has the School of Law and the Whitman School of Management's MBA program among its many advanced degree programs.

Also located within the County are Le Moyne College, a Jesuit-run liberal arts college (3,400 students); the State University of New York's Upstate Medical University, the largest medical school in upstate New York (1,600 students); and the SUNY College of Environmental Science and Forestry (2,500 students). In addition, over 12,500 students attend Onondaga Community College (OCC), a two-year college that is part of the State University of New York system.

Over 90% of County residents over 25 have a high school education or higher, with 33% possessing a Bachelor's Degree or higher (US Census Bureau, 2013 American Community Survey 1-year estimates) putting the County at or above State and national levels.

Health and Medicine

Five of the County's largest employers are in the health care sector and three of the four major hospitals have recently completed or are continuing construction plans in 2015. University Hospital in Syracuse is part of SUNY Upstate Medical University and is the only academic medical center in Central New York. It recently acquired Community General Hospital (renamed Upstate University Hospital at Community General) and the combined 2014 inpatient discharges totaled 26,650. The largest employer in the County, it is the home of the regional neurosurgery center and one of the country's eleven Joslin Centers for Diabetes. It is also the region's trauma center, burn center, kidney transplant and pediatric emergency center. St. Joseph's Hospital Health Center (25,482 discharges) and Crouse Hospital (19,916 discharges) collectively provide a regional neonatal center, a high-risk obstetrics center and a cardiac surgery and cardiology program. In all, the County's health care system includes the aforementioned hospitals and the Syracuse Veterans Medical Center, over 1,800 practicing physicians, two mental health centers, numerous ambulatory care programs, and a full range of long-term care facilities. Area hospitals operate approximately 2,006 staffed hospital beds. In addition, there are approximately 2,900 beds in thirteen extended care facilities and nursing homes.

Culture and Recreation

Onondaga County offers a variety of cultural, recreational and entertainment opportunities.

Syracuse Stage is the premier regional professional theatre serving Syracuse and the Greater Central New York community. Syracuse Stage, a professional theatre in residence at Syracuse University, creates innovative, adventurous and entertaining productions, including new plays and bold interpretations of classics and musicals. Founded in 1974, Syracuse Stage produces six to seven productions, one of which is a collaboration with SU Drama. SU Drama also performs five annual shows at this shared venue. The education department produces one touring production for elementary and middle school students, in addition to the student matinee series of mainstage productions.

Syracuse Opera enriches the lives of the people of upstate New York through locally produced opera. Offering three main stage productions each season and year-round community performances and education programs, Syracuse Opera reaches over 60,000 people each year.

Syracuse Jazzfest is the Northeast's largest free jazz festival, attracting up to 80,000 music fans each year. This year's Festival, the 33rd annual, will be held on the grounds of the community college. Jazzfest features nationally and internationally known jazz artists.

NBT Stadium is home of the Syracuse Chiefs - the Triple-A affiliate of the Washington Nationals since the 2009 season. The Stadium, which opened in 1997, was designed by HOK - the architects of Camden Yards in Baltimore and the new Yankee Stadium in New York. NBT Stadium, which seats 11,300, was designed to serve as a multi-purpose facility for a variety of area sporting and entertainment events.

The Syracuse Crunch brought professional hockey back to Onondaga County in 1994 in the 6,099-seat Onondaga County War Memorial. The Crunch is the American Hockey League affiliate of the Tampa Bay Lightning and averaged 5,400 per game. The War Memorial is also the home of the Syracuse Silver Knights of the Major Indoor Soccer League. In its third season, the team attracted nearly 3,000 per game.

Syracuse University sports provide upstate New York with nationally-ranked men and women's collegiate athletics, featuring 20 intercollegiate teams. The 49,262-seat Carrier Dome, America's only on-campus domed stadium, is the home of Syracuse University football, basketball and lacrosse. Its men's and women's athletic programs are consistently ranked among the top 20 teams in the country and boast recent national championship teams. In 2009, for the first time in the history of the program, nine teams were featured in their sport's national ranking. In addition to Syracuse University sports, the Carrier Dome is the venue for Central New York's major concert events. The dome hosted the NCAA Men's Basketball Regional Championships five times since 1997 and again in 2015. The University also hosts lectures by leading business, political, literary and media dignitaries.

Onondaga County Parks provides over 3 million annual visitors recreational, cultural, educational, and environmental opportunities in a 6,500-acre system. The County Parks system provides the community with a nature center, beaches, forested areas and natural feature parks, a centrally located multi-use park with intensive recreational opportunities, a marina and boat launches, athletic fields and a professional sports stadium, a fish hatchery, dog park, historic facilities and memorial areas, as well as an array of special events and programs which have significant impact upon tourism and quality of life. This is documented by approximately \$10 million in economic impact generated by activities (2013 estimate of the Syracuse Convention & Visitors Bureau).

The County-owned Rosamond Gifford Zoo at Burnet Park is celebrated its 100th year in 2014 and has unveiled many new and unusual permanent exhibits in recent years: 2005 -Penguin Coast showcasing the Zoo's colony of Humboldt penguins; 2010 – Primate Park; 2011 - Asian Elephant Preserve offering a new home for the internationally recognized elephant breeding program; 2013 - Pacific octopus aquarium. The Zoo boasts over 700 animals.

Onondaga Lake Park was named "one of America's top ten national heritage parks" after renovations added Wegmans boundless playground, the region's premier skatepark, the Griffin Visitor Center, and various sports courts. Marina renovations were completed in 2010 and enhancements to the Wegmans Landing section of the park were completed in 2011. With the May 2014 opening of the 2.5 mile west-side trail extension, there are now ten miles of waterfront trails in this upstate New York's most-visited leisure facility.

Onondaga County's lakes have become destinations in the world of fishing, as evidenced by the national acclaim generated by major BASSMaster, Fishing League Worldwide and CARP Tournament Series events at Oneida Shores and Onondaga Lake since 2007. In 2015, Jamesville Beach is hosting its sixth Ironman event and Oneida Shores, its seventh Iron Girl triathlon. The fifth annual Empire State Marathon will be held in October 2015.

Conventions and Tourism

Onondaga County has recognized the economic importance of conventions and tourism as a net wealth generator for the community. The County was the driving force behind the development of the Oncenter Complex, an integrated convention center complex consisting of three venues. Centrally located in downtown Syracuse, it attracts both regional and national events that contribute to the economic and cultural development the Onondaga County. The Nicholas J. Pirro Convention Center is available for major conventions, meetings, banquets, consumer and trade shows. The space includes a multi-purpose exhibit hall with 65,000 square feet, the 15,000 square feet grand ballroom and ten meeting rooms and atrium space. There is an enclosed walkway that attaches to a 1,000-space parking garage. The Center has undergone a green-roofing project that was completed in 2011 and just completed its meeting room renovations to upgrade the sound, lighting and technology systems.

The War Memorial has the versatility to accommodate numerous large-scale events, including ice shows, family shows, car shows, concerts, sports events and conventions. It offers over 91,000 square feet on three levels and can accommodate over 7,000 guests in the arena. Telescopic seating was recently installed in the arena along with a state-of-the-art digital scoreboard. The John H. Mulroy Civic Center is home to three distinct theaters that host a diverse variety of events, from stage productions, and lecture series, to symphonies and business meetings and can accommodate between 20 and 2,100 guests.

The Oncenter is an award winning facility that has continually been recognized for its outstanding level of customer service, flexibility of function space, quality of food and the hospitality of its staff. Managed by the international venue management company SMG, The Oncenter is advantageously positioned to offer clients creative and flexible options for their groups.

The versatility of the Oncenter has led to the annual attraction of over a half million visitors and thousands of room nights to Onondaga County. In 2014 there were over 600,000 visitors that attended a wide variety of events, including numerous theater, concert, sporting, tradeshow and catered events. The 2018 U.S. Bowling Congress open tournament was awarded to Syracuse and is expected to generate \$70 million during its time at The Oncenter.

The Empire Expo Center is the home of the Great New York State Fair, which attracts nearly 1,000,000 people from across the Northeast during its 12-day run each August. The Fairgrounds attract an additional one million visitors to a wide variety of non-Fair events throughout the year. With more than 100 structures, 21 major buildings and parking for 23,000 cars, the Empire Expo Center hosts many events and the annual economic impact of these events to Central New York is an estimated \$200 million over several years. In 2015, it will again host the 44th annual Super Dirt Week and the 17th annual Syracuse Nationals Auto Show.

Population Trends

<u>Year</u>	<u>Onondaga County</u>	<u>New York State</u>	<u>United States</u>
1990	468,973	17,990,455	249,632,692
2000	458,336	18,976,457	281,421,906
2010	467,026	19,378,102	308,745,538
2013	468,387	19,651,127	317,135,349
2014 (Estimated)	468,196	19,746,227	318,857,056

Source: U.S. Census Bureau.

Major Employers

Listed below are the major industrial and service-related employers in Onondaga County and the number of employees:

<u>Rank</u>	<u>Name</u>	<u>Employees</u>
1.	Upstate University Health System*	9,000-9,500
2.	Syracuse University	4,500-5,000
3.	St. Joseph's Hospital Health Center	4,000-4,500
4.	Roman Catholic Diocese of Syracuse	3,500-4,000
5.	Wegmans Food Stores	3,500-4,000
6.	Crouse Hospital	2,500-3,000
7.	Loretto Adult Care Facilities	2,000-2,500
8.	National Grid	2,000-2,500
9.	Time Warner Cable	1,500-2,000
10.	Lockheed Martin MS2	1,500-2,000
11.	Syracuse V.A. Medical Center	1,500-2,000
12.	Excellus Blue Cross Blue Shield of CNY	1,000-1,500
13.	Carrier Corporation	1,000-1,500
14.	Welch Allyn, Inc.	1,000-1,500
15.	Byrne Dairy	1,000-1,500
16.	United Parcel Service	1,000-1,500
17.	Verizon	1,000-1,500
18.	Syracuse Research Corp (SRC)	1,000-1,500
19.	AXA Equitable Life Insurance Co.	500-1,000
20.	L.& J.G. Stickley, Audi & Co.	500-1,000
21.	The Bank of New York Mellon Corp.	500-1,000

* In 2011, Upstate merged with Community General Hospital, formerly the 15th largest employer.

Source: Syracuse Chamber of Commerce, January 2014.

Commercial Banking

There are twelve major commercial banks with more than 123 branches within the County. The four savings institutions have an additional 9 branches. Offices of the following commercial and savings banks are within the County:

<u>Commercial Banks</u>		<u>Savings Institutions</u>
Adirondack Bank	M & T Bank	Berkshire Bank
Bank of America, N.A.	NBT Bank, N.A.	Fulton Savings Bank
Community Bank, N.A.	Pathfinder Bank	Geddes Federal Savings & Loan Assn
First Niagara Bank	RBS Citizens Bank, N.A.	Seneca Federal Savings & Loan Assn
JP Morgan Chase Bank, N.A.	Solvay Bank	
Key Bank, N.A.	The Lyons National Bank	

Source: <http://www2.fdic.gov/idasp/main.asp>, March 2015.

Unemployment Rate Statistics

	<u>Annual Average Unemployment Rates (%)</u>											<u>2015</u>
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>YTD⁽¹⁾</u>
Onondaga County	5.1	4.5	4.4	4.1	5.2	7.7	8.1	7.8	8.0	7.0	5.6	5.5
New York State	5.8	5.0	4.6	4.6	5.4	8.3	8.6	8.2	8.5	7.7	6.3	6.2
United States	5.5	5.1	4.6	4.6	5.8	9.3	9.6	8.9	8.1	7.4	6.2	5.6

⁽¹⁾ Year-to-date (YTD) data are the months of January through March for each noted year.

Source: New York State Department of Labor and the U.S. Bureau of Labor Statistics.

	<u>Monthly Unemployment Rates (%)</u>													
	<u>2014</u>						<u>2015</u>							
	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>
Onondaga County	6.1	5.2	5.5	5.6	5.7	5.4	5.3	5.0	5.0	4.9	5.9	5.6	5.1	N/A
New York State	7.1	6.1	6.2	6.2	6.5	6.1	5.8	5.7	5.7	5.6	6.5	6.4	5.8	N/A
United States	6.6	6.2	6.3	6.1	6.2	6.1	5.9	5.7	5.8	5.6	5.7	5.5	5.5	N/A

Source: New York State Department of Labor and the U.S. Bureau of Labor Statistics.

Labor Force Statistics in Onondaga County

Persons in the labor force and persons employed (annual average) in Onondaga County for 2001 through 2015 YTD¹ are as follows (in thousands):

<u>YEAR</u>	<u>Labor Force</u>	<u>Employment</u>
2001	230.9	221.5
2002	231.7	220.3
2003	231.0	219.2
2004	232.2	220.4
2005	233.9	223.3
2006	233.7	223.5
2007	232.7	223.1
2008	234.7	222.6
2009	232.9	214.9
2010	231.0	212.2
2011	228.1	210.4
2012	228.0	209.8
2013	226.1	210.2
2014	224.7	212.2
2015 YTD ¹	222.4	210.0

¹ Year-to-date (YTD) data are the months of January through March for each noted year. April 2015 information is not available as of the date of this preliminary Official Statement.

Source: New York State Department of Labor, Local Area Unemployment Statistics Program (LAUS).

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Labor Market Statistics

The following tables present the distribution of employment in Onondaga County and employment trends for 2000, 2011, 2012 and 2013.

Trend of Total Employment Total Employment and Employment as a % of Total Employment 2000, 2011, 2012 and 2013

Industry	2000		2011		2012		2013	
	Employment	Percent of Total						
Agriculture, Forestry, Fishing Hunting	578	0.2%	546	0.2%	583	0.2%	632	0.3%
Mining	126	0.1%	122	0.1%	122	0.1%	88	0.1%
Utilities	N/A	N/A	1,558	0.6%	1,558	0.6%	N/A	N/A
Construction	10,272	4.1%	9,356	3.9%	9,751	4.1%	9,759	4.1%
Manufacturing	35,126	13.9%	20,591	8.6%	19,001	7.9%	18,507	7.7%
Wholesale Trade	14,277	5.7%	12,993	5.4%	13,265	5.5%	13,147	5.5%
Retail Trade	29,852	11.8%	27,538	11.5%	28,070	11.7%	28,264	11.8%
Transportation and Warehousing	8,049	3.2%	8,246	3.4%	8,243	3.4%	8,291	3.5%
Information	7,044	2.8%	4,340	1.8%	4,171	1.7%	4,130	1.7%
Finance and Insurance	12,474	4.9%	11,662	4.7%	11,379	4.7%	10,855	4.5%
Real Estate and Rental Leasing	3,331	1.3%	3,290	1.4%	3,289	1.4%	3,207	1.3%
Professional, Scientific and Technical Services	11,033	4.4%	13,241	5.5%	14,495	6.0%	14,303	6.0%
Management of Companies and Enterprises	3,841	1.5%	2,471	1.0%	2,453	1.0%	2,592	1.1%
Administrative and Waste Services	11,959	4.7%	13,546	5.6%	12,018	5.0%	12,313	5.2%
Educational Services	8,213	3.3%	8,959	3.7%	9,009	3.8%	9,271	3.9%
Health Care and Social Assistance	26,253	10.4%	31,914	13.3%	32,895	13.7%	33,334	13.9%
Arts, Entertainment, and Recreation	2,645	1.1%	3,372	1.4%	3,346	1.4%	3,338	1.4%
Accommodation and Food Services	16,080	6.4%	17,899	7.5%	18,214	7.6%	18,849	7.9%
Other Services	9,412	3.7%	8,094	3.4%	8,149	3.4%	8,243	3.4%
Total, All Government	38,819	15.4%	39,952	16.6%	40,004	16.7%	39,696	16.6%
Unclassified	86	0.1%	236	0.1%	178	0.1%	169	0.1%
Total, All Industries	252,477	100.0%	239,926	100.0%	240,193	100.0%	238,988	100.0%

Notes: Column totals may not foot due to rounding.

2013 Annual figures are preliminary and subject to change.

2014 information is unavailable as of the date of this Official Statement.

Source: New York State Department of Labor, Quarterly Census of Employment and Wages Survey (QCEW).

Economic Development

A centerpiece of Governor Cuomo's strategy to jumpstart the economy and create jobs, Regional Councils were put in place in 2011 to redesign the State's approach to economic development from a top-down model to a community-based, performance-driven approach. The initiative empowers community, business, and academic leaders, as well as members of the public in each region of the State, to develop strategic plans specifically tailored to their region's unique strengths and resources in order to create jobs and support economic growth.

In 2011, the Central New York Regional Economic Development Council's (REDC) plan was chosen as a "Best Plan" and was granted \$103.7 million in Economic Development money from New York State. Among the Onondaga County projects for which funding was approved include: Syracuse Inner Harbor Redevelopment - \$3 million; Central New York Biotechnology Research Center and Site Development - \$5.5 million; Clay Industrial Park - \$6.7 million (includes \$1.6 in grants); housing improvement projects - \$45 million.

In 2012, the CNY region was honored with the "Top Performer" award, recognizing the region's efforts to keep the funded projects on schedule. Again, the region was awarded with significant NYS funds totaling \$93.8 million to fund 73 projects, including \$3.1 million for the expansion of the Syracuse Community Health Center, \$2.5 million for the Sibley's Building renovation in downtown Syracuse, \$1.5 million for the Inner Harbor redevelopment and \$1.0 million for infrastructure improvements in the Loguen's Crossing vicinity.

Another successful award in 2013 brought \$66.9 million for 79 area projects, including 43 in Onondaga County for manufacturing expansions, downtown development and the Inner Harbor project.

In 2014, the CNY's plan was again a "Top Performer" in the Regional Council process and it is anticipated that the 85 projects will bring in \$80.2 million in New York State funds to projects including the renovation and reopening of the Hotel Syracuse and facility expansion for Corso's Cookies.

Collaboration is the key to economic development in the CNY region. The Syracuse Chamber of Commerce and the Metropolitan Development Corporation combined in May 2010 to form the CenterState Corporation for Economic Opportunity (CEO). Representing not only Onondaga County, the CEO's 12-county region is home to 1.5 million people and over 130,000 college students. The 35 college campuses make it the third highest concentration of colleges and universities in the nation and bring in more than \$2 billion in research and development annually. The region is an international leader in green and clean technology, sensor systems and nanotechnology.

The County's Department of Economic Development and the City of Syracuse's Department of Neighborhood and Business Development have co-located and are collaborating, combining their resources to insure a focused effort to recruit and retain development within the County.

CenterState CEO serves as the region's primary economic, community and business development catalyst and works to achieve regional growth and total community prosperity through partnerships, planning and problem solving. Their Creative Core Emerging Business Competition has awarded over \$1 million to companies poised for growth. Ongoing work with the Brookings Institution and community partners continues to build on the success of these initiatives:

The Metro Export Initiative has three core strategies:

- Increase export activity of top exporters
- Assist the small and medium companies that have the products to export, but lack the expertise or personnel to pursue these opportunities
- Expand exports of the key service providers in Education, Healthcare and Medical Services and Tourism

Agenda for Economic Opportunity, also in collaboration with the Brookings Institute, identified three critical fronts:

- Establish the "Data to Decisions" Innovation Alliance – connecting technology companies, both existing and emerging ventures
- Create a Regional Seed and Venture Fund – for entrepreneurial endeavors to secure capital
- Establish a Government Modernization Commission – to improve the delivery of services and increase cost effectiveness.

Syracuse and Onondaga County continue to be known nationally for green initiatives. In 2013, the U.S. Water Alliance announced the three winners of the U.S. Water Prize, including Onondaga County, for its program to "Save the Rain" and embrace green infrastructure solutions to wet weather problems. The Zoo's storm water management system was recognized by Storm Water Solutions Magazine as a 2013 Top Project of the Year. County Executive Joanne Mahoney was recognized as the 2011 Public Official of the Year by Governing Magazine for her leadership. Onondaga County's "Save the Rain" program has been identified by the United States Environmental Protection Agency (EPA) as a model green infrastructure community. Syracuse and Onondaga County are one of only ten communities to receive this special designation. Over \$25 million has been spent locally on "Save the Rain" projects including porous pavement, green roofs, rain gardens, infiltration trenches and beds, and green streets. This initiative has been extended into the County's towns and villages. The County Legislature passed a \$3 million financing resolution in May 2012 authorizing the program and dedicated another \$2 million of financing therefor in 2013.

One of the most successful sustainable initiatives, the Clean Tech Center, develops renewable and clean energy technology companies in New York State. A program of The Tech Garden – a 35,000 square-foot technology incubator, it is funded by NYSERDA to develop emerging businesses and commercializing technologies in renewable energy, alternative fuels, system integration and smart grid technologies, transportation and buildings and construction technologies.

Governor Cuomo and Onondaga County Executive Mahoney have proposed a \$100 million State and County investment on the western side on Onondaga Lake. The Onondaga Lake Revitalization Project includes \$30 million approved as part of the State's 2014-15 budget. The County has pledged an annual investment of \$2.5 million, new money expected to be received by the County as part of the State's expansion in casino gaming. A new amphitheater, new housing, improved streetscapes in Solvay, and brownfield cleanup are all a part of this proposal.

As of the end of March 2015 the earthwork, utilities and pile foundations are in progress and the project is on target to have a grand opening the Labor Day weekend of 2015. Out of the total 2015 issuance of \$79.9 million, \$49.5 million will be allocated to the amphitheater project.

The \$23 million Central New York Biotech Accelerator, an incubator providing the environment to accelerate biological and medical products to market, has opened its doors. This 40,000 square foot facility is a joint venture of SUNY ESF and Upstate Medical University (“Upstate”). Part of a multi-year, \$510 million capital plan advanced by Upstate, the plan also includes development of a 10-acre new Western Campus, labeled Loguen’s Crossing, consisting of major retail, residential, clinical, and research facilities located within the traditional boundaries of downtown Syracuse. Upstate continues to invest in its on-campus facilities. The new Golisano Children’s Hospital, the centerpiece of a \$140 million expansion of its University Hospital, opened in September 2009. A new cancer center opened in 2014. The \$74.5 million 90,000 square foot facility consolidates all the patient cancer services. The \$72 million expansion of the Institute for Human Performance opened in 2013 and nearly doubled the size of this research center for brain, spinal and nervous system diseases. A \$36 million new academic building is in the design phase. In 2011, Upstate purchased Community Hospital’s assets, enabling it to expand enrollment in its schools, provide more training sites for students and preserve services at Community.

Local hospitals in the Syracuse area employ over 17,500 and the major hospitals are continually making capital investments. A \$90 million six-floor addition at the Veterans Medical Center opened in 2013, creating a new spinal cord injury/disease center and adding 70 new positions. Crouse Hospital is enlarging its surgical rooms to house new technology equipment and is updating its operating room suites. Projects total \$50 million and Phase I, the Witting surgical center, opened in 2011. In the Prospect Hill neighborhood surrounding St. Joseph Hospital, work has been completed to construct affordable housing for employees. St. Joseph’s Hospital Health Center \$80 million new Emergency Room opened in February 2012, part of \$265 million in hospital expansion plans. Currently underway is the six-story expansion that will house 110 private rooms, operating rooms and intensive care units. Up to 600 construction jobs and 200 new full-time health care positions are materializing due to these new facilities.

Syracuse University has been a major driver of the construction industry throughout the past decade. Total completed or undergoing building has exceeded \$500 million since 2004. Major buildings for its Management, Newhouse and Life Sciences schools were constructed, as well as dormitories and privately-funded student apartments. Construction is complete for a new \$95 million Law School building, which opened in fall 2014, along with an \$18 million renovation of Newhouse II. Adjoining the SU campus, SUNY ESF’s \$28.3 million Gateway Building, \$31.4 million Centennial Hall on its main academic quad and its first dormitories adjoining the campus opened in 2011-12. A new \$86 million, 120,000 square foot academic building is being planned with a 2015 phase I target date.

The University Hill area, which is home to Syracuse University, SUNY ESF, Upstate Medical University, and a concentration of the region’s health care and hospital facilities, is separated from the traditional downtown only by an elevated section of Interstate 81. New York State has committed \$20 million in State support to assist with the “Connective Corridor” (\$42.5 million total project) to better link these two major economic centers. In December 2011, it was awarded \$10 million in Federal DOT funding. Through lighting, landscaping, signage, and streetscape improvements, the connective corridor is intended to eliminate real and perceived barriers between the two areas, resulting in an improved environment for commercial, residential, and cultural development in downtown Syracuse. The path of the Connective Corridor also serves as a link between the major arts and cultural centers and tourism destinations within downtown.

All of this development is occurring at a time of transition in downtown Syracuse, as older – often empty - buildings are being converted to market rate rental and owner-occupied housing. There are currently 1,600 completed downtown housing units, with another 460 planned or underway. Recent housing projects included renovating two towers at \$32 million for 400 Upstate Medical students and employees, Merchant Commons, Dey’s Plaza and Pike Block, which renovated former office and retail space for downtown residential units, as well as retail and dining and office space. Occupancy rates are at 99%. In historic Armory Square, there is much activity. In summer 2009, Jefferson Clinton Commons, a \$20 million mixed use commercial and residential building opened, the first new construction, private-sector downtown building since 1992. The Washington Station Building opened in fall 2010. O’Brien and Gere Engineering, a large environmental engineering firm based in suburban Onondaga County, anchors this 200,000 square foot mixed-use building. In August 2010, Urban Outfitters opened in a reconverted building. A \$30 million, 180-room Marriott hotel opened in July 2013. The \$16 million renovation of the historic Landmark Theatre was completed in 2011 and local parking garages have had attractive facelifts. A \$6 million renovation of an older office building has provided Class A office space, known as Onondaga Tower.

Adjacent to Armory Square, the near Westside initiative is moving forward to revitalize this inner-city neighborhood. In 2013 WCNY radio and TV operations moved into its new \$20 million headquarters in a renovated state-of-the-art warehouse, while another 51,000 square foot warehouse now houses the LEED Platinum certified offices of local architect firm King and King.

In the Lakefront Development area, immediately north of downtown Syracuse, the expansion of the Carousel Center has transformed the Center into Destiny USA—a retail themed destination that is also pioneering new, environmentally-friendly construction techniques and building systems. Travel and Leisure magazine has written that Destiny USA, pulling in 29 million visits a year, will be the second most-visited shopping and entertainment complex in America. At 2.4 million square feet, it is the nation’s sixth-largest shopping venue and the largest in New York State. The revitalization of the nearby Inner Harbor was awarded to COR Development Company, a local Syracuse company, which has completed site work and begun construction of a \$350 million transformation including a hotel, apartments and retail.

Several of the area's largest high tech and knowledge-based industries are reporting significant growth, as described below.

Lockheed Martin Naval Electronics and Surveillance Systems-Radar Systems, a unit of Lockheed Martin Corporation, is a leader in the design, development and integration of radar systems, vessel traffic management, simulation and training systems, and other complex electronic systems. The firm employs 1,600 people at its Syracuse headquarters. The company continues to win defense contracts for radar units and mine neutralization devices, including a \$180 million Department of Defense contract, about half of which will be handled at the Salina plant.

Anaren, Inc designs, develops, manufactures and sells high-frequency electronic technology, for the wireless communications, satellite communications and consumer and defense electronics markets and employs nearly 600 people in the County. Anaren was acquired by Veritas Capital, a private equity investment firm in 2014 and boasts new orders of \$8.3 million from Raytheon supporting the US Navy defense that could extend to \$110 million over ten years.

Sensis Corporation was acquired by Saab AB in 2011 to form Saab Sensis Corp. It provides defense radar tools and air traffic management systems for civilian airports. The company employs 400 people in the Town of DeWitt, the site of its 80,000 square-foot headquarters building. The company's newest system is a de-icing manager that has brought significant revenues. Over 60 of the world's 100 largest airports use Sensis technology and Saab has designated Sensis to be its world headquarters for air traffic management business.

SRC, Inc., formerly Syracuse Research Corporation, is a not-for-profit research and development company with more than 55 years of experience in defense, environment and intelligence. Its radio-controlled improvised explosive device electronic warfare (CREW) system was recognized as a Top 10 Army Greatest Invention. SRC currently employs 600 people at its Cicero headquarters. Due to its success in creating a lightweight counter-mortar radar system for the U.S. Army, its growth in manufacturing led to a for-profit SRCTec subsidiary, which provides manufacturing and lifecycle support for complex electronics systems and employs an additional 230 people in its North Syracuse location. SRC continues to receive critical contract awards including a five year, \$20 million contract from the EPA to evaluate the manufacture, use and environmental consequences of new chemical substances entering the U.S. marketplace and a 2014 \$7.2 million order from the US Army.

Welch Allyn, an internationally known manufacturer of medical and dental diagnostic instruments continues to serve as an industry leader and major force in the area's economy. The firm employs over 1,100 locally and 2,500 worldwide. The company completed a \$35 million, 175,000 square foot expansion and renovation to its headquarters. The Gold-LEED certified building represents a 55 percent increase in building space, yet there has only been an 8 percent increase in energy consumption and water consumption has decreased by 25 percent.

While the role and products have changed over the years, employees at the Bristol-Myers Squibb facility in East Syracuse have the same mission as they have had since 1943: to develop and deliver innovative medicines to help people prevail over serious diseases. 600 employees at this biotech campus are responsible for developing and manufacturing the latest biologic medicines.

Carrier Corporation has invested \$25 million in redeveloping its Dewitt campus and continues its position as the company's largest research and development center. The Dewitt site develops refrigeration systems for shipping containers and trucks cooling systems for store display cases and air conditioning, as well as software.

Anheuser Busch continues to invest in its Lysander facility, totaling \$304 million in the last ten years including a 24 ounce can line, which increased production by 30% in 2013. The firm employs 430 full-time workers at its plant northwest of Syracuse and expects to continue its operations at full capacity. The company is a wholly-owned subsidiary of Anheuser-Busch InBev, the leading global brewer, and continues to operate under the Anheuser-Busch name and logo. It recently negotiated an agreement that would reduce the brewery's property taxes over 15 years in exchange for the company's pledge not to close the brewery during that time.

Tessy Plastics Corp, a plastics-parts maker in Elbridge, New York, with annual sales of \$206 million now employs 763, with an additional 100 contract employees. It just announced its seventh expansion since 2001, a 50,000 square foot \$8 million clean manufacturing facility near Skaneateles. Tessy was recognized with the 2012 Manufacturing Leadership 100 Award in the Innovative Enterprise category.

A squadron of unmanned aircraft (drones) is now based at the Air National Guard base in Mattydale, further securing the future of the base and retaining its 1,200 jobs. \$5.4 million was spent to modernize and expand the buildings. Hancock field is the national headquarters for training Reaper maintenance personnel from all service branches.

A \$63 million security and expansion at Syracuse Hancock International Airport opened in May 2013. The center portion of the airport has been completely rebuilt and the addition of 147,000 square feet has enabled the combination of the two security screening areas into one central checkpoint. The expansion has been paid for by facility charges, charged to each ticket for enplaned passengers. The project added 250 construction jobs, along with another 90 jobs to construct a \$6 million airport facility for Syracuse Jet Association. The Syracuse Regional Airport Authority officially took over airport operations in 2014 with the goal of more efficient operations and attracting new airlines.

Regionally, the County continues to participate in the 12-county Central Upstate Regional Alliance, which is a partnership of public, academic and non-profit organizations convened by the CenterState CEO. The partners work collaboratively to address common challenges and advance unique opportunities for the benefit of the entire region.

The Onondaga County Office of Economic Development works closely with the many other organizations in the area whose goals are to make doing business in the region easier. In addition to Centerstate CEO and the City of Syracuse, the County takes advantage of the following partners:

- Empire State Development and its New York State Excelsior Jobs Program – provides capital grants and tax credits for up to ten years, including job tax, R&D tax, real property tax credits. National Grid, the local utility offers utility discounts to NYS Excelsior designated companies. NYSERDA, a state authority which encourages energy alternatives, offers a wide array of utility incentives for residential, business and institutional facilities.
- Central New York Regional Planning Board provides planning services to spur business investment in the five County CNY-regions.
- Central New York Technology Development Organization works with technology and manufacturing companies to improve an existing company's processes, productivity and competitiveness or to transition a startup company to a successful business.
- Manufacturers' Association of Central New York provides members with the tools, information, and resources they need to compete.
- Empire State Development offers a wide variety of financial incentives to qualified business attraction and retention projects that create wealth within New York State.
- Greater Syracuse Business Development Center offers a variety of financing packages for small to medium-sized businesses located in Central New York.
- In an effort to train and prepare the local workforce, the New York State Small Business Development Center at OCC, Onondaga-Cortland-Madison BOCES and CNY Works and Workforce Investment Board provides small business assistance, customized training especially in mechanical, engineering, computer and customer service skills and job placement, respectively.

The County has made maximum use of available economic development tools. The Onondaga Civic Development Corporation (OCDC), a not-for profit local development Corporation, was established in October 2009. The corporation, which can provide tax-exempt financing for not-for-profit corporations, was formed with the purpose of encouraging the development or retention of industries that provide employment and job related training opportunities in the community. During 2014, the OCDC issued bonds for the renovation and expansion of St. Joseph's Hospital Health Center and to fund the building of a YMCA fitness and health center in the Town of Lysander. Student housing at SUNY ESF and building renovations at LeMoyne College have also been funded with OCDC debt.

The Onondaga County Industrial Development Agency (OCIDA), a public benefit corporation created in 1970, uses its statutory powers to work with local businesses to build or expand their businesses in Onondaga County. During 2014 OCIDA worked with several local industry leaders including INFICON and Tessa Plastics on significant expansion projects of their existing facilities. Local business expansions are anticipated to provide the bulk of the IDA's projects in 2015.

The County is equally proactive in preparing sites for major developments. Through the OCIDA, the County acquired 333 acres at the White Pines Commerce Park in Clay - a large-scale, industrial development site. This site is marketed as a part of a statewide effort to attract large manufacturing and distribution firms. The site lends itself to a variety of other large-scale industrial developments seeking large, properly zoned, permitted sites with supporting infrastructure in place. Another shovel-ready site is the Hancock Airpark, a 425-acre County-owned property that was recently transferred to OCDC. To date, the efforts at Hancock have led to 50 acres being returned to the tax rolls and 750 jobs brought to the Airpark.

FINANCIAL STRUCTURE

Budgetary Procedures

The County Executive submits an operating budget each year, which, after the public hearing, is adopted by the County Legislature. Expenditures during the fiscal year may only be made pursuant to appropriations from the General Fund and other special purpose funds established by the County.

However, during the fiscal year, the County Legislature, on the recommendation of the County Executive, may, by resolution, make additional appropriations from any unencumbered balances in appropriations, contingency funds or unanticipated revenues, and to a limited extent by the issuance of budget notes.

Budget Monitoring and Fiscal Controls

Budget analysts regularly meet with fiscal officers in line departments to collect data on expenditures, revenues, and caseload trends and to discuss potential budgetary issues in upcoming months. The indicators in the database are updated at least monthly based on both the information submitted and discussions at these meetings. The data that has been collected is used to produce a number of reports projecting short and long-term budget performance. These reports include:

Appropriation/Revenue Forecasts. Monthly reports on key expenditure and revenue accounts are produced and these reports are the most important component of budget monitoring activities. The County's Budget Office staff meets monthly to review the status of all of the major revenue and expense items, and trends in the national and local economy that may impact County finances.

Quarterly reports on the status and forecast of key expenditure and revenue accounts, along with a profile of area economic conditions, are developed collaboratively by the County's Budget Office and departmental fiscal officers and are presented to the County Executive and County Legislature. The report is intended to provide decision-makers with the best available information regarding the condition of County finances. This information is the basis for fiscal and programmatic policy decisions during the course of the year, and establishes the financial foundation for the development of the County's annual operating budget in the early fall.

Three-Year Budget Projection. This document is intended to be an early warning system for budget officials. It is driven from the database of key indicators. This document is designed to permit officials to formulate plans to address major budget issues confronting the County on a timely basis.

Ensuing Year Departmental Budgets. These forecasts are used to project incremental growth of departmental budget accounts during the budget request process.

The County's Budget Process. Onondaga County has established an in-depth annual budget process, which is an important component of the County's overall commitment to disciplined financial management. In early June, the County's Budget Office receives requests for the upcoming fiscal (calendar) year from departments and spends the summer developing and refining revenue and expenditure estimates based on these requests. On or about September 15, the County Executive presents the executive budget to the County Legislature. The Legislature's Ways and Means Committee then undertakes a two to three week review process dominated by budget hearings in which each department presents and explains the executive budget. This review of departmental budget requests by the Legislature is designed to result in financial accountability and attentiveness by every County department, and a legislative body familiar with the details of County finances and programs.

County Budget

The County implemented a consolidated ERP system – PeopleSoft – during 2012. This \$11 million program upgraded and consolidated decades-old legacy systems in financial reporting, budgeting and purchasing. Human Resources will be live in 2015.

The County started using this new software to develop its budgets in the 2013 budget, and at the same time began the process of restructuring how it budgets and funds its operations and programs. All the annual budgets, beginning from 2013 were crafted based on functional program areas within each department. Departments are required to build program budgets by specifically identifying expenditures and revenues by each functional area. In 2013 and 2014, the County evaluated each department's programs in order to determine their relevancy and potential value in measuring the effectiveness of the services they provide. The County has also made the necessary adjustments to assure that all financial activity is recorded by program appropriately and accurately. With those initial tasks near completion, the County is focusing its attention on the performance of these functional programs. Performance measures will help us to better define the benefit created by the services being provided in a tangible way by quantifying outcomes. Rather than merely identifying a program's cost to the County, the focus will emphasize the value the program creates through its services and how the program aligns with the overall strategic goals and priorities of the County.

The County Executive presented the 2015 budget in September 2014. As the budget was developed, rising salary and benefit costs, mandate increases, and revenue losses were significant contributors to the projected budget gap of \$16 million. To overcome this gap, the County Executive held headcount to a minimal increase, as well as all other discretionary spending. Sales and property tax growth in collections were factored into the budget gap reconciliation as well as the use of \$3.8 million in fund balance.

The County Legislature adopted the 2015 Budget on October 14, 2014. The Legislature made additional appropriations cuts and increased revenue assumptions to reduce the property tax levy by \$1 million. The property tax levy has been reduced by the Legislature by a total of \$44 million over the last five years. The 2015 all funds budget supports \$1.2 billion in total expenditures, including internal transfers of \$228 million. Expenses were 3.3% below the 2014 budget as modified, due primarily to a one time shift of EFC debt from short-term to long-term. The General Fund budget included an adopted property tax levy of \$139,891,159, \$1 million reduction vs. 2014. After accounting for budgeted and subsequent fund balance appropriations of \$19 million, the current

unassigned fund balance is \$74 million or 11% of adjusted General Fund revenues. Recognizing debt service spikes in upcoming years, the County Executive committed \$5 million in fund balance in the 2014 budget to offset these increases. This debt service stabilization approach will continue to be utilized to reduce the impact on future operating budgets while using excess fund balance strategically.

In 2006, the New York State Comptroller required that County sales tax revenue allocated to municipal governments and school districts within the County must be budgeted as a revenue and expense. Formerly, the allocation of the non-County share of the sales tax was an off-budget transaction in most of New York State's counties. Since this accounting change artificially inflates General Fund revenues, the goal was restated to subtract this amount, which is estimated at \$88.3 million for 2015.

Investment Policy

Pursuant to Article IV of the Onondaga County Charter, the Chief Fiscal Officer is the custodian of all County funds and is charged with the responsibility for creating and administering an investment policy, which is consistent with the Investment Policies and Procedures guidelines promulgated by the Office of the State Comptroller.

Pursuant to the Chief Fiscal Officer's investment policy, investments of monies not required for immediate expenditure may be made in certain obligations authorized by Section 11 of the General Municipal Law of the State: a) Special time deposit accounts; b) Certificates of deposit; c) Obligations of the United States of America or obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; d) Obligations of the State of New York; and e) Subject to approval of the State Comptroller, tax or revenue anticipation notes of any municipality, school district or district corporation of the State, other than Onondaga County.

The Chief Fiscal Officer's investment policy further provides that, in accordance with the provisions of Section 10 of the General Municipal Law of the State, all deposits, including certificates of deposit 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 "eligible securities" with an aggregate "market value" equal to the aggregate amount of such deposits. Eligible securities used for collateralizing deposits shall be held by a third party bank or trust company subject to security and custodial agreements.

The Chief Fiscal Officer's investment policy also authorizes the County to enter into repurchase agreements, subject to the following restrictions: a) all repurchase agreements must be entered into subject to a master repurchase agreement; b) obligations shall be limited to obligations of the United States of America and obligations of agencies of the United States of America; and c) the custodian shall be a party other than the trading partner.

As of February 23, 2015, the County's portfolio consists of money market deposits, certificates of deposit, and U.S. government agency bonds, which range in maturity from one day to five years. The Chief Fiscal Officer's investment policy does not permit the County to invest in derivatives or reverse repurchase agreements and the County has never invested in derivatives or reverse repurchase agreements.

State Aid

In 2015, budgeted State Aid represents approximately 13.3% of the County's General Fund revenues. Nearly all of the State Aid received by the County is formula-based assistance for specific mandated human service programs.

The New York State Budget for the fiscal year beginning April 1, 2015 was enacted on March 31, 2015. While counties continue to govern under stressful fiscal conditions, the 2015-2016 State budget includes mandate relief actions and tools designed to provide counties with savings, funding or flexibility to manage more efficiently. The final budget included the zero percent Growth Cap in local Medicaid costs. Now any increases in Medicaid costs are funded by the State. Additionally, federal savings related to the Affordable Care Act continue to generate positive results for counties with expected federal ACA savings to lower most counties' Medicaid costs by about four percent in 2015 compared to what they paid in 2014. Other items of interest for counties include the following:

Use of One-Time Bank Settlement Proceeds (\$5.4 billion)

- \$1.5 billion for an upstate economic development competition - Under the one-time special initiative seven regional economic development areas are eligible to compete for one of three \$500 million upstate revitalization grants.
- \$3.05 billion for NYS Special Infrastructure Account
 - \$1.285 billion for the NYS Thruway Authority to support critical repairs and maintenance
 - \$500 million for the "New NY Broadband Program"
 - \$400 million for grants to essential health care providers

- Modified by the Legislature to target \$355 million to essential health care providers and also direct funds as follows:
 - \$15.5 million to Roswell Park Cancer Institute
 - \$19.5 million to create a Health Care Revolving Capital Fund
 - \$10 million to assist in the acquisition of electronic health records systems and technology
- \$250 million for new Penn Station Access
- \$150 million for grants to local governments to help finance innovative shared services, as approved by the Department of State
- \$150 million for emergency response needs
- \$115 million for various infrastructure improvements
- \$50 million for Southern Tier/ Hudson Valley Farm Initiative
- \$850 million held in reserve to pay for potential Medicaid disallowances that are pending.

Waives Retroactive Office of Children and Family Services (“OCFS”) Chargebacks to Counties for Youth Placements: The budget eliminates any additional retroactive billings from prior years and caps future County liabilities at \$55 million.

CHIPS Plus Funds for Harsh Winter Mitigation (\$50 million): The general CHIPS program was level funded, but there is also a \$50 million one-time lump sum appropriation to help mitigate the hard winter’s impact on local roads and bridges.

Water Quality Infrastructure Fund (\$200 million): The budget creates a new \$200 million capital funded program to assist localities improve water quality infrastructure. The funding will be spread over the next three years.

Raise the Age: While \$25 million in funding for this proposal was included in the final budget, the statutory language necessary to implement this public policy change is not included. It is expected to be revisited in the remaining legislative session through a Governor’s program bill.

Article 6 Public Health: Cuts and consolidations in county health funding proposed by the Governor were rejected and fully restored.

Brownfield Tax Credit and Remediation Reform: Reforms proposed by the Governor were adopted with modifications with a goal of cleaning up more sites in upstate areas where it has been more difficult to complete cleanup and redevelopment projects.

County Receipt of Indian Casino Revenues

Under the Upstate New York Gaming and Economic Development Act, for the first time, every county in an Indian exclusivity zone, which includes the County, will share in Indian gaming facility revenues. Ten percent of the net gaming revenue retained by the State from Native American gaming facilities will be distributed to the counties in each respective exclusivity zone, and existing tribal payments will be preserved. The County is part of the Central New York/Mohawk Valley Region exclusivity zone. The Central New York/Mohawk Valley Region will receive \$44.2 million annually as a result of the Act and the recent settlement with the Oneida Indian Nation of New York. According to the New York State Division of Budget estimates, projected annual revenue allocation of this \$44.2 million accruing to counties and school districts in the Central New York/Mohawk Valley regions; \$20.7 million will be allocated to provide tax relief or educational assistance and the remaining \$23.5 million will be allocated to the counties within said region. The County expects to receive \$2.5 million annually of the Central New York/Mohawk Valley Region’s \$23.5 million allocation. These amounts are over and above the Statewide education or property tax relief funds that each region will receive from the new destination gaming resorts in other regions. These payments are earmarked to fund the debt service associated with the borrowing for construction of the Lakeview Amphitheater.

Conservative estimates for State revenues were included in the County’s 2015 budget. The County constantly monitors State budget actions which might negatively impact County operations and endeavors to undertake appropriate measures to mitigate these impacts where possible.

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo which are indirectly affected by applications to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years

commencing on or after January 1, 2012. It expires on June 16, 2016 unless other legislation is extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation is not clear.

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 ("Chapter 59"), State budget bill includes provisions which provide real property tax rebate checks to real property taxpayers of STAR eligible properties, with qualifying incomes of \$500,000 or less, in school districts and certain municipal units of government. Real property owners in school districts are eligible for this rebate in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this rebate in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax rebate in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this real property tax rebate. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the real property tax rebate are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax rebate benefit to such real property taxpayers. The refundable real property tax amount is increased in the second year if compliance occurs in both taxable years. Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the real property tax rebate.

For the second taxable year of the program being 2015-16 for school districts and 2016 for other municipal units of government; the property tax rebate for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit a State approved "shared services and government efficiency plan" which demonstrates three year savings and efficiencies of at least one percent of the combined 2014 levy of participating municipalities in each of the years 2017, 2018 and 2019 from shared services, cooperation agreements and/or mergers or efficiencies. The State will also be required to consider past shared services arrangements or government efficiency programs to be deemed applicable in demonstrating the targeted savings. There is no requirement that these efficiencies are to be used to reduce future tax levies. Should the savings targeted not be met by a school district or municipal unit of government there is no authority granted for the State to withhold State aid due to each respective entity.

A tax credit would be made available in municipalities that reduce or hold steady their property tax levy. The rebate payable would be equal to the allowable tax levy growth factor for that year; including adjustments for inflation, economic growth, pensions, PILOTS, etc.

This initiative is currently a two year temporary initiative.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the County are uncertain at this time.

2015 Levy Limit Calculation. Pursuant to law, the County’s Levy Limit calculation pertains to property tax levied for the general fund, city abstract, water fund (capital projects), and special drainage districts. The Levy Limit calculation does not apply to the Water Environment Protection (sewer) fund, as revenues raised in this fund are established solely through fees based on use. The 2014 adopted levy, including city abstract, water fund and special districts was \$163.1 million. The tax base growth factor of .53%, as determined by the Office of State Comptroller, was applied to the 2014 levy and 2014 pilot revenue was added to establish a beginning base levy of \$166.9 million used in the levy limit calculation. The levy growth factor of 1.56% was applied to the base levy and 2015 pilot revenue was subtracted from the base levy to determine a 2015 levy limit before exclusions of \$166.6 million. No adjustments or exclusions were applicable for determining the 2015 levy limit. However, a carryover from 2014 of \$2.5 million due to being under the 2014 levy limit resulted in a total 2015 levy limit of \$169.2 million. The combined 2015 adopted levy of \$163.1 million was \$6.1 million under the allowable levy. The County is allowed to “carryover” 1.5% of the 2015 levy limit, or the amount actually levied under the levy limit, whichever is less. As a result of the actual levy being under the 2015 levy limit, approximately \$2.5 million will carryover to be added to the 2016 levy limit resulting in additional flexibility if the County needs to raise property taxes.

Employees

The County provides services through the employment of approximately 3,268 full time employees, excluding those employed at Onondaga Community College. The County’s 2015 workforce represents no increase in headcount over 2014. The following table sets forth the number of employees in each bargaining unit and the labor organization that represents them. There are 369 Management/Confidential employees not represented by a labor organization. All but one collective bargaining agreement are under negotiation for a successor agreement at this time.

<u>Labor Organization</u>	<u>Number of Employees</u>	<u>Contract Expiration</u>
Civil Service Employees Association (CSEA)	2,322	12/31/12 ^{(1) (2)}
Onondaga County Sheriff’s Police Association (OCSPA)	195	12/31/17
Deputy Sheriff’s Benevolent Association (DSBA)	273	12/31/12 ⁽¹⁾
NYS Nurses Association (NYSNA)	44	12/31/13 ⁽¹⁾
International Union of Operating Engineers (IUOE)	28	12/31/12 ⁽¹⁾
Central and Northern New York Building Trades Council (BTC)	30	12/31/12 ⁽¹⁾
Onondaga Sheriffs Captains Association (OSCA)	7	12/31/17

⁽¹⁾ Currently under negotiations.

⁽²⁾ The County has appropriated funds in the 2015 budget for a potential settlement with CSEA.

Source: County officials.

Pension Payments

Substantially all employees of the County are members of the New York State and Local Employees’ Retirement System (“ERS”). The ERS is generally known as the “Common Retirement Fund”. The Retirement System is a cost-sharing multiple public employee retirement system. The obligation of employers and employees to contribute, and the benefits to employees, are governed by the New York State Retirement System and Social Security Law (the “Retirement System Law”). The Retirement System offers several plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. Tiers I - IV benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in the retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 must contribute 3% of gross annual salary towards the cost of retirement programs during their first ten years of service.

On December 10, 2009, Tier V was signed into law. The law is effective for new ERS and TRS hires beginning on January 1, 2010. Tier V employees will not become fully vested until after ten years of service and will contribute 3%. There is no provision for these contributions to cease after a certain period of service. Key components of Tier V included:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, a new Tier VI was signed into law. The law is effective for new ERS and TRS hires beginning on April 1, 2012. New ERS employees will become fully vested after ten years of service and will now contribute a minimum of 3%. Depending on salary, this will range from 3 - 6% beginning April 1, 2013. Tier VI also provides for an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years.

On August 27, 2013, Comptroller Thomas P. DiNapoli announced that employer contribution rates for the New York State and Local Retirement System will decline slightly in Fiscal Year 2014-15. The average contribution rate for ERS will decrease by 0.8 percent of payroll, from 20.9 percent to 20.1 percent. The average contribution rate for the Police and Fire Retirement System (PFRS) will decrease by 1.3 percent of payroll, from 28.9 percent to 27.6 percent.

The County's December 15 contributions to the ERS for the years 2004 through 2015 are shown in the table below (includes Onondaga Community College):

<u>Year</u>	<u>Amount Contributed to ERS</u>	<u>Percentage of Pension Eligible Salaries</u>
2004 ⁽¹⁾	\$ 24,161,264	13.02%
2005	20,617,865	11.10%
2006	19,624,050	10.42%
2007	20,187,445	10.10%
2008	16,405,925	8.20%
2009	17,026,672	7.93%
2010	24,622,685	11.75%
2011 ⁽²⁾	42,155,931	21.40%
2012	42,788,760	19.92%
2013	44,459,788	20.59%
2014	38,937,131 ⁽³⁾	18.80%
2015 (Estimate)	38,817,507	18.30%

⁽¹⁾ The County elected to amortize the 2004 local cost exceeding 7% of payroll over five years in the amount of \$6 million and a taxable general obligation bond issue in this amount was sold in December 2004, which was retired in October 2009.

⁽²⁾ Includes a payment of \$11,933,848 for the 2010 Early Retirement Incentive (ERI) costs. The County appropriated excess 2010 fund balances to make a lump sum payment in 2011 to pay off this entire liability on December 15, 2011. The percentage of salaries would have been 15.34% without the ERI costs.

⁽³⁾ The County's December 2014 pension contribution included a \$3M reconciling item of prior year salaries.

Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for the ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning the actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS and PFRS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year will be based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the predetermined amount may now be included in a budget. The County expects the 2015 amount to decrease to 18%.

The investment of monies and assumptions underlying same, of the Retirement Systems covering the County's employees is not subject to the direction of the County. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the County potentially affecting other budgetary matters. While Tier V and Tier VI which were implemented in 2009 and 2011, respectively may help alleviate some of this liability in the long-term, it is uncertain at this time the extent to which they may do so subsequent to 2013. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

GASB 45 and Other Post-employment Benefits (OPEB)

The County provides post-retirement healthcare benefits to various categories of former employees. Those benefits are funded on a pay-as-you-go basis. Under the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 45 (GASB 45), all governmental entities are required to report the estimated cost of the accrued liability for such post-retirement healthcare costs. Governments, including Onondaga County with budgeted revenues in excess of \$100 million, began reporting that liability in its 2007 year-end statements.

GASB 45 will require governments to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB. Unlike GASB 27, which covers accounting for pensions, GASB 45 does not require governments to report a net OPEB obligation initially.

Under GASB 45, based on actuarial valuation, an annual required contribution (ARC) will be determined for each municipality. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

Based on the most recent actuarial evaluation, the following tables shows the components of the County's annual OPEB cost, the amount actuarially contributed to the plan, changes in the County's net OPEB obligation and funding status for the fiscal years ending December 31, 2014 and 2013:

<i>Annual OPEB Cost and Net OPEB Obligation:</i>	<u>2014</u>	<u>2013</u>
Annual required contribution (ARC)	\$ 58,336,842	\$ 81,384,837
Interest on net OPEB obligation	13,113,030	10,765,996
Adjustment to ARC	<u>(14,018,964)</u>	<u>(11,052,140)</u>
Annual OPEB cost (expense)	57,430,908	81,098,693
Expected Contributions made	<u>(23,684,639)</u>	<u>(25,874,352)</u>
Increase in net OPEB obligation	33,746,269	55,224,341
Net OPEB obligation - beginning of year	<u>308,541,892</u>	<u>253,317,551</u>
Net OPEB obligation - end of year	<u>\$ 342,288,161</u>	<u>\$ 308,541,892</u>
Percentage of annual OPEB cost contributed	41.2%	31.9%

<i>Funding Status:</i>	<u>2014</u>	<u>2013</u>
Actuarial Accrued Liability (AAL)	\$ 738,048,524	\$ 973,200,000
Actuarial Value of Assets	<u>0</u>	<u>0</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 738,048,524</u>	<u>\$ 973,200,000</u>
Funded Ratio (Assets as a Percentage of AAL)	0.0%	0.0%

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 57,430,908	41.2%	\$ 342,288,161
2013	81,098,693	31.9	308,541,892
2012	76,072,461	31.6	253,317,551
2011	68,350,744	32.0	201,312,214

Note: The above tables are not audited.

The aforementioned liability and ARC is recognized and disclosed in accordance with GASB 45 standards in the County's December 31, 2013 and 2014 financial statements.

The County's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the County's finances and could force the County to reduce services, raise taxes or both.

There is no authority under present State law to establish a trust account or reserve fund for this liability.

The County continues to identify ways to reduce its OPEB liability and implements strategies accordingly. The County is currently in the process of addressing the growth of this liability in the following ways: since August 1, 2013 Medicare eligible retirees and dependents are placed in a Medicare Advantage Plan thereby removing them from the County's self-insured plan and saving an estimated \$3.5 million a year. Health benefit plan design changes will be implemented after collective bargaining negotiations on new labor agreements are completed in 2015. The new plan design is expected to save between \$2.4 and \$2.7 million in annual costs through changes including increased office visit co-pays and increased prescription co-pays for mail order fills. The plan design is subject to ratification by the unions at the time labor agreements are settled. The County is pursuing its goal in collective bargaining negotiations to increase employee contribution ratios for the health benefit plan from the current levels of 10% medical/15% prescription hybrid to a flat 30%. This change would generate approximately \$7 million in yearly plan savings.

Other Information

The statutory authority for the power to spend money for the objects or purposes, or to accomplish the objects or purposes for which the Bonds are to be issued, is the County Charter and the Local Finance Law.

The County is in compliance with the procedure for the validation of the Bonds provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of the County has ever been past due.

The fiscal year of the County is the calendar year.

This Official Statement does not include the financial data of any political subdivision having power to levy taxes within the County.

Data Security

Onondaga County has had systems in place for several years to ensure the continuity of governmental operations and security of critical information in the event of a disaster or major emergency. Data for core governmental systems is backed up daily and disaster tapes are stored offsite weekly per contract with Iron Mountain. Open systems servers and data are backed-up; the backups are stored on site. In the event of a disaster, servers would need to be rebuilt and data would be restored manually from tape backups.

Financial Statements

The County's financial statements are reported in conformance with generally accepted accounting principles and requirements as dictated by The Governmental Accounting Standards Board. GASB promulgates accounting principles and guidelines for financial reporting for use by State and local governments throughout the United States.

The County retains an independent certified public accounting firm for a continuous independent audit of all financial transactions of the County. The last such audit covers the fiscal year ending December 31, 2014 and is attached hereto as "APPENDIX – D" to this Preliminary Official Statement.

Accounting Practices

The County's fiscal year is a calendar year, from January 1 through December 31. The County uses the modified accrual basis of accounting for all funds except the internal service fund. Revenues are recorded when they become susceptible to accrual, meaning they are both measurable and available. Revenues not considered available are recorded as deferred revenues. Expenditures are recorded when a liability is incurred if it is expected to be paid within the next twelve months, except interest on general long-term obligations, which is recorded when due. Liabilities expected to be paid after twelve months are considered long-term. Enterprise and internal service funds use the accrual basis of accounting. Under the accrual basis, accounting transactions are recorded when the underlying economic event takes place without regard for when the cash receipt or cash disbursement takes place.

The financial affairs of the County are subject to periodic audit by the State Comptroller and the County Comptroller conducts an annual audit of the County's finances. The County has retained independent certified public accountants to audit its financial statements.

Fund Structure

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the County:

General Fund: accounts for all financial resources except those required to be accounted for in another fund. Sources of revenue include: Countywide Real Property Taxes, State and Federal Aid, Sales Tax, User Fees, etc.

Special Revenue Funds: account for revenues from specific taxes or other earmarked revenue sources, which are required by law or regulation to be accounted for in special funds. Grants, County Road Fund, Road Machinery Fund, Water, Water Environment Protection, Van Duyn, Library, ONCENTER Revenue and Community Development are included in Special Revenue Funds. The only special revenue fund considered a major fund at this time is the Water Environment Protection Fund.

Debt Service Fund: accounts for resources for payment of principal and interest on short and long-term debt.

Internal Service Fund: accounts for the financing of goods or services, on a cost reimbursement basis, provided by one department or agency to other departments or agencies within the same government or to other governments. The Insurance Fund is an internal service fund.

Trust and Agency Funds: The Agency Fund is used to account for money and property received and held by the County acting as an agent with only custodial responsibility. An asset and liability are recorded in equal amounts. Private purpose trust funds are used to account for expendable trust funds in which the trust principal and earnings thereon may be expended for the purposes of the trust. Private purpose trust funds are accounted for in essentially the same manner as the governmental funds.

Included in the Combining Statement of Onondaga County are the Component Units: Onondaga Community College, ONCENTER Management Corporation, Housing Development Fund Company, Industrial Development Agency, and Friends of Rosamond Gifford Zoo. OTASC (Onondaga Tobacco Asset Securitization Corporation), established to sell the tobacco bonds, is blended as a Non-major Debt Service Fund.

Revenues

General Fund revenues are comprised of locally-derived income and aid provided by New York State and the federal government. According to the County's 2014 audited financial statements as reported under the generally accepted accounting principles (GAAP) framework of guidelines for financial accounting, the total general fund only revenues grew from \$551.6 million in 2009 to \$627.8 million in 2014 for a total five-year increase of 13.8%. These numbers reflect the sales tax accounting pass-through adjustment, which totaled \$149.3 million in 2009 and \$85.6 million in 2014. From 2013 to 2014, general fund revenues adjusted by the sales tax accounting change increased less than 1%. Gross sales tax cash receipts for 2014 again helped to offset a reduced the property tax levy which the Legislature voted to reduce by \$7 million in 2013 but held flat for 2014 at \$140.9 million. In total dollars, State and Federal aid for 2014 were \$3 million lower than 2013 levels, but they comprised 27.4% of the total adjusted revenues in 2014, slightly below the 2013 level of 28.0%.

Local Revenue

More than half of the County's General Fund revenues derive from sales and use tax plus real property taxes and related tax items. In 2014 these revenues reported under GAAP standards combined to total \$408.5 million or 65.1% of the total General Fund revenues of \$627.8 million (adjusted by \$85.6 million for the sales tax accounting adjustment). Between 2009 and 2014, the county-wide property tax levy went from \$179.8 to \$140.9 million, a decrease over five years of \$38.9 million or 21.6%. During the same 5-year period, the County's share of sales tax revenues grew from \$128.6 to \$251.8 million, an increase of \$123.2 million or 96%. This was also up from \$245.3 million in 2013, reflecting the new sales tax sharing agreement for the ten years through December 31, 2020 and greater collections.

Expenditures

Operating Fund expenditures include all General Fund expenditures. Total general fund expenditures reported under GAAP standards increased 14.9% from \$505.1 million in 2009 to \$580.5 million in 2014 after the sales tax accounting adjustment in both years. This was only 1.0% above the 2013 level of \$576.3 million on an adjusted basis.

Fund Balance (non – GAAP)

The County Legislature has adopted a resolution of intent to maintain an unreserved General Fund balance equal to 10% of its General Fund revenues. With a commitment to restore reserves to 10% within three years, should it fall below. The County ended 2014 with its total fund balance at \$87.7 million, of which \$5 million was committed, \$14.6 million was assigned, and \$68.0 million was unassigned. Of the \$14.6 million of assigned fund balance, \$3.8 million was appropriated to balance the 2015 budget, \$3.3 million is set aside for encumbrances, and the remaining \$7.5 million was assigned to reduce property taxes and reduce future debt. This \$7.5 million coupled with the \$68.0 million of unassigned fund balance totals \$75.5 million or 11.1% of adjusted General Fund revenues. Since 1999, the County's unreserved fund balance has exceeded its 10% goal in every year except 2004. Since its adoption in December 1999, amendments to the legislation have been passed to permanently adjust the general fund calculation for the sales tax pass-thru accounting change and for pre-paid expenses. See "County Budget", herein.

Van Duyn Home and Hospital

In 2012, the County declared its intent that, after November 30, 2013, the County would be out of the business of providing skilled nursing facility services at Van Duyn Home and Hospital, the County's 513-bed skilled nursing facility. The sale of the facility is now complete. The County authorized the sale of certain real property interests to Onondaga Civic Development Corporation (OCDC) and entered into a Facility Acquisition Agreement with OCDC to sell certain real property interests of Van Duyn Home and Hospital to OCDC. OCDC resold those real property interests pursuant to a Facility Sale Agreement to 5075 West Seneca, LLC, effective November 30, 2013. Pursuant to an Operational Asset Purchase Agreement, the County sold the operating interests of Van Duyn Home and Hospital to VDRNC, LLC.

The purchase price for the real property interest was \$4,950,000, of which a \$50,000 deposit was paid in escrow to OCDC. The balance is paid to OCDC over 60 months, with payments received by OCDC to be remitted to the County. The purchase price for the operating assets was \$50,000 held in escrow and released to the County at closing. At closing the County transferred \$2 million to the buyer; the County appropriated these funds in December 2012. Remaining facility debt service, retiree and extraneous costs will be paid from the sale proceeds and remaining fund balance.

In July 2014, the Buyer prepaid the mortgage, and OCDC transferred those funds to the County.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller designates the County as "No Designation". (Fiscal Score: 18.8%)

For a complete list of municipal fiscal stress scores, visit:

For municipalities, http://www.osc.state.ny.us/localgov/fiscalmonitoring/pdf/stress_list.pdf

Note: Reference to websites implies no warranty of accuracy of information therein.

2015-2020 Capital Improvement Plan

In addition to the budget monitoring process for the operating budget, the six-year Capital Improvement Plan (“CIP”) is designed to balance the need for public facilities with the fiscal capacity of the County to provide for these needs. The CIP provides the basis for the development of reliable capital expenditure, debt service and revenue estimates, as well as impacts on future operating budgets.

In conjunction with the County’s land use plan, currently the 2010 Development Guide but soon to be replaced by the Sustainable Development Plan, a draft of which has been released for public review and feedback, the CIP serves as a general guide for the planning and construction of major capital projects facilities in the County. The County adopts a six-year capital plan, which sets forth the capital projects – both new and previously authorized, which are anticipated to be either authorized or continued in the ensuing six fiscal years. The County Legislature adopted the 2015-2020 Capital Improvement Plan on October 14, 2014.

The adoption of the capital plan does not constitute an authorization to proceed with a project nor the financing thereof. Each project must be voted on individually by the County Legislature and passed by a two-thirds majority to authorize the issuance of obligations. Accordingly, it is difficult to exactly forecast which projects and the total amount of bonds outlined by the capital plan that may be authorized by the County Legislature during 2015-2020.

The 2015-2020 Capital Plan outlined \$199.5 million of proposed general fund projects, \$193.9 million of sewer projects and \$20.2 million of water projects, for a total of \$413.6 million projected to be funded by borrowing during the 6 year period 2015-2020. The figures below estimate when the CIP Projects will be funded with County debt (000’s omitted). The table includes \$32.3 million (in 2015) from the previous years’ authorizations. If we add this amount to the total amount of borrowing in our 2015 -2020 CIP (\$413.6 million) we will have a 6 year total of \$445.93 million, if all projects are approved and undertaken.

<u>Department</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
Emergency Communications	350	3,379	502	7,300	-	3,182	14,713
Facilities Management	4,725	6,275	6,150	3,000	4,000	4,500	28,650
Parks	49,500	2,365	1,800	1,700	500	500	56,365
Finance	600	-	-	-	-	-	600
Office of Environment	-	1,019	1,199	1,199	1,203	1,203	5,823
Sheriff	-	13,350	-	-	-	-	13,350
I.T.	989	-	-	-	-	-	989
Library	2,500	-	-	-	-	-	2,500
OCC	45	17,800	3,675	9,959	2,153	-	33,632
Transportation	6,837	23,088	16,174	2,400	2,400	2,400	53,299
Metropolitan Water Board ⁽¹⁾	5,500	1,700	10,000	8,500	-	-	25,700
Water Environmental Protection ⁽²⁾	<u>21,954</u>	<u>57,865</u>	<u>51,890</u>	<u>21,000</u>	<u>17,800</u>	<u>39,800</u>	<u>210,309</u>
Totals	93,000	126,841	91,390	55,058	28,056	51,585	445,930

⁽¹⁾ While Metropolitan Water Board capital projects are financed with general obligations of the County, debt service on these obligations, in the first instance, is paid with special ad valorem levies apportioned among three zones of assessment. There is still \$16.4 million authorized/unissued after this issue for tanks and energy efficiencies.

⁽²⁾ In addition to the numbers presented above, there still remains \$79.8 million in authorized unissued debt that we plan to issue during the period 2016- 2019. Approximately half of this amount might qualify for EFC loan. Financing through EFC will provide for subsidized interest payments.

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TAX INFORMATION

Municipal Subdivisions in the County

There are 19 towns in Onondaga County as well as the City of Syracuse. Real property is assessed for taxation by local assessors in each town within the County and in the City of Syracuse and is placed on the respective tax rolls. The 2014 assessed and full valuations listed below were used to apportion the 2015 County property tax levy. Of the 20 taxing jurisdictions in Onondaga County, 15 have adopted a full market value assessment standard, representing approximately 84% of the County's full market value.

<u>Towns</u>	2014 Assessed Value for 2015 County Tax ⁽¹⁾	2014 NYS Equalization Rates (%) ⁽²⁾	2014 Municipalities Full Valuation ⁽³⁾	Percent Full Value (%)
Camillus	\$ 1,622,003,326	100.00	\$ 1,622,003,326	5.97
Cicero	2,202,637,222	100.00	2,202,637,222	8.10
Clay	150,874,391	4.33	3,484,397,021	12.82
Dewitt	2,530,451,161	100.00	2,530,451,161	9.31
Elbridge	319,628,801	100.00	319,628,801	1.18
Fabius	123,034,893	100.00	123,034,893	0.45
Geddes	857,644,756	93.00	922,198,662	3.39
Lafayette	317,594,182	97.00	327,416,682	1.20
Lysander	1,588,716,568	100.00	1,588,716,568	5.85
Manlius	2,478,636,256	100.00	2,478,636,256	9.12
Marcellus	416,842,457	100.00	416,842,457	1.53
Onondaga	1,393,181,733	100.00	1,393,181,733	5.13
Otisco	4,217,896	2.17	194,373,088	0.72
Pompey	637,154,921	100.00	637,154,921	2.34
Salina	1,738,327,854	100.00	1,738,327,854	6.40
Skaneateles	1,294,117,400	100.00	1,294,117,400	4.76
Spafford	360,691,954	100.00	360,691,954	1.33
Tully	256,401,161	100.00	256,401,161	0.94
Van Buren	681,347,257	100.00	681,347,257	2.51
Town total	<u>\$ 18,973,504,189</u>		<u>\$ 22,571,558,417</u>	83.05
Syracuse	<u>3,756,273,632</u>	81.50	<u>4,608,924,702</u>	16.95
Grand total	<u>\$ 22,729,777,821</u>		<u>\$ 27,180,483,119</u>	100.00

(1) Assessed value is the value placed on the property by town or city assessors.

(2) As a result of different assessing practices in each municipality, there is a different relationship of assessed value to full value. In order to apportion the County tax levy across jurisdictions, the different assessed values are "equalized" to full value. The 2014 equalization rates and 2014 full valuations used to apportion the 2015 adopted County property tax levy to the municipalities were established by the N.Y.S. Office of Real Property Services

(3) Full value represents the true value of a property at some prior point in time. Full value is based on actual field appraisals and surveys conducted by the N.Y.S. Office of Real Property Services, and, from that information, equalization rates were established to convert assessed value to full value.

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Full Value and County Property Tax Levy

The table below sets forth the County assessed and full valuation used for the apportionment of County taxes, the amount of the County tax levy, and the assessed and full value tax rate:

Year of Tax Levy	Assessed Value ⁽¹⁾	Total Full Value ⁽²⁾	Property Tax Levy ⁽³⁾	Tax Rate Per \$1,000 Full Value
2015	\$ 22,729,777,821	\$ 27,244,303,609	\$ 139,891,159	\$ 5.13
2014	22,540,933,339	26,924,957,719	140,891,159	5.23
2013	22,516,540,642	26,704,901,404	140,998,859	5.28
2012	22,391,182,944	26,666,826,135	148,216,571	5.56
2011	20,168,205,458	26,420,301,254	153,821,817	5.82
2010	19,980,204,538	26,148,206,733	183,997,042	7.04
2009	19,390,307,377	25,599,869,832	179,821,396	7.02
2008	18,771,577,301	24,690,825,684	179,707,960	7.28
2007	17,212,915,514	23,252,773,560	183,847,937	7.91
2006	16,564,405,146	21,412,101,056	182,353,259	8.52
2005	15,965,221,936	20,014,617,713	177,306,231	8.86

⁽¹⁾ Assessed value for the previous year is utilized for purposes of levying County taxes.

⁽²⁾ Total full value figures are calculated using the taxable assessed full value for County purposes and State Equalization rates. The amount of assessed full value takes into account properties that are partially exempt from County taxation pursuant to Real Property Tax Law, Section 458 (veterans), Section 460 (clergy), Section 464 (volunteer firemen), and Section 467 (aged). This procedure is set forth in Title 2 of Article 8 of the Real Property Tax Law. The New York State Office of Real Property Services assigns an equalization rate for the assessing jurisdictions within the County.

⁽³⁾ The County tax levy is apportioned using full value figures obtained from the municipality's preceding year assessment roll. For example, the 2015 County tax levy is apportioned using the 2014 total full value figures, which are obtained from the municipality's preceding 2014 assessment roll.

Tax Levy and Tax Collection Record

County Tax Collection Rates for Towns

Year	County Levy	First Year Unpaid ⁽¹⁾	% Unpaid Year-end	Unpaid 12/31/14	% Unpaid 12/31/14
2015	\$ 333,509,544	N/A	N/A	N/A	N/A
2014	\$ 326,463,729	\$ 10,288,148	3.15%	\$ 10,288,148	3.15%
2013	319,290,719	10,116,290	3.17	5,933,724	1.86
2012	318,555,842	10,723,425	3.37	3,353,755	1.05
2011	310,719,182	10,220,139	3.29	1,779,594	0.57
2010	284,262,783	10,440,848	3.67	924,527	0.33
2009	274,562,462	9,915,331 ⁽²⁾	3.40 ⁽²⁾	454,142	0.17
2008	268,336,983	8,365,860	3.12	298,106	0.11
2007	260,313,637	6,074,852	2.33	236,922	0.09
2006	244,920,971	5,337,994	2.18	119,062	0.05
2005	235,417,115	5,078,579	2.16	73,769	0.03
2004	230,992,385	5,012,694	2.17	83,910	0.04

⁽¹⁾ Reflects payments made through December in the year following the year of levy.

⁽²⁾ Unpaid including tax liens sold. County-only first year unpaids is \$1,889,577 (0.69%).

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County Tax Collection Rates for the City of Syracuse ⁽¹⁾

<u>Year</u>	<u>County Levy</u>	<u>First Year Unpaid ⁽²⁾</u>	<u>% Unpaid Year-end</u>	<u>Unpaid 12/31/14</u>	<u>% Unpaid 12/31/14</u>
2015	\$ 71,923,422	N/A	N/A	N/A	N/A
2014	\$ 69,503,686	\$ 5,678,080	8.17%	\$ 5,678,080	8.17%
2013	66,984,842	4,035,921	6.03	2,856,472	4.26
2012	68,683,460	4,450,687	6.48	2,162,749	3.15
2011	67,037,234	4,677,041	6.98	1,757,538	2.62
2010	69,062,961	4,892,297	7.08	1,653,836	2.39
2009	66,934,981	5,064,608	7.57	1,367,439	2.04
2008	66,311,802	4,404,469	6.64	1,191,672	1.80
2007	66,708,506	4,357,763	6.53	968,591	1.45
2006	66,718,244	4,412,782	6.61	599,492	0.90
2005	65,443,753	4,426,380	6.76	455,362	0.70
2004	66,429,007	4,644,312	6.99	503,516	0.76

(1) The City of Syracuse allows for quarterly payment of current year taxes.

(2) Reflects payments made through December in the year following the year of levy.

Accumulated County Tax Collection Rates for the County and City ⁽¹⁾

<u>Year</u>	<u>County Levy</u>	<u>First Year Unpaid ⁽²⁾</u>	<u>% Unpaid Year-end</u>	<u>Unpaid 4/30/14</u>	<u>% Unpaid 4/30/14</u>
2015	\$ 405,432,966	N/A	N/A	N/A	N/A
2014	395,967,415	15,966,228	4.03%	\$ 15,966,228	4.03%
2013	386,275,561	14,152,211	3.66	8,790,196	2.28
2012	387,239,302	15,174,112	3.92	5,516,504	1.42
2011	377,756,416	14,897,180	3.94	3,537,133	0.94
2010	353,325,744	15,333,145	4.34	2,578,363	0.73
2009	341,497,443	14,979,939 ⁽³⁾	4.22	1,821,581	0.53
2008	334,648,785	12,770,329	3.82	1,489,779	0.45
2007	327,022,143	10,432,615	3.19	1,205,513	0.37
2006	311,639,215	9,750,776	3.13	718,555	0.23
2005	300,860,868	9,504,959	3.16	529,131	0.18
2004	297,421,392	9,657,006	3.25	587,427	0.20

(1) The City of Syracuse allows for quarterly payment of current year taxes.

(2) Reflects payments made through December in the year following the year of levy.

(3) Unpays including tax liens sold. The after tax lien sale number is \$6,954,185 (2.0%).

Largest Taxpayers – 2014 Assessment Roll

<u>Name</u>	<u>Type</u>	<u>Estimated Full Valuations</u>
Niagara Mohawk	Utility	\$ 713,403,676
Verizon	Utility	143,285,927
HUB Properties Trust	Real Estate	56,351,512
Wegmans Food Market	Retail/Grocery	54,057,300
CSX	Rail Road	40,837,962
Bristol Myer Squibb	Manufacturing	39,013,800
Great Northern Mall	Retail	38,637,182
Shoppingtown Mall NY LLC	Retail	36,996,400
Aldi Inc.	Retail/Grocery	32,015,000
Buffalo Main Street LLC	Retail	30,172,877

The ten largest taxpayers listed above have an estimated full valuation of \$1,184,771,636, which represents 4.51% of the County's 2015 full value tax base used for County tax apportionment.

Source: County tax rolls.

Constitutional Tax Margin

In accordance with Section 10 of Article VIII of the State Constitution, the amount which may be raised in the County by taxes on real estate in any fiscal year for County purposes, in addition to providing for the interest on and the principal of all indebtedness, may not exceed an amount equal to 1.5 per centum of the five-year average full valuation of taxable real estate of the County, less certain exclusions as prescribed therein.

Below is a summary of the computation of the Constitutional Tax Margin for 2011 through 2015 which incorporates State adjustments for final equalization rates:

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Tax Limit	\$364,519,132	\$374,466,034	\$380,606,104	\$384,646,320	\$391,369,417
Total Additions/(Exclusions)	23,117,332	23,572,348	26,899,343	30,036,622	31,178,244
Total Taxing Power	387,636,464	398,038,382	407,505,447	414,682,942	422,547,661
Total Tax Levy ⁽¹⁾					
(subject to limit)	153,821,817	148,216,571	140,998,859	140,891,159	139,891,159
Tax Margin	233,814,647	249,821,811	266,506,588	273,791,783	282,656,502
Tax Margin %	64.14%	66.71%	70.02%	71.18%	72.22%

⁽¹⁾ Total Tax Levy is net of both credits for prior year surplus or deficit sales taxes and the town's share of sales tax used to reduce the County levy on towns.

Tax Collection Procedure

Real property taxes levied for County purposes are collected and enforced in accordance with the Onondaga County Special Tax Act. County, town, special district and re-levied unpaid village and school district taxes are levied on or about December 24, and are due through January 31 without penalty. All towns within the County, and the City of Syracuse, have the responsibility for collecting County real property taxes during the warrant period (January 1 - March 31).

Each town tax receiver is required to pay the full amount levied for town and town special district purposes to the town supervisor. The balance of collected taxes is remitted to the County's Chief Fiscal Officer. After March 31, uncollected taxes relating to property located outside the City of Syracuse becomes the responsibility of the County's Chief Fiscal Officer. The City of Syracuse retains responsibility for collecting County taxes on property within the City.

After the return of the town tax rolls to the Chief Fiscal Officer on April 1, the following penalties accrue with respect to delinquent taxes: 6% for April; 6.5% for May; 7% for June; 7.5% for July, plus \$.25 for filing a notice of lien in the office of the Chief Fiscal Officer and \$5.00 to discharge any such filed lien; and 8% for August. Delinquent taxes of the current year are advertised once each week for two weeks on or about September 1. Penalty fees for September are 8%, \$5.25 filing fee, plus a \$70.00 charge added to cover advertising and administrative expenses. On or about October 1, the Chief Fiscal Officer conducts a tax certificate sale. The County of Onondaga purchases most or all of the available tax sale certificates ("Certificates"), covering the amount of tax due, plus penalties.

A small portion of the Certificates purchased on behalf of the County are subsequently sold to private individuals. Certificates sold at the annual tax sale may be redeemed at any time within a three-year period following such sale. Interest at the rate of 12% per annum is added to the face amount of the Certificate.

In 1995, the Onondaga County Legislature passed a local law, which allowed for installment payment of delinquent property taxes that are the responsibility of the County's Chief Fiscal Officer. Provisions in the local law enable a property owner to make a 25% down payment of all delinquent taxes and finance the balance over a two year period with twenty-four equal monthly payments. This legislation followed the County enactment of the partial payment program of current year taxes in 1994. Both programs have met with overwhelming success and have played a significant role in reducing the number of properties included in the annual delinquent tax auction.

The City of Syracuse Commissioner of Finance acts as the collector of County taxes levied on real property located within the City. Prior to January 1, 1978, the City's Commissioner of Finance remitted to the County's Commissioner of Finance, now the Chief Fiscal Officer, the entirety of such county tax levy. Since 1978, however, the City's Commissioner of Finance has been remitting to the County's Chief Fiscal Officer only the amount of such County tax levy actually collected by the City. The City remains responsible for the enforcement of uncollected tax liens, and periodically, uncollected tax liens of the prior year are sold at tax sale and the proceeds of such sale are remitted to the Chief Fiscal Officer. The County maintains a reserve for uncollected taxes to provide for any deficiency in such remittance.

In 2012, the New York State Legislature enacted Article 16 of Chapter 35 of the Not-For-Profit Corporation Law (also known as the “land bank act”) in order to address growing concerns about vacant, abandoned and tax delinquent properties and to serve as a tool to return these properties to productive use. On March 27, 2012, Onondaga County and the City of Syracuse created the Greater Syracuse Property Development Corporation, a non-profit corporation, to serve as the region’s land bank. The threat of foreclosure by the City and acquisition by the land bank has resulted in increased tax collection revenue for the both the City and County. Since its creation, the land bank has acquired title to hundreds of properties and is working to ensure that properties are redeveloped in a responsible manner, by qualified developers, for purposes that benefit the surrounding community and reverse the decline of property values in blighted areas.

Payments In-Lieu of Taxes (“PILOTs”)

The County received \$2,655,087 and \$2,615,594 from payments in lieu of taxes for the fiscal years ending 2013 and 2014 respectively. Budgeted 2015 pilots are \$2,829,806. PILOTs are received from various economic development agreements negotiated by the County. Although these properties are not on the tax roll, each property has an assessed valuation determined in the same manner as real property taxes.

Onondaga County Sales Tax

In September 2004, the County raised its local sales tax rate to 4% from 3%. New York State law requires a reauthorization of local sales rates in excess of 3% every two years. Onondaga County’s “additional” 1% rate was reauthorized by the State in July 2013 for the period December 1, 2013 - November 30, 2015. The County Legislature determines the allocation of sales tax every ten years and on May 4, 2010 the County Legislature unanimously approved a sales tax sharing agreement for the years 2011-2020. This agreement covers the entire 4% local share and acknowledges the “additional” 1% rate must be reauthorized by the New York State Legislature every two years.

For 2014 the agreement essentially gave the City 24.0% of the total, while the County retained 74.6%. Towns no longer received any allocation and the Schools’ share remained at 1.4%. This new agreement along with steady overall sales tax growth increased the County’s revenues from sales taxes by \$11.3 million to \$245.3 million in 2013 and by an additional \$7 million in 2014 to \$252.2 million.

In 2014, local sales tax revenues were allocated as follows:

	3% Formula		1% Formula		Total Dollar	
	Dollar	Percent (%)	Dollar	Percent (%)	Total Dollar	Percent (%)
County	249,907,205	98.5	2,301,511	2.7	252,208,716	74.6
City	0	0.0	80,947,743	96.0	80,947,743	24.0
Schools	<u>3,697,247</u>	1.5	<u>1,053,788</u>	1.3	<u>4,751,035</u>	1.4
	\$ 253,604,452		\$ 84,303,041		\$ 337,907,494	

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the County (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the County and the Bonds, include the following:

Purpose and Pledge. Subject to certain enumerated exceptions, the County shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The County may contract indebtedness only for a County purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statutes. Unless substantially level or declining debt service is utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The County is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit. Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the County is calculated by taking 7% of the latest five-year average of the full valuation of all taxable real property.

The County has the power to contract indebtedness for any County purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the five year average full valuation of taxable real estate of the County and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the New York State Office of Real Property Services. The New York State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Statutory Procedure

In general, the New York State Legislature has authorized the power for the County to borrow and incur indebtedness by the enactment of the Local Finance Law subject, to the provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the County Charter and the General Municipal Law.

Pursuant to the Local Finance Law and its Charter, the County authorizes the issuance of bonds by the adoption of a bond resolution approved by at least two-thirds of the members of the County Legislature, the Finance Board of the County. The County Legislature has delegated to the Chief Fiscal Officer of the County the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- 1) Such obligations are authorized for a purpose which the County is not authorized to expend money; or,
- 2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action contesting such validity is commenced within twenty days after the date of such publication; or,
- 3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions, the County complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto. The County has authorized bonds for a variety of County objects or purposes.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made to reduce the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Indebtedness of the County" herein). In general, the Local Finance Law contains provisions providing the County with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes, deficiency notes and budget and capital notes.

Debt Outstanding End of Fiscal Year

<u>Fiscal Year Ending December 31st</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Bonds ⁽¹⁾	\$ 378,232,800	\$ 402,138,494	\$ 437,519,534	\$ 474,120,566	\$ 601,749,786
Bond Anticipation Notes ⁽²⁾	<u>17,383,334</u>	<u>20,000,000</u>	<u>19,529,000</u>	<u>60,387,091</u>	<u>0</u>
Total	\$ 395,615,134	\$ 422,138,494	\$ 457,048,534	\$ 534,507,657	\$ 601,749,786

⁽¹⁾ After defeasance, including tobacco bond defeasances initially totaling \$95,197,600 and \$19,919,754 in 2001 and 2005, respectively.

⁽²⁾ Does not include accrued payments from EFC or grants receivable from other sources.

Debt Management

Onondaga County has been proactive in making debt management a priority. The County actively monitors its outstanding debt, reviewing candidates for refunding. Taking advantage of the lowest interest-rate environment in forty years, the County refunded \$18.5 million of 10-year-old bonds in 2003, saving \$1.8 million through 2014. In 2009, a \$33,345,000 refunding resulted in savings of \$3.3 million over 14 years. The County refunded approximately \$21 million of its bonds in June 2012 saving \$1.9 million and \$19.6 million in June 2014 saving \$1.2 million through 2026. The County anticipates moving forward with an \$11.3 million refunding in summer 2015 with projected savings of \$0.8 million through 2027.

In 2009, the County took advantage of the available incentives and issued Build America Bonds (BAB's) and Recovery Zone Bonds (RZ's) totaling \$22.4 million. Over the 16 year life of the BAB's the County expected to realize the Federal Government's 35% interest subsidy of \$3.7 million and for the 20 years of the RZ's, a 45% subsidy totaling over \$2.3 million. The Federal Government's sequestration has eliminated a percentage of the annual subsidy beginning in March 2013 extending through September 20, 2023.

As part of the 2008 budget process, the County amended its 1999 resolution that established the 10% fund balance goal. The calculation for General Fund revenues was formally adjusted to reflect the 2006 NYS accounting change for sales tax passed-through to other municipalities. Since the County ended 2006 with its fund balance at 12.9% of General Fund revenues, the 2008 budget allocated \$8 million to fund projects for which the County had not yet borrowed. That provided approximately 15 years of \$750,000 annual tax relief. During the 2013 budget process, the County Legislature approved legislation designating \$5 million of fund balance for future debt service payments. This amount is still available for use.

Although all of the County's debt is "full faith and credit", certain of the County's general fund debt service are supported by sources outside of local tax assessments. Emergency 911 Center's debt - for its upgrades and interoperable system - is supported by the landline and wireless surcharge revenue. The County petitioned New York State and was granted an increase in its landline surcharge effective December 1, 2009 to enable continued debt service offset for its emergency communications radio equipment. New York State Office of Court Administration subsidizes interest on debt for upgrades to the County courthouse. The Community College debt is partially supported with college chargeback revenues.

The County's debt policies were formalized in 2002 and were again ratified by the County Legislature during the 2015 Budget process. The debt management goals are:

<u>Goal Statement</u> (General Fund)	<u>Numerical Goal</u>	<u>2015 Budget</u>	<u>2015 Pro-forma</u> ⁽²⁾
Debt Service/General Funds Revenue ⁽¹⁾	5.5%	4.08%	4.3%
Minimize debt service of County residents			
Maximum total net indebtedness	\$700/capita	\$507/capita	\$610/capita
Full valuation taxable property	1%	0.9%	1.08%
Rapid debt repayment –			
Retire debt within 10 years	65%	81%	69%

⁽¹⁾ Adjusted revenues to reflect the sales tax accounting change. See "Onondaga County Sales Tax", herein.

⁽²⁾ Pro forma includes the addition of the Bonds to total outstanding debt, adding subsequent year debt service to current levels. Since the information above relates to the General Fund only; the net impact of the new issues is only \$62,896,062 to the pro-forma (already calculated in the pro-forma figures).

Details of Outstanding Indebtedness

The following table sets forth the short-term and bonded indebtedness of the County as of April 30, 2015 and May 28, 2015 (Pro forma).

	Amount Amount Outstanding <u>April 30, 2015</u>	(Pro forma) ⁽¹⁾ Amount Outstanding <u>May 28, 2015</u>
Short-Term Indebtedness ⁽²⁾	\$ 0	\$ 0
Bonded Indebtedness ⁽³⁾	\$ 585,334,786	\$ 665,234,786
Total Indebtedness	\$ 585,334,786	\$ 665,234,786
Total Indebtedness after Defeasance	\$ 566,167,786	\$ 646,067,786

⁽¹⁾ Pro forma includes the addition of the new Bonds to total outstanding debt and it also considers the payments that will occur between the dates above.

⁽²⁾ Drawdown of EFC grid notes.

⁽³⁾ See "Bonded Indebtedness as of April 30, 2015", below.

Bonded Indebtedness as of April 30, 2015

<u>Bond Issue</u>	<u>Date of Bonds</u>	<u>Interest Rate ⁽¹⁾</u>	<u>Amount Outstanding</u>
General Obligation (Serial) Bonds, 2006 Series A	11/14/2006	3.750-5.000%	1,875,000
General Obligation (Serial) Bonds, 2007 Series A	12/19/2007	4.000-5.000%	16,150,000
General Obligation (Serial) Bonds, 2009 Series A	3/5/2009	3.000-5.000%	40,950,000
General Obligation (Serial) Bonds, 2010 Series A (Tax Exempt)	6/29/2010	4.000-5.000%	17,150,000
General Obligation (Serial) Bonds, 2011	6/29/2011	2.000-5.000%	29,175,000
General Obligation (Serial) Bonds, 2012	6/28/2012	3.000-5.000%	47,925,000
General Obligation (Serial) Bonds, 2013	6/28/13	4.000-5.000%	67,870,000
General Obligation (Serial) Bonds, 2014	6/27/14	2.5000-5.000	34,800,000
General Obligation Refunding (Serial) Bonds, 2012	7/11/2012	2.000-5.000%	13,055,000
General Obligation Refunding (Serial) Bonds, 2014	7/14/14	2.000-5.000%	19,320,000
General Obligation Refunding (Serial) Bonds, 2009	12/3/2009	3.000-5.000%	16,050,000
General Obligation (Serial) Bonds, 2010 Series B Federally Taxable Build America Bonds	6/29/2010	4.250-5.150%	17,570,000 ⁽¹⁾
General Obligation (Serial) Bonds, 2010 Federally Taxable Recovery Zone Bonds	6/29/2010	5.500-5.900%	4,905,000 ⁽²⁾
NYS EFC Series 2000	3/9/2000	4.080-5.990%	465,000 ⁽³⁾
NYS EFC Series 2001A	3/8/2001	3.430-5.130%	3,055,000 ⁽³⁾
NYS EFC Series 2001B	7/26/2001	2.619-5.154%	830,000 ⁽³⁾
NYS EFC Series 2002A	3/14/2002	1.362-4.982%	727,882 ⁽³⁾
NYS EFC Series 2002G	7/25/2002	1.533-5.795%	7,975,000 ⁽³⁾
NYS EFC Series 2003A	3/13/2003	1.031-4.711%	420,000 ⁽³⁾
NYS EFC Series 2003F	7/14/2003	0.721-4.500%	2,070,936 ⁽³⁾
NYS EFC Series 2004D	7/22/2004	1.581-4.964%	5,230,000 ⁽³⁾
NYS EFC Series 2005A	3/3/2005	1.564-4.399%	9,630,000 ⁽³⁾
NYS EFC Series 2005B	7/14/2005	2.489-3.9995	3,015,000 ⁽³⁾
NYS EFC Series 2006C	7/13/2006	3.626-4.861%	32,870,000 ⁽³⁾
NYS EFC Series 2007D	7/1/2007	3.630-4.789%	30,075,000 ⁽³⁾
NYS EFC Series 2008A&B	6/19/2008	4.270%	1,210,000 ⁽³⁾
NYS EFC Series 2010C	5/1/2010	0.286-4.226%	2,370,000 ⁽³⁾
NYS EFC Series 2011C	6/1/2011	0.281-4.113%	13,665,000 ⁽³⁾
NYS EFC Series 2012B	5/24/2012	0.445-4.169%	10,960,000 ⁽³⁾
NYS EFC Series 2012E	10/7/2012	0.269-3.539%	3,760,000 ⁽³⁾
NYS EFC Series 2014B	7/2/2014	0.1815-4.292%	128,800,968 ⁽⁴⁾
NYS EFC Series 1998	3/15/1998	3.750-5.200%	<u>1,410,000</u> ⁽⁴⁾
Total Serial Bonds Outstanding as of April 30, 2015 ⁽⁴⁾			\$585,334,786

⁽¹⁾ Represents Build America Bonds which will receive up to a 35% federal interest subsidy. In Federal fiscal year ending 2013 and 2014 the subsidy expected was reduced by 8.7% and 7.2%, respectively. Reductions are expected through Federal fiscal year ending 2023. The amount of reduction will be announced annually prior to the end of the preceding fiscal year.

⁽²⁾ Represents Recovery Zone Bonds which will receive up to a 45% federal interest subsidy. In Federal Fiscal Year ending 2013 and 2014 the subsidy expected was reduced by 8.7% and 7.2%, respectively. Reductions are expected through Federal fiscal year ending 2023. The amount of reduction will be announced annually prior to the end of the preceding Federal fiscal year.

⁽³⁾ NYS Environmental Facilities Corporation (Onondaga County portion). Interest expense is subsidized by the New York State Revolving Loan Fund Program for Clean Water.

⁽⁴⁾ As of April 30, 2015, \$14,888,000 is defeased with proceeds from Tobacco Bonds. The defeased amount is not part of the total above.

Estimate of Obligations to be Issued

After this issue, there will be \$11.5 million of general purpose financing that is authorized and unissued. Approximately \$10.1 million of those projects are contemplated for financing in 2016. The County has received an allocation to issue \$3.2 million in Qualified Energy Conservation Bonds (QECBs), taxable bonds offering up to 70% federal interest subsidy. The County may issue \$2,650,000 of these bonds to partially finance energy initiatives in 2015.

The County has obtained and is continuing to pursue low-interest financing from the State through the Environmental Facilities Corporation (EFC) for various sewer improvements including those relating to the Onondaga Lake Amended Consent Judgment (ACJ). The County has financed \$333 million in projects with EFC long-term financing bonds. The EFC's short-term zero-interest loan program is an attractive source of funding that the County takes advantage of. When available, short-term financing is used for up to three years during construction before permanent grant and subsidized loan funding is obtained. Stimulus funds (American Recovery and Reinvestment Act "ARRA" funding) are included in the short-term financing and is resulting in \$11.8 million in loan forgiveness. After the EFC 2014 financings, the remaining amount authorized and unissued is \$22 million for ACJ purposes.

EFC has been proactive and in 2011- 2014 refinanced several of its issuances that the County participated in, resulting in lower interest rates in 2011 and subsequent years.

Rate of Principal Retirement

The following table represents the net amounts and percentage of principal of general obligation long-term debt to be retired over the following periods.

Fiscal Years Ending December 31 st	Accumulated Term	Total Amount ⁽¹⁾	Percent Retired (%)	Accumulated Percentage (%)
2016 – 2020	5 Years	\$ 107,210,064	51%	51%
2021 - 2025	10 Years	70,707,200	33	84
2025 – 2030	15 Years	29,153,700	14	98
2031 – 2034	20 Years	<u>4,626,000</u>	2	100
Total		\$ 211,696,964		

⁽¹⁾ Represents only General Fund long-term debt.

Calculation of Total Net Indebtedness (As of April 30, 2015)

The following table sets forth the debt limit of the County and its debt-contracting margin as of April 30, 2015:

5-Year Average Full Valuation of Taxable Real Property	\$ 26,091,294,438
Debt Limit-7% thereof ⁽¹⁾	1,826,390,611

Outstanding Indebtedness:

Bonds	\$ 600,214,786
Bond Anticipation Notes.....	<u>0</u>
Outstanding Gross Indebtedness.....	\$ 600,214,786

Less Exclusions:

Appropriations ⁽²⁾	\$ 11,081,000
Sewer Debt (Bonds) ⁽³⁾	333,898,114
Sewer Debt (Notes) ⁽³⁾	0
Water Debt (Bonds) ⁽⁴⁾	27,622,182
Defeased Bonds ⁽⁵⁾	<u>14,880,000</u>
Total Exclusions	\$ 387,481,296

Total Net Indebtedness ⁽⁶⁾ \$ 212,733,490

Net Debt-Contracting Margin \$ 1,613,657,121

Percentage of Debt-Contracting Power Exhausted. 11.65%

⁽¹⁾ The Debt Limit of the County is computed in accordance with the provisions of Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law.

⁽²⁾ Appropriations from adopted 2015 Budget on principal for indebtedness not otherwise excluded.

⁽³⁾ Pursuant to Section 124.10 of the Local Finance Law

⁽⁴⁾ Pursuant to Section 136.00 of the Local Finance Law.

⁽⁵⁾ Debt defeased with Tobacco Revenue Bonds in August 2001 and November 2005.

⁽⁶⁾ The issuance of the Bonds will increase the total net indebtedness of the County by \$62,296,062.

Bonded Debt of Political Subdivisions Within The County

The approximate gross bonded debt of political subdivisions within the County is as follows:

City of Syracuse including the City School District (as of May 31, 2014)	\$ 403,211,986
Other School Districts (as of June 30, 2014)	501,801,641 ⁽¹⁾
Towns (as of December 31, 2013)	73,568,234
Villages (as of May 31, 2014)	43,674,419
Fire Districts (as of December 31, 2013)	<u>19,609,974</u>
Gross Total	<u>\$ 1,041,866,254</u>

The approximate amount of the above gross bonded debt, which is excludable from various debt limitations, is as follows:

State Aid - Support of School Bonds	\$ 459,510,980 ⁽²⁾
Town Water & Sewer Bonds	11,701,745
Village Water & Sewer Bonds	1,163,600
City of Syracuse	<u>179,492,749 ⁽³⁾</u>
Total Excludable	<u>\$ 651,869,074</u>
Net Bonded Debt	<u>\$ 389,997,180</u>

- (1) Does not include Revenue or Tax Anticipation Notes. Does include \$40,615,000 bonds refunded to align debt service with building aid payout schedules and/or issued as advance refunding bonds to realize present value savings.
- (2) Includes \$47,200,000 State Building Aid applicable to Syracuse City School District as well as \$41,420,000 bonds refunded to align debt service with building aid payout schedules and/or issued as advance refunding bonds to realize present value savings.
- (3) Includes Debt Reserves comprised of funds received from the sale of Parking Garage Facilities which have outstanding bonds and reserves for special assessment debt (\$4,799,671), Water Debt (\$68,191,237), Revenue Anticipation Notes (\$80,400,000), refunded bonds (\$22,285,000), and appropriations not otherwise excluded (\$3,816,841).

Debt Ratios

The following table sets forth certain ratios related to the County's indebtedness as of April 30, 2015 and pro forma:

	As of April 30, 2015			Pro forma at May 28, 2015 ⁽¹⁾		
	Amount of Indebtedness	Per Capita ⁽²⁾	% of Full Valuation ⁽³⁾	Amount of Indebtedness	Per Capita ⁽²⁾	% of Full Valuation ⁽³⁾
Gross Direct Indebtedness ⁽⁴⁾	\$ 600,214,786	\$ 1,281.97	2.20%	\$ 680,114,786	\$ 1,452.63	2.50%
Net Direct Indebtedness ⁽⁴⁾	\$ 212,733,490	454.37	0.78	292,633,490	625.02	1.07
Gross Direct plus Net Underlying Indebtedness ⁽⁵⁾	\$ 990,211,966	2,114.95	3.63	1,070,111,966	2,285.61	3.93
Net Direct plus Net Underlying Indebtedness ⁽⁵⁾	\$ 602,730,670	1,287.35	2.21	682,630,670	1,458.00	2.50

- (1) Pro forma includes the addition of the Bonds to total outstanding debt and adding subsequent year debt service to current levels.
- (2) The County's 2014 population is 468,196 according to the U.S. Census. (See "THE COUNTY – Population Trends" herein.)
- (3) The County's full valuation of taxable real estate for 2015 is \$27,244,303,609. (See "Municipal Subdivisions in the County" herein.)
- (4) See "Calculation of Total Net Indebtedness (as of April 30, 2015)" herein.
- (5) The County's applicable share of net underlying indebtedness is \$389,997,180. (See "Bonded Debt of Political Subdivisions within the County" herein.)

Bonded Debt Service

A schedule of Bonded Debt Service, including principal on the Bonds, may be found in "APPENDIX – B" to this Official Statement.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. Each Bond when duly issued and paid for will constitute a contract between the County and the holder thereof. Under current law, provision is made for contract creditors of the County to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the County upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the County may not be enforced by levy and execution against property owned by the County.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as the County, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Bonds should the County be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Bonds to receive interest and principal from the County could be adversely affected by the restructuring of the County's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the County (including the Bonds) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the County under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

State Debt Moratorium Law. There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the County

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “NATURE OF OBLIGATION” and “State Debt Moratorium Law” herein.

No Past Due Debt. No principal of or interest on County indebtedness is past due. The County has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Bonds. The following is a discussion of certain events that could affect the risk of investing in the Bonds. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial and economic condition of the County as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the County’s control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the County to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds could be adversely affected.

The County is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the County, in any year, the County may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the County. In some years, the County has received delayed payments of State aid which resulted from the State’s delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also “FINANCIAL STRUCTURE - State Aid”).

There are a number of general factors which could have a detrimental effect on the ability of the County to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the County. Unforeseen developments could also result in substantial increases in County expenditures, thus placing strain on the County’s financial condition. These factors may have an effect on the market price of the Bonds.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and other debt issued by the County. Any such future legislation would have an adverse effect on the market value of the Bonds (See “TAX EXEMPTION” herein).

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the County and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the County and hence upon the market price of the Bonds. See “TAX INFORMATION – Tax Levy Limitation Law” herein

LITIGATION

The County is subject to a number of lawsuits in the ordinary conduct of its affairs. The County does not believe that these suits or any other existing or threatened suits individually, or in the aggregate, will have a material adverse effect on the financial condition of the County. Set forth below is a discussion of the County’s insurance against certain risks of loss and a summary of larger claims brought against the County.

Self-Insurance

The County has elected to self-insure certain risks of loss, including workers' compensation, all liability risks and certain physical damage risks. The County's self-insurance program also provides certain medical benefits to all active and retired employees, which is administered by a third-party. In addition, to limit self-insurance exposure, the County has purchased an Excess Liability Insurance Policy, subject to certain exclusions, for claims in excess of the County's self-insured retention of \$2,000,000. Since 1996, the County has contracted out the administration of its workers' compensation program. The County has established an internal service fund to account for all self-insurance activities, including liability judgments. The fund is supported by annual budget appropriations, which are charged back to the specific departments.

Tax Certiorari Claims

There are a number of tax certiorari proceedings pending involving properties that are subject to the levy of County taxes. The plaintiffs in these matters have asserted that their properties are over-assessed and are seeking assessment reductions. A refund of excess taxes is also generally requested. Tax certiorari claims are administered by the City of Syracuse and by the towns, which assess property in the County. Historically, certiorari claims have been settled through negotiations, resulting in amounts, at times, substantially less than originally claimed. Many settlements provide for future adjustments with no direct outlay of money. The County, however, is responsible for the County portion of any certiorari tax refunds. The County's certiorari claims for 2010 through 2014 were \$459,255, \$193,919, \$452,897, \$292,161 and \$530,864 respectively. The County has not found it necessary to borrow funds for tax certiorari refunds since budgeted amounts, together with other available funds, have been sufficient to meet such requirements.

Onondaga Lake

On January 20, 1998 Onondaga County entered into an Amended Consent Judgment (“ACJ”) with the New York State Department of Environmental Conservation (“DEC”) and the Atlantic States Legal Foundation (“ASLF”) to settlement of litigation commenced in 1988 which alleged violations of the Clean Water Act in the discharge of wastewater into Onondaga Lake from the Metropolitan Sewage Treatment Plant (“Metro”) and combined sewer overflow (“CSO”) outfalls. The settlement set forth a plan of required upgrades and other measures to address bacteria, ammonia and phosphorus in lake waters contributed to by said discharges. The ACJ was filed in the U.S. District Court for the Northern District of New York.

Under the ACJ, the County has been required to undertake a number of capital projects and related monitoring activities intended to meet the effluent limits specified therein. Construction of these ACJ projects commenced in 1998. To date, over 30 ACJ projects have been completed. These projects have focused on abatement of overflow from combined sewers in portions of the consolidated sanitary district and the reduction of effluents primarily from Metro. The entire ACJ program was expected to be completed within the final ACJ milestone date of January 1, 2012. However, in 2008, the ACJ parties agreed to extend the final major milestone dates for the Clinton and Harbor Brook CSO projects from January 1, 2012 to January 1, 2013 and to complete a review process on these and related CSO projects remaining to be completed under the ACJ. The review included extensive analysis of the use of green infrastructure technologies as alternatives to the current ACJ planned projects and the impacts of the use of these green technologies on the need for and sizing of collection, treatment and storage (gray) facilities when they are installed upstream of CSO discharges. The analysis illustrated the benefits of a gray/green program.

In September of 2009, the parties presented to the U. S. District Court Judge for the Northern District of New York, proposed amendments to the ACJ (the Fourth Stipulation to the ACJ). The modifications were endorsed by the United States Environmental Protection Agency (“EPA”) and the Department of Justice (“DOJ”). The Onondaga Nation and a number of community groups that had opposed implementation of the remaining ACJ CSO projects expressed strong support for the modifications. The modifications to the ACJ, approved by the United States District Court for the Northern District of New York on November 16, 2009, replace the current CSO program with a combination of gray and green infrastructure programs to be implemented in phases and completed by December 31, 2018. The revised program requires 95% system wide annual average wastewater volume capture by more environmentally beneficial methods. Projects incorporating these methods, as outlined above, are commonly referred to as “gray” and “green” projects.

The 1998 ACJ also required the County to comply with very stringent Stage III phosphorus limits set at .02 mg/l. Water quality improvements realized by implementation of the Stage II phosphorus upgrades and compliance costs to construct facilities capable of meeting the Stage III phosphorus limits resulted in a reassessment of the need to comply with the very stringent limit. Data collected by DWEPP through the ACJ-mandated Ambient Monitoring Program from 2007 through 2011, and the result of studies required to be performed by the County pursuant to the Fourth Stipulation and Order enabled the County to aggressively explore attainment of the ACJ effluent goals without implementing additional major upgrades at Metro or diverting the Metro effluent to the Seneca River. These efforts built upon the Fourth Stipulation and Order provisions requiring additional studies to enable the State to make a more informed decision on the need for additional phosphorus limit reductions at Metro.

The additional studies focused on developing data and approaches to support alternative means of compliance and reviewing the potential benefits and costs of going forward or seeking relief from Stage III compliance standards. The studies required by the Fourth Stipulation and Order included:

- a) A study to determine the extent to which the phosphorus currently discharged by Metro is a readily available source of aquatic plant nutrient;
- b) An additional hydrologic study to assist in evaluating the impact that phosphorus from Onondaga Creek has on Onondaga Lake;
- c) An evaluation of potential additional opportunities at Metro to further maximize the plant’s current capacity to more effectively remove phosphorus and a commitment to implement any resulting recommendations; and
- d) A further evaluation of available technologies that could be used to reduce phosphorus discharges from Metro, including implementation feasibility, costs and applicable implementation time frames.

A July 2007 engineering report on ACJ Pilot Project for meeting Stage III phosphorus limits indicated that construction of facilities needed to approach those limits could exceed \$146 million. Studies completed by OCDWEP in 2011 to evaluate optimization of the Metro plant to more reliably meet the current .1 mg/l phosphorus limit, and to evaluate the current limit of technology for further reducing phosphorus effluence to meet the ACJ goal of a .02 mg/l phosphorus limit for a continued in-lake discharge produced planning level capital cost estimates that ranged from \$6 million for implementation of the proposed optimization program to an estimated \$900 million for construction of a reverse osmosis facility, all exclusive of post construction operation and maintenance costs. An evaluation of the water quality benefits of constructing advanced treatment facilities or diverting all or a portion of Metro’s flow to the Seneca River indicated that water quality improvements to be realized from such undertakings appear to be marginal and thus not justified by the costs

In March 2012, the NYSDEC released draft phosphorus TMDL that incorporated the results of the studies conducted pursuant to the requirements of the Fourth Stipulation and Order and the approved Onondaga Lake Water Quality Model. The draft TMDL confirmed that significant investments in capital projects to meet the 0.02 mg/l final effluent limit for phosphorus would not yield significant additional phosphorus related water quality improvements and incorporated recommendations that the County proceed with plans to optimize current phosphorus treatment technology and bypass reduction efforts. The draft TMDL recommended that the current Metro interim effluent limit of 0.1 mg/l, based on a twelve month rolling average be confirmed as the final effluent limit. After a 30-day period of public comment the NYSDEC adopted the draft TMDL as the recommended final TMDL and submitted it to the Environmental Protection Agency (EPA) for Review

On June 29, 2012, the EPA approved the TMDL. OCDWEP estimates that the cost of complying with the optimization and bypass reduction program required to assure that phosphorus discharges from Metro remain below the maximum loadings to the Onondaga Lake allowed by the TMDL will be in the range of \$34.4 million. It is worth noting that these costs include an estimated \$20.2 million bypass reduction project also required to enable the Metro plant to comply with revised effluent limits for chlorine residuals

In its 2013 Annual Report regarding ACJ compliance, required to be delivered to the NYSDEC on April 1, 2014, the County reported compliance with all major construction milestones and all required CSO capture milestones.

FINANCIAL CONSIDERATIONS: OCDWEP has advised that in today's dollars, the estimated cost of the improvements and studies required by the revised ACJ is \$695.4 million, excluding interest expenses.

All regulatory mandates associated with the 2009 ACJ amendment have thus far been met and all necessary approvals have been received including conditional of approval for the CSO Floatables Facilities Plan. Construction continues for several large-scale CSO projects, including Clinton CSO Storage, Harbor Brook CSO Storage, (both in the performance evaluation phase) and CSO 003 and 004 Conveyances; all have been placed into operation within compliance due dates. Planning level costs are known for the majority of all other ACJ projects (including green infrastructure). Construction of the 063 conveyance project has also commenced.

Planning-level costs for optimizing Metro WWTP phosphorus treatment have been identified, as have the costs for complying with the revised bacteria and associated chlorine residual limits for the METRO bypass outfall which will also contribute to achievement of the phosphorus TMDL allocation for METRO. The phosphorus optimization project has a current estimated cost of 14.2 million. The bacteria/chlorine project has a current estimated cost of \$20.2 million. These efforts shall serve to further assist Onondaga County in consistently complying with the newly issued Metro WWTP SPDES permit – which was modified to reflect NYSDEC's recently promulgated Total Maximum Daily Load (TMDL) for phosphorus for Onondaga Lake (June 2012) as well as revised disinfection requirements.

The State has appropriated \$74.9 million of the Clean Water/Clean Air Environmental Bond Act funds for projects covered under the ACJ. In addition to aid through the Environmental Bond Act, based on pledges by state officials, the County also planned on receiving approximately \$85 million in supplemental funding over the 15 years of the project as initially scheduled in the 1998 ACJ. To date, 88million has been received from other New York State sources. The federal government has already appropriated \$122.6 million in federal funds (inclusive of assistance from the U.S. Army Corps of Engineers). The Harbor Brook project received ARRA funds of \$11.8 million in loan forgiveness. In addition, the County has received \$13.8 million in funds from other sources (City and the Niagara Mohawk Power Corporation (now National Grid) and has cash on hand of \$9.1 million.

To date, the County has closed on \$258.1 million in EFC long term loans to fund lake projects. The County anticipates \$117.4 million in local funding for the gross capital costs associated with the ACJ in its Capital Improvement Plan.

It is anticipated that once the ACJ CSO projects have been completed, discharges from County facilities will not cause or contribute to alleged bacteria exceedences in Onondaga Lake unless applicable standards have been made more restrictive. However, despite the signing and approval of the Fourth Stipulation, in the event that the ACJ projects do not bring the County into compliance with applicable water quality standards, the County could be required to undertake additional measures.

Onondaga Nation Land Claim

In March 2005, the Onondaga Nation (the "Nation") filed suit against the County and others over the ownership of land in Onondaga County, parts of which include most of the City of Syracuse and/or lands adjacent to Onondaga Lake (the "Lake"). Pursuant to §10 of the State Law, the State is obliged to provide representation for defendants in Indian land claim actions. Former Governor Pataki appointed the law firm of Goodwin Proctor to represent Onondaga County and its co-defendants in the land claim action, at the expense of the State. In Cayuga Nation of New York v. Pataki, the United States Court of Appeals for the Second Circuit applied the doctrine of laches to dismiss the Cayuga Indian land claim. The United States Supreme Court has declined to certify an appeal from that decision. In August 2006, the State and counsel for Onondaga County and other non-state defendants made a motion to dismiss based primarily upon the Cayuga decision and the Onondaga Nation has responded to that motion. The motion was heard in September 2007, and decided in favor of all defendants in 2010. On January 4, 2013 the United States Court of appeals for the Second Circuit affirmed the District Court's dismissal of the claim. In October 2013, the United States Supreme Court refused to grant the Nation's Petition for Certiorari, thereby ending the litigation.

CERCLA Claims

Onondaga Lake is a New York State-owned waterway held in trust by the State. In 1989, the State of New York initiated litigation against AlliedSignal, which resulted in a Consent Decree in 1992 pursuant to which AlliedSignal agreed to conduct an extensive remedial investigation of industrial contaminants in Onondaga Lake and portions of the Geddes Brook/Nine Mile Creek system.

In 1994, the Onondaga Lake sediments were listed in the National Priorities List (NPL) as a Superfund Site under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA").

Also, in 1994, AlliedSignal commenced a contribution action against the County contending that the County may be liable for some share of any CERCLA and other response costs, as well as an unspecified percentage of any natural resources damages, which ultimately may be assessed against AlliedSignal. As such, AlliedSignal contended that the County is a potentially responsible party ("PRP"). AlliedSignal merged with Honeywell International, Inc. in 1999 and now operates under the Honeywell name.

On August 6, 2004, pursuant to a settlement, Honeywell agreed to withdraw its lawsuit against the County with prejudice. By its terms, the settlement creates a contingent liability, which requires the County to pay a total sum of \$1 million if, and only if, Honeywell spends more than \$200 million in mercury-related remediation in Onondaga Lake within twelve years of entry of the settlement. Honeywell has not formally advised the County as to whether such remediation costs have exceeded \$200 million.

On July 1, 2005, the State issued a Record of Decision outlining the selected remedies for Onondaga Lake. In September 2005, the NYSDEC notified the County and sixteen other entities that the State and the Environmental Protection Agency (“EPA”) had incurred oversight costs with respect to the Onondaga Lake NPL site in the amount of \$16 million. Thereafter, the County and others entered into Tolling Agreements with the NYSDEC, which suspended the running of any applicable statute of limitation pending negotiations. The present tolling agreement runs to June 30, 2015.

In October 2006, the State and Honeywell submitted to the U.S. District Court for the Northern District of New York a proposed Consent Decree, which was approved on January 4, 2007. The Consent Decree requires Honeywell to implement the agreed remediation plan within nine years. Documents accompanying the proposal estimate Honeywell’s cost of implementing the agreed plan for remediation at \$451 million.

In early 2007, Honeywell and the State requested that the court extend the time for selection of a remedy for the Geddes Brook/Nine Mile Creek site for an additional two years. On or about November 19, 2008, New York State released a Proposed Remedial Action Plan (“PRAP”) for Operable Unit 1 (OU1) of the Geddes Brook/Nine Mile system, a sub-site of the Onondaga Lake Superfund Site. The PRAP describes OU1 as extending upstream in Nine Mile Creek, from a point approximately 3,000 feet upstream of Onondaga Lake to a point approximately 600 feet upstream of Nine Mile Creek’s confluence with Geddes Brook. OU1 also includes a portion of Geddes Brook from Geddes Brook’s confluence with Nine Mile Creek upstream to Geddes Brook’s confluence with the West Flume, an artificial water body which was part of the Allied complex. In January 2011, New York State and Honeywell reached an agreement for the clean-up of areas in and around Geddes Brook and Nine Mile Creek, to be completed by 2014. It appears that Honeywell has substantially complied with this deadline.

On October 31, 2008, the EPA and the NYSDEC served a Demand for Payment letter upon seventeen PRP’s, including the County. The Demand letter addressed to the County identifies the County’s PRP status as related to the Town of Salina Landfill, a sub-site of the Onondaga Lake NPL site. The agencies demand reimbursement of CERCLA-related oversight costs in the amount of \$12,498,818.63. The County disclaims liability and has identified a number of defenses. Further, in 2008 the County and Town of Salina arrived at an agreement whereby the Town released the County from all claims with respect to past County activities at the Town of Salina Landfill in exchange for the County accepting leachate from the site. Should the relevant parties reach a negotiated settlement; the County will address with the Town the extent to which the oversight costs are covered by the release and indemnification provision of this agreement.

Settlement negotiations of the EPA and NYSDEC demands are continuing. These negotiations have been complicated by the bankruptcy proceedings instituted by Crucible Specialty Metals and General Motors, two principal PRPs. The County filed claims in these proceedings.

In November 2009, the County filed a claim in the Crucible bankruptcy proceeding, contending, inter alia, that the debtor and the trustee in bankruptcy remain statutorily obligated to provide for the post-closure care and maintenance of the landfill, which obligation must be satisfied from the proceeds of the debtor’s estate. In August 2010, the State and the Crucible Estate in Bankruptcy settled the State’s claim under the Resource Conservation and Recovery Act. Post-closure care costs and the County’s claim were dismissed as duplicative.

By letter dated October 30, 2009, the EPA requested that the County and other alleged PRPs enter into negotiations with the EPA to conduct a Remedial Investigation and Feasibility Study (“RIFS”) of the Lower Ley Creek site, beginning at the Route 11 bridge (a.k.a. Brewerton Road) and ending downstream at Onondaga Lake. Subsequently, the EPA completed the RIFS and, based on the results, issued a Record of Decision on September 30, 2014. The estimated costs for the selected remedy range from \$17,662,400 to \$25,271,000. By letter received March 3, 2015, EPA requested that the County participate in negotiations with the EPA and other PRPs for the preparation of the remedial design. It is estimated that the remedial design portion of the work will cost between \$2 million to \$3 million.

The County filed a claim to recover costs that may be incurred as a result of the EPA’s demands in the General Motors Liquidation bankruptcy proceedings. By Agreement, the County’s claim was included within the larger reserve for Federal unsecured claims in an amount of no less than \$70 million to address the County’s Lower Ley Creek Claim. In June 2012, the United States and the General Unsecured Creditor trust reached a settlement of \$39,103,434 to resolve the claims brought by the United States and the State of New York for an allowed general unsecured claim for both the United States and the State of New York for Lower Ley Creek, of which the allowed general unsecured claim of the United States for oversight costs is \$896,556. In its filings in support of the settlement the United States has very preliminarily estimated the cleanup costs for Lower Ley Creek in the neighborhood of \$46 million.

The County has been advised by the United States that the United States has received approximately \$22 million dollars in the initial distribution. The County is prepared to assert defenses to claims for contribution.

By letter dated March 11, 2010, the EPA advised National Grid of the Agency's determination to designate National Grid as a PRP with respect to the Onondaga Lake Superfund site due to releases from property formally owned by Niagara Mohawk Power Corp., National Grid's predecessor in interest, at 600 Hiawatha Boulevard. The EPA alleges that the property is contaminated with hazardous substances generated by Niagara Mohawk in the course of operating a manufactured gas plant. In 2001, the County acquired the property from Niagara Mohawk. Therefore, the EPA's letter advised National Grid and the County that the agency was evaluating whether to list the County as a PRP as well. Pursuant to an agreement between the County and Niagara Mohawk at the time of transfer of the property, the County contends that National Grid, as successor in interest to Niagara Mohawk, retains liability for the site. By letter dated March 25, 2010, the County gave National Grid notice of a potential claim as required by the agreement. According to the PRAP released by New York State in February 2015, National Grid is the only listed PRP.

WASTEBEDS 1-8: Located on the southwest shore of Onondaga Lake, the County acquired Wastebeds 1-6 from the State of New York in the early 1980's. Wastebeds 7-8 are comprised of the adjoining State Fair parking lots. This site is covered by the terms of the settlement between Onondaga County and Honeywell and as such the County contends that ownership of this site should not generate additional potential liability for the County. It is the County's position that any liability that the County might otherwise have as the current site owner has been fully addressed in the Stipulated Judgment resolving Honeywell's contribution action against the County. It is worth noting that in December 2014, NYSDEC issued a Record of Decision approving the remedy for Wastebeds 1-8. The County plans to construct an Amphitheater on Lakeview Point, which is primarily located within Wastebeds 5 and 6. Any construction would take place in conjunction with implementation of the selected remedy.

MURPHY'S ISLAND: This is a site along Onondaga Lake acquired by the County in the early 1980's for use as park land. The site is now the subject of a RIFS being conducted by Honeywell to determine the extent of CERCLA related contamination and remedial options. In 2011, the Onondaga County Legislature passed a memorializing resolution expressing the desire to enter into discussions with the Onondaga Nation at some point in the future to explore the transfer of the site to the Nation. The Resolution has recently been cited as a basis by the EPA and NYSDEC to request that Honeywell revise a Human Health Risk Assessment to address the site's potential for use for farming, hunting and gathering. Honeywell has advised the County that it is willing to revise the report, but that its studies of the site have led the company to conclude that no contaminants now present at the site are related to Honeywell's past industrial operations. However, the NYSDEC has disputed this assertion.

ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

In November, 1990 OCRRA assumed responsibility for solid waste management for all of Onondaga County except the Town and Village of Skaneateles. The solid waste management system was to consist of a waste to energy facility, an in-county landfill, an active recycling program and compost sites. Covanta Onondaga LLP was retained to build and operate the facility for twenty years. The Agency executed delivery agreements with all thirty-three member municipalities wherein they agreed to direct waste from their communities to the OCRRA System.

In order to construct and implement the OCRRA WTE facility and purchase System assets, \$184 million in bonds were issued in 1992. These bonds were refinanced in 2003 consisting of \$82 million in senior lien debt and \$30 million in subordinate lien debt. The senior lien debt will be defeased by May, 2015. The subordinate lien debt continued to accrue and would have been the responsibility of the party who receives the income from the WTE facility after May, 2015 and would have been defeased by 2022.

In November, 2014 OCRRA and Covanta entered into an extension of the 1990 Service Agreement under which Covanta will continue to operate the plant and be the beneficial owner for tax purposes while OCRRA retains legal ownership. The Agency will assume responsibility for the subordinate lien bonds, which have accrued with interest to about \$43 million and will, in 2015, refinance same. OCRRA will also issue about \$15 million in additional revenue bonds to finance capital projects at the WTE facility.

The OCRRA bonds continue to be secured by the new delivery agreements that the member municipalities recently signed with OCRRA. Both by State legislation and agreement, the County is not liable for OCRRA debts. As an additional means of securing these revenues, OCRRA has secured contracts with major haulers operating in the member municipalities requiring the haulers to deliver waste to OCRRA. These contracts expire at the end of 2015.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political

subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel for the Bonds is set forth in “APPENDIX – E”, hereto.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The County has made certain representations and covenanted to comply with certain restrictions designed to insure that interest on the Bonds will not be included in gross income for federal income tax purposes. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of the representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon, in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposal, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the County or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The County has covenanted, however, to comply with the requirements of the Code.

Bond Counsel’s engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the County or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the County and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the County legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, of the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the County or Beneficial Owners to incur significant expense.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel. Bond Counsel’s opinion will be in substantially the form attached hereto as “APPENDIX - E.”

FINANCIAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the “Financial Advisor”) serves as an independent financial advisor to the County on matters relating to debt management. The Financial Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Financial Advisor has provided advice as to the plan of financing and the structuring of the Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the County and other sources of information believed to be reliable. The Financial Advisor has not audited, authenticated, or otherwise verified the information provided by the County or the information set forth in this Official Statement or any other information available to the County with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Financial Advisor with respect to the accuracy and completeness of or any other matter related to such information and this Official Statement.

RATINGS

Fitch Ratings, Moody's Investors Service, Inc. and Standard and Poor's Rating Services, a Division of The McGraw Hill Companies have assigned their municipal bond ratings of “AAA (stable outlook)”, “Aa2 (stable outlook)” and “AA+ (stable outlook)”, respectively, to the Bonds. Such ratings reflect only the view of such organizations, and an explanation of the significance of such ratings may be obtained from: Fitch Ratings, One State Street Plaza, New York, New York 10004, (212) 908-0500, Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, (212) 553-0300 and Standard & Poor's Credit Market Services, 55 Water Street, New York, New York 10041, (212) 438-2400. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised or withdrawn by such rating agency, if in its judgment, circumstances so warrant. A revision or withdrawal of such ratings may have an effect on the market price of the Bonds.

ADDITIONAL INFORMATION

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are “forward-looking statements”, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the County's management's beliefs as well as assumptions made by, and information currently available to, the County's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the County's files with the repositories. When used in County's documents or oral presentation, the words “anticipate”, “believe”, “intend”, “plan”, “foresee”, “likely”, “estimate”, “expect”, “objective”, “projection”, “forecast”, “goal”, “will”, or “should”, or similar words or phrases are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds.

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the County, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the County for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Bonds, the County will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the County, as to which no representation can be made.

The Official Statement is submitted only in connection with the sale of the Bonds by the County and may not be reproduced or used in whole or in part for any other purpose.

The County hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Any statements made in this Official Statement and indicated to involve matters of opinion or estimates are represented to be opinions or estimates in good faith. No assurance can be given, however, that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds.

Additional copies of this Official Statement may be obtained upon request from the office of the Chief Fiscal Officer, 421 Montgomery Street, Syracuse, New York 13202 (315-435-3346 x4111) or from Fiscal Advisors & Marketing, Inc., 120 Walton Street, Suite 600, Syracuse, New York 13202 (315-752-0051), downloaded from Fiscal Advisors & Marketing, Inc.'s Internet address: <http://www.fiscaladvisors.com> or I-Deal Prospectus's Internet address: <http://www.tm3.com>.

Fiscal Advisors & Marketing, Inc. and the County may place a copy of this Official Statement on their websites at www.fiscaladvisors.com and www.ongov.net, respectively. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. and the County have prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the County nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the County disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the County also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The County will act as Paying Agent for the Bonds. The County's contact information is as follows: Chief Fiscal Officer, John H. Mulroy Civic Center, 421 Montgomery Street, Syracuse, New York 13202-2998, Phone: (315) 435-3346 x4111, Telefax: (315) 435-3439.

This Official Statement has been duly executed and delivered by the Chief Fiscal Officer of the County of Onondaga, New York.

COUNTY OF ONONDAGA

Dated: May 14, 2015

/s/
Chief Fiscal Officer

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
ASSETS					
Cash and Investments	\$ 54,124,765	\$ 69,227,739	\$ 44,330,459	\$ 58,476,259	\$ 74,880,429
Receivables:					
Property Taxes	36,273,084	41,133,372	45,689,657	43,594,507	42,883,054
Accounts Receivable	43,120,931	45,543,581	46,395,494	42,967,964	46,047,123
Due from Federal and State Governments	66,512,373	65,897,488	67,439,504	68,390,930	66,572,857
Due from Other Governments	3,484,488	3,130,899	3,392,138	3,807,713	3,415,233
Due from Other Funds	3,005,347	3,679,689	25,401,947	13,227,685	867,251
Prepaid Expenditures & Other Assets	4,788,766	5,286,175	7,434,194	7,942,774	7,309,456
TOTAL ASSETS	\$ 211,309,754	\$ 233,898,943	\$ 240,083,393	\$ 238,407,832	\$ 241,975,403
LIABILITIES AND FUND EQUITY					
Accounts Payable and Accrued Liabilities	\$ 42,851,645	\$ 41,909,995	\$ 50,991,358	\$ 55,333,884	\$ 62,755,076
Due to Other Governments	65,133,253	68,623,193	61,884,952	59,865,352	63,792,698
Due to Other Funds	1,200,000	1,000,000	534,005	1,300,000	1,000,000
Deferred Property Tax Revenues	14,194,816	18,476,298	22,373,936	-	-
Other Deferred Revenues	3,029,978	4,499,984	4,389,735	-	-
Contracts Payable - Retainage	6,900	14,407	2,457	2,457	2,457
Other Liabilities	365,243	180,994	116,068	641,386	7,817,882
TOTAL LIABILITIES	\$ 126,781,835	\$ 134,704,871	\$ 140,292,511	\$ 117,143,079	\$ 135,368,113
DEFERRED INFLOW OF RESOURCES ⁽¹⁾				\$ 24,313,022	\$ 18,901,374
FUND EQUITY					
Reserved:					
Non-spendable (prior: Prepaids)	\$ 4,788,766	\$ 5,286,175	\$ 7,434,194	\$ 7,942,774	\$ 7,309,456
Unreserved:					
Committed	-	-	-	5,000,000	5,000,000
Assigned (prior: Appropriated) ⁽²⁾	18,695,058	28,919,636	25,068,778	16,326,067	7,325,091
Unassigned (prior: Unappropriated)	61,044,095	64,988,261	67,287,910	67,682,890	68,071,369
TOTAL FUND EQUITY	84,527,919	99,194,072	99,790,882	96,951,731	87,705,916
TOTAL LIABILITIES and FUND EQUITY	\$ 211,309,754	\$ 233,898,943	\$ 240,083,393	\$ 238,407,832	\$ 241,975,403

⁽¹⁾ With the 2013 implementation of GASB 65, *Items Previously Reported as Assets and Liabilities*, deferred revenues are reported as Deferred Inflows of Revenues.

⁽²⁾ The Assigned Fund Balance includes \$2,352,640, \$3,019,698, and \$3,068,132 of fund balance that was previously classified as "Encumbrances" for 2009-2011, respectively. The County has modified its fund balance classifications to comply with GASB No. 54. See "Financial Statements", herein.

Source: Audited financial reports of the County. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
REVENUES					
Real Property Taxes and Tax Items	\$ 183,083,404	\$ 158,026,303	\$ 155,264,959	\$ 151,112,855	\$ 149,977,964
Non-Property (Sales) Taxes ⁽¹⁾	302,259,198	315,009,768	328,278,544	333,549,272	344,131,250
Revenues from Federal Sources	78,235,370	89,295,419	87,213,238	88,438,753	87,051,654
Revenues from State Sources	93,289,324	84,272,724	88,326,259	86,981,571	85,174,476
Departmental Income	25,329,605	26,291,235	27,076,679	26,445,728	21,066,583
Service for Other Governments	15,181,554	19,291,892	18,268,238	17,248,068	19,150,988
Sale of Receivables	-	-	-	-	-
Interest Earned	975,369	966,338	792,885	751,745	496,438
Miscellaneous	5,942,938	5,862,245	6,180,306	7,073,257	6,357,033
Total Revenues	<u>\$ 704,296,762</u>	<u>\$ 699,015,924</u>	<u>\$ 711,401,108</u>	<u>\$ 711,601,249</u>	<u>\$ 713,406,386</u>
EXPENDITURES					
General Government Support ⁽¹⁾	\$ 193,611,004	\$ 148,422,007	\$ 141,133,214	\$ 132,676,121	\$ 141,935,642
Economic Assistance and Opportunity	237,880,615	264,160,594	283,995,469	282,997,273	285,111,340
Health	33,846,102	39,696,962	51,789,911	49,128,022	42,369,575
Public Safety	118,351,445	117,375,263	125,625,329	129,060,622	127,908,753
Culture and Recreation	16,349,236	16,255,023	12,938,539	14,193,231	14,421,731
Education	51,284,124	47,952,884	39,572,323	44,611,060	48,502,886
Home and Community Services	2,667,027	3,003,004	1,508,623	1,644,573	1,894,161
Transportation	3,953,290	4,332,453	3,888,078	3,910,187	3,959,792
Total Expenditures	<u>\$ 657,942,843</u>	<u>\$ 641,198,190</u>	<u>\$ 660,451,486</u>	<u>\$ 658,221,089</u>	<u>\$ 666,103,880</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 46,353,919</u>	<u>\$ 57,817,734</u>	<u>\$ 50,949,622</u>	<u>\$ 53,380,160</u>	<u>\$ 47,302,506</u>
Other Financing Sources (Uses):					
Operating Transfers In	872,084	822,973	649	2	-
Operating Transfers Out	(37,364,022)	(43,974,554)	(50,353,461)	(56,219,313)	(56,548,321)
Proceeds of Long Term Borrowing	-	-	-	-	-
Other	-	-	-	-	-
Total Other Financing	<u>(36,491,938)</u>	<u>(43,151,581)</u>	<u>(50,352,812)</u>	<u>(56,219,311)</u>	<u>(56,548,321)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>9,861,981</u>	<u>14,666,153</u>	<u>596,810</u>	<u>(2,839,151)</u>	<u>(9,245,815)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	74,665,938	84,527,919	99,194,072	99,790,882	96,951,731
Residual Equity Transfers (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 84,527,919</u>	<u>\$ 99,194,072</u>	<u>\$ 99,790,882</u>	<u>\$ 96,951,731</u>	<u>\$ 87,705,916</u>

⁽¹⁾ Includes sales tax gross up of \$149,343,342, \$147,759,335, \$100,996,848, \$86,432,145 and \$81,895,806 for 2009, 2010, 2011, 2012 and 2013, respectively due to accounting changes. See "Onondaga County Sales Tax" section of Official Statement.

Source: Audited financial reports of the County. This Appendix is not itself audited.

ALL FUNDS

Revenues, Expenditures and Changes in Fund Balance - Budget

	2011	2012	2013	2014	2015
	Adopted Budget	Adopted Budget	Adopted Budget	Adopted Budget	Adopted Budget
REVENUES					
Real Property Tax Levy	\$ 153,821,817	\$ 148,216,571	\$ 140,998,859	\$ 140,891,159	\$ 139,891,159
Special District Tax Levies	64,042,343	68,304,383	68,782,570	73,709,494	77,746,943
Services for Other Governments	61,528,096	55,686,927	55,598,924	31,503,675	31,423,319
Non-Property (Sales) Taxes ⁽¹⁾	306,374,417	321,400,305	339,570,086	349,579,794	357,831,126
Revenues from State Sources	142,434,512	131,561,445	137,690,491	139,936,465	145,976,142
Revenues from Federal Sources	98,125,152	108,023,067	110,779,117	114,286,532	113,292,062
Other Receipts, Etc.	320,987,022	340,204,285	364,054,228	346,548,636	355,863,114
Total Revenues	<u>\$ 1,147,313,359</u>	<u>\$ 1,173,396,983</u>	<u>\$ 1,217,474,275</u>	<u>\$ 1,196,455,755</u>	<u>\$ 1,222,023,865</u>
EXPENDITURES					
General Government Support ⁽¹⁾	\$ 737,353,637	\$ 757,310,718	\$ 777,191,956	\$ 781,165,424	\$ 790,006,440
Community College	82,650,100	84,719,904	89,637,800	90,021,159	90,410,020
Community Development	4,341,754	3,869,416	4,781,252	4,605,953	4,602,577
Van Duyn Hospital	47,725,684	50,982,288	49,809,506	5,775,024	5,463,699
Grant	32,351,583	29,100,363	31,557,588	36,226,670	39,216,955
County Road	32,246,166	34,123,475	37,343,545	40,490,798	40,876,874
Road Machinery	6,122,550	6,578,933	7,618,434	7,896,968	7,738,557
Oncenter Revenue Fund ⁽²⁾	-	-	1,750,000	2,745,113	2,545,113
Water	8,862,181	8,976,134	8,858,933	10,317,912	10,537,561
Water Environment Protection	68,975,060	73,884,379	76,242,030	81,976,587	88,350,060
Library	13,528,665	14,986,961	15,243,591	15,269,226	14,248,429
Debt Service	34,997,284	36,914,195	47,287,764	53,586,929	62,538,828
Insurance	83,383,098	88,777,983	90,661,509	83,660,192	85,658,074
Total Expenditures	<u>\$ 1,152,537,762</u>	<u>\$ 1,190,224,749</u>	<u>\$ 1,237,983,908</u>	<u>\$ 1,213,737,955</u>	<u>\$ 1,242,193,187</u>
Excess of Revenues Over (Under) Expenditures/ Budgetary Fund Balance Used	<u>\$ (5,224,403)</u>	<u>\$ (16,827,766)</u>	<u>\$ (20,509,633)</u>	<u>\$ (17,282,200)</u>	<u>\$ (20,169,322)</u>

⁽¹⁾ Includes sales tax gross up of \$95,924,741, \$83,565,717, \$82,336,191, \$85,645,189 and \$88,280,713 for 2011, 2012, 2013, 2014 and 2015, respectively due to accounting changes. See "Onondaga County Sales Tax" section of Official Statement.

⁽²⁾ Prior to 2012 the Oncenter was a Component Unit. In 2012 it was reclassified as a Primary Government Component and, as such, the County's 2015, 2014 and 2013 budget reflects this reclassification.

Source: Unaudited annual financial budgets of the County. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Excluding this Issue			Principal of This Issue	Total Principal All Issues
	Principal ⁽¹⁾	Interest	Total		
2015	\$ 42,111,474	\$ 23,844,551	\$ 65,956,025	\$ -	\$ 42,111,474
2016	41,982,148	21,758,585	63,740,733	-	41,982,148
2017	42,141,180	20,122,687	62,263,867	2,365,000	44,506,180
2018	41,911,180	18,483,536	60,394,716	2,430,000	44,341,180
2019	39,196,180	16,891,470	56,087,650	2,500,000	41,696,180
2020	36,330,844	15,377,809	51,708,653	2,570,000	38,900,844
2021	35,665,844	13,894,841	49,560,685	2,640,000	38,305,844
2022	33,505,000	12,462,812	45,967,812	2,720,000	36,225,000
2023	32,800,936	11,128,494	43,929,430	2,790,000	35,590,936
2024	30,220,000	9,876,844	40,096,844	2,870,000	33,090,000
2025	26,415,000	8,745,316	35,160,316	2,950,000	29,365,000
2026	24,665,000	7,733,081	32,398,081	3,030,000	27,695,000
2027	21,685,000	6,801,797	28,486,797	3,115,000	24,800,000
2028	18,365,000	5,989,855	24,354,855	3,200,000	21,565,000
2029	16,905,000	5,248,662	22,153,662	3,295,000	20,200,000
2030	15,970,000	4,566,968	20,536,968	3,380,000	19,350,000
2031	13,290,000	3,971,589	17,261,589	3,480,000	16,770,000
2032	12,485,000	3,467,037	15,952,037	3,575,000	16,060,000
2033	11,325,000	2,987,116	14,312,116	3,675,000	15,000,000
2034	9,305,000	2,571,839	11,876,839	3,775,000	13,080,000
2035	7,705,000	2,223,444	9,928,444	3,880,000	11,585,000
2036	7,795,000	1,891,430	9,686,430	1,910,000	9,705,000
2037	5,130,000	1,593,448	6,723,448	1,960,000	7,090,000
2038	4,785,000	1,386,514	6,171,514	2,015,000	6,800,000
2039	4,840,000	1,184,269	6,024,269	2,070,000	6,910,000
2040	4,925,000	976,866	5,901,866	2,130,000	7,055,000
2041	4,990,000	764,065	5,754,065	2,190,000	7,180,000
2042	5,050,000	548,581	5,598,581	2,250,000	7,300,000
2043	5,100,000	330,737	5,430,737	2,315,000	7,415,000
2044	5,155,000	110,639	5,265,639	2,375,000	7,530,000
2045	-	-	-	2,445,000	2,445,000
TOTALS	\$ 601,749,786	\$ 226,934,883	\$ 828,684,669	\$ 79,900,000	\$ 681,649,786

⁽¹⁾ Does not include defeased Bonds. Does include Environmental Facilities Bonds of \$231,374,786

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 (the "Rule"), as the same may be amended or officially interpreted from time to time, promulgated by the Securities and Exchange Commission (the "Commission"), the County has agreed to provide, or cause to be provided,

- (i) during each fiscal year in which the Bonds are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB"), or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule certain annual financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced under the headings: "THE COUNTY", "FINANCIAL STRUCTURE", "TAX INFORMATION", "STATUS OF INDEBTEDNESS", "LITIGATION", and a copy of the audited financial statement (prepared in accordance with generally accepted accounting principles in effect at the time of the audit) for the preceding fiscal year, if any; such information, data and audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each fiscal year or, if audited financial statements are prepared, sixty days following receipt by the County of audited financial statements for the preceding fiscal year, but, in no event, not later than the last business day of each fiscal year.
- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of the event, to the MSRB or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Bonds:
 - (a) principal and interest payment delinquencies
 - (b) non-payment related defaults, if material
 - (c) unscheduled draws on debt service reserves reflecting financial difficulties
 - (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Bonds, unscheduled draws on credit enhancements reflecting financial difficulties
 - (e) substitution of credit or liquidity providers, or their failure to perform
 - (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax- status of the Bonds
 - (g) modifications to rights of Bondholders, if material
 - (h) bond calls, if material and tender offers
 - (i) defeasances
 - (j) release, substitution, or sale of property securing repayment of the Bonds
 - (k) rating changes
 - (l) bankruptcy, insolvency, receivership or similar event of the County
 - (m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
 - (n) appointment of a successor or additional trustee or the change of name of a trustee, if material

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Bonds.

With respect to event (d) the County does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

The County may from time to time choose to provide notice of the occurrence of certain other events in addition to those listed above, if the County determines that any such other event is material with respect to the Bonds; but the County does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

- (iii) in a timely manner, to the MSRB or any other facility designated or authorized by the commissioner to receive Reports pursuant to the Rule, notice of its failure to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

The Annual Information and the Material Event Notices, if any, will be filed with the Municipal Securities Rulemaking Board and its Electronic Municipal Market Access system for municipal securities disclosures.

The County reserves the right to terminate its obligations to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the County no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The County acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the County's obligations under its continuing disclosure undertaking and any failure by the County to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County; provided that, the County agrees that any such modification will be done in a manner consistent with the Rule.

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at closing.

The County is in material compliance with all prior undertakings pursuant to the Rule for the past five years.

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COUNTY OF ONONDAGA, NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT

DECEMBER 31, 2014

Such Audited Financial Statement and opinion were prepared as of the date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

**COUNTY OF ONONDAGA, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
EFFECTIVE JANUARY 1, 2015**

PREPARED BY THE COMPTROLLER'S OFFICE

**COUNTY COMPTROLLER
ROBERT E. ANTONACCI II, CPA**

**DEPUTY COMPTROLLER/ACCOUNTING
JAMES V. MATURO**

**DEPUTY COMPTROLLER/AUDITING
KIRK A. SCHANZENBACH**

**CHIEF GOVERNMENTAL ACCOUNTANT
PHILIP M. BRITT
ANTHONY P. CALOGERO**

**EXECUTIVE ASSISTANT
NANCY L. CAMPOLITO**

ACCOUNTING STAFF

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SHARON C. HUGHES

SUZANNE M. COWIN

SHARON L. MASTROENI

LISA M. VERTUCCI-NAVE

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LINDA M. MARNELL

JULIUS F. PERROTTA

INDEPENDENT AUDITORS

BONADIO & COMPANY, LLP

**COUNTY OF ONONDAGA, NEW YORK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED DECEMBER 31, 2014
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INTRODUCTORY
SECTION
(UNAUDITED)

COUNTY OF ONONDAGA, NEW YORK

LIST OF PRINCIPAL OFFICIALS

COUNTY LEGISLATURE

EFFECTIVE JANUARY 1, 2015

CHAIRMAN: J. RYAN MCMAHON II

PEGGY CHASE

CASEY E. JORDAN

MICHAEL E. PLOCHOCKI

JIM CORL

PATRICK M. KILMARTIN *

KATHLEEN A. RAPP

JOHN C. DOUGHERTY

DAVID H. KNAPP **

CHRISTOPHER J. RYAN

LINDA R. ERVIN *

DANNY J. LIEDKA

DEREK T. SHEPARD JR.

KEVIN A. HOLMQUIST

BRIAN F. MAY

JUDITH A. TASSONE

MONICA WILLIAMS

* FLOOR LEADERS

** CHAIR, WAYS & MEANS COMMITTEE

COUNTY COMPTROLLER

ROBERT E. ANTONACCI II, CPA

COUNTY EXECUTIVE

JOANNE M. MAHONEY

CHIEF FISCAL OFFICER

STEVEN MORGAN

COUNTY SHERIFF

EUGENE J. CONWAY

DISTRICT ATTORNEY

WILLIAM J. FITZPATRICK

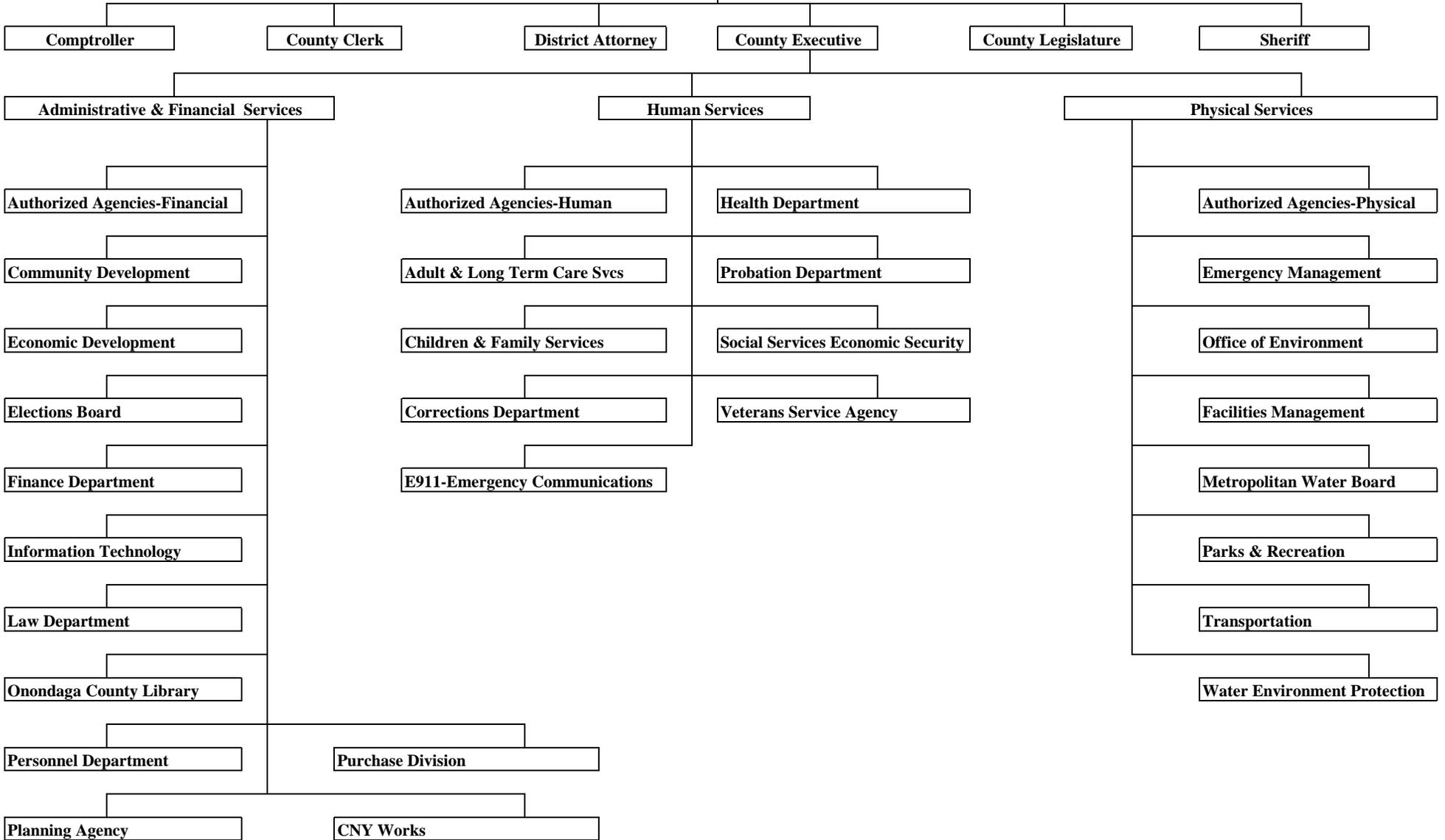
COUNTY CLERK

SANDRA A. SCHEPP

COUNTY OF ONONDAGA

ORGANIZATION CHART

VOTERS





Robert E. Antonacci II, CPA
Comptroller

COUNTY OF ONONDAGA

Office of the
County Comptroller

John H. Mulroy Civic Center, 14th Floor
421 Montgomery Street
Syracuse, New York 13202-2998
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James V. Maturo
Deputy Comptroller/Accounting

Philip M. Britt
Deputy Comptroller/Audit

April 13, 2015

To the Citizens of Onondaga County:

I am pleased to submit the Comprehensive Annual Financial Report of Onondaga County for the year ended December 31, 2014. Responsibility for accuracy of the data as well as the completeness and fairness of its presentation, including all disclosures, rests with the management of this government. To provide a reasonable basis for making these representations, the County has established a comprehensive set of internal controls that is designed to protect the government's assets from loss, theft, or misuse. These controls also allow the County reliable information for the preparation of these financial statements. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of financial operations of the County in accordance with accounting policies generally accepted in the United States of America. All disclosures considered necessary for the reader to gain an understanding of the County's financial activities have been included.

The County has engaged independent auditors who have audited the basic financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors have concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's basic financial statements for the fiscal year ended December 31, 2014, are fairly presented in conformity with U.S. generally accepted accounting policies. The report of the independent auditors can be found on page viii of the financial section of this report.

The independent audit of the financial statements was part of a broader, federally mandated "Single Audit". The County is required to undergo an annual audit in conformity with the provision of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The Single Audit Report includes the schedule of federal financial assistance, the independent auditors' report on the internal control structure and compliance with applicable laws and regulations, and findings and recommendations. The Single Audit Report is not included in this CAFR, however, when available, it is a public record and available to all interested parties upon request.

Generally accepted accounting principles require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Government Profile

Onondaga County is located in close proximity to the geographic center of upstate New York approximately midway between Albany and Buffalo. Onondaga County has a land area of 793.5 square miles and a 2010 U.S. Census population of 467,026. The most significant municipal entity within the County is the City of Syracuse, which has a 2010 U.S. Census population of 145,170 and which also serves as the County seat. The County's population is concentrated along two interstate highway corridors that intersect in the middle of the County. The County's industrial, and to a lesser extent its commercial establishments, are similarly concentrated within the same corridors.

Onondaga County was established in 1794 by an act of the New York State Legislature. The current county executive form of government was adopted by voter referendum in 1961. The County Executive is elected by direct vote for a term of four years. The County Executive is the chief executive officer of the County with, among other powers, authority to appoint heads of County departments conditional to legislative confirmation, to appoint other executive officers as provided by law, to supervise the administration of every department except as otherwise provided, to propose the annual operating budget plan, to approve or disapprove every local law or ordinance adopted by the County Legislature, to authorize all contracts on behalf of the County, and shall be the chief budget officer of the County. The County Legislature is the policy making, appropriating and governing body of Onondaga County. The County Legislature is comprised of members elected from seventeen legislative districts for two-year terms. The County Legislature is vested with the power to enact local laws, ordinances and resolutions, to adopt budgets and levy taxes, to override by a two-thirds vote any veto by the County Executive of any legalized act, to fix compensation for all County officers and employees, and to authorize the issuance of capital debt obligations where a two-thirds majority so approves. The offices of County Comptroller, Sheriff, District Attorney and County Clerk are elected by general direct vote, and each serves a four-year term. The Comptroller is the chief accounting and auditing officer for the County and, as such, has major responsibility for the internal financial controls and financial reporting. The County Clerk is the custodian of all legal, real property and court documents. The Sheriff is the chief law enforcement officer for the County. In addition to the above officials, the Chief Fiscal Officer has responsibility for the collection and custody of County monies, administration of real property and sales taxes, and the sale of County indebtedness. The Chief Fiscal Officer is appointed by the County Executive, subject to County Legislature ratification.

Onondaga County provides a full range of public services to its residents including public safety, health, transportation, education, economic assistance, home and community, culture and recreation, and general administrative support. This report includes all funds and account groups over which Onondaga County exerts substantial control, significant influence and accountability as defined by the Governmental Accounting Standards Board (GASB). Based on GASB statements, Onondaga Community College, Onondaga County Industrial Development Agency, Friends of Rosamond Gifford Zoo, Onondaga Civic Development Corporation and the Housing Development Fund Company meet the requirements for recognition as component units and accordingly their financial information is presented in a discrete format in the Financial Section of this report. The Onondaga Tobacco Asset Securitization Corporation (OTASC) meets these requirements for recognition as a component unit and their financial information is blended as a Nonmajor Debt Service Fund in the Financial Section of this report.

The County maintains a budgetary control system to ensure compliance with the annual adopted budget and with other applicable laws. Budgetary control is achieved by use of a pre-encumbrance system that reserves available appropriations prior to the initiation of the contract process. This system has the advantage of centrally accounting for a County department's expenditure plans prior to actual development

of contracts. Upon finalization of contracts, the pre-encumbrance is replaced by an encumbrance. Encumbered amounts do not lapse at year-end, but are re-appropriated into the ensuing year's budget as prescribed by Onondaga County Law. The County Comptroller submits to the Legislature a monthly report of revenues and expenses compared to budget. Additionally, the Executive Department's Division of Management and Budget submits to the Legislature a quarterly report of budgetary projections.

Onondaga County employs an internal audit staff that reports to the County Comptroller. This internal audit staff conducts periodic financial, operational and compliance audits of County departments and other related entities. The internal control structure is subject to evaluation during these internal audits.

Factors Affecting Financial Condition

Local Economy: The County budget is affected by the condition of the local economy. Expenditures such as public assistance, Medicaid, and other mandated human service costs vary directly with the condition of the local economy, as do some major County revenues such as sales tax.

Onondaga County ended 2014 with a \$5.1 million favorable variance vs. budget. Better than expected property tax collections, reduced fringe benefit costs, and stabilizing mandates drove the surplus. Prior year property tax collections exceeded expectations by \$5 million while a \$3 million retirement contribution credit resulting from the transfer of Van Duyn drove down benefit costs. Mandated costs grew at a lower rate than expected also contributing to the County's surplus. Temporary Assistance caseloads have leveled and more people enter the workforce while costs for special children's services continued to decrease.

In June 2014, Onondaga County issued \$34.8 million in General Obligation (GO) Serial Bonds. Borrowing rates are at historically low rates and the true interest cost of the GO's was 2.63%. The rating agencies continue to recognize Onondaga County's solid financial position and Moody's, Standard & Poor's, and Fitch rated the County Aa2, AA+ and AAA respectively. This distinguishes Onondaga as one of the highest-rated New York State counties.

The County Legislature adopted a new 10-year sales tax sharing formula in May of 2010 that took effect beginning January 2011. The agreement includes provisions to share both the 3% portion (permanent tax) and 1% portion (temporary tax renewable by the State legislature every two years under a formula significantly different from the past agreement). Under the new formula, 2012 was the final year that towns and villages shared in sales tax collections. The County will retain most of the 3% portion and share slightly in the 1% portion; with the overall percentage retained by the County increasing from 45% in 2010 to approximately 74% after the agreement is fully phased in beginning in 2013. The City will retain most of the 1% portion. Schools will share less than 1% of the overall tax in 2013, now that the agreement is fully phased in.

Long Term Financial Planning: Each year the County prepares a six-year Capital Improvement Plan (CIP). The CIP process is both a programmatic and fiscal tool, providing an opportunity for decision makers to regularly evaluate infrastructure needs and competing capital investments within a fiscal framework that includes debt service projections and future operating costs. For 2014 the County considered only those projects that could be initiated during the six year capital planning period. The current capital plan outlines 56 projects totaling \$628 million with \$232 million of the resources targeted for Water Environment improvements and \$155 million for road infrastructure and maintenance.

The County has established debt policies that form the fiscal parameters for the capital planning process. The policies are included in the County's annual operating budget document and authorized annually by the County Legislature as part of the budget review process. The debt policies call for General Fund debt service to remain below 5.5% of General Fund revenue; for overall net direct indebtedness to remain below \$700 per capita and 1.5% of the full value of taxable property; and to maintain a debt payment schedule in which 65% or more of the outstanding debt will be retired within ten years.

In addition the County Legislature has established a General Fund balance policy that establishes a fund balance goal of 10% of net revenues and calls for amounts in excess of 10% to be applied to avoid future debt or for tax relief. Net revenues are calculated as gross revenues less sales tax pass through revenue budgeted for municipalities

Onondaga Lake. Onondaga County entered into an Amended Consent Judgment (ACJ) in 1998 that established a plan to reduce sewage outflows into Onondaga Lake through specific improvements to the Metropolitan Wastewater Treatment Plant and abatement of combined sewer overflows. Total project costs are currently estimated at \$695.4 million. The project is being supported through a combination of state and federal grants and debt covered by local user fees. The State has appropriated \$74.9 million of the Clean Water/Clean Air Environmental Bond Act funds for projects covered under the ACJ. In addition to aid through the Environmental Bond Act, based on pledges by state officials, the County also planned on receiving approximately \$85 million in supplemental funding over the 15 years of the project as initially scheduled in the 1998 ACJ. To date, \$88 million has been received from other New York State sources. The Federal government has already appropriated \$122.6 million in Federal funds (inclusive of assistance from the U.S. Army Corps of Engineers). The Harbor Brook project received ARRA funds of \$11.8 million in loan forgiveness. In addition, the County has received \$13.8 million in funds from other sources (City and the Niagara Mohawk Power Corporation [now National Grid]) and has cash on hand of \$9.1 million.

To date, the County has closed on \$258.1 million in EFC long term loans to fund lake projects. The County anticipates \$117.4 million in local funding for the gross capital costs associated with the ACJ in its Capital Improvement Plan.

In the event that the ACJ projects do not bring the County in compliance with applicable water quality standards, the County will be required to undertake additional measures. Additional information regarding this commitment can be found in Note 15 to the financial statements.

Cash management. New York State Law directs which type of investments its counties may use to invest idle cash. Those types of investments are more fully described in Note 3 to the financial statements. Income as a result of these investments was \$1,282,756 in 2014.

Risk management. Onondaga County is self-insured for general liability, employee health benefits, unemployment, workers' compensation, and vehicle related losses. The County utilizes an internal service fund to account for its self-insurance activities. The County purchases insurance for property losses. The County employs loss control and safety specialists and also conducts a variety of worker safety programs. Additional information on the County's risk management activities can be found in Note 13 to the financial statements.

Retirement and other postemployment benefits. The County participates in the New York State and Local Employees' Retirement System (ERS). The ERS provides 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 the ERS. The ERS is noncontributory except for employees who joined the ERS after July 27, 1976. Employees hired before January 1, 2010 contribute 3% of their salary and after ten years of service, the ERS becomes non-contributory for those employees as well. Those employees hired after January 1, 2010 contribute 3% of their salary for all of their years of public service and there is a limitation on the amount of overtime that can be included as wages. Under the authority of the NYSRSSL, the State 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.

In addition to providing pension benefits, the County provides certain health insurance benefits to retired employees and survivors under its self-insured health program. Substantially all of the County's employees may become eligible for these benefits if they reach normal retirement age while working for the County. As of the end of the year, there were 3,795 retirees and survivors receiving these benefits. In 2007, the County adopted Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, on a prospective basis. This statement requires municipalities to begin amortizing the long-term, actuarially determined, liability for providing benefits to retirees. The County will recognize this liability over a thirty-year period.

Additional information on the County's retirement and postemployment benefits can be found in Note 10 to the financial statements.

Acknowledgments

This Comprehensive Annual Financial Report could not have been completed without the dedication and teamwork of my entire staff. I would like to express my appreciation to my staff and thank them for a job well done.

Sincerely,

A handwritten signature in blue ink that reads "Robert E. Antonacci II CPA". The signature is stylized and includes a horizontal line at the end.

Robert E. Antonacci II, CPA

FINANCIAL
SECTION

INDEPENDENT AUDITOR'S REPORT

April 13, 2015

The Honorable County Executive, Joanne M. Mahoney, Honorable Members
of the County Legislature and Honorable County Comptroller Robert E.
Antonacci
County of Onondaga, New York:

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Onondaga, 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 did not audit the financial statements of Onondaga County Community College (OCC), Onondaga Civic Development Corporation (OCDC) and Friends of the Rosamond Gifford Zoo (The Friends), which together represent approximately 98% of both assets and operating revenues and approximately 96% of net position of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for OCC, OCDC, and The Friends is based solely upon the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of The Friends was not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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www.bonadio.com

(Continued)
viii

INDEPENDENT AUDITOR'S REPORT

(Continued)

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, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Onondaga, New York 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and Other Postemployment Benefits Plan Schedule of Funding Progress on pages xi-xxi and 43-46 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.

Other Information

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

(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

The combining financial statements are the responsibility of management and were derived from and relate 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, based on our audit, the procedures performed as described above, the combining financial statements are 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2015, on our consideration of the County of Onondaga, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Onondaga, New York's internal control over financial reporting and compliance.

Bonadio & Co., LLP

As management of Onondaga County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found beginning on page iii of this report.

Financial Highlights

- The assets of Onondaga County exceeded its liabilities at the close of the most recent fiscal year by \$560,813,111 (*net position*).
- The government's total net position decreased by \$28,380,403.
- As of the close of the current fiscal year, Onondaga County's governmental funds reported combined ending fund balances of \$231,011,891, an increase of \$55,302,246 in comparison with the prior year.
- At the end of the current fiscal year, total fund balance for the general fund was \$87,705,916, or 11.4% of total budgetary basis general fund revenues.
- Onondaga County's governmental activities long-term liabilities, including premium and issuance discounts on debt, increased by \$100,764,965 or 9.5%, during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets, liabilities and deferrals, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, e.g., uncollected taxes and compensated absences.

The governmental activities of the County include general government support, education, public safety, health, transportation, economic assistance and opportunity, home and community services, and culture and recreation.

The government-wide financial statements include the County as the primary government, and Onondaga Community College, Onondaga County Housing Development Fund Company, Friends of Rosamond Gifford Zoo, Onondaga Civic Development Corporation and Onondaga County Industrial Development Agency as component units for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Onondaga Tobacco Asset Securitization Corporation (OTASC), although also legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 1-4 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, internal service funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements.

Onondaga County maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, water environment protection and the capital projects fund, all of which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its governmental funds, with the exception of the Capital Projects Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 5-9 of this report.

Internal Service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for its risk management activities. Because these services predominantly benefit governmental rather than business-type functions, the internal service fund has been included within governmental activities in the government-wide financial statements.

The basic internal service fund financial statements can be found on pages 10-12 of this report.

Fiduciary funds. 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 accounting used for fiduciary funds is much like that used for governmental funds.

The basic fiduciary fund financial statements can be found on page 13 of this report.

Component Units. As discussed above, component units are legally separate entities for which the County is financially accountable. The component units addressed above, excluding OTASC, are reported in aggregate in the government-wide financial statements.

The combining statements for the component units can be found on pages 14-17.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 18 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the budget and actual schedules for the major governmental funds and funding progress for postemployment benefits. These required schedules and notes to the schedules can be found on pages 43-46.

Combining statements for nonmajor governmental funds are presented immediately following the required supplementary information on pages 47-50 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$560,813,111 at the close of the 2014 fiscal year.

The portion of the County's net position represented by its investment in capital assets, e.g., land, buildings, and equipment, less any related debt used to acquire those assets that is still outstanding is \$887,775,290. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

The portion of the County's net position that represents resources that are subject to external restrictions on how they may be used is \$32,399,308. The remaining (\$359,361,487) is unrestricted net deficit.

County of Onondaga's Net Position

	Governmental activities	
	2013	2014
Current and other assets	\$ 421,261,766	\$ 489,913,565
Capital assets	1,432,427,824	1,454,441,823
Total assets	1,853,689,590	1,944,355,388
Deferred Outflow of Resources	818,213	1,263,572
Long-term liabilities	1,044,194,190	1,165,046,859
Other liabilities	184,712,110	202,791,521
Total liabilities	1,228,906,300	1,367,838,380
Deferred Inflow of Resources	36,407,989	16,967,469
Net Position:		
Net investment in capital assets	934,565,871	887,775,290
Restricted	29,882,211	32,399,308
Unrestricted	(375,254,568)	(359,361,487)
Total net position	\$ 589,193,514	\$ 560,813,111

The County's net position decreased by \$28,380,403. The net increase in long-term debt of \$101,764,965 exceeded the increase in fixed assets of \$22,013,999. Increases in the County's post-employment health benefits of \$33.7 million and \$59.5 million increase in debt associated with the clean-up of Onondaga Lake were the major factors in the decrease in net position overcoming the \$55,302,246 surplus reported at the fund level.

County of Onondaga's Changes in Net Position

	Governmental activities	
	2013	2014
Revenues:		
Program Revenue:		
Charges for services	\$ 196,227,634	\$ 169,451,827
Operating grants and contributions	217,515,933	213,713,841
Capital grants and contributions	26,009,155	11,735,005
General Revenue:		
Property taxes	150,423,597	150,635,859
Other taxes	339,658,462	349,646,335
Other	9,027,476	24,664,227
Total revenues	<u>938,862,257</u>	<u>919,847,094</u>
Expenses:		
General government support	163,070,675	161,370,350
Education	58,500,840	50,010,541
Public Safety	160,050,080	150,676,597
Health	122,005,552	52,897,363
Transportation	52,391,343	50,092,075
Economic assistance and opportunity	304,315,508	314,924,118
Culture and recreation	46,524,048	45,112,740
Home and community services	88,411,166	98,127,873
Interest on long-term debt	21,967,688	25,015,840
Total expenses	<u>1,017,236,900</u>	<u>948,227,497</u>
Deficiency in revenues over expenses	(78,374,643)	(28,380,403)
Special Items (ONCENTER and Van Duyn Transfer)	(7,046,875)	-
Decrease in net position	(85,421,518)	(28,380,403)
Net position - Beginning	674,615,032	589,193,514
Net position - Ending	<u>\$ 589,193,514</u>	<u>\$ 560,813,111</u>

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund is \$68,071,369 while total fund balance is \$87,705,916. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 8.8% of total budgetary basis general fund expenditures, while total fund balance represents 11.3% of that same amount.

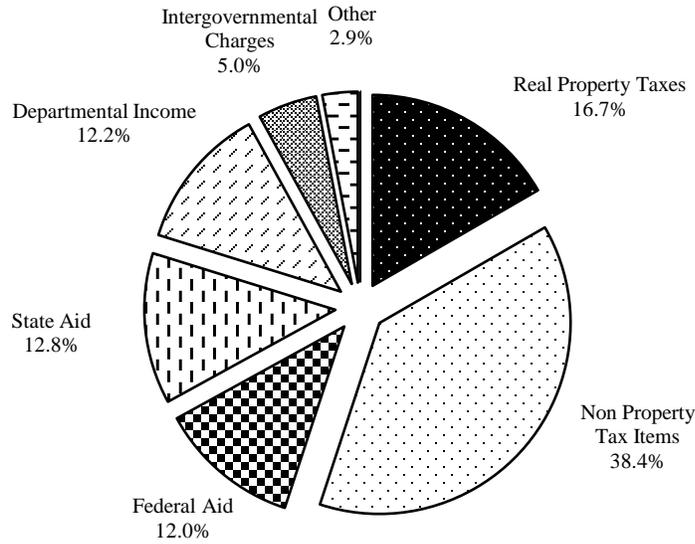
The general fund's fund balance decreased by \$9,245,815 during the current fiscal year. In 2014, the County planned to use \$14.3 million of fund balance to offset operations. The County experienced better than expected property tax collections. Prior year property tax collections as well as deferred and uncollected collections outperformed budget by a combined \$2.8 million. Mandated costs grew at a lower rate than expected. Temporary Assistance caseloads have leveled as the economy slowly recovers and more people enter the workforce. The increase in property taxes and lower than expected mandated costs offset \$5.1 million of the planned use of fund balance.

Water Environment Protection appropriated approximately \$1.4 million in prior years fund balance into 2014 operations. Expenditures finishing \$3.7 million under budget offset charges for services the use of any appropriated fund balance. The result was an operating surplus of \$2,180,377.

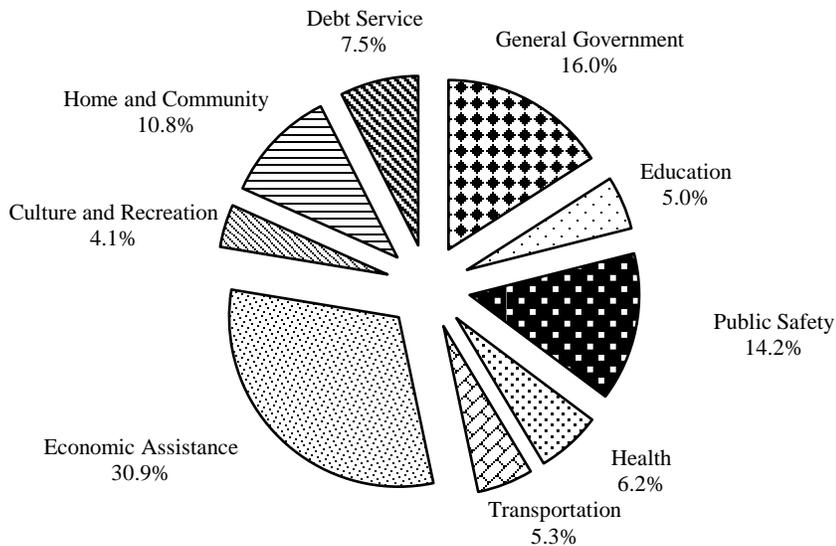
The County's 2014 Debt Service Fund budget authorized an appropriation of \$10.7 million from reserve for bonded debt. Due to unbudgeted revenue of \$6.2 million from bond premium and \$4.8 million from interest and other sources, the County offset \$8.7 million of that appropriation and reported an operating deficit of \$1,962,639.

Internal Service Funds. Unrestricted net position of the Internal Service Fund decreased \$641,202 decreasing net position to \$14,900,420. This loss is due to returning excess health premiums collected in prior years. As stated earlier, the activity of the Internal Service Fund predominantly benefits the primary government. It has been included within governmental activities in the government-wide financial statements.

County Revenues Governmental Funds



County Expenditures Governmental Funds



General Fund Budgetary Highlights

Appropriations: \$15.3 million increase in appropriations can be summarized as follows:

- \$1.5 million increase in internal transfers for improvement of various highways
- \$7.3 million increase in Medicaid payments for the 50% match of county general funds for the Intergovernmental Transfer (IGT) funding for Van Duyn
- \$3.2 million increase in for bargaining unit awards and settlements related to personnel matters
- \$3.3 million increase is the carryover of encumbrances from 2013 to 2014.

Revenues: \$12.0 million change in the revenue budget can be attributed to the increase in appropriated fund balance to fund the following:

- \$1.5 million increase to provide for the construction and improvement of various highways within the proposed 2014 highway work plan as well as high priority roads within various towns and the City of Syracuse
- \$7.3 million for the local share of Intergovernmental Transfer (IGT) funds
- \$3.2 million increase in for bargaining unit awards and settlements related to personnel matters

Capital Asset and Debt Administration

Capital assets. The County’s investment in capital assets for its governmental activities as of December 31, 2014 amounts to \$1,454,441,823 (net of accumulated depreciation). This investment in capital assets includes construction in progress, land, buildings, improvements, equipment, park facilities, roads, highways, water rights, drainage and sewage treatment, and bridges.

County of Onondaga's Capital Assets
(net of depreciation)

	Governmental Activities	
	2013	2014
Land	\$ 20,484,252	\$ 20,500,002
Intangible Assets	29,750,000	29,750,000
Land Improvements	12,592,874	11,730,240
Building and Improvements	175,633,290	173,467,517
Equipment	42,379,137	37,827,760
Infrastructure	676,695,240	671,406,063
Construction in progress	474,893,031	509,760,241
Total	\$ 1,432,427,824	\$ 1,454,441,823

Major capital asset events during the current fiscal year included the following:

A number of capital projects were completed during the year. These include \$24.2 million in WEP-related projects and \$4.7 million for road improvements reducing the construction in progress account and increasing infrastructure and other capital assets. In addition, the County added approximately \$77.3 million to the construction in progress account including \$13.6 million in road improvements and \$31.7 million in WEP-related projects.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$477,354,943 and loans payable of \$263,443,930. This debt increased by \$66,237,213 during the current fiscal year.

	Activities	
	2013	2014
Serial bonds	\$ 333,656,000	\$ 340,318,000
OTASC tobacco settlement bonds	136,963,003	137,036,943
Loans	203,942,657	263,443,930
Total	\$ 674,561,660	\$ 740,798,873

Additional information on the County’s debt can be found in Note 8 to the financial statements.

The County maintains a “AAA” rating from Fitch, a “AA+” rating from Standard & Poor’s and a “Aa2” rating from Moody’s for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7% of its five-year average full valuation of taxable real property. The County has utilized 13.28% of its statutory debt limit at December 31, 2014.

Economic Factors and Next Year’s Budget and Rates

According to the New York State Department of Labor, the unemployment rate for Onondaga County averaged 5.6% in 2014 compared with 7.0% the previous year. For the 12-month period ending January 2015, the private sector job count in the Syracuse metro area rose 2,400, or 0.9%, to 255,400 as compared to the slight decrease at year end 2014.

The Central New York region has a highly skilled, well educated, productive workforce of 330,700 with an average wage of \$42,487. Having emerged from a traditional manufacturing base of employment, the area is now dominated by new-economy business sectors. The CNY Region offers distinctive competitive advantages in many of its key industry clusters identified as follows:

- Clean Energy & Environmental Systems, including the following:
 - The Center of Excellence for Environmental and Energy Systems
 - the State University of New York College of Environmental Science and Forestry (ESF), and
 - the CleanTech Center

- Health, Biomedical Services, & Biosciences, including the following:
 - Welch Allyn, and
 - Bristol-Myers Squibb

- Radar & Sensor Devices, including the following:
 - Center for Advanced Systems and Engineering (CASE), and
 - Sensis
- Financial Services: A highly educated workforce and proximity to metro New York make Syracuse a logical choice for finance and back office operations.
- Agribusiness and Food Processing: Onondaga County's agriculture operations include agriculture, state of the art food processing, warehousing, and wholesale/consumer retail operations. Onondaga County has a significant livestock industry in dairy cattle, beef, swine, poultry, goats, horse and sheep as well as vegetable, cash grain, orchard, nursery, fruit, and greenhouse crops.
 - AGRANA FRUIT US INC., a fruit processing plant, is scheduled to open May 2015. The plant makes fruit preparations for the yogurt making industry, and will employ 120 people within the next 5 years.
- Advanced Manufacturing: Continuing the legacy of a 200-year history in manufacturing, a large cluster of new precision manufacturing, including metalwork and packaging, continues in Syracuse.

As part of New York State's Regional Economic Development Councils, in 2014 the Central New York area received \$80.2 million to fund a total of 85 projects including investments at the following:

- SBB, Inc
- Corso's Cookies
- Crouse Hospital
- Redevelopment of the Hotel Syracuse

Onondaga 2015 Budget

The County Executive presented the 2015 budget in September 2014. As the budget was developed, rising salary and benefit costs, mandate increases, and revenue losses were significant contributors to the projected budget gap of \$16 million. To overcome this gap, the County Executive held headcount to a minimal increase, as well as all other discretionary spending. Sales and property tax growth in collections were factored into the budget gap reconciliation as well as the use of \$3.8 million in fund balance.

The County Legislature adopted the 2015 Budget on October 14, 2014. The Legislature made additional appropriations cuts and increased revenue assumptions to reduce the property tax levy by \$1 million. The property tax levy has been reduced by the Legislature by a total of \$44 million over the last five years. The 2015 all funds budget supports \$1.2 billion in total expenditures, including internal transfers of \$228 million. Expenses were 3.3% below the 2014 budget as modified, due primarily to a one time shift of EFC debt from short-term to long-term. The General Fund budget included an adopted property tax levy of \$139,891,159, a \$1 million reduction versus 2014. After accounting for budgeted and subsequent fund balance appropriations of \$18 million, the current unassigned fund balance is \$76 million or 11% of adjusted General Fund revenues. Recognizing debt service spikes in upcoming years, the County Legislature committed \$5 million in fund balance in the 2014 budget to offset these increases. This debt service stabilization approach will continue to be utilized to reduce the impact on future operating budgets while using excess fund balance strategically.

Consumption based user fees were increased 5.76% in the Water Environment Protection Department (Sanitary District Fund) in 2015. Wholesale water rates charged by the Metropolitan Water Board (Water Fund) increased 4% in 2015.

Other Potentially Significant Matters

In 2012, the Legislature authorized the sale of Van Duyn Home and Hospital, the County's 513-bed nursing home, and declared its intent for the County to be out of the business of providing residential nursing services. The County sold Van Duyn Home and Hospital to the Onondaga Civic Development Corporation (OCDC). Within such sale documents, the County reserved to itself sufficient rights to operate the facility until OCDC is able to resell the facility to a subsequent third party operator approved by the New York State Department of Health. The sale to a subsequent third party operator was completed on November 30, 2013 and the County has ceased its operations as of that date. The 2015 budget includes \$5.5 million in legacy costs for retiree healthcare, worker's compensation, and debt.

Requests for Information

This financial report is designed to provide a general overview of the County of Onondaga's finances for all those with an interest in the government's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Comptroller's Office, 14th Floor Civic Center, 421 Montgomery Street, Syracuse, New York, 13202.

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BASIC FINANCIAL STATEMENTS

COUNTY OF ONONDAGA, NEW YORK
Statement of Net Position
December 31, 2014

	Governmental Activities	Component Units
ASSETS		
Cash, cash equivalents and investments	\$ 238,545,431	\$ 30,646,881
Deposits by contractors	1,125,000	-
Receivables:		
Property taxes (net of \$18,592,562 reserve)	42,883,054	-
Accounts receivable (net of \$5,621,611 reserve)	64,058,961	26,173,176
Due from state and federal governments	87,349,006	2,792,233
Due from other governments	3,835,578	-
Inventories	8,334,056	961,551
Prepaid items and other assets	9,038,485	1,248,471
Notes receivable	-	50,000
Endowment assets:		
Investments	-	3,472,330
Promises to give	-	89,010
Restricted cash	34,743,994	-
Capital assets net of accumulated depreciation	1,454,441,823	136,471,925
Total assets	1,944,355,388	201,905,577
 DEFERRED OUTFLOW OF RESOURCES	 1,263,572	 -

See notes to financial statements.

COUNTY OF ONONDAGA, NEW YORK
Statement of Net Position
December 31, 2014

	Governmental Activities	Component Units
LIABILITIES		
Accounts payable	31,722,109	8,668,503
Accrued liabilities	87,451,068	3,779,134
Contracts payable - retainage	1,788,796	-
Other liabilities	17,042,706	3,564,758
Due to other governments	64,786,842	-
Due to Onondaga County	-	972,092
Long term obligations and unpaid liabilities:		
Due within one year	53,589,406	-
Due in more than one year	1,111,457,453	45,932,182
Total liabilities	1,367,838,380	62,916,669
 DEFERRED INFLOW OF RESOURCES	 16,967,469	 25,548,415
 NET POSITION		
Net investment in capital assets	887,775,290	136,368,408
Restricted for:		
Capital projects	2,204,425	9,354,718
Debt service	30,194,883	-
Endowments	-	3,809,523
Loans	-	47,608
Unrestricted	(359,361,487)	(36,139,764)
Total net position	\$ 560,813,111	\$ 113,440,493

COUNTY OF ONONDAGA, NEW YORK
Statement of Activities
Year Ended December 31, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Program Revenues Charges for Services</u>
Primary government:			
Governmental activities:			
General government support	\$ 170,396,624	\$ (9,026,274)	\$ 14,348,844
Education	50,010,541	-	785,000
Public safety	148,349,214	2,327,383	12,173,292
Health	51,568,241	1,329,122	21,910,425
Transportation	49,415,848	676,227	5,865,826
Economic assistance and opportunity	312,278,764	2,645,354	7,498,543
Culture and recreation	44,296,942	815,798	15,713,894
Home and community services	96,895,483	1,232,390	91,156,003
Interest on long-term debt	25,015,840	-	-
Total primary government	<u>\$ 948,227,497</u>	<u>\$ -</u>	<u>\$ 169,451,827</u>
Component units:			
OCC	\$ 107,195,798		\$ 22,844,985
OCDC	579,220		881,963
Fund Company	702,714		718,659
The Friends	2,323,228		2,158,075
OCIDA	750,550		1,423,646
Total component units	<u>\$ 111,551,510</u>		<u>\$ 28,027,328</u>

See notes to financial statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Position	
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Units
\$ 2,233,175	\$ -	\$ (144,788,331)	\$ -
20,372,229	1,276,514	(27,576,798)	-
6,340,398	4,189,356	(127,973,551)	-
35,580,430	-	4,593,492	-
6,262,417	5,874,179	(32,089,653)	-
133,849,297	-	(173,576,278)	-
2,311,127	296,276	(26,791,443)	-
6,764,768	98,680	(108,422)	-
-	-	(25,015,840)	-
<u>\$ 213,713,841</u>	<u>\$ 11,735,005</u>	<u>(553,326,824)</u>	<u>-</u>
\$ 43,757,247	\$ -	-	(40,593,566)
-	-	-	302,743
-	-	-	15,945
447,806	-	-	282,653
-	-	-	673,096
<u>\$ 44,205,053</u>	<u>\$ -</u>	<u>-</u>	<u>(39,319,129)</u>
General revenues:			
Real property taxes and tax items		150,635,859	-
Sales tax and use tax		349,646,335	-
Investment earnings		1,282,756	526,120
Tobacco settlement proceeds		7,712,439	-
Participation in debt service-external sources		15,669,032	-
Contributions other		-	29,396,700
Other revenue		-	21,475
County contributions		-	9,416,055
Total general revenues		<u>524,946,421</u>	<u>39,360,350</u>
Change in net position		(28,380,403)	41,221
Net position-beginning		<u>589,193,514</u>	<u>113,399,272</u>
Net position-ending		<u>\$ 560,813,111</u>	<u>\$ 113,440,493</u>

COUNTY OF ONONDAGA, NEW YORK

**Balance Sheet
Governmental Funds
December 31, 2014**

	<u>General</u>	<u>Water Environment Protection</u>
ASSETS		
Cash, cash equivalents and investments	\$ 74,880,429	\$ 41,503,734
Deposits by contractors	-	-
Receivables:		
Property taxes (net of \$19,306,320 reserve)	42,883,054	-
Accounts receivable (net of \$4,050,338 reserve)	46,047,123	9,801,931
Due from state and federal governments	66,572,857	-
Due from other funds	867,251	-
Due from other governments	3,415,233	1,909
Inventories	-	-
Prepaid items	7,309,456	891,232
Restricted cash	-	-
Total assets	\$ <u>241,975,403</u>	\$ <u>52,198,806</u>
LIABILITIES		
Accounts payable	\$ 11,191,613	\$ 1,444,563
Accrued liabilities	51,563,463	2,118,263
Contracts payable-retainage	2,457	-
Other liabilities	7,817,882	350,000
Due to other funds	1,000,000	-
Due to other governments	63,792,698	-
Total liabilities	<u>135,368,113</u>	<u>3,912,826</u>
DEFERRED INFLOW OF RESOURCES	<u>18,901,374</u>	<u>4,470,914</u>
FUND BALANCES		
Nonspendable	7,309,456	891,232
Restricted	-	-
Committed	5,000,000	-
Assigned	7,325,091	42,923,834
Unassigned	68,071,369	-
Total fund balances	<u>87,705,916</u>	<u>43,815,066</u>
Total liabilities, deferred inflow of resources and fund balances	\$ <u>241,975,403</u>	\$ <u>52,198,806</u>

See notes to financial statements.

	Debt Service	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$	35,101,230	\$ 32,335,194	\$ 21,607,554	\$ 205,428,141
	-	1,125,000	-	1,125,000
	-	-	-	42,883,054
	-	1,036,214	3,770,159	60,655,427
	-	7,545,258	13,230,891	87,349,006
	-	-	1,000,000	1,867,251
	-	-	418,436	3,835,578
	-	-	96,394	96,394
	-	-	837,797	9,038,485
	-	25,223,892	9,520,102	34,743,994
\$	<u>35,101,230</u>	<u>\$ 67,265,558</u>	<u>\$ 50,481,333</u>	<u>\$ 447,022,330</u>
\$	39,032	\$ 10,612,253	\$ 2,897,171	\$ 26,184,632
	-	7,697,628	4,123,508	65,502,862
	-	1,786,339	-	1,788,796
	-	108,932	8,765,893	17,042,707
	-	-	867,251	1,867,251
	-	-	994,144	64,786,842
	<u>39,032</u>	<u>20,205,152</u>	<u>17,647,967</u>	<u>177,173,090</u>
	-	15,375,966	89,095	38,837,349
	-	-	934,191	9,134,879
	21,570,884	2,204,425	8,624,000	32,399,309
	-	-	-	5,000,000
	13,491,314	29,480,015	23,646,492	116,866,746
	-	-	(460,412)	67,610,957
	<u>35,062,198</u>	<u>31,684,440</u>	<u>32,744,271</u>	<u>231,011,891</u>
\$	<u>35,101,230</u>	<u>\$ 67,265,558</u>	<u>\$ 50,481,333</u>	

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.	1,454,441,823
Inventories of automotive parts and road materials expensed as acquired in the funds.	8,237,661
Internal service fund used by management to charge the costs of insurance activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	14,900,420
Deferred inflow including property taxes not available to pay for current-period expenditures and are therefore, deferred in the funds.	23,461,382
Deferred gain on defeased debt not reported in the funds.	(1,591,503)
Deferred outflow on defeased debt	1,263,572
Accrued interest not reported in the funds.	(5,865,276)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(1,165,046,859)
Net position of governmental activities	<u>\$ 560,813,111</u>

COUNTY OF ONONDAGA, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	General	Water Environment Protection
REVENUES		
Taxes:		
Real property taxes and tax items	\$ 149,977,964	\$ 1,731,817
Sales tax and use tax	344,131,250	-
Federal aid	87,051,654	-
State aid	85,174,476	-
Departmental	21,066,583	76,253,526
Service for other governments	19,150,988	2,009,819
Tobacco settlement proceeds	-	-
Interest on investments	496,438	94,941
Miscellaneous	6,357,033	579,539
Total revenues	713,406,386	80,669,642
EXPENDITURES		
Current:		
General government support	141,935,642	-
Education	48,502,886	-
Public safety	127,908,753	-
Health	42,369,575	-
Transportation	3,959,792	-
Economic assistance and opportunity	285,111,340	-
Culture and recreation	14,421,731	-
Home and community services	1,894,161	54,677,213
Debt service:		
Principal	-	-
Interest	-	-
Total expenditures	666,103,880	54,677,213
Excess (deficiency) of revenues over expenditures	47,302,506	25,992,429
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	(56,548,321)	(23,812,052)
Proceeds of long-term borrowings	-	-
Proceeds from refunding bond	-	-
Payments to Escrow Agent	-	-
Participation in debt service-external sources	-	-
Principal forgiveness	-	-
Bond premium	-	-
Total other financing sources (uses)	(56,548,321)	(23,812,052)
Net change in fund balance	(9,245,815)	2,180,377
Fund balances- beginning	96,951,731	41,634,689
Fund balances- ending	\$ 87,705,916	\$ 43,815,066

See notes to financial statements.

	<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	-	-	-	\$ 151,709,781
	-	6,186	5,508,899	349,646,335
	-	5,067,239	16,864,745	108,983,638
	-	6,667,766	24,622,966	116,465,208
	-	50,000	13,844,272	111,214,381
	-	630,584	23,871,479	45,662,870
	-	-	7,712,439	7,712,439
	170,695	283	477,198	1,239,555
	-	611,049	10,674,828	18,222,449
	<u>170,695</u>	<u>13,033,107</u>	<u>103,576,826</u>	<u>910,856,656</u>
	451,276	11,144,771	2,869,033	156,400,722
	-	1,503,466	-	50,006,352
	-	5,512,432	5,477,867	138,899,052
	-	-	18,117,013	60,486,588
	-	21,525,505	26,582,953	52,068,250
	-	1,102,000	16,456,770	302,670,110
	-	2,914,270	22,645,355	39,981,356
	-	35,100,846	14,592,185	106,264,405
	46,831,669	-	3,095,000	49,926,669
	18,284,474	-	4,961,838	23,246,312
	<u>65,567,419</u>	<u>78,803,290</u>	<u>114,798,014</u>	<u>979,949,816</u>
	<u>(65,396,724)</u>	<u>(65,770,183)</u>	<u>(11,221,188)</u>	<u>(69,093,160)</u>
	44,200,720	17,578,115	39,624,114	101,402,949
	-	(769,405)	(20,273,171)	(101,402,949)
	-	34,800,000	-	34,800,000
	19,600,000	-	-	19,600,000
	(22,333,870)	-	-	(22,333,870)
	3,903,132	70,362,041	-	74,265,173
	11,765,901	-	-	11,765,901
	6,298,202	-	-	6,298,202
	<u>63,434,085</u>	<u>121,970,751</u>	<u>19,350,943</u>	<u>124,395,406</u>
	(1,962,639)	56,200,568	8,129,755	55,302,246
	37,024,837	(24,516,128)	24,614,516	175,709,645
\$	<u>35,062,198</u>	<u>31,684,440</u>	<u>32,744,271</u>	<u>\$ 231,011,891</u>

County of Onondaga, New York
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2014

Amounts reported for governmental activities in the statement of activities (page 4) are different because:

Net change in fund balances-total governmental funds (page 8)	\$ 55,302,246
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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	22,013,999
Reduction in long-term receivables and deferred property tax revenues resulting in reduced revenue in the statement of activities.	(6,169,564)
The issuance of long-term debt (e.g., bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(69,752,589)
Expenses reported in the statement of activities that are not reported as expenditures in the governmental funds.	(29,133,293)
Internal service funds are used by management to charge risk management activities to individual funds:	
The net decrease of certain activities of the internal service funds is reported with governmental activities.	<u>(641,202)</u>
Change in net position of governmental activities (page 4)	<u><u>\$ (28,380,403)</u></u>

See notes to financial statements

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COUNTY OF ONONDAGA, NEW YORK
Statement of Net Position
Internal Service Fund
December 31, 2014

ASSETS

Current assets:

Cash, cash equivalents and investments	\$	33,117,290
Receivables		<u>175,788</u>
Total current assets		<u>33,293,078</u>

Noncurrent assets:

Unfunded claims receivable		<u>45,234,079</u>
Total noncurrent assets		<u>45,234,079</u>
Total assets		<u>78,527,157</u>

LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities		<u>5,701,489</u>
Total current liabilities		<u>5,701,489</u>

Noncurrent liabilities:

Unpaid claim liabilities		<u>57,925,248</u>
Total noncurrent liabilities		<u>57,925,248</u>
Total liabilities		<u>63,626,737</u>

NET POSITION

Unrestricted		<u>14,900,420</u>
Total net position	\$	<u><u>14,900,420</u></u>

See notes to financial statements.

COUNTY OF ONONDAGA, NEW YORK
Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Fund
For the Year Ended December 31, 2014

OPERATING REVENUES	
Interdepartmental charges	\$ 62,272,538
Other charges	15,347,271
Total operating revenues	<u>77,619,809</u>
OPERATING EXPENSES	
Insurance premiums and benefits	73,569,567
Supplies	6,858
Contractual services	1,194,028
General and administrative	3,533,759
Total operating expenses	<u>78,304,212</u>
Operating Loss	<u>(684,403)</u>
Nonoperating revenue	
Interest income	43,201
Total nonoperating revenue	<u>43,201</u>
Change in net position	(641,202)
Total net position-beginning	15,541,622
Total net position-end	<u>\$ 14,900,420</u>

See notes to financial statements.

COUNTY OF ONONDAGA, NEW YORK
Statement of Cash Flows
Internal Service Fund
Year Ended December 31, 2014

Cash Flows From Operating Activities

Receipts from interfund services provided	\$	83,532,862
Payments for employee services and benefits		(75,739,305)
Payments for supplies and services		(508,655)
Payments for interdepartmental charges		<u>(3,763,764)</u>
Net cash provided by operating activities		3,521,138

Cash Flows From Investing Activities

Interest and earnings		<u>43,201</u>
Net increase in cash, cash equivalents and investments		3,564,339
Cash, cash equivalents and investments -beginning		<u>29,552,951</u>
Cash, cash equivalents and investments -ending	\$	<u><u>33,117,290</u></u>

**Reconciliation of Operating Loss to Net Cash Provided
by Operating Activities:**

Operating loss	\$	(684,403)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in assets, liabilities, and deferrals:		
Decrease in receivables		5,957,681
Increase in accounts payable		3,546,269
Decrease in deferred inflow		(44,628)
Decrease in accrued liabilities		(514,307)
Decrease in unpaid claim liabilities		<u>(4,739,474)</u>
Net cash provided by operating activities	\$	<u><u>3,521,138</u></u>

See notes to financial statements.

COUNTY OF ONONDAGA, NEW YORK

Statements of Net Position

Fiduciary Funds

December 31, 2014

	Cemetery Private Purpose Trust Fund	Pension Trust Fund	Agency
ASSETS			
Cash	\$ 1,202,697	\$ -	\$ 15,016,217
Guaranteed Investment Contracts	-	23,324,076	-
Cash Pooled Separate Accounts	-	58,555,785	-
Mutual funds	-	4,275,889	-
	<u>\$ 1,202,697</u>	<u>\$ 86,155,750</u>	<u>\$ 15,016,217</u>
LIABILITIES			
Liabilities -Agency fund liabilities	-	-	15,016,217
	<u>-</u>	<u>-</u>	<u>15,016,217</u>
NET POSITION	<u>\$ 1,202,697</u>	<u>\$ 86,155,750</u>	<u>\$ -</u>

COUNTY OF ONONDAGA, NEW YORK

Statements of Changes in Net Position

Fiduciary Funds

Year Ended December 31, 2014

	Cemetery Private Purpose Trust Fund	Pension Trust Fund
ADDITIONS		
Investment Income	\$ -	\$ 14,827,846
Departmental	121,600	-
Interest on investments	1,795	-
Contributions	-	4,950,635
Total additions	<u>123,395</u>	<u>19,778,481</u>
DEDUCTIONS/BENEFITS PAID	<u>194,198</u>	<u>4,334,316</u>
Change in net position	(70,803)	15,444,165
Net position - beginning	<u>1,273,500</u>	<u>70,711,585</u>
NET POSITION - ENDING	<u>\$ 1,202,697</u>	<u>\$ 86,155,750</u>

See notes to financial statements

COUNTY OF ONONDAGA, NEW YORK
Combining Statement of Net Position
Component Units
December 31, 2014

	<u>OCC</u>	<u>OCDC</u>
ASSETS		
Cash, cash equivalents and investments	\$ 24,774,630	\$ 1,895,301
Accounts receivable (net of \$1,355,000 reserve)	25,705,385	198,399
Due from state and federal governments	2,792,233	-
Inventories	-	-
Prepaid items and other assets	1,177,224	9,811
Notes receivable	-	-
Endowment assets :		
Investments	-	-
Promises to give	-	-
Capital assets net of accumulated depreciation	<u>134,022,571</u>	<u>25,403</u>
Total assets	<u>\$ 188,472,043</u>	<u>\$ 2,128,914</u>
LIABILITIES		
Accounts payable	\$ 8,397,339	\$ 5,543
Accrued liabilities	3,653,970	-
Other liabilities	3,460,058	104,700
Due to Onondaga County	-	63,668
Long term obligations and unpaid liabilities:		
Due in more than one year	<u>45,932,182</u>	<u>-</u>
Total liabilities	<u>61,443,549</u>	<u>173,911</u>
Deferred inflow of resources	<u>25,501,801</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	134,022,571	-
Restricted for:		
Capital projects	9,310,559	-
Endowments	-	-
Loans	47,608	-
Unrestricted	<u>(41,854,045)</u>	<u>1,955,003</u>
Total net position	<u>\$ 101,526,693</u>	<u>\$ 1,955,003</u>

See notes to financial statements.

<u>Fund Company</u>	<u>The Friends</u>	<u>OCIDA</u>	<u>Total Component Units</u>
\$ 117	\$ 2,213,492	\$ 1,763,341	\$ 30,646,881
-	124,131	145,261	26,173,176
-	-	-	2,792,233
891,035	70,516	-	961,551
-	61,436	-	1,248,471
-	-	50,000	50,000
-	3,472,330	-	3,472,330
-	89,010	-	89,010
-	78,114	2,345,837	136,471,925
<u>\$ 891,152</u>	<u>\$ 6,109,029</u>	<u>\$ 4,304,439</u>	<u>\$ 201,905,577</u>
\$ 78,425	\$ 60,046	\$ 127,150	\$ 8,668,503
-	125,164	-	3,779,134
-	-	-	3,564,758
812,727	95,697	-	972,092
-	-	-	45,932,182
<u>891,152</u>	<u>280,907</u>	<u>127,150</u>	<u>62,916,669</u>
-	46,614	-	25,548,415
-	-	2,345,837	136,368,408
-	-	44,159	9,354,718
-	3,809,523	-	3,809,523
-	-	-	47,608
-	1,971,985	1,787,293	(36,139,764)
<u>\$ -</u>	<u>\$ 5,781,508</u>	<u>\$ 4,177,289</u>	<u>\$ 113,440,493</u>

COUNTY OF ONONDAGA, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Component Units
Year Ended December 31, 2014

	<u>OCC</u>	<u>OCDC</u>
Expenses:		
Program operations	\$ 100,173,668	\$ 571,870
Depreciation	<u>7,022,130</u>	<u>7,350</u>
Total expenses	<u>107,195,798</u>	<u>579,220</u>
Program revenues:		
Charges for services	22,844,985	881,963
Operating grants and contributions	<u>43,757,247</u>	<u>-</u>
Total program revenues	<u>66,602,232</u>	<u>881,963</u>
Net program (expenses) revenues	<u>(40,593,566)</u>	<u>302,743</u>
General revenues (expenses):		
Contribution from (to) Onondaga County	9,432,000	-
Interest and investment income	24,787	-
Contributions from (to) other governments	29,396,700	-
Other revenue	<u>-</u>	<u>7,822</u>
Total general revenues (expenses)	<u>38,853,487</u>	<u>7,822</u>
Change in net position	(1,740,079)	310,565
Net position -beginning of year	<u>103,266,772</u>	<u>1,644,438</u>
Net position -end of year	<u>\$ 101,526,693</u>	<u>\$ 1,955,003</u>

See notes to financial statements.

<u>Fund Company</u>	<u>The Friends</u>	<u>OCIDA</u>	<u>Total Component Units</u>
\$ 702,714	\$ 2,303,164	\$ 750,550	\$ 104,501,966
-	20,064	-	7,049,544
<u>702,714</u>	<u>2,323,228</u>	<u>750,550</u>	<u>111,551,510</u>
718,659	2,158,075	1,423,646	28,027,328
-	447,806	-	44,205,053
<u>718,659</u>	<u>2,605,881</u>	<u>1,423,646</u>	<u>72,232,381</u>
15,945	282,653	673,096	(39,319,129)
(15,945)	-	-	9,416,055
-	490,762	10,571	526,120
-	-	-	29,396,700
-	-	13,653	21,475
<u>(15,945)</u>	<u>490,762</u>	<u>24,224</u>	<u>39,360,350</u>
-	773,415	697,320	41,221
-	5,008,093	3,479,969	113,399,272
<u>\$ -</u>	<u>\$ 5,781,508</u>	<u>\$ 4,177,289</u>	<u>\$ 113,440,493</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

The County of Onondaga, New York (the "County") established in 1794, is a municipal corporation which performs local governmental functions within its jurisdiction, including police and law enforcement services, economic assistance, health and nursing services, maintenance of county roads, parks, waste water and clean waters, and among others, operations of Onondaga Community College and Onondaga County Industrial Development Agency. The County is governed by an elected County Executive and seventeen elected members of the County Legislature.

Financial Reporting Entity

In accordance with Governmental Accounting Standards Board (GASB) the basic financial statements of the County include the primary government and component units that are defined as legally separate organizations that meet the definition of blended or discretely presented component units.

Based on the application of GASB statements, the following is a brief discussion of entities that are included within the County's reporting entity:

Onondaga Community College (OCC or Community College)

The majority of the College's Board of Trustees are appointed by the County Executive and confirmed by the County Legislature. Substantial funding is provided by the County for the operation of the Community College, and from general obligation bonds of the County resulting in a financial benefit/burden relationship. The Community College has a fiscal year which ends August 31st, the accompanying financial statements include financial information for the year ended August 31, 2014. The Community College is presented discretely as a component unit of the County.

Onondaga County Housing Development Fund Company (Fund Company)

The Fund Company accounts for the Onondaga County Homeownership Program consisting of construction or acquisition and rehabilitation of housing for sale to first time homebuyers of low and moderate income in the County. Under the Homeownership Program, the Fund Company will complete the rehabilitation or construction of houses for sale to qualifying homebuyers. The Fund Company participates in the Federal Community Development Block Grant Program administered by the County.

The funding is reflected as government contributions and enables the Fund Company to partially subsidize the cost of housing to eligible participants. The majority of the Fund Company's governing body is appointed by the County. The entity provides specific financial benefits to the primary government. However, the County is not able to impose its will on the entity nor is the County financially accountable for the entity. The Fund Company is presented discretely as a component unit of the County.

Friends of Rosamond Gifford Zoo (The Friends)

The Friends organization was established in 1970 to stimulate the interest of the public in the expansion and improvement of the County's Rosamond Gifford Zoo. Membership fees and contributions are solicited to aid in Zoo operations and support additions and upgrades to exhibits. The Friends also recruit, train and coordinate zoo volunteers, operate a gift shop, and sponsor special events. The Friends is presented discretely as a component unit of the County based on a financial benefit/burden relationship. The Friends have a fiscal year that ends December 31, however their 2014 financial statements were not available for incorporation into these financial statements. As a result, their 2013 year-end financial information is presented.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Onondaga County Industrial Development Agency (OCIDA)**

OCIDA was created under the New York State Industrial Development Agency Act of 1969 as a legally separate corporate governmental agency constituting a public benefit corporation. OCIDA was formed to promote and develop the economic growth of Onondaga County and to assist in attracting industry to the County through bond and sale/leaseback financing programs and other activities. The County Legislature appoints the entire governing board and is able to impose its will. OCIDA is presented discretely as a component unit of the County.

Onondaga Tobacco Asset Securitization Corporation (OTASC)

OTASC is a special purpose local development corporation and is considered by legal counsel to be bankruptcy-remote from the County. However, the majority of OTASC's board of directors is comprised of elected or appointed officials of the County and one independent director. Although legally separate, for financial reporting purposes, OTASC is presented as a Nonmajor Debt Service Fund due to the fact that its purpose is to exclusively serve the County.

Onondaga Civic Development Corporation (OCDC)

County Legislature resolution number 192 of 2009 ratified and confirmed the formation of OCDC. OCDC is considered a public authority and is subject to the rules and regulations of the New York State Public Authority Act of 2009. OCDC was organized to stimulate economic growth and lessen the burdens of government through facilitating investments that will promote job creation and retention, improve the quality of life of Onondaga County citizens, generate prosperity, and encourage economic vibrancy for Onondaga County as a whole, by using available incentives including the issuance of negotiable bonds for Onondaga County's non-profit organizations as set forth more fully in Section 1411(a) of the Not-for-Profit Laws of the State of New York. OCDC is managed by a Board of Directors which establishes the general policies governing the organization. The Board of Directors is comprised of seven voting directors whereby three are appointed by the chairman of the Onondaga County Legislature, three are appointed by the Onondaga County Executive and one additional director jointly appointed by the Onondaga County Legislature and County Executive all subject to confirmation by the Onondaga County Legislature and the County can impose its will.

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices.

Onondaga Community College
Onondaga Hill, Syracuse, New York 13215

Fund Company
John H. Mulroy Civic Center
421 Montgomery Street, 11th Floor
Syracuse, New York 13202

Onondaga Civic Development Corporation
(OCDC)
333 West Washington Street, Suite 130
Syracuse, New York 13202

OCIDA
333 West Washington Street, Suite 130
Syracuse, New York 13202

The Friends
One Conservation Place
Syracuse, New York 13204

OTASC
John H. Mulroy Civic Center
421 Montgomery Street, 14th Floor
Syracuse, New York 13202

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Government-wide and Fund Financial Statements**

The government-wide financial statements, i.e., the statement of net position and the statement of activities, report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions including State and Federal aid, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

As a general rule, administrative overhead is included in the functional expenses on the governmental financial statements, and has been eliminated from the general government support category. The effect of interfund activity has been eliminated from the government-wide financial statements.

Separate fund financial statements are provided for governmental funds, internal service funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the internal service funds are reported separately in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the internal service funds. 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 as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues and related receivables or deferred outflows are recorded in the accounting period that they become measurable and available. Available means collectible within the current period or soon enough thereafter, 60 days for real property taxes and 365 days for most other revenue, to be used to pay liabilities of the current period. Revenues not considered available are recorded as deferred inflows. Expenditures are recorded when a fund liability is incurred and is due and payable. Liabilities and deferred inflows expected to be paid after twelve months are considered long-term liabilities.

Intergovernmental revenues (Federal and State aid) are accounted for on a modified accrual basis with consideration given to the legal and contractual requirements of the numerous individual programs involved. These intergovernmental revenues are of essentially two types. In one, County moneys must be expended on the specific purpose or project before any amounts will be reimbursed to the County; therefore, revenues are recognized when the expenditures are incurred. In the other, moneys are virtually unrestricted as to purpose of expenditure and nearly irrevocable (i.e., revocable only for failure to comply with prescribed compliance requirements). These resources are reflected as revenues at the time of receipt or earlier if the measurable and available criteria are met.

Uncollected property taxes at year end are either reserved for or deferred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Sales tax revenues are recorded on an accrual basis to include the portion of sales tax revenues attributable to the current year that is remitted to New York State and ultimately paid to the County in the subsequent year.

Investment earnings are recorded on a modified accrual basis since they are measurable and available.

Licenses and permits, charges for services, fines and forfeitures, gain contingencies, and miscellaneous revenues are generally recorded on the cash basis because they are generally not measurable until actually received.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first and then unrestricted resources, as they are needed.

Internal Service funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an internal service fund's principal ongoing operations. Operating expenses for internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Fund Types: Governmental funds are those through which most governmental functions of the County are financed. The County's major governmental funds are as follows:

General Fund

The General Fund is the County's primary operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

Water Environment Protection

Water Environment Protection is a special revenue fund used to account for the County's drainage and sanitation operations.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. This includes payments of serial bond and bond anticipation notes for debt issued by the County for capital asset acquisitions including those for the Community College.

Capital Projects Fund

The Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of capital assets. Expenditures are transferred on an annual basis to the construction-in-progress account and the Community College.

The County's Nonmajor governmental funds are as follows:

Other Governmental Funds

The Nonmajor Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are intended for expenditures for specified purposes including the general grants, ONCENTER fund, county road, road machinery, water, Van Duyn, library, library grants, and community development funds. OTASC is a Nonmajor Debt Service Fund because its purpose is to exclusively serve the County.

Internal Service Fund Types: Internal Service fund types are used to account for the County's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income. Revenues are recognized in the accounting period in which they are earned; expenses are recognized in the period incurred, if measurable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Internal Service Fund**

The Internal Service Fund is used to account principally for the County's risk management activities. The County is self-insured for certain risks including workers' compensation risks, general liability risks (judgments and claims), dental and medical benefits.

Fiduciary Fund Types: The fiduciary fund type is used to account for assets held by the County in a trustee or safekeeping capacity, or as an agent for individuals, private organizations or other governmental units, and/or other funds or component units.

Trust and Agency Funds

The Agency Fund is used to account for money and property received and held by the County acting as an agent with only custodial responsibility in which an asset and liability are recorded in equal amounts. Private purpose trust funds are used to account for expendable trust funds in which the trust principal and earnings thereon may be expended for the purposes of the trust. Trust funds are accounted for in essentially the same manner as the governmental funds. The County's private purpose trust fund relates to the activities of a veteran's cemetery. In 1993, the County established a Pension Trust Fund for its employees. It is a defined contribution plan exempt from income taxes under 457(B) of the Internal Revenue Code and is reported as a trust fund. Since the 2014 financial statement for the plan was not available for incorporation into these financial statements, the information presented for the plan is as of December 31, 2013.

Inventories

Inventories recorded in the governmental activities section of the government-wide financial statements represent automotive parts and road materials that are stated at cost.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$25,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The County has historical treasures, works of art, and several collections including library books and zoo animals. Acquisitions of these assets are expensed at the time of purchase. These assets are not held for financial gain. They are kept protected, unencumbered, and preserved. Any proceeds from the sales of these assets will be used to acquire other items for the collections. Most animals at the zoo are a part of a successful breeding program. The County's historical treasures, works of art and collections are recorded as an expense at the time of acquisition.

Major outlays for capital assets and improvements are capitalized as projects are completed.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Assets</u>	<u>Years</u>
Buildings	20-40
Building improvements	20-30
Land improvements	10-20
Equipment	3-15
Infrastructure	10-50

Capital assets of the Community College are recorded at cost, or if donated, at fair market value at the date of donation. Depreciation is recorded on a straight-line basis over the estimated useful lives (5 to 30 years).

Deferred Inflows/Outflows

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. The County reports the difference between the reacquisition price and the net carrying amount of the old debt relating to the 2014 advance refunding as a deferred outflow in the government-wide statement of net position and this amount is deferred and amortized over the life of the debt.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the governmental funds balance sheet, the deferral is made up of \$23,461,383 of unavailable property taxes, \$15,375,966 of deferred EFC funds associated with the Onondaga Lake Amended Consent Judgement. On the government wide statements the deferral is made up of the EFC funds and \$1,591,503 of gain on defeased debt. This gain will be amortized over the life of the related debt on the government-wide statements.

Compensated Absences

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences," a liability for vacation leave, personal time off, compensatory time off is accrued if (a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. Under the terms of the County's personnel policies and its union agreements, regular permanent employees earn varying amounts of vacation leave, personal time-off and sick leave benefits on the basis of past service. Employees may also earn compensatory time-off in lieu of overtime pay. Compensated absence liabilities relating to the governmental funds are considered long-term liabilities, except those due and payable. Accrued liability amounts are based on wage rates prevailing as of the balance sheet date and include additional estimates for the employer's salary-related costs. Accumulated non-vested sick leave benefits are only payable on the basis of the future event of employee illness, the occurrence of which is indeterminable.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts (if material) are amortized over the life of the bonds. Bond issuance costs are expensed when incurred and are reported in the functional categories of expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures in the functional categories of expense.

Participation in Debt Service - External Sources

Included in general revenues in the Statement of Activities and other financing sources in the Debt Service Fund and Capital Projects Fund are funds pertaining to the participation in the County's debt service by local corporations, other governments and other loans payable as described in Note 8.

Interfund Transactions

Short-term advances between funds are accounted for in the appropriate due from (to) other fund accounts. Transactions between funds that would be treated as revenues or expenditures if they involved organizations external to the governmental unit are accounted for as revenues or expenditures in the funds involved. Transactions that constitute reimbursements of a fund for expenditures initially made from that fund which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of the expenditure in the fund that is reimbursed. All other legally authorized transfers are treated as operating transfers and are included in the results of operations of both governmental and internal service funds.

Deficit Fund Balance

The Community Development Fund reported a deficit fund balance of \$190,303 at December 31, 2014. This was the result of non-reimbursable interdepartmental charges. This amount will be funded by the General Fund in 2015.

Equity Classifications

Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, changed the terminology and classification of fund balance to reflect spending constraints on resources, rather than availability for appropriation to provide users more consistent and understandable information about a fund's net resources. Constraints are broken down into five different classifications: nonspendable, restricted, committed, assigned, and unassigned. The classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor constraints on the specific purposes for which resources in a fund can be spent.

Governmental fund equity is classified as fund balance. In the fund basis statements there are five classifications of fund balance:

Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes inventory and prepaid expenses recorded in the Governmental Funds of \$9,134,879.

Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Due to the legal constraints involving the issuance of debt and the accumulation of funds to retire that debt, a portion of the fund balance of the Capital Projects Fund and Debt Service Fund and OTASC is classified as restricted.

Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the County Legislature. Committed fund balance is made up of \$5,000,000 for debt retirement in the General Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assigned - Includes amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor nonspendable. All positive amounts related to funds other than the General Fund that are not otherwise classified as nonspendable or restricted are classified as assigned. In the General Fund, encumbrances, appropriated fund balance and Management designations are classified as assigned. Encumbrances at year end 2014 totaled \$3,314,201. The County has appropriated \$3,828,561 to the 2015 budget. In addition, Management has designated \$182,329 for debt avoidance and property tax relief. The total assigned General Fund amount is \$7,325,091.

Unassigned - Includes all other General Fund fund balance that does not meet the definition of the above four classifications and are deemed to be available for general use by the County.

Jointly Governed Organizations

The County has some level of representation in the Greater Syracuse Property Development Corporation (Land Bank). The Land Bank is an independent, nonprofit corporation created by Intermunicipal Agreement between the City of Syracuse and the County of Onondaga. Its mission is to address the problems of vacant, abandoned, or tax delinquent property in the City of Syracuse and the County of Onondaga in a coordinated manner through the acquisition of real property pursuant to New York Not-for-Profit Corporations Law section 1608 and returning that property to productive use in order to strengthen the economy, improve the quality of life, and improve the financial condition of the municipalities, through the use of the powers and tools granted to Land Banks by the Laws of the State of New York. It is governed by a board of directors appointed by the City and the County.

Use of Estimates

The preparation of the basic 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, liabilities and deferrals and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. Significant estimates made by the County in determination of recorded assets, liabilities and deferrals include, but are not limited to, allowances for uncollectible property taxes and other receivables, reserves for self-insurance claim liabilities, and accruals for environmental, litigation and pending tax certiorari claims.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**Governmental fund balance sheet and the government-wide statement of net position**

The governmental fund balance sheet includes a reconciliation between total governmental funds fund balance and net position—governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this \$1,454,441,823 difference can be found in the Summary of Changes in Capital Assets on page 29. Another element of that reconciliation explains that “Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$1,165,046,859 difference can be found in the Changes in Long-term Obligations section of these notes on page 33.

Governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances—total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

reconciliation explains that “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 and reported as depreciation expense.” The details of this difference are as follows:

Net Capital Outlay	\$ 79,901,314
Depreciation Expense	(57,887,315)
Total	<u>\$ 22,013,999</u>

Another element of that reconciliation states “The issuance of long-term debt (e.g., bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 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.” The details of this difference are as follows:

Debt issued or incurred:	
Issuance of general obligation debt and accreted interest	\$ 57,568,940
Additional loans	164,093,075
Plus Premium	6,298,202
Deferred outflow on defeased debt	(1,368,870)
Principal repayments:	
General obligation debt	(50,833,000)
Loan payments	(104,591,802)
Amortization of gain on defeased debt	(157,725)
Amortization of premium (amortized against interest expense)	(1,389,344)
Amortization of issuance discounts (amortized as interest expense)	27,815
Amortization of deferred outflow	105,298
Total	<u>\$ 69,752,589</u>

Another element of that reconciliation states that “Expenses reported in the statement of activities that are not reported as expenditures in the governmental funds.”

The details of this difference are as follows:

Tax certiorari	\$ (360,000)
Compensated absences	(66,546)
Judgments and claims	(932,643)
Postemployment benefits	33,746,269
Workers' compensation	(2,795,999)
Accrued interest	14,545
Inventory adjustment	(472,333)
Total	<u>\$ 29,133,293</u>

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include demand deposits accounts and all highly liquid debt instruments purchased with original maturities of three months or less. New York State statutes authorize the County to invest in obligations of the State of New York, the United States Government and its agencies, certificates of deposit, and repurchase agreements collateralized by U.S. obligations.

Cash and Equity in Pooled Cash and Investments

The County maintains a cash and investment pool, except for the pension trust fund, that is available for use by all governmental and proprietary fund types. Earnings are allocated monthly to each participating fund based on a formula that takes into consideration each fund's average balance in the pool.

The carrying amount of the County's deposits with financial institutions was \$289,508,339 and the bank balance was \$264,959,924. Of these amounts, \$8,752,478 represents cash and investments of OTASC.

The bank balance is categorized as follows:

Amount insured by the FDIC or collateralized with securities held by the County or its agent in the County's name	\$ 3,713,000
Amount collateralized with securities held by the pledging financial institution's trust department or its agent in the County's name	<u>261,246,924</u>
Total bank balance	<u>\$ 264,959,924</u>

Investments

Investments made by the County are summarized below. The investments that are represented by specific identifiable investment securities are classified as to custodial credit risk by the three categories described as follows:

Category 1-	Insured or registered, or securities held by the County or its agent in the County's name
Category 2-	Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name
Category 3-	Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the County's name

All County investments are category 1.

U.S. Government Securities	\$ 22,638,215
Commercial Paper-OTASC	8,383,280
Money Market Funds-OTASC	<u>240,720</u>
Total Investments	<u>\$ 31,262,215</u>

At December 31, 2014 the carrying amount of the County's short-term investments approximates fair value (based on quoted market prices).

4. PROPERTY TAXES AND COLLECTION

The County levies taxes on real property located within the County. Collections are the responsibility of either the city tax collectors of the City of Syracuse or the town receiver or collectors for the towns in the County. As of April 1, the towns retain the full amount of their related town levy and remit the balance of collected taxes to the County. After April 1, uncollected taxes receivable of the towns are turned over to the County for collection. The City of Syracuse remits to the County only the amount of the County tax levy actually collected. The City of Syracuse retains responsibility for collecting County delinquent taxes on property within the City.

4. PROPERTY TAXES AND COLLECTION (continued)

The County’s property tax calendar is as follows:

Assessment date.....	July 1, 2013
Levy date.....	December 31, 2013
Lien date.....	July 1, 2014
Due date.....	January 1, 2014
Penalties and interest are added.....	February 1, 2014 1.0%
	March 1, 2014 1.5%
Tax sale-2013 delinquent taxes.....	October 1, 2014
Tax auction-2009 prior delinquent taxes.....	November 15, 2014

Uncollected school taxes assumed by the County as a result of settlement proceedings are reported as receivables in the General Fund to maintain central control and provide for tax settlement and enforcement proceedings. The portion of the receivable that represents taxes relieved for schools in the amount of \$21,046,900 is included in the liability due to other governments at December 31, 2014. The County has the authority to levy taxes up to the New York State Constitutional tax limit which is: (a) up to 1.5% of the five-year average full assessed valuation of taxable real property, for general governmental services other than the payment of principal and interest on long-term debt, (b) in unlimited amounts for the payment of principal and interest on long-term debt, and (c) in unlimited amounts for capital appropriations. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt and capital appropriations for the year ended December 31, 2014 was .43% of the five-year average full assessed valuation of taxable real property.

5. NEW AND UPCOMING PRONOUNCEMENTS

In June 2013, the GASB issued Statement No. 69, Government Combinations and Disposals of Government Operations. This Statement established accounting and financial reporting standards related to government combinations and disposals of government operations. The term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The County was required to adopt the provisions of this Statement for the year ending December 31, 2014, however, the County chose to early implement such provisions in previous years.

In April 2013, the GASB issued Statement No. 70, Accounting and Financial Reporting for Non-exchange Financial Guarantees. This Statement establishes accounting and financial reporting standards for financial guarantees that are non-exchange transactions (non-exchange financial guarantees) extended or received by a state or local government. The Corporation adopted the provisions of this Statement for the year ending December 31, 2014 with no material effect on the financial statements.

Upcoming Pronouncements

In June 2012, the GASB issued Statement No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25. In addition, the GASB issued Statement No. 68 Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. The objective of Statement No. 67 is to improve financial reporting by state and local governmental pension plans. Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of Statement No. 68, as well as for non-employer governments that have a legal obligation to contribute to those plans. The County is required to adopt the provisions of Statement No. 68 for the year ending December 31, 2015.

5. NEW AND UPCOMING PRONOUNCEMENTS (continued)

In November 2013, the GASB issued Statement No. 71, Pension Transitions for Contributions Made Subsequent to the Transition Date – an amendment of GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The Corporation is required to adopt the provisions of this Statement in conjunction with GASB Statement No. 68.

The County has not yet assessed the impact of these statements on its future financial statements.

6. FEDERAL AND STATE FUNDED PROGRAMS

The County participates in a number of Federal and New York State grant and assistance programs. The principal operating programs relate to temporary and medical assistance, foster care, community development, and local public works 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. In addition to the operating programs, the County also receives Federal and State assistance for approved capital projects. These capital projects are also subject to audit prior to a final settlement on amounts originally claimed by the County.

7. CAPITAL ASSETS

A summary of changes in the capital assets is as follows:

Governmental Activities	Balance January 1, 2014	Additions	Reductions	Balance December 31, 2014
Capital assets, not being depreciated				
Land	\$ 20,484,252	\$ 15,750	\$ -	\$ 20,500,002
Intangible Asset	29,750,000	-	-	29,750,000
Construction in progress	474,893,031	77,269,941	(42,402,731)	509,760,241
Total capital assets, not being depreciated	<u>525,127,283</u>	<u>77,285,691</u>	<u>(42,402,731)</u>	<u>560,010,243</u>
Capital assets, being depreciated:				
Land improvements	23,098,805	3,500	-	23,102,305
Buildings	307,707,477	-	-	307,707,477
Building improvements	149,531,406	12,107,153	-	161,638,559
Equipment	122,303,983	2,719,939	(743,541)	124,280,381
Infrastructure	1,318,452,704	30,187,762	-	1,348,640,466
Total capital assets, being depreciated	<u>1,921,094,375</u>	<u>45,018,354</u>	<u>(743,541)</u>	<u>1,965,369,188</u>
Less accumulated depreciation for:				
Land improvements	(10,505,931)	(866,134)	-	(11,372,065)
Buildings	(202,862,923)	(8,709,133)	-	(211,572,056)
Building improvements	(78,742,670)	(5,563,793)	-	(84,306,463)
Equipment	(79,924,846)	(7,271,316)	743,541	(86,452,621)
Infrastructure	(641,757,464)	(35,476,939)	-	(677,234,403)
Total accumulated depreciation	<u>(1,013,793,834)</u>	<u>(57,887,315)</u>	<u>743,541</u>	<u>(1,070,937,608)</u>
Total capital assets, being depreciated, net	<u>907,300,541</u>	<u>(12,868,961)</u>	<u>-</u>	<u>894,431,580</u>
Net capital assets-Governmental activities	<u>\$ 1,432,427,824</u>	<u>\$ 64,416,730</u>	<u>\$ (42,402,731)</u>	<u>\$ 1,454,441,823</u>

7. CAPITAL ASSETS (continued)

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental Activities:

General government	\$ 9,757,909
Public Safety	5,661,705
Health	147,875
Transportation	20,352,238
Economic assistance and opportunity	15,304
Culture and Recreation	4,707,685
Home and community services	17,244,599
Total depreciation expense-Governmental Activities	<u><u>\$ 57,887,315</u></u>

A summary of changes in the capital assets of the Community College at August 31, 2014 is as follows:

	Balance September 1, 2013	Additions	Reductions	Balance August 31, 2014
Capital assets, not being depreciated				
Construction in progress	\$ 30,202,337	\$ -	\$ (30,202,337)	\$ -
Total capital assets, not being depreciated	<u>30,202,337</u>	<u>-</u>	<u>(30,202,337)</u>	<u>-</u>
Capital assets, being depreciated:				
Land and building improvements	80,095,280	7,479,011	5,107,807	92,682,098
Buildings	100,363,042	175,010	25,094,530	125,632,582
Equipment	18,398,966	1,246,585	(587,047)	19,058,504
Library books	523,901	56,447	(48,468)	531,880
Total capital assets, being depreciated	<u>199,381,189</u>	<u>8,957,053</u>	<u>29,566,822</u>	<u>237,905,064</u>
Less accumulated depreciation for:				
Improvements	(29,016,534)	(3,299,810)	-	(32,316,344)
Buildings	(53,279,142)	(2,499,920)	-	(55,779,062)
Equipment	(14,925,875)	(1,169,610)	567,075	(15,528,410)
Library books	(254,355)	(52,790)	48,468	(258,677)
Total accumulated depreciation	<u>(97,475,906)</u>	<u>(7,022,130)</u>	<u>615,543</u>	<u>(103,882,493)</u>
Total capital assets, being depreciated, net	<u>101,905,283</u>	<u>1,934,923</u>	<u>30,182,365</u>	<u>134,022,571</u>
Net capital assets-Community College	<u><u>\$ 132,107,620</u></u>	<u><u>\$ 1,934,923</u></u>	<u><u>\$ (19,972)</u></u>	<u><u>\$ 134,022,571</u></u>

8. GENERAL LONG-TERM OBLIGATIONS

The County generally borrows funds on a long-term basis for the purpose of financing the acquisition of land, equipment, construction of buildings and improvements, and infrastructure. 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 provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized by the County Legislature to be collected in future years from taxpayers and others for liquidation of the long-term liabilities. Interest associated with long-term debt is recorded as an expenditure when such amounts are paid.

At December 31, 2014, the County had utilized 13.28% of its statutory debt limit. Details relating to bonds payable at December 31, 2014 are summarized as follows:

8. GENERAL LONG-TERM OBLIGATIONS (continued)

<u>Description of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Total</u>
<u>General Obligation Bonds:</u>			
General Obligation, 1996	2015	4.40-5.00%	\$ 3,000
General Obligation, 2005	2026	3.625-4.25%	1,225,000
General Obligation, 2006	2026	3.50-5.00%	3,725,000
General Obligation, 2007	2027	3.75-5.00%	16,150,000
General Obligation, 2009	2029	4.00-5.00%	45,000,000
General Obligation, 2009	2023	2.00-5.00%	20,050,000
General Obligation, 2010	2019	4.00-5.00%	17,150,000
General Obligation, 2010	2026	4.25-5.15%	17,570,000
General Obligation, 2010	2030	5.50-5.90%	4,905,000
General Obligation, 2011	2030	3.00-5.00%	29,175,000
General Obligation, 2012	2037	3.00-5.00%	47,925,000
General Obligation, 2012	2025	2.00-5.00%	15,445,000
General Obligation, 2013	2033	4.00-5.00%	67,870,000
General Obligation, 2014	2034	2.50-5.00%	34,800,000
General Obligation, 2014	2026	2.00-5.00%	19,325,000
			<u>\$ 340,318,000</u>
<u>OTASC:</u>			
Tobacco Settlement Pass-Through Bonds, Series 2001	2043	5.00-6.00%	85,975,000
Tobacco Settlement Pass-Through Bonds, Series 2005	2060	6.00-7.15%	51,061,943
			<u>\$ 477,354,943</u>

The annual requirements and sources to amortize debt on outstanding bonds as of December 31, 2014 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 31,708,000	\$ 19,640,028	\$ 51,348,028
2016	31,535,000	17,727,950	49,262,950
2017	31,615,000	16,324,200	47,939,200
2018	32,150,000	14,985,300	47,135,300
2019	29,735,000	13,717,600	43,452,600
2020-2024	124,865,000	52,253,432	177,118,432
2025-2029	77,550,000	32,805,543	110,355,543
2030-2034	38,750,000	17,583,629	56,333,629
2035-2039	33,901,751	45,210,679	79,112,430
2040-2044	4,970,000	2,940,263	7,910,263
2050	16,583,909	126,233,419	142,817,328
2055	9,157,632	130,489,948	139,647,580
2060	14,833,651	342,240,747	357,074,398
	<u>\$ 477,354,943</u>	<u>\$ 832,152,738</u>	<u>\$ 1,309,507,681</u>

Advance Refunding—July 14, 2014

The County issued \$19,600,000 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$20,965,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$1,368,870. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was under-

8. GENERAL LONG-TERM OBLIGATIONS (continued)

taken to reduce total debt service payments over the next twelve years by \$1,314,910 and resulted in an economic gain of \$1,128,895.

Obligations Authorized Unissued

At December 31, 2014, the County has obligations authorized and unissued of \$230,446,960, the proceeds of which are to be used for sewer, road and general capital purposes.

Prior Year Defeasance of Debt

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds and the proceeds for the sale of its future tobacco settlement revenue rights into an irrevocable trust to provide for all future debt service payments on the old debt.

A breakdown of the balance of the principal defeased as of December 31, 2014 by issue is shown below:

<u>Issue</u>	<u>Balance</u>
General Obligation Bonds 1996	\$ 312,000
General Obligation Bonds 1998	3,300,000
General Obligation Bonds 1999	975,000
General Obligation Bonds 2001	3,795,000
General Obligation Bonds 2002	3,700,000
General Obligation Bonds 2005	7,085,000
General Obligation Bonds 1996	185,000
General Obligation Bonds 1998	2,100,000
General Obligation Bonds 1999	2,875,000
General Obligation Bonds 2001	3,580,000
General Obligation Bonds 2002	12,300,000
General Obligation Bonds 2003	10,800,000
General Obligation Bonds 2004	5,650,000
General Obligation Bonds 2005	5,390,000
General Obligation Bonds 2006	15,575,000
	\$ 77,622,000

Other Loans Payable

The State has made available to the County loans from the State Pollution Control Revolving Fund in the amount of \$503,669,627, of which \$261,443,930 is outstanding at December 31, 2014. The notes mature serially in varying annual amounts through 2044, with interest ranging from 0.181% to 4.96%, payable annually. The County has recorded the full amount of loans made available less any repayments remitted. Proceeds from these loans are recognized as participation in debt-external sources in the Capital Projects Fund when eligible expenditures are reimbursed by the State Pollution Control Revolving Fund. During 2014, EFC refunded a prior State Clean Water and Drinking Water Revolving Funds (SRF) bond issues with new bond issued at lower current-market interest rate. The refunding/refinancing amount of prior SRF bond issues for Onondaga County is \$5,705,000. During 2014, the County had a 2009, \$20,000,000 Short Term EFC Loan roll over to a Long Term EFC Loan. The loan was for project costs which were eligible for the ARRA (American Recovery and Reinvestment Act) of 2009. Through the ARRA stimulus, the County was given \$11,765,901 of principal forgiveness on the loan. In 2010, the County recognized an intangible asset in the amount of \$29,750,000 for water rights to Lake Ontario. At January 1, 2014, the County still owed \$3,000,000 to the City of Oswego for those rights. The County paid \$1,000,000 in 2014 and will pay \$1,000,000 each year through 2016.

8. GENERAL LONG-TERM OBLIGATIONS (continued)

At December 31, 2014 principal payments required on other loans payable are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 12,506,474	\$ 9,287,827	\$ 21,794,301
2016	12,707,148	9,025,978	21,733,126
2017	11,901,180	8,737,992	20,639,172
2018	12,126,180	8,419,129	20,545,309
2019	12,001,180	8,075,112	20,076,292
2020-2024	59,031,768	34,553,308	93,585,076
2025-2029	47,850,000	24,731,351	72,581,351
2030-2034	41,045,000	15,840,358	56,885,358
2035-2039	29,055,000	8,216,105	37,271,105
2040-2044	25,220,000	2,730,887	27,950,887
	<u>\$ 263,443,930</u>	<u>\$ 129,618,047</u>	<u>\$ 393,061,977</u>

OCIDA

Through December 31, 2014, OCIDA has issued approximately \$2.57 billion of industrial development and pollution control financing on behalf of county businesses. Of this total, none was issued in the year ended December 31, 2014.

Fund Company

The Fund Company participates in a revolving loan payable facilitated by Onondaga County, a portion of which is payable upon the sale of each property in the Homeownership Program without interest. The balance at January 1, 2014 was \$538,397. There were additions of \$282,356 and reductions of \$8,026 during 2014 resulting in an ending balance as of December 31, 2014 of \$812,727.

Changes in Long-Term Obligations

Long-Term obligation activity at December 31, 2014, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Serial Bonds	\$ 333,656,000	\$ 54,400,000	\$ (47,738,000)	\$ 340,318,000	\$ 30,608,000
OTASC Tobacco settlement bonds	136,963,003	3,168,940	(3,095,000)	137,036,943	1,100,000
Plus Premium on serial bonds	20,905,916	6,298,202	(1,389,344)	25,814,774	-
Less issuance discounts-OTASC	(818,212)	-	27,815	(790,397)	-
Net bonds payable	490,706,707	63,867,142	(52,194,529)	502,379,320	31,708,000
Tax certiorari	1,210,000	170,864	(530,864)	850,000	253,000
Compensated absences	12,849,472	15,159,258	(15,225,804)	12,782,926	9,108,955
Judgments and claims	15,255,553	1,423,064	(2,355,709)	14,322,908	12,977
Loans	203,942,657	164,093,075	(104,591,802)	263,443,930	12,506,474
Postemployment benefits	308,541,892	57,430,908	(23,684,639)	342,288,161	-
Due to agencies	1,296,189	-	-	1,296,189	-
Workers Compensation	30,479,424	-	(2,795,999)	27,683,425	-
Total Governmental activities	<u>1,064,281,894</u>	<u>302,144,311</u>	<u>(201,379,346)</u>	<u>1,165,046,859</u>	<u>53,589,406</u>
Component Units:					
Community College:					
Postemployment benefits	40,324,048	5,575,486	-	45,899,534	-
Compensated absences	142,172	-	(109,524)	32,648	-
Total Component Units	<u>\$ 40,466,220</u>	<u>\$ 5,575,486</u>	<u>\$ (109,524)</u>	<u>\$ 45,932,182</u>	<u>\$ -</u>

9. CAPITAL PROJECTS

A summary of the County's capital projects in excess of \$5,000,000 that have at least 5% of their total authorization still unexpended at December 31, 2014 is as follows:

Project	Authorization	Expended
Old Rte. 5 Repaving Construction	\$ 6,885,000	\$ 5,994,667
Metro Waste Water Treatment Plant Grit Handling	5,600,000	4,262,559
Oak Orchard	12,405,000	-
Central Library Reconfiguration	8,323,191	101,801
Ley Creek Improvements	5,480,000	238,145
Metro Waste Water Treatment Plant Bypass	20,200,000	885,718
Parks Roads, Parking and Trail	6,439,188	4,130,609
Electronics Park Trunk Sewer	10,000,000	4,723,393
Terminal Reservoir Tank	34,290,000	24,354,343
ACJ Clinton Street Conveyances	181,773,548	159,691,649
ACJ Harbor Brook In Water Treatment	101,873,452	93,007,512
ACJ Midland Avenue Conveyance Engineering	132,482,668	94,767,307
People Soft	11,254,557	10,736,942
Thompson Road	8,940,000	4,993,826
Fremont Road over CSX Design Bridge	6,062,000	5,572,265
Comprehensive Energy & Asset Renovation	14,000,000	-
Onondaga Lake West Shore	49,500,000	-
Hot Mix Bituminous Paving	5,581,348	3,149,568

Based on the latest estimates of costs to complete these capital projects, the County does not anticipate the necessity of increasing related authorizations. Commitments for all construction in progress at December 31, 2014 have been reflected as restricted fund balance in the Capital Projects Fund.

10. RETIREMENT BENEFITS

The County participates in the New York State and Local Employees' Retirement System (ERS), a defined benefit, cost sharing multiple-employer retirement plan. The ERS provides 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 the ERS. The Comptroller shall adopt and may amend rules and regulations for the control of the funds. The ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244. The ERS is noncontributory except for employees who joined the ERS after July 27, 1976. Employees hired before January 1, 2010 contribute 3% of their salary and after ten years of service, the ERS becomes non-contributory for those employees as well. Those employees hired after January 1, 2010 and before April 1, 2012, contribute 3% of their salary for all of their years of public service. Those joining the Systems on or after April 1, 2012 are required to contribute between 3% and 6%, dependent on salary, for their entire working career. 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 is required to contribute an actuarially determined rate. The required contributions at December 15 for the years 2014, 2013, and 2012 were \$38,946,922, \$44,459,788, and \$42,788,760, respectively. The County's contributions made to the ERS were equal to 100% of the contributions required for each year.

10. RETIREMENT BENEFITS (continued)**Community College**

The Community College provides retirement benefits to all full time employees (part-time employees may elect to become participants) through their participation in one of three retirement plans: the New York State Employees Retirement System (defined benefit plan), New York State Teachers Retirement System (defined benefit plan) or the optional defined contribution retirement plan (TIAA-CREF). The Community College's policy is to accrue pension expense which amounted to \$5,801,532, \$5,130,923, and \$4,567,639, for the years ended August 31, 2014, 2013, and 2012, respectively.

All three of these plans are multi-employer plans. The actuarial present value of accumulated plan benefits for vested and nonvested participants and net assets available for benefits and unfunded prior service costs, if any, for the Community College's participants in these plans are not separately determinable.

Retiree Benefits

In addition to providing pension benefits, the County provides certain health insurance benefits to approximately 3,800 retired employees, survivors and dependents under its self-insured health program (Note 13).

Substantially all of the County's employees may become eligible for these benefits if they reach normal retirement age while working for the County. The County has 1,750 retirees in its self-insurance plan and the cost of providing to these retirees during 2014 was approximately \$17.5 million. The County also instituted a Medicare advantage plan in 2013 and has moved 2,045 Medicare eligible retirees, survivors and dependents into this plan. The premium cost to the County was \$6.9 million. Retirees' obligation to contribute to these benefits is dependent upon the plan options offered by the County. Total retiree contributions were \$3,361,463 during 2014.

Other Postemployment Benefits

Plan Description. The County provides OPEB to its employees under a single-employer, self-insured, benefit plan. The plan provides medical and prescription drug coverage to retirees and their covered dependents, although there is no formal obligation to do so. The financial information for the County's plan is contained solely within these financial statements.

Funding Policy. The contribution requirements of plan members and the County is established on an annual premium equivalent rate calculated by a third-party administrator based on projected pay-as-you-go financing requirements. For fiscal year 2014, the County contributed \$20.3 million to the plan. Plan members receiving benefits contributed \$3.4 million.

Annual OPEB cost. 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 the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and the amortized amount of any unfunded actuarial accrued liabilities (UAAL) over a period of 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 changes in the County's net OPEB obligations.

10. RETIREMENT BENEFITS (continued)

Annual required contribution	\$	58,336,842
Interest on net OPEB obligation		13,113,030
Adjustment to annual required contribution		<u>(14,018,964)</u>
Annual OPEB cost		57,430,908
Contributions		<u>(23,684,639)</u>
Increase in net OPEB obligation		33,746,269
Net OPEB obligation-beginning of year		<u>308,541,892</u>
Net OPEB obligation-end of year	\$	<u><u>342,288,161</u></u>

Three-year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
12/31/2012	\$ 76,072,461	31.6%	\$ 253,317,551
12/31/2013	\$ 81,098,693	31.9%	\$ 308,541,892
12/31/2014	\$ 57,430,908	41.2%	\$ 342,288,161

Funded Status and Funding Progress. As of January 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$738 million, and there were no plan assets. The covered payroll (annual payroll of active employees covered by the plan) was \$169.6 million, and the ratio of the liability to the covered payroll was 435%.

Actuarial valuations of an ongoing plan involve 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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each 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.

In the January 1, 2014 actuarial valuation the projected unit credit cost method was used. The actuarial assumptions included a 4.25% investment rate of return, which is based on the portfolio of the County’s general assets used to pay these benefits and an annual medical and prescription cost trend of 6.7% initially, decreasing to 4.3% for all benefits after 70 years. The UAAL is being amortized based on a level percentage of payroll on a closed basis. At the end of 2013, the County sold its nursing home operations and reduced the employee count by over 500 employees. In addition, the County moved the majority of its current retirees into a Medicare Supplemental plan. It is assumed that all future retirees will also participate in this plan. These two changes had a dramatic effect on the pension cost and the actuarial accrued liability. The remaining amortization period at December 31, 2014, is twenty-two years.

11. OPERATING TRANSFERS

Operating transfers among funds are provided as part of the annual budget. The General Fund provides operating support from the property tax levy and other resources to certain special revenue funds, capital projects, and to the Debt Service Fund in support of the funds' specified purpose. Water Environment Protection and the County Road Fund provide support to capital projects and the Debt Service Fund for capital acquisition and debt retirement.

The following is a summary of operating transfers for the year ended December 31, 2014:

Operating Transfers To:	Operating Transfers From:							Totals
	Major Governmental Funds			Nonmajor Governmental Funds				
	General Fund	Water Environment Protection	Capital Projects Fund	County Road Fund	Water Fund	Van Duyn	Library Fund	
Major Governmental Funds:								
Debt Service Fund	\$ 16,314,557	\$ 16,612,052	769,405	\$ 7,685,477	\$ 1,749,516	\$ 628,650	\$ 441,063	\$ 44,200,720
Capital Projects Fund	1,809,650	6,000,000	-	9,110,348	628,117	-	30,000	17,578,115
Nonmajor Governmental Funds:								
General Grants Fund	3,285,720	1,200,000	-	-	-	-	-	4,485,720
County Road Fund	28,366,163	-	-	-	-	-	-	28,366,163
Road Machinery Fund	1,593,180	-	-	-	-	-	-	1,593,180
Library Fund	5,106,962	-	-	-	-	-	-	5,106,962
Community Development	72,089	-	-	-	-	-	-	72,089
Total	\$ 56,548,321	\$ 23,812,052	\$ 769,405	\$ 16,795,825	\$ 2,377,633	\$ 628,650	\$ 471,063	\$ 101,402,949

12. DUE TO/DUE FROM OTHER FUNDS

As discussed in Note 3, the County maintains a cash and investment pool. Due to/due from other funds exist for cash flow and interest income maximization purposes. These are short-term in nature and are repaid within the next fiscal year.

Due to/due from other funds at December 31, 2014 are summarized as follows:

DUE TO:	DUE FROM:			
	Major Funds GENERAL FUND	Nonmajor Funds COUNTY ROAD	COMMUNITY DEVELOPMENT	TOTAL
Major Fund - General Fund	\$ -	\$ 87,993	\$ 779,258	\$ 867,251
Nonmajor Fund - Library Fund	1,000,000	-	-	1,000,000
Total	\$ 1,000,000	\$ 87,993	\$ 779,258	\$ 1,867,251

13. RISK MANAGEMENT

The County is self-insured for workers' compensation, health, dental, all general liability and certain physical damage risks. The internal service fund is used to account for the County's self-insurance activities, including general liability claims. The fund is supported by annual budget appropriations that are recorded as revenues in the Internal Service Fund and allocated pro-rata to the various governmental funds within the County.

13. RISK MANAGEMENT (continued)

The claims liability of \$57,925,248 reported at December 31, 2014 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the reported liabilities during fiscal year 2013 and 2014 were as follows:

	Balance January 1, 2013	Claims and Changes in Estimates	Claim Payments	Balance December 31, 2013
Workers' Compensation	\$ 32,534,270	\$ 20,450,432	\$ (10,126,539)	\$ 42,858,163
Judgments and Claims	14,471,924	7,709,008	(6,925,379)	15,255,553
Medical & Dental	4,386,803	71,490,772	(71,326,569)	4,551,006
	<u>\$ 51,392,997</u>	<u>\$ 99,650,212</u>	<u>\$ (88,378,487)</u>	<u>\$ 62,664,722</u>
	Balance January 1, 2014	Claims and Changes in Estimates	Claim Payments	Balance December 31, 2014
Workers' Compensation	\$ 42,858,163	\$ 6,357,190	\$ (9,659,453)	\$ 39,555,900
Judgments and Claims	15,255,553	1,423,064	(2,355,709)	14,322,908
Medical & Dental	4,551,006	65,526,249	(66,030,815)	4,046,440
	<u>\$ 62,664,722</u>	<u>\$ 73,306,503</u>	<u>\$ (78,045,977)</u>	<u>\$ 57,925,248</u>

Workers' Compensation

The County is self-insured for workers' compensation claims for all County employees as follows:

- Claims incurred prior to 1991 -Fully self-insured
- Claims incurred in 1991 and after:
 - Type B Coverage -Self-insured individual claims up to \$100,000, and amounts greater than \$1,000,000
 - Other than Type B Coverage -Fully self-insured

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The County also participates in a Second Injury Fund, which is a New York State fund established to reimburse carriers or self-insured employers for a portion of expenses on certain claims made by employees with pre-existing impairments.

Judgments and Claims

The County is a defendant in a number of lawsuits in the ordinary conduct of its affairs. The County is self-insured for individual claims up to \$2,000,000 and amounts greater than \$20,000,000 for all liability (including environmental liability) and certain physical damage risks. The County has excess liability insurance that covers all other claim amounts. In the opinion of County management, after considering all relevant facts, such judgments and claims will not individually or in the aggregate, have a material effect on the financial condition of the County. Such estimate is based upon individual cases reported at December 31, 2014 and available information at the time of this report.

13. RISK MANAGEMENT (continued)**Medical Benefits**

The County has contracted with a third-party administrator to manage its self-insurance program which provides certain medical benefits to all active and retired employees (Note 10). The carrying amount of the liability includes estimates of reported and unreported claims as of December 31, 2014.

14. TAX CERTIORARI CLAIMS

The County has accrued \$850,000 for pending certiorari claims as a long-term liability in the Governmental Activities column on the Statement of Net Position. Management believes that these estimated provisions are adequate to cover the County's liability for claims based on current available information but that these estimates may be more or less than the amount ultimately paid when the claims are settled.

Outstanding claims are not, in the opinion of management, expected to have a material effect on the County's financial position.

15. COMMITMENTS - ONONDAGA LAKE

On January 20, 1998 Onondaga County entered into an Amended Consent Judgment ("ACJ") with the New York State Department of Environmental Conservation ("DEC") and the Atlantic States Legal Foundation ("ASLF") to settlement of litigation commenced in 1988 which alleged violations of the Clean Water Act in the discharge of wastewater into Onondaga Lake from the Metropolitan Sewage Treatment Plant ("Metro") and combined sewer overflow ("CSO") outfalls. The settlement set forth a plan of required upgrades and other measures to address bacteria, ammonia and phosphorus in lake waters contributed to by said discharges. The ACJ was filed in the U.S. District Court for the Northern District of New York.

Under the ACJ, the County has been required to undertake a number of capital projects and related monitoring activities intended to meet the effluent limits specified therein. Construction of these ACJ projects commenced in 1998. To date, over 30 ACJ projects have been completed. These projects have focused on abatement of overflow from combined sewers in portions of the consolidated sanitary district and the reduction of effluents primarily from Metro. The entire ACJ program was expected to be completed within the final ACJ milestone date of January 1, 2012. However, in 2008, the ACJ parties agreed to extend the final major milestone dates for the Clinton and Harbor Brook CSO projects from January 1, 2012 to January 1, 2013 and to complete a review process on these and related CSO projects remaining to be completed under the ACJ. The review included extensive analysis of the use of green infrastructure technologies as alternatives to the current ACJ planned projects and the impacts of the use of these green technologies on the need for and sizing of collection, treatment and storage (gray) facilities when they are installed upstream of CSO discharges. The analysis illustrated the benefits of a gray/green program.

In September of 2009, the parties presented to the U. S. District Court Judge for the Northern District of New York, proposed amendments to the ACJ (the Fourth Stipulation to the ACJ). The modifications were endorsed by the United States Environmental Protection Agency ("EPA") and the Department of Justice ("DOJ"). The Onondaga Nation and a number of community groups that had opposed implementation of the remaining ACJ CSO projects expressed strong support for the modifications. The modifications to the ACJ, approved by the United States District Court for the Northern District of New York on November 16, 2009, replace the current CSO program with a combination of gray and green infrastructure programs to be implemented in phases and completed by December 31, 2018. The revised program requires 95% system wide annual average wastewater volume capture by more environmentally beneficial methods. Projects incorporating these methods, as outlined above, are commonly referred to as "gray" and "green" projects.

15. COMMITMENTS - ONONDAGA LAKE (continued)

The 1998 ACJ also required the County to comply with very stringent Stage III phosphorus limits set at .02 mg/l. Water quality improvements realized by implementation of the Stage II phosphorus upgrades and compliance costs to construct facilities capable of meeting the Stage III phosphorus limits resulted in a reassessment of the need to comply with the very stringent limit. Data collected by DWEP through the ACJ-mandated Ambient Monitoring Program from 2007 through 2011, and the result of studies required to be performed by the County pursuant to the Fourth Stipulation and Order enabled the County to aggressively explore attainment of the ACJ effluent goals without implementing additional major upgrades at Metro or diverting the Metro effluent to the Seneca River. These efforts built upon the Fourth Stipulation and Order provisions requiring additional studies to enable the State to make a more informed decision on the need for additional phosphorus limit reductions at Metro.

The additional studies focused on developing data and approaches to support alternative means of compliance and reviewing the potential benefits and costs of going forward or seeking relief from Stage III compliance standards. The studies required by the Fourth Stipulation and Order included:

A study to determine the extent to which the phosphorus currently discharged by Metro is a readily available source of aquatic plant nutrient;

An additional hydrologic study to assist in evaluating the impact that phosphorus from Onondaga Creek has on Onondaga Lake;

An evaluation of potential additional opportunities at Metro to further maximize the plant's current capacity to more effectively remove phosphorus and a commitment to implement any resulting recommendations; and

A further evaluation of available technologies that could be used to reduce phosphorus discharges from Metro, including implementation feasibility, costs and applicable implementation time frames.

A July 2007 engineering report on ACJ Pilot Project for meeting Stage III phosphorus limits indicated that construction of facilities needed to approach those limits could exceed \$146 million. Studies completed by OCDWEP in 2011 to evaluate optimization of the Metro plant to more reliably meet the current .1 mg/l phosphorus limit, and to evaluate the current limit of technology for further reducing phosphorus effluence to meet the ACJ goal of a .02 mg/l phosphorus limit for a continued in-lake discharge produced planning level capital cost estimates that ranged from \$6 million for implementation of the proposed optimization program to an estimated \$900 million for construction of a reverse osmosis facility, all exclusive of post construction operation and maintenance costs. An evaluation of the water quality benefits of constructing advanced treatment facilities or diverting all or a portion of Metro's flow to the Seneca River indicated that water quality improvements to be realized from such undertakings appear to be marginal and thus not justified by the costs.

In March 2012, the NYSDEC released draft phosphorus TMDL that incorporated the results of the studies conducted pursuant to the requirements of the Fourth Stipulation and Order and the approved Onondaga Lake Water Quality Model. The draft TMDL confirmed that significant investments in capital projects to meet the 0.02 mg/l final effluent limit for phosphorus would not yield significant additional phosphorus related water quality improvements and incorporated recommendations that the County proceed with plans to optimize current phosphorus treatment technology and bypass reduction efforts. The draft TMDL recommended that the current Metro interim effluent limit of 0.1 mg/l, based on a twelve month rolling average be confirmed as the final effluent limit. After a 30-day

15. COMMITMENTS - ONONDAGA LAKE (continued)

period of public comment the NYSDEC adopted the draft TMDL as the recommended final TMDL and submitted it to the Environmental Protection Agency (EPA) for Review.

On June 29, 2012, the EPA approved the TMDL. OCDWEP estimates that the cost of complying with the optimization and bypass reduction program required to assure that phosphorus discharges from Metro remain below the maximum loadings to the Onondaga Lake allowed by the TMDL will be in the range of \$34.4 million. It is worth noting that these costs include an estimated \$20.2 million bypass reduction project also required to enable the Metro plant to comply with revised effluent limits for chlorine residuals

In its 2013 Annual Report regarding ACJ compliance, required to be delivered to the NYSDEC on April 1, 2014, the County reported compliance with all major construction milestones and all required CSO capture milestones.

FINANCIAL CONSIDERATIONS: OCDWEP has advised that in today's dollars, the estimated cost of the improvements and studies required by the revised ACJ is \$695.4 million, excluding interest expenses.

All regulatory mandates associated with the 2009 ACJ amendment have thus far been met and all necessary approvals have been received including a conditional approval for the CSO Floatables Facilities Plan. Construction continues for several large-scale CSO projects, including Clinton CSO Storage, Harbor Brook CSO Storage, (both in the performance evaluation phase) and CSO 003 and 004 Conveyances; all have been placed into operation within compliance due dates. Planning level costs are known for the majority of all other ACJ projects (including green infrastructure). Construction of the 063 Conveyance project has also commenced.

Planning-level costs for optimizing Metro WWTP phosphorus treatment have been identified, as have the costs for complying with the revised bacteria and associated chlorine residual limits for the METRO bypass outfall which will also contribute to achievement of the phosphorus TMDL allocation for METRO. The phosphorus optimization project has a current estimated cost of \$14.2 million. The bacteria/chlorine project has a current estimated cost of \$20.2 million. These efforts shall serve to further assist Onondaga County in consistently complying with the newly issued Metro WWTP SPDES permit – which was modified to reflect NYSDEC's recently promulgated Total Maximum Daily Load (TMDL) for phosphorus for Onondaga Lake (June 2012) as well as revised disinfection requirements.

The State has appropriated \$74.9 million of the Clean Water/Clean Air Environmental Bond Act funds for projects covered under the ACJ. In addition to aid through the Environmental Bond Act, based on pledges by state officials, the County also planned on receiving approximately \$85 million in supplemental funding over the 15 years of the project as initially scheduled in the 1998 ACJ. To date, \$88 million has been received from other New York State sources. The federal government has already appropriated \$122.6 million in federal funds (inclusive of assistance from the U.S. Army Corps of Engineers). The Harbor Brook project received ARRA funds of \$11.8 million in loan forgiveness. In addition, the County has received \$13.8 million in funds from other sources (City and the Niagara Mohawk Power Corporation [now National Grid] and has cash on hand of \$9.1 million.

To date, the County has closed on \$258.1 million in EFC long term loans to fund lake projects. The County anticipates \$117.4 million in local funding for the gross capital costs associated with the ACJ in its Capital Improvement Plan.

15. COMMITMENTS - ONONDAGA LAKE (continued)

It is anticipated that once the ACJ CSO projects have been completed, discharges from County facilities will not cause or contribute to alleged bacteria exceedences in Onondaga Lake unless applicable standards have been made more restrictive. However, despite the signing and approval of the Fourth Stipulation, in the event that the ACJ projects do not bring the County into compliance with applicable water quality standards, the County could be required to undertake additional measures.

REQUIRED

SUPPLEMENTARY INFORMATION

COUNTY OF ONONDAGA, NEW YORK
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
Year Ended December 31, 2014

	Budgeted Amounts		Non-GAAP	Variance
	Original	Final	Actual	Favorable (Unfavorable)
Budgetary fund balance, January 1	\$ 2,493,315	\$ 14,348,326	\$ 9,245,815	\$ (5,102,511)
Resources (inflows):				
Real property taxes County wide	137,024,644	137,024,644	139,826,563	2,801,919
Other real property tax items	9,212,389	9,271,290	10,151,401	880,111
Sales tax and use tax	344,162,329	344,162,329	344,131,250	(31,079)
Federal aid	90,148,602	90,148,602	87,051,654	(3,096,948)
State aid	93,233,883	93,233,883	85,174,476	(8,059,407)
Charges for services	98,630,445	98,680,445	93,141,857	(5,538,588)
Miscellaneous	5,714,657	5,714,657	6,357,033	642,376
Interest on Investments	545,160	545,160	496,438	(48,722)
Amounts available for appropriation	<u>781,165,424</u>	<u>793,129,336</u>	<u>775,576,487</u>	<u>(17,552,849)</u>
Charges to appropriations (outflows):				
General government support:				
Center for forensic science	7,165,905	7,579,224	7,254,366	324,858
County clerk	5,476,426	5,898,521	5,820,730	77,791
County comptroller	3,252,963	3,302,982	2,892,774	410,208
County executive	1,617,004	1,627,816	1,582,484	45,332
County legislature	2,804,760	2,761,199	2,435,745	325,454
County special expense	6,950,476	6,445,381	6,398,598	46,783
District attorney	9,762,918	9,959,247	9,638,432	320,815
Elections board	2,476,508	2,477,382	2,244,970	232,412
Facilities management	19,671,060	19,563,847	18,738,008	825,839
Finance, county wide allocations	87,745,189	88,774,980	88,687,856	87,124
Finance, management and budget	6,767,839	6,784,637	6,408,137	376,500
Information technology	13,260,789	13,770,624	12,980,690	789,934
Law department	5,347,749	5,418,820	4,901,720	517,100
Personnel department	3,157,183	3,176,276	3,071,191	105,085
Public defender	7,760,398	7,760,398	7,586,895	173,503
Purchasing department	2,084,103	2,087,071	1,963,701	123,370
	<u>185,301,270</u>	<u>187,388,406</u>	<u>182,606,297</u>	<u>4,782,109</u>
Education:				
Authorized agencies	179,479	179,479	179,479	-
Community college chargebacks	9,432,000	9,432,000	9,432,000	-
Education of handicapped children	41,529,755	40,292,149	38,891,407	1,400,742
	<u>51,141,234</u>	<u>49,903,628</u>	<u>48,502,886</u>	<u>1,400,742</u>

See notes to required supplementary information

COUNTY OF ONONDAGA, NEW YORK
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
Year Ended December 31, 2014

	Budgeted Amounts		Non-GAAP Actual Amounts	<i>continued</i> Variance
	Original	Final		Favorable (Unfavorable)
Public Safety:				
Corrections	20,822,434	20,784,495	20,693,936	90,559
Emergency communications	17,188,062	17,205,053	16,791,597	413,456
Emergency management	1,518,349	1,518,502	889,704	628,798
Probation	9,191,526	9,204,315	8,592,567	611,748
Sheriff- civil division	36,359,335	37,773,844	37,155,474	618,370
Sheriff- custody division	44,622,658	47,118,989	47,059,723	59,266
STOP DWI	738,713	738,713	708,753	29,960
	<u>130,441,077</u>	<u>134,343,911</u>	<u>131,891,754</u>	<u>2,452,157</u>
Health:				
Health	16,715,620	16,710,247	16,266,381	443,866
Mental health	28,195,323	29,854,931	26,181,022	3,673,909
	<u>44,910,943</u>	<u>46,565,178</u>	<u>42,447,403</u>	<u>4,117,775</u>
Transportation	<u>3,754,673</u>	<u>3,959,792</u>	<u>3,959,792</u>	<u>-</u>
Economic Assistance and Opportunity:				
Authorized agencies human	71,282	71,282	71,282	-
Economic development	822,387	828,767	753,409	75,358
Job training administration	319,327	319,327	256,364	62,963
Social services - administration	225,527,441	228,947,353	224,365,816	4,581,537
Veterans	475,855	477,397	457,783	19,614
Childrens Services	67,484,027	69,025,090	67,159,509	1,865,581
	<u>294,700,319</u>	<u>299,669,216</u>	<u>293,064,163</u>	<u>6,605,053</u>
Culture and Recreation:				
Authorized agencies	1,152,666	1,152,666	1,152,666	-
Parks and recreation	13,018,972	13,244,343	12,186,016	1,058,327
	<u>15,337,098</u>	<u>15,571,686</u>	<u>14,421,731</u>	<u>1,149,955</u>
Home and Community Services:				
Authorized agencies physical	37,500	37,500	37,500	-
Office of environment	185,874	210,456	207,748	2,708
Onondaga planning agency	2,179,080	2,182,595	1,888,892	293,703
	<u>2,402,454</u>	<u>2,430,551</u>	<u>2,134,140</u>	<u>296,411</u>
Other uses:				
Transfer to other funds	(53,176,356)	(56,641,216)	(56,548,321)	(92,895)
Total charges to appropriations	<u>781,165,424</u>	<u>796,473,582</u>	<u>775,576,487</u>	<u>20,897,095</u>
Budgetary fund balance, December 31	\$ <u>-</u>	\$ <u>(3,344,246)</u>	-	\$ <u>3,344,246</u>
Budgetary fund balance is not a current year revenue for budgetary purposes			<u>(9,245,815)</u>	
Net change in fund balance- GAAP basis			\$ <u>(9,245,815)</u>	

COUNTY OF ONONDAGA, NEW YORK
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Budgetary Basis)
Water Environment Protection
Year Ended December 31, 2014

	Budgeted Amounts		Non-GAAP	Variance
	Original	Final	Actual	Favorable
	Amounts	Amounts	Amounts	(Unfavorable)
Budgetary fund balance, January 1	\$ 1,340,101	\$ 1,425,101	\$ -	\$ (1,425,101)
Resources (inflows):				
Real property taxes County wide	1,731,817	1,731,817	1,731,817	-
Charges for services	78,115,491	78,115,491	79,319,781	1,204,290
Interest on investments	115,000	115,000	94,941	(20,059)
Miscellaneous	674,178	674,178	579,539	(94,639)
Amounts available for appropriation	<u>81,976,587</u>	<u>82,061,587</u>	<u>81,726,078</u>	<u>(335,509)</u>
Charges to appropriations (outflows):				
Home and Community Services:				
Bear Trap Ley Creek	457,727	457,727	419,153	38,574
Bloody Brook	141,368	144,868	144,853	15
Consolidated Sanitary District	56,223,426	57,529,731	53,743,706	3,786,025
Flood Control	1,083,957	1,083,957	983,405	100,552
Harbor Brook	271,862	271,862	245,851	26,011
Meadow Brook	217,489	217,489	196,681	20,808
Nondepartmental:				
Transfers to other funds	23,580,758	23,580,758	23,812,052	(231,294)
Total charges to appropriations	<u>81,976,587</u>	<u>83,286,392</u>	<u>79,545,701</u>	<u>3,740,691</u>
Net change in fund balance- GAAP basis	<u>\$ -</u>	<u>\$ (1,224,805)</u>	<u>\$ 2,180,377</u>	<u>\$ 3,405,182</u>

Other Postemployment Benefits Plan
Schedule of Funding Progress
(in millions)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
01/01/12	-	\$922.5	\$922.5	0.0%	\$190.5	484%
01/01/13	-	\$973.2	\$973.2	0.0%	\$183.2	531%
01/01/14	-	\$738.0	\$738.0	0.0%	\$169.6	435%

See notes to required supplementary information

1. BUDGET PROCEDURES

The General Fund and Water Environment Protection Fund each have legally adopted annual budgets.

The following is a summary of annual procedures used for establishing the budgetary data reflected in the financial statements:

Prior to September 20, the County Executive submits to the County Legislature a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain taxpayer comments.

Prior to October 25, the budget is legally enacted through passage of legislative resolution or by provisions in the County Charter.

Budgets for general, special revenue and debt service funds are adopted and controlled at the department and object of expense level.

The County Executive is authorized to transfer appropriations within payroll and fringe benefit accounts, and up to \$7,500 within non-payroll related accounts. The County Legislature maintains legal responsibility for all remaining budget amendments and transfers.

Appropriations in the governmental funds lapse at the end of the fiscal year except that outstanding encumbrances are reappropriated in the succeeding year by law. Budgeted amounts are as originally adopted, or as amended by the County Legislature. Individual amendments for the current year were not material in relation to the original appropriations.

2. BUDGETARY BASIS REPORTS

The "actual" column on the Budgetary Comparison Schedules Budget and Actual (Non-GAAP Budgetary Basis) for the major governmental funds, differs from the amounts reported on the Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds because certain items are reported differently for GAAP than they are treated in the budget. These differences do not have an effect on fund balance and represent elimination of revenues and expenditures. They include interdepartmental reimbursements and refunds of prior years expenditures that are recognized as revenues in the General and Water Environment Protection Funds for budgetary purposes but are recorded as an offset to such current year expenditures for GAAP purposes.

COMBINING FINANCIAL STATEMENTS
AND
BUDGETARY COMPARISON SCHEDULES

NON-MAJOR FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain defined purposes. The Special Revenue Funds of the County are:

General Grants Fund

The General Grants Fund accounts for resources associated with multi-year grant funded projects.

ONCENTER Fund

The ONCENTER Fund accounts for the operation of the County's conventioncenter/war memorial complex.

County Road Fund

The County Road Fund is used to account for the maintenance and repair of County roads and bridges and snow removal costs, as defined by New York State Highway Law.

Road Machinery Fund

The Road Machinery Fund is used to account for the purchase, repair and maintenance of highway machinery, tools and equipment and for the construction, purchase and maintenance of buildings for the storage and repair of highway machinery and equipment.

Water Fund

The Water Fund is used to account for the supply, distribution and transmission of the County's available water resources.

Van Duyn Extended Care Fund

The Van Duyn Extended Care Fund is used to account for the County's former nursing home facility.

Library and Library Grants Funds

The Library Fund and the Library Grants Fund are used to account for the operation of the County's public library.

Community Development Fund

The Community Development Fund is used to account for various projects financed by entitlements from the U.S. Department of Housing and Urban Development.

DEBT SERVICE FUND

OTASC

OTASC is a blended component unit used to account for the accumulation of resources for, and the payments of, Tobacco Settlement Pass-Through Bonds issued in 2001 and 2005.

COUNTY OF ONONDAGA, NEW YORK
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Special Revenue Funds				
	General Grants	Oncenter Fund	County Road	Road Machinery	Water Fund
ASSETS					
Cash, cash equivalents and investments	\$ 2,877,170	\$ 1,284,251	\$ 1,750	\$ 1,282,936	\$ 4,608,899
Accounts receivable (net of \$66,627 reserve)	1,010,488	268,710	777,665	106,391	1,314,217
Due from state and federal governments	11,956,749	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Inventories	-	96,394	-	-	-
Prepaid items	101,210	84,285	333,583	-	65,754
Restricted cash	-	896,102	-	-	-
Total assets	\$ 15,945,617	\$ 2,629,742	\$ 1,112,998	\$ 1,389,327	\$ 5,988,870
LIABILITIES					
Accounts payable	\$ 1,606,185	\$ 6,133	\$ 400,992	\$ 200,055	\$ 315,651
Accrued liabilities	2,303,585	883,014	498,116	-	75,138
Other liabilities	2,706,909	1,108,987	1,920	-	-
Due to other funds	-	-	87,993	-	-
Due to other governments	-	50,000	26,951	-	-
Total liabilities	6,616,679	2,048,134	1,015,972	200,055	390,789
DEFERRED INFLOW OF RESOURCES	-	-	-	-	89,095
FUND BALANCES					
Nonspendable	101,210	180,679	333,583	-	65,754
Restricted	-	-	-	-	-
Assigned	9,227,728	400,929	-	1,189,272	5,443,232
Unassigned	-	-	(236,557)	-	-
Total fund balances	9,328,938	581,608	97,026	1,189,272	5,508,986
Total liabilities, deferred inflow of resources and fund balances	\$ 15,945,617	\$ 2,629,742	\$ 1,112,998	\$ 1,389,327	\$ 5,988,870

Van Duyn Fund	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Library Fund	Library Grants Fund	Community Development	OTASC	
\$ 10,792,633	\$ 269,835	\$ 361,302	\$ 300	\$ 128,478	\$ 21,607,554
-	274,618	8,980	9,090	-	3,770,159
-	-	10,991	1,263,151	-	13,230,891
-	1,000,000	-	-	-	1,000,000
-	-	-	418,436	-	418,436
-	-	-	-	-	96,394
-	218,620	793	33,552	-	837,797
-	-	-	-	8,624,000	9,520,102
<u>\$ 10,792,633</u>	<u>\$ 1,763,073</u>	<u>\$ 382,066</u>	<u>\$ 1,724,529</u>	<u>\$ 8,752,478</u>	<u>\$ 50,481,333</u>
\$ -	\$ 173,398	\$ 14,324	\$ 180,433	\$ -	\$ 2,897,171
-	311,914	10,775	40,966	-	4,123,508
4,663,556	-	284,521	-	-	8,765,893
-	-	-	779,258	-	867,251
3,018	-	-	914,175	-	994,144
<u>4,666,574</u>	<u>485,312</u>	<u>309,620</u>	<u>1,914,832</u>	<u>-</u>	<u>17,647,967</u>
-	-	-	-	-	89,095
-	218,620	793	33,552	-	934,191
-	-	-	-	8,624,000	8,624,000
6,126,059	1,059,141	71,653	-	128,478	23,646,492
-	-	-	(223,855)	-	(460,412)
<u>6,126,059</u>	<u>1,277,761</u>	<u>72,446</u>	<u>(190,303)</u>	<u>8,752,478</u>	<u>32,744,271</u>
<u>\$ 10,792,633</u>	<u>\$ 1,763,073</u>	<u>\$ 382,066</u>	<u>\$ 1,724,529</u>	<u>\$ 8,752,478</u>	<u>\$ 50,481,333</u>

COUNTY OF ONONDAGA, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Special Revenue Funds				
	General Grants	ONCENTER Fund	County Road	Road Machinery	Water Fund
REVENUES					
Sales tax and use tax	\$ 70,435	\$ 2,745,113	\$ 2,693,351	\$ -	\$ -
Federal aid	11,996,207	-	-	-	-
State aid	16,401,795	-	6,110,348	-	-
Departmental	1,369,324	1,543,443	31,930	867,253	9,832,524
Service for other governments	294,456	-	2,414,081	-	50,000
Tobacco settlement proceeds	-	-	-	-	-
Interest on investments	-	3,019	-	-	10,721
Miscellaneous	4,749,252	5,149,012	44,482	448,971	21,316
Total revenues	<u>34,881,469</u>	<u>9,440,587</u>	<u>11,294,192</u>	<u>1,316,224</u>	<u>9,914,561</u>
EXPENDITURES					
Current:					
General government support	2,753,538	-	-	-	-
Public safety	5,477,867	-	-	-	-
Health	10,597,932	-	-	-	-
Transportation	262,848	-	23,357,355	2,962,750	-
Economic assistance and opportunity	16,456,770	-	-	-	-
Culture and recreation	592,623	9,018,670	-	-	-
Home and community services	1,945,580	-	-	-	6,689,662
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>38,087,158</u>	<u>9,018,670</u>	<u>23,357,355</u>	<u>2,962,750</u>	<u>6,689,662</u>
Excess (deficiency) of revenues over expenditures	<u>(3,205,689)</u>	<u>421,917</u>	<u>(12,063,163)</u>	<u>(1,646,526)</u>	<u>3,224,899</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	4,485,720	-	28,366,163	1,593,180	-
Transfers out	-	-	(16,795,825)	-	(2,377,633)
Total other financing sources and (uses)	<u>4,485,720</u>	<u>-</u>	<u>11,570,338</u>	<u>1,593,180</u>	<u>(2,377,633)</u>
Net change in fund balance	1,280,031	421,917	(492,825)	(53,346)	847,266
Fund balances- beginning	8,048,907	159,691	589,851	1,242,618	4,661,720
Fund balances- ending	<u>\$ 9,328,938</u>	<u>\$ 581,608</u>	<u>\$ 97,026</u>	<u>\$ 1,189,272</u>	<u>\$ 5,508,986</u>

Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
Van Duyn Fund	Library Fund	Library Grants	Community Development	OTASC	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,508,899
-	7,223	7,350	4,853,965	-	16,864,745
-	1,111,898	373,103	625,822	-	24,622,966
-	93,228	-	106,570	-	13,844,272
14,636,715	6,476,227	-	-	-	23,871,479
-	-	-	-	7,712,439	7,712,439
-	-	-	-	463,458	477,198
5,613	231,854	22,422	1,906	-	10,674,828
<u>14,642,328</u>	<u>7,920,430</u>	<u>402,875</u>	<u>5,588,263</u>	<u>8,175,897</u>	<u>103,576,826</u>
-	-	-	-	115,495	2,869,033
-	-	-	-	-	5,477,867
7,519,081	-	-	-	-	18,117,013
-	-	-	-	-	26,582,953
-	-	-	-	-	16,456,770
-	12,594,317	439,745	-	-	22,645,355
-	-	-	5,956,943	-	14,592,185
-	-	-	-	3,095,000	3,095,000
-	-	-	-	4,961,838	4,961,838
<u>7,519,081</u>	<u>12,594,317</u>	<u>439,745</u>	<u>5,956,943</u>	<u>8,172,333</u>	<u>114,798,014</u>
<u>7,123,247</u>	<u>(4,673,887)</u>	<u>(36,870)</u>	<u>(368,680)</u>	<u>3,564</u>	<u>(11,221,188)</u>
-	5,106,962	-	72,089	-	39,624,114
(628,650)	(471,063)	-	-	-	(20,273,171)
<u>(628,650)</u>	<u>4,635,899</u>	<u>-</u>	<u>72,089</u>	<u>-</u>	<u>19,350,943</u>
6,494,597	(37,988)	(36,870)	(296,591)	3,564	8,129,755
(368,538)	1,315,749	109,316	106,288	8,748,914	24,614,516
<u>\$ 6,126,059</u>	<u>\$ 1,277,761</u>	<u>\$ 72,446</u>	<u>\$ (190,303)</u>	<u>\$ 8,752,478</u>	<u>\$ 32,744,271</u>

COUNTY OF ONONDAGA, NEW YORK
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Budgetary Basis)
General Grants Fund
Year Ended December 31, 2014

	Budgeted Amounts		Non-GAAP	Variance
	Original	Final	Actual Amounts	Favorable (Unfavorable)
Budgetary fund balance, January 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Sales tax and use tax	35,000	(274,338)	70,435	344,773
Federal Aid				
General government support	-	219,671	196,148	(23,523)
Education	293,200	717,695	209,116	(508,579)
Public safety	378,560	4,015,016	1,803,631	(2,211,385)
Health	7,343,152	12,547,136	5,676,994	(6,870,142)
Transportation	219,500	1,826,758	147,813	(1,678,945)
Social services	5,674,631	6,997,185	2,285,856	(4,711,329)
Other economic assistance	2,009,939	2,777,343	1,676,649	(1,100,694)
Home and community services	-	46,088	-	(46,088)
Total federal aid	15,918,982	29,146,892	11,996,207	(17,150,685)
State Aid				
General government support	304,500	1,825,756	492,251	(1,333,505)
Education	-	-	-	-
Public safety	4,249,396	8,144,133	2,894,858	(5,249,275)
Health	4,180,212	7,831,388	4,215,955	(3,615,433)
Social services	1,234,000	2,862,774	4,344,693	1,481,919
Other economic assistance	2,517,638	33,581,421	2,341,390	(31,240,031)
Culture and recreation	100,000	755,164	(7,289)	(762,453)
Home and community services	89,300	5,126,958	2,119,937	(3,007,021)
Total state aid	12,675,046	60,127,594	16,401,795	(43,725,799)
Departmental				
General government support	72,688	199,641	198,469	(1,172)
Public safety	185,357	494,427	199,551	(294,876)
Health	393,857	184,667	196,880	12,213
Transportation	-	-	12,600	12,600
Culture and recreation	83,861	(103,132)	669,226	772,358
Home and community services	350,000	1,025,514	217,570	(807,944)
Total departmental	1,085,763	1,801,117	1,494,296	(306,821)

COUNTY OF ONONDAGA, NEW YORK
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Budgetary Basis)
General Grants Fund
Year Ended December 31, 2014

continued

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
			<u>Amounts</u>	<u>(Unfavorable)</u>
Service for Other Governments				
Public safety	465,000	845,018	231,624	(613,394)
Health	-	313,300	11,952	(301,348)
Other economic assistance	25,000	25,000	25,000	-
Home and community services	-	-	25,880	25,880
Total service for other governments	<u>490,000</u>	<u>1,183,318</u>	<u>294,456</u>	<u>(888,862)</u>
Miscellaneous	<u>2,482,619</u>	<u>11,748,964</u>	<u>4,749,252</u>	<u>(6,999,712)</u>
Transfers from other funds	<u>3,539,260</u>	<u>4,523,270</u>	<u>4,485,720</u>	<u>(37,550)</u>
Amounts available for appropriations	<u>36,226,670</u>	<u>108,256,817</u>	<u>39,492,161</u>	<u>(68,764,656)</u>
Charges to appropriations (outflows):				
General Government Support				
Board of elections	250,000	903,865	420,410	483,455
County clerk	72,688	201,667	62,105	139,562
County legislature	-	4,127,831	406	4,127,425
District attorney	2,150,456	3,023,455	1,506,804	1,516,651
Finance, management and budget	-	982,939	513,167	469,772
Medical examiner	-	160,735	160,735	-
Public defender	-	887,529	77,072	810,457
Purchasing department	-	47,570	12,839	34,731
Total general government support	<u>2,473,144</u>	<u>10,335,591</u>	<u>2,753,538</u>	<u>7,582,053</u>
Public Safety				
Corrections	240,000	405,953	304,053	101,900
Emergency communications- E911	1,132,000	1,417,317	127,999	1,289,318
Emergency management	345,000	3,185,519	1,495,105	1,690,414
Probation	748,447	2,941,087	460,649	2,480,438
Sheriff	2,182,956	8,380,446	3,086,060	5,294,386
Special traffic programs	-	58,961	4,001	54,960
Total public safety	<u>4,648,403</u>	<u>16,389,283</u>	<u>5,477,867</u>	<u>10,911,416</u>

continued

COUNTY OF ONONDAGA, NEW YORK
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Budgetary Basis)
General Grants Fund
Year Ended December 31, 2014

continued

	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Health				
Health	11,157,063	20,076,751	9,054,435	11,022,316
Mental health	5,038,881	6,474,866	1,668,469	4,806,397
Total health	<u>16,195,944</u>	<u>26,551,617</u>	<u>10,722,904</u>	<u>15,828,713</u>
Transportation	-	1,847,546	262,848	1,584,698
Economic Assistance and Opportunity				
Aging and youth	-	5,011,529	5,011,529	-
Economic development	1,560,000	37,378,561	3,711,788	33,666,773
Social services	10,014,179	10,540,025	7,733,453	2,806,572
Total economic assistance and opportunity	<u>11,574,179</u>	<u>52,930,115</u>	<u>16,456,770</u>	<u>36,473,345</u>
Culture and Recreation	135,000	1,766,374	592,623	1,173,751
Home and Community Services				
Planning agency	-	4,030,369	1,328,099	2,702,270
Water environment protection	1,200,000	2,473,524	617,481	1,856,043
Total home and community service	<u>1,200,000</u>	<u>6,503,893</u>	<u>1,945,580</u>	<u>4,558,313</u>
Total charges to appropriations	<u>36,226,670</u>	<u>116,324,419</u>	<u>38,212,130</u>	<u>78,112,289</u>
Net change in fund balance- GAAP basis	<u>\$ -</u>	<u>\$ (8,067,602)</u>	<u>\$ 1,280,031</u>	<u>\$ 9,347,633</u>

COUNTY OF ONONDAGA, NEW YORK
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Budgetary Basis)
ONCENTER Fund
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Budgetary fund balance, January 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Sales tax and use tax	2,745,113	2,745,113	2,745,113	-
Departmental	-	1,543,443	1,543,443	-
Interest on Investments	-	3,019	3,019	-
Miscellaneous	-	4,948,911	5,149,012	200,101
Amounts available for appropriations	<u>2,745,113</u>	<u>9,240,486</u>	<u>9,440,587</u>	<u>200,101</u>
Charges to appropriations (outflows):				
Culture and Recreation	<u>2,745,113</u>	<u>9,240,486</u>	<u>9,018,670</u>	<u>221,816</u>
Total charges to appropriations	<u>2,745,113</u>	<u>9,240,486</u>	<u>9,018,670</u>	<u>221,816</u>
Net change in fund balance- GAAP basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 421,917</u>	<u>\$ (21,715)</u>

COUNTY OF ONONDAGA, NEW YORK
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Budgetary Basis)
County Road Fund
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
			<u>Amounts</u>	<u>(Unfavorable)</u>
Budgetary fund balance, January 1	\$ -	\$ 464,488	\$ 464,488	\$ -
Resources (inflows):				
Sales tax and use tax	<u>2,637,352</u>	<u>2,637,352</u>	<u>2,693,351</u>	<u>55,999</u>
State Aid				
Transportation	<u>5,640,759</u>	<u>6,110,348</u>	<u>6,110,348</u>	<u>-</u>
Total state aid	<u>5,640,759</u>	<u>6,110,348</u>	<u>6,110,348</u>	<u>-</u>
Departmental	3,500,541	3,500,541	3,445,187	(55,354)
Services for Other Governments	1,811,014	2,414,081	2,414,081	-
Miscellaneous	34,969	34,969	44,482	9,513
Transfers from other funds	<u>26,866,163</u>	<u>28,366,163</u>	<u>28,366,163</u>	<u>-</u>
Amounts available for appropriations	<u>40,490,798</u>	<u>43,527,942</u>	<u>43,538,100</u>	<u>10,158</u>
Charges to appropriations (outflows):				
Transportation	<u>25,623,156</u>	<u>26,812,209</u>	<u>26,770,612</u>	<u>41,597</u>
Total charges to appropriations	<u>25,623,156</u>	<u>26,812,209</u>	<u>26,770,612</u>	<u>41,597</u>
Other Financing Uses				
Transfer to other funds	<u>14,867,642</u>	<u>16,795,825</u>	<u>16,795,825</u>	<u>-</u>
Total financing sources and uses	<u>14,867,642</u>	<u>16,795,825</u>	<u>16,795,825</u>	<u>-</u>
Budgetary fund balance, December 31	<u>\$ -</u>	<u>\$ (80,092)</u>	<u>(28,337)</u>	<u>\$ 51,755</u>

Budgetary fund balance is not a current year revenue for budgetary purposes

Net change in fund balance-GAAP basis

(464,488)
\$ (492,825)

COUNTY OF ONONDAGA, NEW YORK
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Budgetary Basis)
Road Machinery Fund
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
			<u>Amounts</u>	<u>(Unfavorable)</u>
Budgetary fund balance, January 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Departmental	5,842,798	5,842,798	6,210,188	367,390
Miscellaneous	460,990	460,990	448,971	(12,019)
Transfers from other funds	<u>1,593,180</u>	<u>1,593,180</u>	<u>1,593,180</u>	<u>-</u>
Amounts available for appropriations	<u>7,896,968</u>	<u>7,896,968</u>	<u>8,252,339</u>	<u>355,371</u>
Charges to appropriations (outflows):				
Transportation	<u>7,896,968</u>	<u>9,053,282</u>	<u>8,305,685</u>	<u>747,597</u>
Total charges to appropriations	<u>7,896,968</u>	<u>9,053,282</u>	<u>8,305,685</u>	<u>747,597</u>
Net change in fund balance- GAAP basis	<u>\$ -</u>	<u>\$ (1,156,314)</u>	<u>\$ (53,346)</u>	<u>\$ 1,102,968</u>

COUNTY OF ONONDAGA, NEW YORK
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Budgetary Basis)
Water Fund
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
			<u>Amounts</u>	<u>(Unfavorable)</u>
Budgetary fund balance, January 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Departmental	10,267,912	10,267,912	9,841,399	(426,513)
Service for Other Governments	50,000	50,000	50,000	-
Interest on Investments	-	-	10,721	10,721
Miscellaneous	-	-	21,316	21,316
Amounts available for appropriation	<u>10,317,912</u>	<u>10,317,912</u>	<u>9,923,436</u>	<u>(394,476)</u>
Charges to appropriations (outflows):				
Home and Community Services	7,998,956	8,385,507	6,698,537	1,686,970
Nondepartmental:				
Transfer to other funds	<u>2,318,956</u>	<u>2,377,633</u>	<u>2,377,633</u>	<u>-</u>
Total charges to appropriations	<u>10,317,912</u>	<u>10,763,140</u>	<u>9,076,170</u>	<u>1,686,970</u>
Net change in fund balance- GAAP basis	<u>\$ -</u>	<u>\$ (445,228)</u>	<u>\$ 847,266</u>	<u>\$ 1,292,494</u>

COUNTY OF ONONDAGA, NEW YORK
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Budgetary Basis)
Van Duyn Extended Care Fund
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
			<u>Amounts</u>	<u>(Unfavorable)</u>
Budgetary fund balance, January 1	\$ 5,775,024	\$ 8,147,731	\$ -	\$ (8,147,731)
Health	-	-	14,636,715	14,636,715
Miscellaneous	-	-	5,613	5,613
Amounts available for appropriation	5,775,024	8,147,731	14,642,328	6,494,597
Charges to appropriations (outflows):				
Health	5,146,374	7,519,081	7,519,081	-
Nondepartmental:				
Transfer to other funds	628,650	628,650	628,650	-
Total charges to appropriations	5,775,024	8,147,731	8,147,731	-
Net change in fund balance- GAAP basis	\$ -	\$ -	\$ 6,494,597	\$ 6,494,597

COUNTY OF ONONDAGA, NEW YORK
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Budgetary Basis)
Library Fund
Year Ended December 31, 2014

	Budgeted Amounts		Non-GAAP	Variance
	Original	Final	Actual Amounts	Favorable (Unfavorable)
Budgetary fund balance, January 1	\$ 673,760	\$ 673,760	\$ 37,988	\$ (635,772)
Resources (inflows):				
Federal Aid	-	-	7,223	7,223
State Aid	1,075,824	1,075,824	1,111,898	36,074
Departmental	1,202,050	1,202,050	1,200,515	(1,535)
Service for Other Governments	6,476,227	6,476,227	6,476,227	-
Miscellaneous	263,743	263,743	231,854	(31,889)
Transfers from other funds	5,106,962	5,106,962	5,106,962	-
Amounts available for appropriation	14,798,566	14,798,566	14,172,667	(625,899)
Charges to appropriations (outflows):				
Culture and Recreation	14,327,503	14,389,850	13,701,604	688,246
Total charges to appropriations	14,327,503	14,389,850	13,701,604	688,246
Other Financing Uses				
Transfer to other funds	471,063	471,063	471,063	-
Total financing sources and uses	471,063	471,063	471,063	-
Budgetary fund balance, December 31	\$ -	\$ (62,347)	-	\$ 62,347
Budgetary fund balance is not a current year revenue for budgetary purposes			(37,988)	
Net change in fund balance-GAAP basis			\$ (37,988)	

COUNTY OF ONONDAGA, NEW YORK
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Budgetary Basis)
Library Grants Fund
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
			<u>Amounts</u>	<u>(Unfavorable)</u>
Budgetary fund balance, January 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Federal Aid	6,700	11,054	7,350	(3,704)
State Aid	440,960	714,857	373,103	(341,754)
Miscellaneous	23,000	6,599,105	22,422	(6,576,683)
Amounts available for appropriation	<u>470,660</u>	<u>7,325,016</u>	<u>402,875</u>	<u>(6,922,141)</u>
Charges to appropriations (outflows):				
Culture and Recreation	<u>470,660</u>	<u>7,434,332</u>	<u>439,745</u>	<u>6,994,587</u>
Total charges to appropriations	<u>470,660</u>	<u>7,434,332</u>	<u>439,745</u>	<u>6,994,587</u>
Net change in fund balance- GAAP basis	<u>\$ -</u>	<u>\$ (109,316)</u>	<u>\$ (36,870)</u>	<u>\$ 72,446</u>

COUNTY OF ONONDAGA, NEW YORK
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Budgetary Basis)
Community Development Fund
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
			<u>Amounts</u>	<u>(Unfavorable)</u>
Budgetary fund balance, January 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Federal Aid				
Health	-	2,580,052	2,170,767	(409,285)
Home and community services	2,562,248	9,601,338	2,683,198	(6,918,140)
Total federal aid	<u>2,562,248</u>	<u>12,181,390</u>	<u>4,853,965</u>	<u>(7,327,425)</u>
State Aid				
Home and community services	1,500,000	2,851,591	625,822	(2,225,769)
Departmental	-	68,178	106,570	38,392
Miscellaneous	-	8,462	1,906	(6,556)
Transfers from other funds	543,705	2,533,673	72,089	(2,461,584)
Amounts available for appropriation	<u>4,605,953</u>	<u>17,643,294</u>	<u>5,660,352</u>	<u>(11,982,942)</u>
Charges to appropriations (outflows):				
Home and Community Services	<u>4,605,953</u>	<u>17,749,583</u>	<u>5,956,943</u>	<u>11,792,640</u>
Total charges to appropriations	<u>4,605,953</u>	<u>17,749,583</u>	<u>5,956,943</u>	<u>11,792,640</u>
Net change in fund balance- GAAP basis	<u>\$ -</u>	<u>\$ (106,289)</u>	<u>\$ (296,591)</u>	<u>\$ (190,302)</u>

COUNTY OF ONONDAGA, NEW YORK
Budgetary Comparison Schedule
Budget and Actual (Non-GAAP Budgetary Basis)
Debt Service Fund
Year Ended December 31, 2014

	Budgeted Amounts		Non-GAAP	Variance
	Original	Final	Actual	Favorable (Unfavorable)
Budgetary fund balance, January 1	\$ 10,581,284	\$ 10,717,826	\$ 10,717,826	\$ -
Resources (inflows):				
Transfers from other funds	43,005,645	77,105,416	74,797,217	(2,308,199)
Amounts available for appropriation	53,586,929	87,823,242	85,515,043	(2,308,199)
Charges to appropriations (outflows):				
General government support	8,252,292	10,126,104	10,102,539	23,565
Education	3,745,429	6,481,328	6,448,466	32,862
Public safety	5,936,036	10,530,113	10,473,771	56,342
Health	633,559	633,559	633,559	-
Transportation	10,035,856	13,312,235	13,270,830	41,405
Culture and recreation	2,399,393	2,399,393	2,399,393	-
Home and community services:				
Bear trap/Ley creek	25,505	25,505	25,505	-
Bloody brook	99,316	99,316	99,316	-
Central sanitary districts	20,092,454	39,846,321	40,103,665	(257,344)
Harbor brook	147,150	147,150	147,150	-
Meadow brook	529,100	529,100	529,100	-
Water fund	1,690,839	3,693,118	3,667,995	25,123
Total home and community services	22,584,364	44,340,510	44,572,731	(232,221)
Total charges to appropriations	53,586,929	87,823,242	87,901,289	(78,047)
Budgetary fund balance, December 31	\$ -	\$ -	(2,386,246)	\$ (2,386,246)
Interest revenue not considered for budgetary purposes			170,695	
Other financing sources not considered for budgetary purposes:				
Budgetary fund balance is not a current year revenue for budgetary purposes			(10,717,826)	
Bond premium			6,298,202	
Unused project balances treated as revenue for financial reporting purposes			769,404	
Unbudgeted participation in debt service external sources			3,903,132	
Net change in fund balance- GAAP basis			\$ (1,962,639)	

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STATISTICAL SECTION

(UNAUDITED)

County of Onondaga, New York
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
Schedule 1

	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities				
Net invested in capital assets	\$ 746,413,156	\$ 816,829,338	\$ 811,788,098	\$ 852,007,509
Restricted	34,221,507	16,657,808	17,043,588	19,823,048
Unrestricted	(18,747,419)	3,693,628	(16,671,873)	(93,367,529)
Total governmental activities net position	<u>\$ 761,887,244</u>	<u>\$ 837,180,774</u>	<u>\$ 812,159,813</u>	<u>\$ 778,463,028</u>
Business-type activities				
Net invested in capital assets	\$ 11,073,722	\$ 10,115,911	\$ 9,583,811	\$ -
Unrestricted	(3,449,148)	(3,930,483)	(7,503,241)	-
Total business-type activities net position	<u>\$ 7,624,574</u>	<u>\$ 6,185,428</u>	<u>\$ 2,080,570</u>	<u>\$ -</u>
Primary government				
Net invested in capital assets	\$ 757,486,878	\$ 826,945,249	\$ 821,371,909	\$ 852,007,509
Restricted	34,221,507	16,657,808	17,043,588	19,823,048
Unrestricted	(22,196,567)	(236,855)	(24,175,114)	(93,367,529)
Total primary government net position	<u>\$ 769,511,818</u>	<u>\$ 843,366,202</u>	<u>\$ 814,240,383</u>	<u>\$ 778,463,028</u>

Note: In 2008 Van Duyn Fund was converted from an Enterprise Fund to a Special Revenue Fund

Fiscal Year

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	836,275,910	\$ 842,791,377	\$ 776,806,016	\$ 943,407,659	\$ 934,565,871	\$ 887,775,290
	22,730,632	24,359,185	24,805,553	24,925,639	29,882,211	32,399,308
	(128,645,326)	(165,018,646)	(120,866,799)	(291,587,619)	(375,254,568)	(359,361,487)
\$	<u>730,361,216</u>	<u>702,131,916</u>	<u>680,744,770</u>	<u>676,745,679</u>	<u>589,193,514</u>	<u>560,813,111</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	836,275,910	\$ 842,791,377	\$ 776,806,016	\$ 943,407,659	\$ 934,565,871	\$ 887,775,290
	22,730,632	24,359,185	24,805,553	24,925,639	29,882,211	32,399,308
	(128,645,326)	(165,018,646)	(120,866,799)	(291,587,619)	(375,254,568)	(359,361,487)
\$	<u>730,361,216</u>	<u>702,131,916</u>	<u>680,744,770</u>	<u>676,745,679</u>	<u>589,193,514</u>	<u>560,813,111</u>

County of Onondaga, New York
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Schedule 2

	Fiscal Year			
	2005	2006	2007	2008
Expenses				
Governmental activities:				
General government support	\$ 53,209,794	\$ 198,049,372	\$ 258,077,035	\$ 218,159,741
Education	55,538,478	52,893,841	59,975,854	56,115,210
Public safety	104,806,261	102,098,062	120,830,256	131,896,522
Health	47,092,053	47,862,668	50,465,103	105,762,977
Transportation	48,375,886	40,492,055	40,683,043	42,074,051
Economic assistance and opportunity	245,813,867	251,375,443	249,502,570	262,786,203
Culture and recreation	29,754,915	32,317,242	33,395,710	47,748,717
Home and community services	74,894,347	40,866,396	72,756,451	75,444,171
Interest on long-term debt	13,980,373	17,135,664	18,020,424	18,174,279
Total governmental activities expenses	673,465,974	783,090,743	903,706,446	958,161,871
Business-type activities:				
Long term care	40,414,138	40,835,455	45,739,288	-
Total business-type activities expenses	40,414,138	40,835,455	45,739,288	-
Total primary government expenses	\$ 713,880,112	\$ 823,926,198	\$ 949,445,734	\$ 958,161,871
Program Revenues				
Governmental activities:				
Charges for services	\$ 125,788,836	\$ 131,892,315	\$ 146,275,075	\$ 197,066,748
Operating grants and contributions	198,907,888	201,629,887	196,985,978	199,017,801
Capital grants and contributions	32,626,718	25,946,323	32,851,548	19,934,877
Total governmental activities program revenues	357,323,442	359,468,525	376,112,601	416,019,426
Business-type activities:				
Charges for services	32,515,528	36,136,604	36,115,472	-
Operating grants and contributions	-	710,941	335,771	-
Capital grants and contributions	6,705	300	-	-
Total business-type activities program revenues	32,522,233	36,847,845	36,451,243	-
Total primary government program revenues	\$ 389,845,675	\$ 396,316,370	\$ 412,563,844	\$ 416,019,426
Net (Expense)/Revenue				
Governmental activities	\$(316,142,532)	\$(423,622,218)	\$(527,593,845)	\$(542,142,445)
Business-type activities	(7,891,905)	(3,987,610)	(9,288,045)	-
Total primary government net expense	\$(324,034,437)	\$(427,609,828)	\$(536,881,890)	\$(542,142,445)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Real property taxes	\$ 187,830,049	\$ 190,835,482	\$ 193,684,291	\$ 189,794,554
Sales tax and use tax	131,500,537	291,775,749	293,999,988	300,164,040
Investment earnings	7,282,751	10,821,336	11,901,336	7,859,241
Tobacco settlement proceeds	7,908,009	7,243,015	7,529,850	8,358,345
Participation in debt service-external sources	307,515	128,186	457,419	188,910
Sale of receivables	-	-	-	-
Special item (ONCENTER and Van Duyn transfer)	-	-	-	-
Transfers and County contributions	-	(1,888,020)	(5,000,000)	-
Total governmental activities	334,828,861	498,915,748	502,572,884	506,365,090
Business-type activities:				
Investment earnings	131,648	97,762	11,761	-
Other revenue	288,472	562,682	171,426	-
Transfers and County contributions	-	1,888,020	5,000,000	-
Total business-type activities	420,120	2,548,464	5,183,187	-
Total primary government	\$ 335,248,981	\$ 501,464,212	\$ 507,756,071	\$ 506,365,090
Change in Net Position				
Governmental activities	\$ 18,686,329	\$ 75,293,530	\$ (25,020,961)	\$ (35,777,355)
Business-type activities	(7,471,785)	(1,439,146)	(4,104,858)	-
Total primary government	\$ 11,214,544	\$ 73,854,384	\$ (29,125,819)	\$ (35,777,355)

Note: In 2008 Van Duyn Fund was converted from an Enterprise Fund to a Special Revenue Fund

Fiscal Year					
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 218,932,637	\$ 230,998,064	\$ 168,264,794	\$ 167,937,434	\$ 163,070,675	\$ 161,370,350
57,018,115	65,147,736	67,898,863	51,230,463	58,500,840	50,010,541
127,630,857	139,640,552	141,546,415	151,420,062	160,050,080	150,676,597
101,141,630	100,695,505	109,899,660	123,164,947	122,005,552	52,897,363
38,522,292	35,937,447	41,477,441	44,554,903	52,391,343	50,092,075
255,717,572	258,479,081	283,357,681	304,096,029	304,315,508	314,924,118
35,388,697	35,214,223	35,394,512	38,422,777	46,524,048	45,112,740
90,521,110	60,919,353	85,755,517	85,256,094	88,411,166	98,127,873
18,694,633	19,072,029	22,144,792	21,816,079	21,967,688	25,015,840
<u>943,567,543</u>	<u>946,103,990</u>	<u>955,739,675</u>	<u>987,898,788</u>	<u>1,017,236,900</u>	<u>948,227,497</u>
-	-	-	-	-	-
<u>\$ 943,567,543</u>	<u>\$ 946,103,990</u>	<u>\$ 955,739,675</u>	<u>\$ 987,898,788</u>	<u>\$ 1,017,236,900</u>	<u>\$ 948,227,497</u>
\$ 180,621,469	\$ 179,931,127	\$ 200,299,414	\$ 211,473,766	\$ 196,227,634	\$ 169,451,827
215,666,695	213,038,907	213,197,032	214,295,520	217,515,933	213,713,841
<u>11,398,419</u>	<u>17,979,648</u>	<u>30,235,526</u>	<u>55,211,478</u>	<u>26,009,155</u>	<u>11,735,005</u>
<u>407,686,583</u>	<u>410,949,682</u>	<u>443,731,972</u>	<u>480,980,764</u>	<u>439,752,722</u>	<u>394,900,673</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 407,686,583</u>	<u>\$ 410,949,682</u>	<u>\$ 443,731,972</u>	<u>\$ 480,980,764</u>	<u>\$ 439,752,722</u>	<u>\$ 394,900,673</u>
\$(535,880,960)	\$(535,154,308)	\$(512,007,703)	\$(506,918,024)	\$(577,484,178)	\$(553,326,824)
<u>\$(535,880,960)</u>	<u>\$(535,154,308)</u>	<u>\$(512,007,703)</u>	<u>\$(506,918,024)</u>	<u>\$(577,484,178)</u>	<u>\$(553,326,824)</u>
\$ 178,297,034	\$ 192,525,831	\$ 164,188,059	\$ 161,254,615	\$ 150,423,597	\$ 150,635,859
284,918,896	304,589,655	316,703,720	332,217,015	339,658,462	349,646,335
3,385,671	2,349,606	2,146,754	1,757,948	1,553,584	1,282,756
7,806,998	7,055,112	6,688,826	6,821,381	6,817,145	7,712,439
284,461	404,804	893,198	666,894	656,747	15,669,032
13,086,088	-	-	-	-	-
-	-	-	201,080	(7,046,875)	-
-	-	-	-	-	-
<u>487,779,148</u>	<u>506,925,008</u>	<u>490,620,557</u>	<u>502,918,933</u>	<u>492,062,660</u>	<u>524,946,421</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 487,779,148</u>	<u>\$ 506,925,008</u>	<u>\$ 490,620,557</u>	<u>\$ 502,918,933</u>	<u>\$ 492,062,660</u>	<u>\$ 524,946,421</u>
\$(48,101,812)	\$(28,229,300)	\$(21,387,146)	\$(3,999,091)	\$(85,421,518)	\$(28,380,403)
<u>\$(48,101,812)</u>	<u>\$(28,229,300)</u>	<u>\$(21,387,146)</u>	<u>\$(3,999,091)</u>	<u>\$(85,421,518)</u>	<u>\$(28,380,403)</u>

County of Onondaga, New York
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Schedule 3

	Fiscal Year			
	2005	2006	2007	2008
General Fund				
Reserved	\$ 5,445,826	\$ 6,015,265	\$ 6,086,167	\$ 4,838,089
Unreserved	60,027,419	78,340,121	74,262,985	65,874,512
Nonspendable	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 65,473,245</u>	<u>\$ 84,355,386</u>	<u>\$ 80,349,152</u>	<u>\$ 70,712,601</u>
Water Environment Protection Fund				
Reserved	\$ 2,838,910	\$ 2,761,504	\$ 2,486,295	\$ 2,101,093
Unreserved	39,122,352	40,619,873	40,982,235	38,338,151
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Total water environment protection fund	<u>\$ 41,961,262</u>	<u>\$ 43,381,377</u>	<u>\$ 43,468,530</u>	<u>\$ 40,439,244</u>
Debt Service Fund				
Reserved	\$ 29,970,705	\$ 31,225,328	\$ 33,510,895	\$ 36,108,118
Restricted	-	-	-	-
Assigned	-	-	-	-
Total debt service fund	<u>\$ 29,970,705</u>	<u>\$ 31,225,328</u>	<u>\$ 33,510,895</u>	<u>\$ 36,108,118</u>
Capital Projects Fund				
Reserved	\$ 102,343,879	\$ 57,862,062	\$ 41,885,429	\$ 36,932,658
Unreserved	(62,115,042)	(36,866,958)	(1,075,381)	(36,619,459)
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total capital projects fund	<u>\$ 40,228,837</u>	<u>\$ 20,995,104</u>	<u>\$ 40,810,048</u>	<u>\$ 313,199</u>
All Other Governmental Funds				
Reserved	\$ 15,447,379	\$ 15,304,947	\$ 16,369,235	\$ 18,401,521
Unreserved, reported in:				
Special revenue funds	5,380,328	3,187,362	4,517,444	17,007,295
Debt service funds	69,421	77,680	77,680	83,409
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 20,897,128</u>	<u>\$ 18,569,989</u>	<u>\$ 20,964,359</u>	<u>\$ 35,492,225</u>

Fiscal Year

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	5,292,050	\$ 7,808,464	\$ -	\$ -	\$ -	\$ -
	69,373,888	76,719,455	-	-	-	-
	-	-	5,286,175	7,434,194	7,942,774	7,309,456
	-	-	-	-	5,000,000	5,000,000
	-	-	28,919,636	25,068,778	16,326,067	7,325,091
	-	-	64,988,261	67,287,910	67,682,890	68,071,369
\$	<u>74,665,938</u>	<u>84,527,919</u>	<u>99,194,072</u>	<u>99,790,882</u>	<u>96,951,731</u>	<u>87,705,916</u>
\$	1,771,573	\$ 1,503,554	\$ -	\$ -	\$ -	\$ -
	37,444,904	35,307,697	-	-	-	-
	-	-	638,350	920,616	1,002,740	891,232
	-	-	34,737,761	36,693,395	40,631,949	42,923,834
\$	<u>39,216,477</u>	<u>36,811,251</u>	<u>35,376,111</u>	<u>37,614,011</u>	<u>41,634,689</u>	<u>43,815,066</u>
\$	41,723,821	\$ 42,165,109	\$ -	\$ -	\$ -	\$ -
	-	-	40,817,343	14,073,346	18,740,055	21,570,884
	-	-	-	22,728,788	18,284,782	13,491,314
\$	<u>41,723,821</u>	<u>42,165,109</u>	<u>40,817,343</u>	<u>36,802,134</u>	<u>37,024,837</u>	<u>35,062,198</u>
\$	42,216,680	\$ 60,284,561	\$ -	\$ -	\$ -	\$ -
	(25,744,491)	(35,138,763)	-	-	-	-
	-	-	-	2,807	-	-
	-	-	7,436,576	2,222,194	2,517,575	2,204,425
	-	-	-	(26,333,991)	(27,033,703)	29,480,015
\$	<u>16,472,189</u>	<u>25,145,798</u>	<u>7,436,576</u>	<u>(24,108,990)</u>	<u>(24,516,128)</u>	<u>31,684,440</u>
\$	14,243,221	\$ 15,213,437	\$ -	\$ -	\$ -	\$ -
	12,210,553	5,587,796	-	-	-	-
	90,558	103,728	-	2,064,580	1,019,785	934,191
	-	-	1,430,751	8,630,099	8,624,581	8,624,000
	-	-	-	26,012,076	-	-
	-	-	26,301,155	(202,727)	15,338,688	23,646,492
	-	-	-	-	(368,538)	(460,412)
\$	<u>26,544,332</u>	<u>20,904,961</u>	<u>27,731,906</u>	<u>36,504,028</u>	<u>24,614,516</u>	<u>32,744,271</u>

County of Onondaga, New York
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Schedule 4

	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues				
Real property taxes and tax items	\$ 187,399,916	\$ 192,479,527	\$ 193,113,915	\$ 185,570,483
Sales tax and use tax	131,500,537	291,775,749	293,999,988	300,164,040
Federal aid	103,029,145	105,419,994	97,933,889	83,694,221
State aid	128,505,461	122,156,216	131,903,637	135,258,457
Departmental	85,193,745	89,680,125	94,014,080	110,230,846
Services for other governments	26,927,638	28,046,479	28,552,339	73,261,416
Tobacco settlement proceeds	7,908,009	7,243,015	7,529,850	8,358,345
Interest on investments	7,056,003	10,538,549	11,435,825	7,450,197
Miscellaneous	7,329,185	7,812,217	9,790,569	9,907,113
Sale of receivables	-	-	-	-
Total revenues	<u>684,849,639</u>	<u>855,151,871</u>	<u>868,274,092</u>	<u>913,895,118</u>
Expenditures				
General government	42,658,045	190,675,941	193,104,467	198,408,248
Education	43,533,866	44,514,055	48,253,633	51,383,514
Public safety	104,074,314	107,715,803	108,693,796	114,988,343
Health	47,082,258	48,097,289	50,496,551	94,432,295
Transportation	22,687,412	23,275,885	25,849,968	26,363,171
Economic assistance and opportunity	245,747,262	251,385,306	247,184,758	255,156,067
Culture and recreation	27,277,029	28,470,612	29,028,545	29,944,767
Home and community services	62,181,444	63,843,619	66,133,298	68,102,328
Capital outlay	92,462,293	113,674,114	98,433,440	87,598,359
Debt service:				
Principal	18,412,632	21,543,166	21,888,221	25,138,438
Interest	13,690,254	14,687,096	15,338,992	16,155,774
Total expenditures	<u>719,806,809</u>	<u>907,882,886</u>	<u>904,405,669</u>	<u>967,671,304</u>
Excess of revenues over (under) expenditures	<u>(34,957,170)</u>	<u>(52,731,015)</u>	<u>(36,131,577)</u>	<u>(53,776,186)</u>
Other Financing Sources (Uses)				
Transfers in	90,243,708	74,681,596	79,297,472	89,026,390
Transfers out	(90,243,708)	(76,569,616)	(84,297,472)	(89,026,390)
Proceeds of long-term borrowings	728,630,000	35,000,000	25,600,000	-
Refunding bond	-	-	-	-
Payments to refund bond escrow agent	(18,990,501)	-	-	-
Participation in debt service-external sources	25,597,355	19,568,179	35,431,293	13,374,962
Debt issuance costs	(836,558)	-	-	-
Bond discount	(669,227,856)	-	-	-
Bond premium	289,681	38,665	684,282	-
Principal Foregiveness	-	-	-	-
Special item (ONCENTER and Van Duyn transfer)	-	-	-	-
Total other financing sources (uses)	<u>65,462,121</u>	<u>52,718,824</u>	<u>56,715,575</u>	<u>13,374,962</u>
Net change in fund balance	<u>\$ 30,504,951</u>	<u>\$ (12,191)</u>	<u>\$ 20,583,998</u>	<u>\$ (40,401,224)</u>

Debt service as a percentage of noncapital expenditures	5.1%	4.6%	4.6%	4.7%
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Fiscal Year

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 185,104,195	\$ 185,255,928	\$ 159,906,576	\$ 157,356,977	\$ 152,822,237	\$ 151,709,781
284,918,896	304,589,655	316,703,720	332,217,015	339,658,462	349,646,335
105,752,832	114,096,923	118,766,975	127,052,967	126,443,049	108,983,638
121,312,282	116,921,632	124,665,583	142,454,031	117,082,039	116,465,208
110,692,394	109,832,564	119,803,507	124,833,575	123,236,938	111,214,381
51,729,312	48,435,161	67,633,604	70,159,905	44,563,260	45,662,870
7,806,998	7,055,112	6,688,826	6,821,381	6,817,145	7,712,439
3,242,129	2,273,276	2,075,438	1,699,737	1,514,778	1,239,555
10,240,104	9,769,465	14,213,726	13,388,065	17,336,148	18,222,449
13,086,088	-	-	-	-	-
<u>893,885,230</u>	<u>898,229,716</u>	<u>930,457,955</u>	<u>975,983,653</u>	<u>929,474,056</u>	<u>910,856,656</u>
197,846,093	195,855,982	150,645,016	143,436,270	134,856,773	145,255,951
51,636,672	51,284,124	47,952,884	39,572,323	44,611,060	48,502,886
112,475,714	123,386,485	122,444,760	131,927,650	134,371,600	133,386,620
95,871,458	87,784,835	99,230,390	114,665,022	108,522,081	60,486,588
24,967,034	24,364,447	26,982,740	25,696,539	28,688,474	30,542,745
249,041,562	250,929,288	276,596,788	296,129,276	295,591,563	301,568,110
29,676,868	29,252,876	29,150,063	30,352,729	37,241,630	37,067,086
70,027,487	67,870,619	70,676,114	66,608,800	69,678,033	71,163,559
72,366,843	91,379,812	104,939,126	167,688,051	152,184,373	78,803,290
28,284,206	24,080,873	27,381,800	33,136,216	33,069,102	49,926,669
16,305,652	17,846,002	19,857,818	19,206,417	20,384,574	23,246,312
<u>948,499,589</u>	<u>964,035,343</u>	<u>975,857,499</u>	<u>1,068,419,293</u>	<u>1,059,199,263</u>	<u>979,949,816</u>
<u>(54,614,359)</u>	<u>(65,805,627)</u>	<u>(45,399,544)</u>	<u>(92,435,640)</u>	<u>(129,725,207)</u>	<u>(69,093,160)</u>
73,635,007	66,137,762	73,898,633	84,253,948	89,343,668	101,402,949
(73,635,007)	(66,137,762)	(73,898,633)	(84,253,948)	(89,343,668)	(101,402,949)
61,725,000	53,625,000	33,755,000	51,425,000	67,870,000	34,800,000
33,345,000	-	-	20,615,000	-	19,600,000
(36,558,388)	-	-	(22,680,624)	-	(22,333,870)
4,498,508	19,087,111	9,987,427	13,301,703	42,585,021	74,265,173
-	-	-	-	-	-
-	-	-	-	-	-
7,161,609	4,025,795	2,658,087	5,619,538	8,451,437	6,298,202
-	-	-	-	-	11,765,901
-	-	-	201,080	(73,671)	-
<u>70,171,729</u>	<u>76,737,906</u>	<u>46,400,514</u>	<u>68,481,697</u>	<u>118,832,787</u>	<u>124,395,406</u>
<u>\$ 15,557,370</u>	<u>\$ 10,932,279</u>	<u>\$ 1,000,970</u>	<u>\$ (23,953,943)</u>	<u>\$ (10,892,420)</u>	<u>\$ 55,302,246</u>

5.1%

4.8%

5.4%

5.8%

5.9%

8.1%

COUNTY OF ONONDAGA, NEW YORK
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)
Schedule 5

<u>Fiscal Year Ended</u>	<u>REAL PROPERTY</u>		<u>EXEMPTIONS</u>		<u>TAXABLE</u>		<u>Taxable Assessed Value To Full Value</u>	<u>Per \$1,000 Full Value Tax Rate</u>
	<u>Assessed Value</u>	<u>Full Value</u>	<u>Assessed Value</u>	<u>Full Value</u>	<u>Assessed Value</u>	<u>Full Value</u>		
2005	\$22,024,988	\$26,705,334	\$6,252,097	\$6,973,119	\$15,772,891	\$19,732,215	79.93%	8.86
2006	23,689,104	28,626,155	6,474,734	7,171,432	17,214,370	21,454,723	80.24%	8.52
2007	24,454,054	30,020,864	6,600,481	7,341,042	17,853,573	22,679,822	78.72%	7.91
2008	25,152,667	31,140,839	6,685,505	7,494,265	18,467,162	23,646,574	78.10%	7.28
2009	25,720,169	31,816,504	6,171,957	7,039,201	19,548,212	24,777,303	78.90%	7.02
2010	25,954,729	31,971,757	6,228,214	7,084,921	19,726,515	24,886,836	79.26%	7.04
2011	28,510,192	32,283,535	6,507,879	7,244,642	22,002,313	25,038,893	87.87%	5.82
2012	28,839,884	32,727,383	7,302,159	7,302,159	21,537,725	25,425,224	84.71%	5.56
2013	28,913,376	34,461,789	7,328,614	8,678,972	21,584,762	25,782,817	83.72%	5.46
2014	29,119,967	34,777,467	7,333,120	8,719,333	21,786,847	26,058,134	83.61%	5.37

COUNTY OF ONONDAGA, NEW YORK

**Principal Property Taxpayers
Current Year and Nine Years Ago
Schedule 6**

<u>TAXPAYER</u>	<u>2014</u>			<u>2005</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage Of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage Of Total Taxable Assessed Value</u>
National Grid / Niagara Mohawk	\$ 713,403,676	1	2.65%	\$ 675,684,716	1	3.37%
VERIZON / NY Telephone Co.	143,285,927	2	0.53%	134,324,623	2	0.67%
HUB Properties Trust	56,351,512	3	0.21%	18,000,000	10	-
Wegmans Food Markets	54,057,300	4	0.20%	42,869,000	5	0.21%
CSX	40,837,962	5	0.15%	-		-
Bristol Myers Squibb	39,013,800	6	0.15%	42,907,600	4	0.21%
Great Northern Holdings	38,637,182	7	0.14%	-		-
Shoppingtown Mall LP	36,996,400	8	0.14%	53,571,400	3	0.27%
Aldi Inc.	32,015,000	9	0.12%	-		-
Buffalo Main Street	30,172,877	10	0.11%	-		-
Home Properties	-		-	25,024,800	6	0.12%
New Process Gear, Inc.	-		-	22,000,000	7	0.11%
Carrier Corporation	-		-	19,440,000	8	0.10%
Nob Hill of Syracuse Apartments	-		-	18,208,900	9	0.09%
Total	<u><u>\$ 1,184,771,636</u></u>		<u><u>4.41%</u></u>	<u><u>\$ 1,052,031,039</u></u>		<u><u>5.15%</u></u>

COUNTY OF ONONDAGA, NEW YORK
Property Tax Levies and Collections
Last Ten Fiscal Years
Schedule 7

<u>Fiscal Year Ended</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>			<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>	<u>Collections in Subsequent Years</u>	<u>Amount</u>	<u>Percentage of Levy</u>
2005	\$ 300,860,868	\$ 291,355,908	96.84%	\$ 8,088,762	\$ 299,444,670	99.53%
2006	311,639,215	301,888,439	96.87%	8,480,486	310,368,925	99.59%
2007	327,022,143	316,589,528	96.81%	8,293,158	324,882,686	99.35%
2008	334,648,785	321,878,456	96.18%	10,368,945	332,247,401	99.28%
2009	341,497,443	334,543,258	97.96%	4,087,539	338,630,797	99.16%
2010	353,325,744	337,992,603	95.66%	11,770,384	349,762,987	98.99%
2011	377,756,416	362,859,235	96.06%	10,333,262	373,192,497	98.79%
2012	387,239,302	372,065,190	96.08%	8,951,353	381,016,543	98.39%
2013	386,275,561	372,123,350	96.34%	4,847,128	376,970,478	97.59%
2014	395,967,415	381,678,459	96.39%	-	381,678,459	96.39%

COUNTY OF ONONDAGA, NEW YORK
Overlapping and Underlying Governmental Activities Debt
As of December 31, 2014
(dollars in thousands)
Schedule 8

<u>GOVERNMENTAL UNIT</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>
County of Onondaga	\$ 601,762	35.96%
Total Overlapping Debt	<u>\$ 601,762</u>	<u>35.96%</u>
Political subdivisions within Onondaga County:		
Towns (as of 12/31/2012)	\$ 63,296	3.78%
Villages (as of 5/31/2013)	44,824	2.68%
School districts (as of 6/30/2013)	519,481	31.04%
City of Syracuse and city schools (as of 5/16/2013)	423,640	25.32%
Fire districts (as of 12/31/2012)	20,383	1.22%
Total Underlying Debt	<u>\$ 1,071,624</u>	<u>64.04%</u>
Total Overlapping and Underlying Debt	\$ 1,673,386	100.00%

COUNTY OF ONONDAGA, NEW YORK
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)
Schedule 9

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$1,187,041	\$1,229,383	\$1,283,825	\$1,331,236	\$1,523,511	\$1,632,193	\$1,701,089	\$1,747,508	\$1,776,162	\$1,795,016
Total net debt applicable to limit	122,381	138,124	146,085	119,427	159,798	184,570	192,911	218,412	237,955	238,377
Legal debt margin	\$1,064,660	\$1,091,259	\$1,137,740	\$1,211,809	\$1,363,713	\$1,447,623	\$1,508,178	\$1,529,096	\$1,538,207	\$1,556,639
Total net debt applicable to the limit as a percentage of debt limit	10.31%	11.24%	11.38%	8.97%	10.49%	11.31%	11.34%	12.50%	13.40%	13.28%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value - 5 year average \$25,643,088

Legal debt margin:

Debt limit (7% of total assessed value) 1,795,016
Debt applicable to limit:
General obligation bonds 601,762
Less: Excludable debt (363,385)
Total net debt applicable to limit 238,377
Legal debt margin \$1,556,639

COUNTY OF ONONDAGA, NEW YORK
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)
Schedule 10

General Bonded Debt Outstanding

Fiscal Year	General Obligation Bonds	BANs Payable	Percentage of Actual Taxable	
			Value of Property	Per Capita
2005	\$ 150,167	\$ 26,153	0.89%	383
2006	169,840	14,750	0.86%	400
2007	181,058	-	0.80%	393
2008	164,447	7,723	0.73%	371
2009	208,836	10,907	0.89%	472
2010	247,195	-	0.99%	529
2011	262,222	-	1.05%	561
2012	289,604	-	1.14%	620
2013	333,656	-	1.29%	712
2014	340,318	-	1.31%	729

Other Governmental Activities Debt

Fiscal Year	OTASC Bonds	E-911 Loans	EFC Loans	Total Other Bonds and Loans	Total Primary Government	Percentage of Personal	
						Income	Per Capita
2005	\$ 136,667	\$ 630	\$ 94,520	\$ 231,817	\$ 408,137	1.19%	\$ 885
2006	134,877	6,540	124,295	265,712	450,302	1.25%	976
2007	132,977	-	145,538	278,515	459,573	1.20%	992
2008	137,608	-	148,745	286,353	458,523	1.15%	985
2009	133,898	-	145,573	279,471	499,214	1.26%	1,069
2010	134,349	-	163,294	297,643	544,838	1.34%	1,165
2011	135,228	-	164,892	300,120	562,342	1.31%	1,204
2012	136,056	-	171,444	307,500	597,104	1.34%	1,275
2013	136,963	-	200,943	337,906	671,562	1.50%	1,434
2014	137,037	-	263,444	400,481	740,799	1.66%	1,586

COUNTY OF ONONDAGA, NEW YORK
Demographic and Economic Statistics
Last Ten Calendar Years
Schedule 11

<u>Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2005	460,910	\$34,197	73,367	4.5%
2006	460,925	36,053	71,871	4.4%
2007	461,287	38,338	72,564	4.1%
2008	463,472	39,999	71,375	5.2%
2009	465,633	39,724	70,768	7.7%
2010	467,026	40,721	69,891	8.2%
2011	467,525	42,943	70,650	7.8%
2012	467,038	44,700	67,881	8.1%
2013	468,387	N/A	66,884	7.2%
2014	467,026	N/A	N/A	5.8%

COUNTY OF ONONDAGA, NEW YORK

Principal Employers Current Year and Ten Years Ago Schedule 12

<u>Employer</u>	<u>2014</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of County Employment</u>
SUNY Upstate Medical University	9,332	1	4.42%	6,250	1	2.75%
Syracuse University	4,653	2	2.20%	4,750	2	2.09%
St. Joseph's Hospital Health Center	4,000	3	1.89%	3,250	4	1.43%
Roman Catholic Diocese of Syracuse	3,887	4	1.84%	-	-	-
Wegmans Food Markets	3,686	5	1.75%	3,750	3	1.65%
Crouse Hospital	2,700	6	1.28%	2,250	6	0.99%
Loretto	2,476	7	1.17%	2,250	9	0.99%
National Grid/Niagara Mohawk	2,000	8	0.95%	1,750	10	0.77%
Time Warner Cable	1,800	9	-	-	-	-
Lockheed Martin Corporation	1,600	10	0.76%	2,250	8	0.99%
Magna Drivetrain-New Process Gear Inc	-	-	-	2,250	5	0.99%
P & C Food Markets	-	-	-	2,250	7	0.99%
Total	<u>36,134</u>		<u>16.26%</u>	<u>31,000</u>		<u>13.64%</u>

COUNTY OF ONONDAGA, NEW YORK
Full-time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years
Schedule 13

Full -time Employees as of January 1

Function/Program	2005	2006	2007	2008	2009
County clerk	38	38	36	39	38
County comptroller	36	35	36	36	37
County executive	11	10	11	9	13
County legislature	26	26	26	27	26
District attorney	94	95	95	100	97
Elections board	16	17	17	17	20
Facilities management	115	112	115	107	103
Finance, management and budget	30	32	32	31	29
Information technology	73	72	74	76	75
Law department	43	42	42	38	40
Personnel department	29	25	26	25	26
Purchasing department	15	14	14	12	15
General Government Support	526	518	524	517	519
Corrections	187	188	188	189	192
Emergency communications	139	141	144	145	149
Emergency management	7	7	7	7	7
Probation	134	135	136	140	145
Sheriff civil	321	326	327	285	300
Sheriff custody	278	274	279	276	278
STOP DWI	1	0	0	0	0
Public Safety	1,067	1,071	1,081	1,042	1,071
Health	370	363	355	364	371
LTC community services	13	11	11	14	16
LTC Van Duyn	545	545	531	559	525
Adult and LTC Care	0	0	0	0	0
Mental health department	85	86	85	80	80
Health	1,013	1,005	982	1,017	992
Transportation	199	190	189	197	195
Transportation	199	190	189	197	195
Economic development	6	6	6	7	7
Job training administration	8	7	7	6	6
Social services department	728	730	727	733	727
Children & Family	0	0	0	0	0
Veterans service agency	2	2	3	2	3
Economic Assistance	744	745	743	748	743
Aging and youth	18	17	17	18	19
Onondaga public libraries	58	59	59	56	57
Syracuse branch libraries	59	61	57	54	60
Parks and recreation	111	117	117	119	117
Culture & Recreation	246	254	250	247	253
Community development	13	13	12	13	13
Human rights commission	4	4	4	4	4
Office of the environment	1	1	1	1	1
Onondaga planning agency	16	15	16	16	17
Water board	38	38	38	35	36
Water environment protection	383	387	386	387	387
Home & Community Services	455	458	457	456	458
Total	4,250	4,241	4,226	4,224	4,231

Source: Management and Budget

COUNTY OF ONONDAGA, NEW YORK
Full-time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years
Schedule 13

Full -time Employees as of January 1

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
County clerk	37	35	35	34	36
County comptroller	33	31	31	31	32
County executive	10	11	11	12	12
County legislature	27	24	24	23	26
District attorney	94	93	93	93	94
Elections board	15	16	16	15	16
Facilities management	92	103	103	107	107
Finance	28	27	27	27	61
Information technology	74	74	74	73	69
Law department	40	38	38	37	43
Personnel department	21	27	27	23	28
Purchasing department	13	16	16	17	19
General Government Support	484	495	495	492	543
Corrections	192	180	180	179	177
Emergency communications	148	137	137	140	145
Emergency management	5	6	6	7	7
Probation	119	87	107	108	78
Sheriff civil	294	263	263	252	250
Sheriff custody	284	277	277	281	284
STOP DWI	0	0	0	0	0
Public Safety	1,042	950	970	967	941
Health	359	297	297	280	290
LTC community services	15	0	0	0	0
LTC Van Duyn	525	504	504	495	0
Adult and LTC Care	0	0	0	0	54
Mental health department	80	53	53	51	0
Health	979	854	854	826	344
Transportation	177	163	163	169	159
Transportation	177	163	163	169	159
Economic development	5	6	6	7	7
Job training administration	4	2	2	2	2
Social services department	683	690	690	690	422
Children & Family	0	0	0	0	271
Veterans service agency	3	3	3	2	0
Economic Assistance	695	701	701	701	702
Aging and youth	17	18	18	17	0
Onondaga public libraries	57	55	55	53	53
Syracuse branch libraries	59	53	53	53	53
Parks and recreation	103	86	86	93	101
Culture & Recreation	236	212	212	216	207
Community development	16	17	17	17	14
Human rights commission	0	0	0	0	0
Office of the environment	1	1	1	1	1
Onondaga planning agency	16	14	14	14	18
Water board	37	25	25	23	30
Water environment protection	377	370	370	369	380
Home & Community Services	447	427	427	424	443
Total	4,060	3,802	3,822	3,795	3,339

Source: Management and Budget

COUNTY OF ONONDAGA, NEW YORK
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Schedule 14

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Police protection										
Number of police personnel and officers	585	540	530	538	537	516	502	499	498	498
Number of police vehicles	199	199	199	206	206	209	208	210	211	211
Number of Stations	8	7	7	8	8	8	7	7	7	7
Highways										
Miles of streets maintained	802	857	857	792	792	792	793	793	793	793
Road signs installed	854	957	1,025	853	1,105	923	1,168	1,180	1,180	1,300
Signal lights	90	93	93	98	100	101	102	102	104	108
Parks and recreation										
Athletic fields	14	14	14	14	14	14	14	14	14	14
Miles of hiking trails	56	56	56	56	56	56	56	56	56	107
Park acreage	6,580	6,580	6,580	6,580	6,580	6,580	6,580	6,580	6,580	6,636
Parks and museums	13	13	13	13	13	13	13	13	13	13
Water environment protection										
Average design capacity of treatment plants in gallons (in thousands)	112,000	117,000	116,200	116,200	119,700	119,700	119,700	119,700	119,700	119,700
Miles of sanitary sewers	3,028	3,037	3,047	3,060	3,065	3,065	3,067	3,072	3,076	3,079
Number of pumping stations	120	140	150	148	149	149	151	153	157	157
Number of sewer units	181,248	181,500	180,901	180,938	181,425	181,269	179,863	180,967	180,326	180,765
Number of wastewater treatment facilities	6	6	6	6	6	6	6	6	6	6
Water operations										
Maximum daily capacity of plants in gallons (in thousands)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Miles of water mains	81	81	92	92	92	92	92	92	92	96
Number of service connections	48	48	51	51	51	51	51	47	47	47

COUNTY OF ONONDAGA, NEW YORK
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Schedule 14

<u>Function/Program</u>	<u>Fiscal Year</u>									
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Road signs installed	854	957	1,025	853	1,105	923	1,168	1,180	1,180	1,300
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Miles of hiking trails	56	56	56	56	56	56	56	56	56	107
Park acreage	6,580	6,580	6,580	6,580	6,580	6,580	6,580	6,580	6,580	6,636
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Number of service connections	48	48	51	51	51	51	51	47	47	47

FORM OF BOND COUNSEL’S OPINION
\$79,900,000 General Obligation (Serial) Bonds, 2015

May 28, 2015

County of Onondaga,
State of New York

Re: County of Onondaga, New York
\$79,900,000 General Obligation (Serial) Bonds, 2015

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$79,900,000 General Obligation (Serial) Bonds, 2015 (the "Obligations"), of the County of Onondaga, State of New York (the "Obligor"), dated May 28, 2015, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds, in such amounts as hereinafter set forth, bearing interest at the rate of _____ per centum (____%) per annum, payable on May 15, 2016 and semi-annually thereafter on November 15 and May 15, and maturing in the amount of \$____,000 on May 15, 2017, \$____,000 on May 15, 2018, \$____,000 on May 15, 2019, \$____,000 on May 15, 2020, \$____,000 on May 15, 2021, \$____,000 on May 15, 2022, \$____,000 on May 15, 2023, \$____,000 on May 15, 2024, \$____,000 on May 15, 2025, \$____,000 on May 15, 2026, \$____,000 on May 15, 2027, \$____,000 on May 15, 2028, \$____,000 on May 15, 2029, \$____,000 on May 15, 2030, \$____,000 on May 15, 2031, \$____,000 on May 15, 2032, \$____,000 on May 15, 2033, \$____,000 on May 15, 2034, \$____,000 on May 15, 2035, \$____,000 on May 15, 2036, \$____,000 on May 15, 2037, \$____,000 on May 15, 2038, \$____,000 on May 15, 2039, \$____,000 on May 15, 2040, \$____,000 on May 15, 2041, \$____,000 on May 15, 2042, \$____,000 on May 15, 2043, \$____,000 on May 15, 2044, and \$____,000 on May 15, 2045.

The Obligations that mature on or before May 15, 2024 are not subject to optional redemption prior to their stated maturities. The Obligations that mature on or after May 15, 2025 will be subject to redemption in whole or in part at any time on or after May 15, 2024 at the option of the County, at 100% of the par amount plus accrued interest through the date of redemption.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although it is included in adjusted current earnings in calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the fifth paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations, the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

Orrick, Herrington & Sutcliffe LLP