

## OFFICIAL STATEMENT

RATINGS: (See 'RATINGS' herein)  
Fitch: "AAA (stable outlook)"  
Moody's Investors Service, Inc.: "Aa2 (stable outlook)"  
Standard & Poor's: "AA+ (stable outlook)"  
**SERIAL BONDS**

### 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 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.



# COUNTY OF ONONDAGA, NEW YORK

## \$26,500,000 General Obligation (Serial) Bonds, 2016

CUSIP BASE†: 682745

Dated: Date of Delivery

Due: June 15, 2018-2036

### MATURITIES

Year	Amount	Interest Rate	Yield	CUSIP†	Year	Amount	Interest Rate	Yield	CUSIP†	Year	Amount	Interest Rate	Yield	CUSIP†
2018	\$1,920,000	5.000%	0.670%	6Z2	2025	\$1,315,000*	4.000%	1.460%	7G3	2032	\$ 950,000*	2.250%	98.25%	7P3
2019	1,965,000	5.000	0.770	7A6	2026	1,340,000*	4.000	1.580	7H1	2033	970,000*	2.250	97.50	7Q1
2020	2,005,000	5.000	0.870	7B4	2027	1,370,000*	2.000	2.000	7J7	2034	995,000*	2.500	99.25	7R9
2021	2,050,000	5.000	0.980	7C2	2028	1,405,000*	2.000	99.00	7K4	2035	1,015,000*	2.500	98.00	7S7
2022	1,225,000	5.000	1.090	7D0	2029	1,435,000*	2.000	98.00	7L2	2036	1,040,000*	2.500	97.00	7T5
2023	1,255,000	5.000	1.200	7E8	2030	1,465,000*	2.125	98.50	7M0					
2024	1,280,000	5.000	1.310	7F5	2031	1,500,000*	2.250	99.00	7N8					

\* The Bonds maturing in the years 2025-2036 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 INFORMATION – 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 June 15, 2017 and semi-annually thereafter on December 15 and June 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 when, as and if 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 located in Jersey City, New Jersey on or about July 13, 2016.

June 22, 2016

THIS REVISED COVER SUPPLEMENTS THE OFFICIAL STATEMENT OF THE COUNTY DATED JUNE 14, 2016 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, THE REVISION TO THE SECTIONS "2016-2021 CAPITAL IMPROVEMENT PLAN", "CONSTITUTIONAL TAX MARGIN" AND "ADDITIONAL INFORMATION", THE REVISION TO "APPENDIX – B", AND THE DATED DATE ON PAGE 51, THERE HAVE BEEN NO REVISIONS TO SAID OFFICIAL STATEMENT.

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# COUNTY OFFICIALS

JOANNE M. MAHONEY  
County Executive



J. RYAN MCMAHON, II  
Chairman, County Legislature

WILLIAM P. FISHER  
Deputy County Executive

ROBERT E. ANTONACCI, II, CPA, ESQ.  
County Comptroller

STEVEN P. MORGAN  
Chief Fiscal Officer



LISA DELL  
County Clerk

KEVIN CONWAY  
Sheriff

ROBERT DURR, ESQ.  
County Attorney

WILLIAM J. FITZPATRICK, ESQ.  
District Attorney

## MUNICIPAL ADVISOR



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(315) 752-0051

## BOND COUNSEL



**ORRICK**

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51 West 52<sup>nd</sup> Street  
New York, New York 10019  
(212) 506-5151

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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PREPARED WITH THE ASSISTANCE OF:



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**OFFICIAL STATEMENT**  
of the  
**COUNTY OF ONONDAGA, NEW YORK**  
Relating To  
**\$26,500,000 General Obligation (Serial) Bonds, 2016**

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 \$26,500,000 principal amount of General Obligation (Serial) Bonds, 2016 (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.

**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 June 15, 2017 and semi-annually thereafter on December 15 and June 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 June 15, 2024 are not subject to optional redemption prior to their stated maturities. The Bonds that mature on or after June 15, 2025 will be subject to redemption in whole or in part at any time on or after June 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, email, 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>
OnCenter Rehabilitation	\$ 500,000
Land Purchase for Convention Center District	1,286,924
Parks/Roads/Trail Paving	700,000
Parks Various Improvements	2,921,000
2015 Sign Replacement Project	100,000
Buckley Rd. CSX RR Design	125,000
Allen Rd. Paving-Design	190,000
Jordan Rd. Bridge Project Design	11,500
Bridge Maintenance Phase I – Design	20,000
Oran Delphi Rd. Bridge Design	30,000
Electronic Parkway Signal Interco.	20,000
Willis Ave. over CSX	150,000
Otisco Valley Rd. Bridge	25,000
Old Route 5 & Warners Paving Design	50,000
Fremont Butternut Creek-Design	60,000
Electronics Parkway Paving Design	63,000
Taft Rd. 2R Paving Design	75,000
Old Route 57 2R Paving Design	104,000
Tully Farms Rd. Bridge Design	25,000
Benson Road Bridge	64,000
Bridge Painting Project	37,000
Buckley Road Paving (1R)	34,000
West Taft Road Paving (1R)	60,000
TSM '12 – Traffic Design	50,000
TSM '15 Traffic Signal Upgrade	310,000
2015 Cold Mix Bituminous Reconstruction	1,240,000
Bridges 2014	800,000
2015 Hot Mix Bituminous Reconstruction	3,385,000
EAB Strategic Implementation	750,000
W. Quad Renovation Ferrante/Coulter	5,000,000
Terminal Reservoir Tanks	1,060,000
Westside Pumping Station Service Area	800,000
Metro WWTP Grit Handling	300,000
Ley Creek Pump Station	103,000
Suburban Green Infrastructure Improvements	1,488,531
Metro WWTP Phos Treatment System	1,026,693
Baldwinsville Seneca Knolls WWTP	265,000
LP ACJ Midland Ave.	282,524
LP ACJ Harbor Brook In Water	100,226
LP ACJ Clinton St. RTF	<u>2,887,602</u>
	<b>\$ 26,500,000</b>

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

## 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](http://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 June 15, 2017 and semi-annually thereafter on December 15 and June 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 Chief Fiscal Officer 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 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 estimated population in 2014, per the U.S. Census, is approximately of 468,196 for the County, which includes an estimated population of 144,263 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

The 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 2016. 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 the 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 six major airlines and seven commuter airlines, offering approximately 125 daily arrivals and departures. The County is also served by three major air cargo carriers. Total passengers for 2015 (enplaned and deplaned) were 2,007,854 a .33% increase as compared to 2014. 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 of Syracuse to the Authority. See "Economic Development" herein.

**Rail.** The County is served by the railroad facilities of CSX (formerly Conrail) and Amtrak, which maintain terminals within the County. CSX's computerized rail yard handles approximately 96 trains on a daily basis, while Amtrak Rail serves Central New York travelers with daily departures from William F. Walsh Regional 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 from the Niagara River with the Hudson River and the St. Lawrence Seaway, encompassing 524 miles. A major Barge Canal Terminal, also known as the Inner Harbor, 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.** The 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 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**

The County is a center for higher learning, with close to 40,000 students currently attending colleges within the County. Syracuse University (SU) is a highly regarded private college, offering a diverse portfolio of undergraduate and graduate degrees to its approximately 21,800 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 LeMoyne College, a Jesuit-run liberal arts college (3,500 students); the State University of New York's Upstate Medical University, the largest medical school in upstate New York (1,481 students); and the SUNY College of Environmental Science and Forestry (2,221 students). In addition, over 11,700 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 2016. 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 2015 inpatient discharges totaled 32,525. 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. Upstate Hospital expanded its east wing to include a two-story children's hospital known as Golisano Children's hospital. St. Joseph's Hospital Health Center (25,400 discharges) and Crouse Hospital (19,927 discharges) collectively provide a regional referral center for neonatal care, 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 1,500 practicing physicians, two mental health centers, numerous ambulatory care programs, and a full range of long-term care facilities. Area hospitals operate approximately 1,973 staffed hospital beds. In addition, there are approximately 3,000 beds in fourteen extended care facilities and nursing homes.

## **Culture and Recreation**

The 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 involves 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.

The Everson Museum of Art, located in downtown Syracuse, is the first museum to dedicate itself to American art. The current building that houses the museum was designed by internationally acclaimed architect I.M. Pei and was completed in 1968. This structure itself is considered a work of art. The Everson holds approximately 11,000 pieces of art and hosts a popular film series in the summer months.

Syracuse Jazzfest is the Northeast's largest free jazz festival, attracting up to 50,000 music fans each year. This year's Festival, the 34th annual, will be held on the grounds of OCC. Jazzfest features nationally and internationally known jazz artists.

The Syracuse Air Show returns to Syracuse Hancock Airport in June of 2016. The show will run for two days and will feature such well known performers as the US Army Golden Knights and The US Navy Blue Angels. It is expected to attract about 40,000 people each day, according to the Airport Executive Director.

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 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 the County in 1994 in the 6,099-seat Onondaga County War Memorial. The Syracuse Crunch is the American Hockey League affiliate of the Tampa Bay Lightning and averaged 5,900 spectators 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.

The Museum of Science and Technology (the "MOST"), is located in the Armory Square area of downtown Syracuse. It is a museum geared to science and technology for children of middle school age up to adults. This museum includes over 200 exhibits, a domed IMAX theater, a 50 seat planetarium and a state-of-the-art interactive exhibit called Life Sciences. They also host a variety of events including summer camps, sleep-in camps, a science fair, numerous lectures and other learning events.

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. The University saw two of its teams win National Championships in 2015 – Field Hockey and Men's Cross Country. The men's and women's 2015-2016 basketball teams both made NCAA 'Final Four' appearances, with the women's team advancing to the championship game. 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 including 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. Onondaga County Parks were recognized by the NYS Recreation and Park Society in April of 2016 with awards in 5 different categories.

The County-owned Rosamond Gifford Zoo at Burnet Park is celebrated its 100<sup>th</sup> year in 2014. They've opened a variety of new exhibits over the past few years which have added a great deal of value to the zoo.

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.

The 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 hosted its seventh Ironman event and Oneida Shores, its eighth Iron Girl triathlon. The sixth annual Empire State Marathon will be held in October 2016 at NBT Bank Stadium.

## **Conventions and Tourism**

The 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 of County. The Nicholas J. Pirro Convention Center ("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, ten meeting rooms and atrium space. There is an enclosed walkway that attaches to a 1,000-space parking garage. The Convention 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 hotel room stays to the County. A wide variety of events, including numerous theater, concert, sporting, tradeshow and catered events are held at the Oncenter Complex. For the remainder of 2016, there are five conventions and events with signed contracts for the Oncenter Complex. There are an additional five conventions signed for 2017 with one group extending the contract every year to 2020. 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 new developer of the Hotel Syracuse is completing renovations and will open in June of 2016 as part of the Marriott family of hotels. This Marriott Downtown Syracuse, as it will be called, will be the official hotel headquarters for the Oncenter Convention Complex. It will house 245 guest rooms and 21 suites according to the hotel's developer.

Downtown Syracuse also plays host to a wide variety of festivals, fairs and concerts throughout the summer months. The Taste of Syracuse will once again come to downtown Syracuse for two days in June of 2016. This festival features foods from local restaurants as well as many concerts. In 2015 over 200,000 people attended this event. Each year in July a three day arts and crafts festival is hosted by AmeriCU Credit Union. This event attracts more than 50,000 each year with artists and crafters from 30 states and Canada

The Empire Expo Center is the home of the Great New York State Fair, which attracted over 900,000 people from across the Northeast during its 12-day run in August 2015. The Fairgrounds attract an additional two 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 2016, it will again host the 17<sup>th</sup> annual Syracuse Nationals Auto Show.

The New York State Fair received \$50 million in funding from NYS in 2015 to renovate the fairgrounds. This included destruction of the old Grandstand, enlarging the midway and creating an RV camping area. Also new will be a New York experience center with ponds and paths as well as a new front entrance. The work is expected to be completed in June 2016 well in advance of the Syracuse Nationals car show.

### ***Lakeview Amphitheater***

Construction was completed on the Lakeview Amphitheater in the summer of 2015 with the first concert held on September 3, 2015. The Amphitheater is a state-of-the-art venue with 5,000 seats as well as room for approximately 17,000 more spectators on the spacious lawn for viewing the performances. It is located on the shores of Onondaga Lake.

In February of 2016, the County Legislature approved \$1.7 million to build docks and piers on Onondaga Lake. There will be 30 to 40 slips for boats to dock at Lakeview Park and will enhance the ability for boaters to dock at the Amphitheater and attend concerts.

There are, as of April 2016, 21 concerts booked for the 2016 season at the Amphitheater. The economic impact of this venue is expected to be approximately \$25 million in 2016.

### ***Destiny USA***

Destiny USA is a six-story shopping, dining and entertainment destination that is the largest of its kind in the State as well as the sixth largest shopping center in the nation according to Wikipedia. This complex includes entertainment venues such as a 19 screen Regal Cinemas, Pole Position Go- Kart Raceway, Wonderworks, Funny Bones Comedy Club, and 5 WITS. Destiny USA also hosts a wide variety of events from fashion shows and charity events to job fairs and trivia night.

Construction began on a new hotel at Destiny in the Spring of 2016. This hotel will host 209 rooms and will have an affiliation to a national brand that has not yet been named.

### ***Inner Harbor***

The revitalization of the Inner Harbor of Onondaga Lake continues with the Aloft Hotel scheduled to open June of 2016. COR Development, Co., has a \$324 million plan to transform the area and bring residential as well as commercial ventures as a part of this plan. According to COR Development management, the full build out of the Harbor will take approximately five to twelve years. The Onondaga Creekwalk is a riverwalk style trail for walking, running and biking that connects (currently) Downtown Syracuse with Onondaga Lake which also runs through the Inner Harbor region. A second and third phase are also planned to extend the Creekwalk further into the City of Syracuse.

## 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
2015 (Estimated)	468,463	19,795,791	321,418,820

Source: U.S. Census Bureau.

## Commercial Banking

There are thirteen major commercial banks with more than 125 branches within the County. The four savings institutions have an additional 8 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
Citizens Bank, N.A.	Pathfinder Bank	Geddes Federal Savings & Loan Assn
Community Bank, N.A.	Pathfinder Commercial Bank	Seneca Federal Savings & Loan Assn
First Niagara Bank	Solvay Bank	
JP Morgan Chase Bank, N.A.	The Lyons National Bank	
Key Bank, N.A.		

Source: <http://www2.fdic.gov/idasp/main.asp>, May 2016.

## Major Employers

Listed below are the major industrial and service-related employers in the 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	4,500-5,000
4.	Roman Catholic Diocese	3,500-4,000
5.	Wegmans Food Markets	3,500-4,000
6.	Crouse Hospital	3,000-3,500
7.	Loretto Companies	2,000-2,500
8.	National Grid	2,000-2,500
9.	Time Warner Cable	1,500-2,000
10.	Lockheed Martin	1,500-2,000
11.	Syracuse VA Hospital	1,000-1,500
12.	Raymour & Flanagan	1,000-1,500
13.	Carrier Corporation	1,000-1,500
14.	Welch Allyn	1,000-1,500
15.	United Parcel Service	1,000-1,500
16.	AXA Equitable Life Insurance Co	500-1,000
17.	L.& J.G. Stickley, Audi & Co	500-1,000
18.	Excellus	500-1,000
19.	Syracuse Research Company	500-1,000
20.	Tessy Plastics	500-1,000

\* In 2011, Upstate merged with Community General Hospital, formerly the 15<sup>th</sup> largest employer.

Source: Center State CEO, Syracuse, Business Journal 2015 Book of Lists, Onondaga County Economic Development.

## Unemployment Rate Statistics

	<u>Annual Average Unemployment Rates (%)</u>											<u>2016 YTD<sup>(1)</sup></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>2015</u>	
Onondaga County	4.5	4.4	4.1	5.2	7.7	8.1	7.8	8.0	7.0	5.6	5.0	4.7
New York State	5.0	4.6	4.6	5.4	8.3	8.6	8.2	8.5	7.7	6.3	5.3	5.2
United States	5.1	4.4	5.0	7.3	9.9	9.3	8.5	7.9	6.7	5.6	5.0	5.0

<sup>(1)</sup> Year-to-date (YTD) data are the months of January through April 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>2015</u>					<u>2016</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>	<u>May</u>
Onondaga County	5.0	5.1	5.0	5.1	4.7	4.7	4.4	4.4	4.4	4.9	4.8	4.6	4.3	N/A
New York State	5.3	5.3	5.2	5.4	5.0	4.8	4.7	4.8	4.7	5.4	5.4	5.2	4.6	N/A
United States	5.4	5.5	5.3	5.3	5.1	5.1	5.0	5.0	5.0	4.9	4.9	5.0	5.0	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 2016 YTD<sup>1</sup> 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	212.6
2015	224.5	213.4
2016 YTD <sup>1</sup>	225.1	214.7

<sup>1</sup> Year-to-date (YTD) data are the months of January through April for each noted year. May 2016 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, 2012, 2013, 2014 <sup>(1)</sup> and 2015 <sup>(2)</sup>.

**Trend of Total Employment**  
**Total Employment and Employment as a % of Total Employment**  
**2000, 2012, 2013, 2014 <sup>(1)</sup> and 2015 <sup>(2)</sup>**

Industry	2000	% of Total	2012	% of Total	2013	% of Total	2014 <sup>(1)</sup>	% of Total	2015 <sup>(2)</sup>
Agriculture, Forestry, Fishing Hunting	578	0.23%	583	0.24%	632	0.26%	709	0.30%	579
Mining	126	0.05%	122	0.05%	88	0.04%	131	0.05%	123
Utilities	N/A	N/A	1,558	0.65%	N/A	N/A	N/A	N/A	N/A
Construction	10,272	4.12%	9,751	4.06%	9,759	4.08%	9,494	3.97%	8,002
Manufacturing	35,126	14.08%	19,001	7.91%	18,507	7.74%	18,336	7.67%	18,268
Wholesale Trade	14,277	5.72%	13,265	5.52%	13,147	5.50%	12,613	5.28%	12,562
Retail Trade	29,852	11.97%	28,070	11.69%	28,264	11.83%	28,498	11.92%	28,220
Transportation and Warehousing	8,049	3.23%	8,243	3.43%	8,291	3.47%	8,621	3.61%	8,553
Information	7,044	2.82%	4,171	1.74%	4,130	1.73%	4,022	1.68%	3,784
Finance and Insurance	12,474	5.00%	11,379	4.74%	10,855	4.54%	10,582	4.43%	10,521
Real Estate and Rental Leasing	3,331	1.34%	3,289	1.37%	3,207	1.34%	3,140	1.31%	3,109
Professional, Scientific and Technical Services	11,033	4.42%	14,495	6.03%	14,303	5.98%	14,365	6.01%	14,162
Management of Companies and Enterprises	3,841	1.54%	2,453	1.02%	2,592	1.08%	2,688	1.12%	2,775
Administrative and Waste Services	11,959	4.79%	12,018	5.00%	12,313	5.15%	12,600	5.27%	11,556
Educational Services	8,213	3.29%	9,009	3.75%	9,271	3.88%	9,178	3.84%	10,080
Health Care and Social Assistance	26,253	10.52%	32,895	13.70%	33,334	13.95%	33,767	14.13%	33,812
Arts, Entertainment, and Recreation	2,645	1.06%	3,346	1.39%	3,338	1.40%	3,367	1.41%	3,229
Accommodation and Food Services	16,080	6.45%	18,214	7.58%	18,849	7.89%	19,266	8.06%	18,937
Other Services	9,412	3.77%	8,149	3.39%	8,243	3.45%	8,431	3.53%	8,286
Total, All Government	38,819	15.56%	40,004	16.65%	39,696	16.61%	38,848	16.26%	39,992
Unclassified	86	0.03%	178	0.07%	169	0.07%	334	0.14%	348
Total, All Industries	249,470	100.00%	240,193	100.00%	238,988	100.00%	238,990	100.00%	236,898

<sup>(1)</sup> 2014 Annual figures are preliminary and subject to change.

<sup>(2)</sup> Represents the 1<sup>st</sup> quarter figures for 2015. 2015 figures for the 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> quarters, 2015 Annual figures and the 2015 Percent of Total are not available as of the date of this Official Statement.

Notes: Column totals may not foot due to rounding.

2014 Annual figures and 2015 1<sup>st</sup> quarterly figures are preliminary and subject to change.

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 2015, the Central New York Regional Economic Development Councils ("CNY REDC") was one of three regions in the state selected to receive \$500 million through the state's Upstate Revitalization Initiative, for its bold and visionary plan to bring jobs, private investment and greater prosperity to all the region's residents.
- The plan, CNY Rising, includes six signature investments that draw on its core strengths and global market potential in the areas of unmanned aerial systems, agriculture, shipping and logistics, and respond to region's needs, particularly related to service to returning veterans, job skills training and more efficient local government. These initiatives have the potential to dramatically transform the economic landscape for Central New York.
- Government modernization was identified as a priority for economic development and helped initiate efforts to create Consensus, a local commission to lead New York's first comprehensive, countywide review of local governance. Establishing the commission was among the strategies outlined in the region's Metropolitan Business Plan created by CenterState CEO and the Brookings Institution. Consensus was also named as a signature investment area of the Upstate Revitalization Initiative in 2015.

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 the County, the CEO's 12-county region is home to 1.5 million people and over 130,000 college students. 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.

*Recent initiatives on which CenterState CEO and Onondaga County have collaborated include:*

- In partnership with the Brookings Institution, the County, and other regional partners, CenterState CEO developed the CenterState Agenda for Economic Opportunity and the CenterState NY Export Plan, to advance economic development and business growth strategies for the 12-county CenterState NY region.
- The CenterState Agenda for Economic Opportunity's strategies and initiatives are designed to build on and strengthen the region's distinctive assets while addressing critical needs to achieve long-term economic success. Implementation of the Agenda's initiative - establishes the Data to Decisions Innovation Alliance, launches a regional seed and venture fund, establishes a commission on government modernization, and implements the CenterState export initiative - are all ongoing, charting the course for further opportunities.
- The CenterState NY Export Plan is designed to improve regional competitiveness in the global marketplace. Its core strategies to increase export activity of the region's top exporters, build export capacity of small and medium-sized enterprises, and expand exports of the region's key service providers are being realized through the efforts of the Central New York International Business Alliance.
- Visit Syracuse is an affiliate of CenterState CEO and is the official tourism promotion agency for the County. They help to lead the production of over \$863 million in direct visiting annually to the local economy. Their goal is to promote the area as a destination for conventions and visitors as a way to stimulate economic growth.

The City of Syracuse and the 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 the 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. The County's "Save the Rain" program has been identified by the United States Environmental Protection Agency (EPA) as a model green infrastructure community. The City of Syracuse and the County are one of only ten communities to receive this special designation. Over \$44 million has been spent locally on "Save the Rain" projects with over 180 projects implemented from 2010 to 2015 with another \$1.98 million that was authorized in 2015. Projects include 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 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, smart grid technologies, transportation, buildings and construction technologies.

Governor Cuomo and County Executive Mahoney proposed a \$100 million State and County investment on the western side of Onondaga Lake. The Onondaga Lake Revitalization Project included \$30 million approved as part of the State's 2014-15 budget. The County has pledged an annual estimated \$2.5 million, which represents new revenue expected to be received by the County as part of the State's expansion in casino gaming, to pay the debt service of the Amphitheater. The Lakeview Amphitheater was completed in August of 2015, while the new housing, improved streetscapes in Solway, and brownfield cleanup portions of the projects are ongoing.

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 Golisano Children's Hospital, the centerpiece of a \$140 million expansion of its University Hospital, opened in September 2009. This unit is 87,000 square feet and operates as a hospital-in-a-hospital and is dedicated to meeting the special needs of children and their families. The Upstate Cancer Center opened in July of 2014. The \$74.5 million 90,000 square foot

facility consolidates all the patient cancer services. This includes ground breaking technologies that are for certain types of advanced cancers. A \$36 million new academic building is in the design phase. The 200,000 square foot building has four floors to perform difficult and complex research. The \$72 million expansion of the Institute for Human Performance opened in 2000 and nearly doubled the size of this research center for brain, spinal and nervous system diseases. 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 Hospital.

The major hospitals in the County 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 added 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 with 14 new operating rooms. It was announced in March of 2016 that a \$38 million renovation to the Crouse Emergency Department would break ground in April 2016. This project is expected to double the size of the current Emergency Room. 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's \$80 million new Emergency Room opened in February 2012, part of \$265 million in hospital expansion plans. St Joseph's opened its new surgical suite in June of 2013. This expansion included 15 new operating rooms with state-of-the-art technology. These new projects are all built with the intent to qualify for LEED certification and are some of the largest green health care construction initiatives in the State. In March of 2016, St Joseph's received a \$20 million grant from the State to expand their community based care initiatives. This is the largest grant ever received by St Joseph's Hospital. SUNY Upstate is currently renovating two towers in downtown Syracuse at a cost of \$32 million. These two towers will house about 400 SUNY students and medical residents.

Syracuse University ("SU") has been a major driver of the construction industry throughout the past decade. Total completed or undergoing building construction/reconstruction 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 was completed on a new \$95 million Law School building, which opened in fall 2014, along with an \$18 million renovation of Newhouse II. An 87,000 square foot indoor practice facility, with a cost of approximately \$13 million, for the SU football team was completed in 2014 as well. Adjoining the SU campus, is the State University of New York College Environmental Science and Forestry ("SUNY-ESF") \$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. Phase I of a new \$86 million, 120,000 square foot academic building that will utilize state of the art rainwater recovery systems, thermal pre-heat walls, and chemical filtering fume hoods is currently being built. Construction on phase 2 will commence soon after phase 1 is completed, but the exact start will depend on when funding is secured.

The University Hill area, which is home to SU, 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. Federal, State and local funding has been pledged for the "Connective Corridor" to better link these two major economic centers. 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 such as condominiums. There are currently 1,812 completed downtown housing units, with another 256 under construction with expected completion in 2017. In 2015, downtown welcomed 48 new housing units and 108 more rental units are expected by the end of 2016. Merchant Commons, Dey's Plaza and Pike Block, were renovated for downtown residential units, as well as retail, 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. 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. Approximately 2.5 million people visit downtown Syracuse each year to see shows, attend festivals and participate in events. Downtown Syracuse has enjoyed an investment of \$265 million in building, renovation and construction.

*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. They most recently won a contract with Romania for 2 new radar systems with energy saving technology. It was announced in May of 2016 that this division of Lockheed Martin was awarded a \$45 million contract with the US Navy and Japan to provide sonar systems.

SRC, Inc. (“SRC”), 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 650 people at its headquarters in the Town of Cicero. 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 contracts. In February of 2016, SRC was awarded a \$49.2 million contract with the US Army for development of devices to disable remote-controlled bombs.

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 1,300 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. Welch Allyn was purchased by Hill-Rom in September of 2015 with a purchase price of \$2.05 billion. They continue to manufacture product as Welch Allyn.

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. Six hundred employees at this biotech campus are responsible for developing and manufacturing the latest biologic medicines. They had net sales of \$16.6 billion in 2015 with \$4.04 billion in research and development investment. They received approval from the FDA, in December of 2015, for a new blood cancer drug that is produced in their east Syracuse plant.

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 Baldwinsville facility, 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 the City 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. In June of 2015, Anheuser-Busch announced a \$4.5 million investment in the Baldwinsville plant to produce a slim bottle version of its “MIXXTAILS”.

Tessy Plastics Corporation (“Tessy”) is both a plastic parts manufacturer as well as an assembler, engineering and design to build organization with plants in Elbridge, Skaneateles and Van Buren. Tessy has a local workforce of approximately 1,000 employees with annual revenues exceeding \$220 million. Tessy operates in almost one million square feet of manufacturing, cleanroom and warehouse space. The company is currently working with Empire State Development and the State to make a \$30 million 264,000 square foot expansion at the Van Buren location.

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.

In May 2013, a \$63 million security and expansion at Syracuse Hancock International Airport opened. 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 was 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.

Another high technology company located in the County is Inficon, Inc. This organization specializes in sensor technologies. The headquarters are located in Switzerland but approximately 260 people are employed in the town of Dewitt. Inficon underwent a \$13 million expansion in September of 2014. In April of 2015, a \$46.8 million contract was awarded to Inficon by the United States Department of Defense to supply product to all branches of the military. The contract extends to April of 2020.

G. A. Braun, Inc., housed in Hancock Airpark, is a manufacturer of industrial laundry machines. They have seen tremendous growth over the past seven years having moved to the Airpark in 2008 after outgrowing their former factory. In May of 2015, G. A. Braun announced a 100,000 square foot addition that will cost approximately \$9.8 million to be completed in 2016. The hiring of additional employees has already begun.

Byrne Dairy is a fourth generation owned family business that works with various dairy products such as milk, yogurt, and ice cream. They are an innovator in milk processing and two years ago created an ultra- pasteurization process that pushed the life of its milk out to seventy days. This has allowed Byrne to extend its market to other areas of the country. They are also continually expanding their convenience store business by building numerous new stores throughout the Central New York area over the past two to three years.

As a distributor of fresh, frozen and dry foods to retailers and wholesalers, G&C Foods has a “sky’s the limit” attitude. In January of 2016, they announced plans to build an \$18 million expansion to their food distribution center in Central New York. They will be creating a frozen-food packaging line as well as expansion of freezer and dry storage space. Since the company does not currently package food, this will add a whole new area with an expected opportunity for significant growth.

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, 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 OCDC, 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 2015, the OCDC issued bonds for building renovations at LeMoyne College and refinancing of OCC Housing Development debt. They also participated in a Quasi Equity Loan program with the Greater Syracuse Business Development Corporation.

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 the County. In 2015, OCIDA completed five Payment in Lieu of Tax agreements, induced ten projects with a capital investment of approximately \$508 million and partnered with OCC and CenterState CEO on a workforce training program.

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 Executive presented the 2016 budget in September 2015. As the budget was developed, rising salary, debt service, and other operating costs were significant contributors to the projected budget gap of \$18 million. To overcome this gap, the County Executive held headcount to a minimal increase, as well as all other discretionary spending. Sales tax growth was factored into the budget gap reconciliation as well as the use of \$5 million in fund balance.

The County Legislature adopted the 2016 Budget on October 13, 2015. The Legislature made additional appropriations cuts and increased revenue assumptions to reduce the property tax levy by \$200,000 and the use of fund balance by \$2 million. Between 2011 and 2016, the property tax levy has been reduced by the Legislature by a total of \$14 million. The 2016 all funds budget supports \$1.26 billion in total expenditures, including internal transfers of \$240 million. Expenses are essentially flat when compared to the 2015 budget as modified. The General Fund budget included an adopted property tax levy of \$139,691,159, a \$200,000 reduction compared to 2015. After accounting for budgeted and subsequent fund balance appropriations, encumbrances, and commitments of \$11 million, the current assigned and unassigned fund balance is \$79 million or 12% of adjusted General Fund revenues. Recognizing debt service spikes in upcoming years, the County Executive committed \$5 million of 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 in the Water Environment Protection Department (Sanitary District Fund) and wholesale water rates charged by the Metropolitan Water Board (Water Fund) remained unchanged from 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 Sections 10 and 11 of the General Municipal Law of the State: a) Special time deposit accounts; b) Certificates of deposit; c) Reciprocal deposit programs d) 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 the 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 April 29, 2016, the County's portfolio consists of money market deposits, certificates of deposit, reciprocal deposits 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 2016, budgeted State aid represents approximately 14.1% 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 State budget for the fiscal year beginning April 1, 2016 was enacted on March 31, 2016. While counties continue to govern under stressful fiscal conditions, the 2016-2017 State budget includes mandate relief actions and tools designed to provide counties with savings, funding or flexibility to manage more efficiently. The final budget continued the zero percent Growth Cap in local Medicaid costs as well as a cap on youth detention state facilities charges. Now any increases in Medicaid costs are funded by the State. Additionally, Federal savings related to the Affordable Care Act ("ACA") continue to generate positive results for counties with expected Federal ACA savings to lower most counties' Medicaid costs by about four percent in 2016 compared to what they paid in 2015. The cap on state facilities charges to counties is estimated to save the County \$6.1 million in 2016.

### *Local Government Consolidation & Efficiency Grant Programs*

- Municipal Consolidation Competition (\$20 million). The final budget includes funding for a new Municipal Consolidation Competition to encourage the reduction of costs through a competitive process, to be administered by the Department of State.
- Anti-Poverty Initiative. Intended to be a city driven program with funding distributed based on number of people living in poverty in the jurisdiction. Eligible cities include Albany, Bronx, Binghamton, Buffalo, Elmira, Hempstead, Jamestown, Newburgh, Niagara Falls, Oneonta, Oswego, Rochester, Syracuse, Troy, Utica, and Watertown. Coordination with the respective county and the Local Departments of Social Services ("LDSS") is encouraged but not required.

### *Major Tax Proposals*

- Converting the STAR Benefit from Property to Income Tax Credit for New Homeowners. The final budget includes language that converts the STAR benefit from a property tax credit to income tax credit for first-time homebuyers and homeowners who move. Under current law, school districts collect reduced revenue as a result of the STAR exemptions, and the State compensates them for the cost of the exemption.
- Personal Income Tax Cut. The budget lowers personal income tax rates. Recently rates were lowered from 6.85% to 6.45% for taxpayers in the \$40,000-\$150,000 income bracket, and to 6.65% in the \$150,000-\$300,000 income bracket. Under these new reforms, the rate will drop even further beginning in 2018 and will continue to drop all the way to 5.5% when the cuts are fully phased in.

## ***Economic Development***

- *Upstate Revitalization Initiative.* The final budget includes \$170 million in settlement funds to support Upstate Revitalization Initiative projects to help continue to restore economic opportunity to regions across Upstate New York.

## ***Infrastructure Investment***

- *Clean Water Infrastructure.* The enacted budget provided \$200 million for the Water Quality Infrastructure Improvement Act of 2015 to provide grants to municipalities for the replacement and repair of existing wastewater infrastructure and drinking water infrastructure. Up to \$100,000,000 will be available in State Fiscal Year 2016-17, with the remaining \$100,000,000 to be available in State Fiscal Year 2017-18.

## ***Transportation***

- *CHIPS and Marchiselli.* The final budget allots \$438,097,000 for Consolidated Local Street and Highway Improvement Program (“CHIPS”) funding and \$39,700,000 for Marchiselli funding. This level is consistent with the previous years’ budget. However, the Pave NY/Bridge NY program will receive \$800 million over the next four years for local roads and bridge projects of which \$400 million (\$100 million per year) will go towards for local projects distributed based on the CHIPS formula and \$400 million for local bridge projects that will incorporate local solicitation. The County is projected to receive an additional \$700,000 annually in CHIPS funding.

## **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 County received \$2.8 million in exclusivity payments for 2015. 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 2016 budget. The County constantly monitors State budget actions which might negatively impact its 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, 2020 unless 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 included 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.

The County was compliant with the requirements under this program in both applicable years which resulted in rebates of County taxes to eligible taxpayers.

**2016 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 2015 adopted levy, including city abstract, water fund and special districts was \$163.1 million. The tax base growth factor of 0.67%, as determined by the Office of State Comptroller, was applied to the 2015 levy and 2015 pilot revenue was added to establish a beginning base levy of \$167.1 million used in the levy limit calculation. The levy growth factor of 0.73% was applied to the base levy and 2016 pilot revenue was subtracted from the base levy to determine a 2016 levy limit before exclusions of \$165.4 million. No adjustments or exclusions were applicable for determining the 2016 levy limit. However, a carryover from 2015 of \$2.5 million due to being under the 2015 levy limit resulted in a total 2016 levy limit of \$167.9 million. The combined 2016 adopted levy of \$162.9 million was \$5 million under the allowable levy. The County is allowed to "carryover" 1.5% of the 2016 levy limit, or the amount actually levied under the levy limit, whichever is less. As a result of the actual levy being under the 2016 levy limit, approximately \$2.5 million will carryover to be added to the 2017 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 2016 workforce represents no increase in headcount over 2015. 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. Three collective bargaining agreements 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	December 31, 2015 <sup>(1)</sup>
Onondaga County Sheriff's Police Association (OCSPA)	195	December 31, 2017
Deputy Sheriff's Benevolent Association (DSBA)	273	December 31, 2018
NYS Nurses Association (NYSNA)	44	December 31, 2013 <sup>(1)</sup>
International Union of Operating Engineers (IUOE)	28	December 31, 2018
Central and Northern New York Building Trades Council (BTC)	30	December 31, 2012 <sup>(1)</sup>
Onondaga Sheriffs Captains Association (OSCA)	7	December 31, 2016

<sup>(1)</sup> Currently under negotiations.

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 County's December 15 contributions to the ERS for the years 2004 through 2016 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 <sup>(1)</sup>	\$ 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 <sup>(2)</sup>	42,155,931	21.40
2012	42,788,760	19.92
2013	44,459,788	20.59
2014 <sup>(3)</sup>	38,937,131	18.80
2015 <sup>(3)</sup>	33,214,687	17.30
2016 (Estimate)	32,374,775	16.00

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> The County's December 2014 and 2015 pre-paid pension contribution included an approximately \$3 million reconciling item of prior year salaries.

Historical Trends and Contribution Rates: 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.

A chart of average ERS and PFRS rates (2010 to 2017) is shown below:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2010	7.4%	15.1%
2011	11.9	18.2
2012	16.3	21.6
2013	18.9	25.8
2014	20.9	28.9
2015	20.1	27.6
2016	18.2	24.7
2017	15.5	24.3

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 2016 amount to decrease to 16.00%.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount

and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

**Stable Rate Pension Contribution Option:** The 2013-14 Adopted State Budget included a provision that authorized local governments, including the County, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. For 2014 and 2015 the rate is 12.0% for ERS and 20% for PFRS; the rates applicable to 2016 and thereafter are subject to adjustment. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years. The County is not amortizing or smoothing any pension payments nor does it intend to do so in the foreseeable future.

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 the 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 as of January 1, 2014, 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, 2015 and 2014:

<b><i>Annual OPEB Cost and Net OPEB Obligation:</i></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Annual required contribution (ARC)	\$ 62,381,907	\$ 58,336,842
Interest on net OPEB obligation	14,547,247	13,113,030
Adjustment to ARC	<u>(16,226,897)</u>	<u>(14,018,964)</u>
Annual OPEB cost (expense)	60,702,257	57,430,908
Expected Contributions made	<u>(25,119,105)</u>	<u>(23,684,639)</u>
Increase in net OPEB obligation	35,583,152	33,746,269
Net OPEB obligation - beginning of year	<u>342,288,161</u>	<u>308,541,892</u>
Net OPEB obligation - end of year	<u>\$ 377,871,313</u>	<u>\$ 342,288,161</u>
Percentage of annual OPEB cost contributed	41.4%	41.2%

**Funding Status:**

	<u>2015</u>	<u>2014</u>
Actuarial Accrued Liability (AAL)	\$ 769,100,000	\$ 738,048,524
Actuarial Value of Assets	<u>0</u>	<u>0</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 769,100,000</u>	<u>\$ 738,048,524</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>
2015	\$ 60,702,257	41.4%	\$ 377,871,313
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, 2014 and 2015 audited 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.

In April 2015, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state's OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. It is not possible to predict whether the Comptroller's proposed legislation will be reintroduced and enacted into law.

**GASB 68 and GASB 71 Compliance**

For the fiscal year ended December 31, 2015, the County implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date." The implementation of the Statements requires the County to report as a liability its portion of the collective net pensions and liability in the ERS. The implementation of the Statements also requires the County to report a deferred outflow and/or inflow of resources for the effect of liability and difference during the measurement period between the County's contribution and its proportion share of total contribution to the pension system not included in pension expense. Also included as a deferred outflow is the County's contribution to the pension system subsequent to the measurement date.

## Restatement

For the fiscal year ended December 31, 2015 the County implemented GASB Statement No. 68, “Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27,” and Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date”. The implementation of these new accounting standards resulted in the reporting of deferred outflows of resources, a liability, and deferred inflows of resources related to the participation in the Employee’s Retirement Systems. The County’s net position has been restated as follows:

	<u>County</u>
Net Position Beginning of Year, as previous stated:	\$ 560,813,111
GASB Statement No. 68 Implementation;	
Beginning system liability – Employee’s Retirement System	(39,186,188)
Beginning deferred outflow of resources for contributions	
subsequent to the measurement date	<u>26,845,634</u>
Net Position Beginning of Year, as Restated:	<u>\$ 548,472,557</u>

## 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

The 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, 2015 and is attached hereto as “APPENDIX – D” to this 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. Since 1976, the County has retained independent certified public accountants to audit its financial statements. The County engaged an independent certified public accountant to audit the County’s financial statements for 2015 and subsequent years.

## **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 the County are the Component Units: Onondaga Community College, ONCENTER Management Corporation, Housing Development Fund Company, Industrial Development Agency, Onondaga Civic Development Corporation and Friends of Rosamond Gifford Zoo. OTASC (Onondaga Tobacco Asset Securitization Corporation), established to sell the tobacco bonds, is blended as a Nonmajor 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 2015 audited financial statements as reported under the generally accepted accounting principles (GAAP) framework of guidelines for financial accounting, the total general fund only revenues increased from \$556.5 million in 2010 to \$627.8 million in 2015 for a total five-year increase of 12.8%. These numbers reflect the sales tax accounting pass-through adjustment, which totaled \$147.8 million in 2010 and \$86.2 million in 2015. From 2014 to 2015, general fund revenues adjusted by the sales tax accounting change remained flat. Gross sales tax cash receipts for 2015 again helped to offset a reduced the property tax levy which the Legislature voted to hold flat for 2014 at \$140.9 million and further reduce by \$1 million in 2015 to \$139.9. In total dollars, State and Federal aid for 2015 were \$1.7 million higher than 2014 levels, but they comprised 27.7% of the total adjusted revenues in 2015, slightly higher than the 2014 level of 27.4%.

## **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 2015, these revenues reported under GAAP standards combined to total \$405.9 million or 64.7% of the total General Fund revenues of \$627.8 million (adjusted by \$86.2 million for the sales tax accounting adjustment). Between 2010 and 2015, the county-wide property tax levy went from \$184.0 to \$139.9 million, a decrease that same period (2010 through 2015) of \$44 million or 24.0%. During the same five-year period, the County's share of sales tax revenues grew from \$145.9 to \$250.4 million, an increase of \$104.5 million or 71.6%. This was down from \$251.8 million in 2014, reflecting the lackluster growth in sales tax collections given the sales tax sharing agreement for the ten years through December 31, 2020 only slightly changed the allocation of collections to municipalities in 2015 over 2014.

## **Expenditures**

Operating Fund expenditures include all General Fund expenditures. Total general fund expenditures reported under GAAP standards increased 14.9% from \$510.2 million in 2010 to \$567.8 million in 2015 after the sales tax accounting adjustment in both years. This was 2.2% lower than the 2014 level of \$580.5 million on an adjusted basis.

## **Fund Balance (non – GAAP)**

In December 1999 the County Legislature adopted a resolution of intent to maintain an unreserved General Fund balance equal to 10% of its General Fund revenues. This goal was reaffirmed in December 2009 with a commitment to restore reserves to 10% within three years, should it fall below. The County ended 2015 with its total fund balance at \$90.5 million, of which \$5 million was committed, \$17.5 million was assigned, and \$68.0 million was unassigned. Of the \$17.5 million of assigned fund balance, \$3.0 million was appropriated to balance the 2016 budget, \$3.2 million is set aside for encumbrances, and the remaining \$11.3 million was assigned to reduce property taxes and reduce future debt. This \$11.3 million coupled with the \$68.0 million of unassigned fund balance totals \$79.3 million or 11.65% 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, legislation has passed to permanently adjust the general fund calculation for the sales tax pass-thru accounting change and for prepaid 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, with the balance to be 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 were paid in part from the sale proceeds and remaining fund balance.

In 2014, the buyer exercised a contractual option to prepay the remaining amount owed consistent with the terms of the prepayment discount. Payment has been made to the County and buyer's obligations are fully discharged.

## **New York State Comptroller Report of Examination**

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There are no recent State Comptrollers audits of the County that are currently in progress or that have been published in the past five years.

## **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, updated as of April 2016, of the State Comptroller classifies the County as "No Designation" with a Fiscal Score of 22.1%.

Source: Website of the Office of the New York State Comptroller.

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

## 2016-2021 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 prepares 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. This six-year capital plan is updated annually by the County.

The preparation 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 2016-2021.

The 2016-2021 Capital Plan outlined \$124.5 million of proposed general fund projects, \$143.2 million of sewer projects and \$39.6 million of water projects, for a total of \$307.4 million projected to be funded by borrowing during the six-year period 2016-2021. The figures below estimate when the CIP Projects will be funded with County debt for the years 2017 to 2021. The 2016 column represents the actual amount of bonding for the current fiscal year (000’s omitted):

<u>Department</u>	<u>2016</u>	<u>2017-2021</u>	<u>Total</u>
Emergency Communications	\$ -	\$ 13,246	\$ 13,246
Facilities Management	1,787	21,425	23,212
Parks	3,623	10,039	13,662
Finance	-	-	-
Office of Environment	750	6,216	6,966
Sheriff	-	18,329	18,329
County Clerk	-	600	600
Library	-	-	-
OCC	5,000	11,918	16,918
Transportation	7,028	23,094	30,122
Metropolitan Water Board <sup>(1)</sup>	1,060	36,442	37,502
Water Environmental Protection <sup>(2)</sup>	7,252	134,745	141,997
<b>Totals:</b>	<b>\$ 26,500</b>	<b>\$ 276,054</b>	<b>\$ 302,554</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> In addition to the numbers presented above, there still remains \$79.8 million in authorized unissued debt that the County plans to issue during the period 2016-2019. Approximately half of this amount may qualify for EFC loans. If so, the financing through EFC will provide for subsidized interest payments.

Source: County officials.

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**TAX INFORMATION**

**Municipal Subdivisions in the County**

There are 19 towns in the 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 2015 assessed and full valuations listed below were used to apportion the 2016 County property tax levy. Of the 20 taxing jurisdictions in the County, 15 have adopted a full market value assessment standard, representing approximately 65% of the County's full market value.

<u>Towns</u>	<u>2015 Assessed Value for 2016 County Tax<sup>(1)</sup></u>	<u>2015 NYS Equalization Rates (%) <sup>(2)</sup></u>	<u>2015 Municipalities Full Valuation<sup>(3)</sup></u>	<u>Percent Full Value (%)</u>
Camillus	\$ 1,560,582,150	100.00	\$ 1,560,582,150	5.89
Cicero	2,134,359,599	100.00	2,134,359,599	8.05
Clay	146,973,704	4.31	3,410,062,738	12.87
Dewitt	2,502,448,365	100.00	2,502,448,365	9.44
Elbridge	306,067,551	100.00	306,067,551	1.15
Fabius	119,692,128	100.00	119,692,128	0.45
Geddes	817,632,476	92.00	888,730,952	3.35
Lafayette	309,346,369	93.00	332,630,504	1.25
Lysander	1,537,134,771	100.00	1,537,134,771	5.80
Manlius	2,407,790,111	100.00	2,407,790,111	9.08
Marcellus	403,812,096	100.00	403,812,096	1.52
Onondaga	1,357,242,298	100.00	1,357,242,298	5.12
Otisco	4,138,658	2.17	190,721,567	0.72
Pompey	621,877,544	100.00	621,877,544	2.35
Salina	1,646,725,270	100.00	1,646,725,270	6.21
Skaneateles	1,285,296,699	100.00	1,285,296,699	4.85
Spafford	358,872,481	100.00	358,872,481	1.35
Tully	248,959,273	100.00	248,959,273	0.94
Van Buren	657,585,100	100.00	657,585,100	2.48
Town total	\$ 18,426,536,643		\$ 21,970,591,197	82.89
Syracuse	\$ 3,695,972,078	81.50	\$ 4,534,935,065	17.11
Grand total	\$ 22,122,508,721		\$ 26,505,526,262	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 2015 equalization rates and 2015 full valuations used to apportion the 2016 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 <sup>(1)</sup>	Total Full Value <sup>(2)</sup>	Property Tax Levy <sup>(3)</sup>	Tax Rate Per \$1,000 Full Value
2016	\$ 22,122,508,721	\$ 27,372,847,725	\$ 139,691,159	\$ 5.10
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

- <sup>(1)</sup> Assessed value for the previous year is utilized for purposes of levying County taxes.
- <sup>(2)</sup> 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.
- <sup>(3)</sup> The County tax levy is apportioned using full value figures obtained from the municipality's preceding year assessment roll. For example, the 2016 County tax levy is apportioned using the 2015 total full value figures, which are obtained from the municipality's preceding 2015 assessment roll.

## Tax Collection Record

### County Tax Collection Rates for Towns

Year	County Levy	First Year Unpaid <sup>(1)</sup>	% Unpaid Year-end	Unpaid 12/31/15	% Unpaid 12/31/15
2016	\$ 335,802,929	N/A	N/A	N/A	N/A
2015	333,509,544	\$ 11,748,398	3.52%	\$ 11,748,398	3.52%
2014	326,463,729	10,288,148	3.15	5,886,614	1.80
2013	319,290,719	10,116,290	3.17	2,944,758	0.92
2012	318,555,842	10,723,425	3.37	1,676,190	0.53
2011	310,719,182	10,220,139	3.29	1,045,422	0.34
2010	284,262,783	10,440,848	3.67	431,848	0.15
2009	274,562,462	9,915,331 <sup>(2)</sup>	3.40 <sup>(2)</sup>	277,743	0.10
2008	268,336,983	8,365,860	3.12	230,081	0.09
2007	260,313,637	6,074,852	2.33	198,751	0.08
2006	244,920,971	5,337,994	2.18	111,376	0.05
2005	235,417,115	5,078,579	2.16	66,264	0.03
2004	230,992,385	5,012,694	2.17	83,009	0.04

- <sup>(1)</sup> Reflects payments made through February in the year following the year of levy.
- <sup>(2)</sup> Unpaid including tax liens sold. County-only first year unpaids is \$1,889,577 (0.69%).

**County Tax Collection Rates for the City of Syracuse <sup>(1)</sup>**

<u>Year</u>	<u>County Levy</u>	<u>First Year Unpaid <sup>(2)</sup></u>	<u>% Unpaid Year-end</u>	<u>Unpaid 12/31/15</u>	<u>% Unpaid 12/31/15</u>
2016	\$ 71,573,920	N/A	N/A	N/A	N/A
2015	71,923,422	\$ 4,413,278	6.14%	\$ 4,413,278	6.14%
2014	69,503,686	4,497,585	6.47	2,795,554	4.02
2013	66,984,842	4,035,921	6.03	1,748,148	2.61
2012	68,683,460	4,450,687	6.48	1,368,166	1.99
2011	67,037,234	4,677,041	6.98	1,203,838	1.80
2010	69,062,961	4,892,297	7.08	1,135,588	1.64
2009	66,934,981	5,064,608	7.57	926,528	1.38
2008	66,311,802	4,404,469	6.64	820,886	1.24
2007	66,708,506	4,357,763	6.53	701,933	1.05
2006	66,718,244	4,412,782	6.61	500,526	0.75
2005	65,443,753	4,426,380	6.76	405,281	0.62
2004	66,429,007	4,644,312	6.99	423,552	0.64

<sup>(1)</sup> The City of Syracuse allows for quarterly payment of current year taxes.

<sup>(2)</sup> Reflects payments made through December in the year following the year of levy.

**Accumulated County Tax Collection Rates for the County and City <sup>(1)</sup>**

<u>Year</u>	<u>County Levy</u>	<u>First Year Unpaid <sup>(2)</sup></u>	<u>% Unpaid Year-end</u>	<u>Unpaid 4/30/15</u>	<u>% Unpaid 4/30/15</u>
2016	\$ 407,376,849	N/A	N/A	\$ 74,746,934	18.35%
2015	405,432,966	\$ 16,161,676	3.99%	14,622,921	3.61
2014	395,967,415	14,785,733	3.73	7,433,695	1.88
2013	386,275,561	14,152,211	3.66	3,906,041	1.01
2012	387,239,302	15,174,112	3.92	2,591,092	0.67
2011	377,756,416	14,897,180	3.94	1,931,981	0.51
2010	353,325,744	15,333,145	4.34	1,409,798	0.40
2009	341,497,443	14,979,939 <sup>(3)</sup>	4.22	1,105,363	0.32
2008	334,648,785	12,770,329	3.82	900,200	0.27
2007	327,022,143	10,432,615	3.19	900,683	0.24
2006	311,639,215	9,750,776	3.13	611,902	0.17
2005	300,860,868	9,504,959	3.16	471,545	0.13
2004	297,421,392	9,657,006	3.25	506,561	0.14

<sup>(1)</sup> The City of Syracuse allows for quarterly payment of current year taxes.

<sup>(2)</sup> Reflects payments made through February in the year following the year of levy.

<sup>(3)</sup> Unpaid including tax liens sold. The after tax lien sale number is \$6,954,185 (2.0%).

**Largest Taxpayers – 2015 Assessment Roll for 2016**

<u>Name</u>	<u>Type</u>	<u>Estimated Full Valuations</u>
Niagara Mohawk	Utility	\$ 786,967,841
Verizon	Utility	130,518,162
HUB Properties Trust	Real Estate	66,439,284
Wegmans Food Market	Retail/Grocery	62,125,928
CSX	Rail Road	51,897,461
Dominion Pipeline	Utility	43,935,917
Bristol Myer Squibb	Manufacturing	38,871,472
Great Northern Mall	Retail	38,816,473
Shoppingtown Mall NY LLC	Retail	36,996,400
Buffalo Main Street LLC	Retail	31,877,110

The ten largest taxpayers listed above have an estimated full valuation of \$1,288,446,048, which represents 4.86% of the County's 2016 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 2012 through 2016 which incorporates State adjustments for final equalization rates:

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Tax Limit	\$374,466,034	\$380,606,104	\$384,646,320	\$391,369,417	\$397,782,538
Total Additions/(Exclusions)	23,572,348	26,899,343	30,036,622	31,178,244	37,917,203
Total Taxing Power	398,038,382	407,505,447	414,682,942	422,547,661	435,699,741
Total Tax Levy <sup>(1)</sup> (subject to limit)	148,216,571	140,998,859	140,891,159	139,891,159	139,894,191
Tax Margin	249,821,811	266,506,588	273,791,783	282,656,502	295,805,550
Tax Margin %	66.71%	70.02%	71.18%	72.22%	74.36%

<sup>(1)</sup> 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 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 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, the 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 \$2,615,593 and \$2,829,806 from payments in lieu of taxes for the fiscal years ending 2014 and 2015, respectively. Budgeted 2016 pilots are \$2,949,806. 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 2015 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 State Legislature every two years.

For 2015, the agreement essentially gave the City 24.3% of the total, while the County retained 74.4%. Towns no longer received any allocation and the Schools’ share remained at 1.3%. Since 2013, the sharing agreement distributes approximately 25% to other municipalities while the County retains approximately 75% of revenues from sales taxes. In 2014 the County retained \$251.8 million of revenues from sales tax collections.

In 2015, local sales tax revenues were allocated as follows:

Unit	3% Formula		1% Formula		Total Dollar	Percent
	Dollar	Percent	Dollar	Percent		
County	\$ 249,081,828	98.60%	\$ 1,341,466	1.60%	\$ 250,423,294	74.40%
City	0	0.00	81,792,376	97.30	81,792,376	24.30
Schools	3,419,791	1.40	937,130	1.10	4,356,921	1.30
	<u>\$ 252,501,619</u>		<u>\$ 84,070,972</u>		<u>\$ 336,572,591</u>	

### 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 31<sup>st</sup></u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Bonds <sup>(1)</sup>	\$ 402,138,494	\$ 437,519,534	\$ 474,120,566	\$ 601,749,786	\$ 641,467,456
Bond Anticipation Notes <sup>(2)</sup>	<u>20,000,000</u>	<u>19,529,000</u>	<u>60,387,091</u>	<u>0</u>	<u>1,510,523</u>
Total	\$ 422,138,494	\$ 457,048,534	\$ 534,507,657	\$ 601,749,786	\$ 642,977,979

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

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

## Debt Management

The 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, and \$11.3 million in June 2015 saving and additional \$864 thousand 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 2016 Budget process. The debt management goals are:

<u>Goal Statement</u> (General Fund)	<u>Numerical Goal</u>	<u>2016 Budget</u>	<u>2016 Pro-forma</u> <sup>(2)</sup>
Debt Service/General Funds Revenue <sup>(1)</sup>	5.5%	4.54%	5.11%
Minimize debt service of County residents			
Maximum total net indebtedness	\$700/capita	\$594/capita	\$596/capita
Full valuation taxable property	1.5%	1.018%	1.021%
Rapid debt repayment –			
Retire debt within 10 years	65%	71%	72%

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

<sup>(2)</sup> 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 \$18,188,424 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 June 7, 2016 and July 13, 2016 (Pro forma).

	Amount Amount Outstanding <u>June 7, 2016</u>	(Pro forma) <sup>(1)</sup> Amount Outstanding <u>July 13, 2016</u>
Short-Term Indebtedness <sup>(2)</sup>	\$ 7,431,508	\$ 10,009,415
Bonded Indebtedness <sup>(3)</sup>	\$ 610,272,344	\$ 631,992,344
Total Indebtedness	\$ 617,703,852	\$ 642,001,759
Total Indebtedness after Defeasance	\$ 614,358,852	\$ 638,656,759

<sup>(1)</sup> Pro forma includes the addition of the new issues (\$26,500,000 bonds with a closing date of July 13, 2016.)

<sup>(2)</sup> Drawdown of EFC grid notes.

<sup>(3)</sup> See "Bonded Indebtedness as of June 7, 2016", below.

## Bonded Indebtedness as of June 7, 2016

<u>Bond Issue</u>	<u>Date of Bonds</u>	<u>Interest Rate</u> <sup>(1)</sup>	<u>Amount Outstanding</u>
General Obligation (Serial) Bonds, 2007 Series A	12/19/2007	4.000-5.000%	\$ 2,700,000
General Obligation (Serial) Bonds, 2009 Series A	03/5/2009	3.000-5.000%	36,550,000
General Obligation (Serial) Bonds, 2010 Series A (Tax Exempt)	06/29/2010	4.000-5.000%	12,050,000
General Obligation (Serial) Bonds, 2011	06/29/2011	2.000-5.000%	24,025,000
General Obligation (Serial) Bonds, 2012	06/28/2012	3.000-5.000%	41,375,000
General Obligation (Serial) Bonds, 2013	06/28/2013	4.000-5.000%	58,550,000
General Obligation (Serial) Bonds, 2014	06/27/2014	2.500-5.000%	32,200,000
General Obligation (Serial) Bonds, 2015	05/28/2015	3.000-5.000%	79,900,000
General Obligation Refunding (Serial) Bonds, 2012	07/11/2012	2.000-5.000%	10,680,000
General Obligation Refunding (Serial) Bonds, 2014	07/14/2014	2.000-5.000%	18,995,000
General Obligation Refunding (Serial) Bonds, 2015	06/24/2015	2.000-5.000%	11,370,000
General Obligation Refunding (Serial) Bonds, 2009	12/03/2009	3.000-5.000%	12,085,000
General Obligation (Serial) Bonds, 2010 Series B Federally Taxable Build America Bonds	06/29/2010	4.250-5.150%	17,570,000 <sup>(1)</sup>
General Obligation (Serial) Bonds, 2010 Federally Taxable Recovery Zone Bonds	06/29/2010	5.500-5.900%	4,905,000 <sup>(2)</sup>
NYS EFC Series 2000	03/09/2000	4.080-5.990%	390,000 <sup>(3)</sup>
NYS EFC Series 2001A	03/08/2001	3.430-5.130%	2,570,000 <sup>(3)</sup>
NYS EFC Series 2001B	07/26/2001	2.619-5.154%	600,000 <sup>(3)</sup>
NYS EFC Series 2002A	03/14/2002	1.362-4.982%	631,408 <sup>(3)</sup>
NYS EFC Series 2002G	07/25/2002	1.533-5.795%	7,385,000 <sup>(3)</sup>
NYS EFC Series 2003A	03/13/2003	1.031-4.711%	360,000 <sup>(3)</sup>
NYS EFC Series 2003F	07/14/2003	0.721-4.500%	1,825,936 <sup>(3)</sup>
NYS EFC Series 2004D	07/22/2004	1.581-4.964%	4,745,000 <sup>(3)</sup>
NYS EFC Series 2005A	03/03/2005	1.564-4.399%	7,845,000 <sup>(3)</sup>
NYS EFC Series 2005B	07/14/2005	2.489-3.999%	2,735,000 <sup>(3)</sup>
NYS EFC Series 2006C	07/13/2006	3.626-4.861%	31,460,000 <sup>(3)</sup>
NYS EFC Series 2007D	07/01/2007	3.630-4.789%	28,525,000 <sup>(3)</sup>
NYS EFC Series 2008A&B	06/19/2008	4.270%	1,135,000 <sup>(3)</sup>
NYS EFC Series 2010C	05/01/2010	0.286-4.226%	2,240,000 <sup>(3)</sup>
NYS EFC Series 2011C	06/01/2011	0.281-4.113%	12,330,000 <sup>(3)</sup>
NYS EFC Series 2012B	05/24/2012	0.445-4.169%	10,045,000 <sup>(3)</sup>
NYS EFC Series 2012E	10/07/2012	0.269-3.539%	3,585,000 <sup>(3)</sup>
NYS EFC Series 2014B	07/02/2014	0.1815-4.292%	121,850,000 <sup>(3)</sup>
NYS EFC Series 1998	03/15/1998	3.750-5.200%	1,065,000 <sup>(3)</sup>
Qualified Energy Conservation Bonds	12/15/2016	3.500%	<u>2,650,000</u>
Total Serial Bonds Outstanding as of June 7, 2016			\$606,927,344 <sup>(4)</sup>

- <sup>(1)</sup> Represents Build America Bonds which will receive up to a 35% federal interest subsidy. In Federal fiscal year ending 2013, 2014, and 2015 the subsidy was reduced by 8.7%, 7.2%, and 7.3%, 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.
- <sup>(2)</sup> Represents Recovery Zone Bonds which will receive up to a 45% federal interest subsidy. In Federal Fiscal Year ending 2013, 2014 and 2015, the subsidy expected was reduced by 8.7%, 7.2%, and 7.3%, 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.
- <sup>(3)</sup> NYS Environmental Facilities Corporation (the County portion). Interest expense is subsidized by the New York State Revolving Loan Fund Program for Clean Water.
- <sup>(4)</sup> As of June 7, 2016, \$3,345,000 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 bond issuance, there will be \$10.6 million of general purpose financing that is authorized and unissued. Approximately \$10 million of those projects are contemplated for financing in 2017.

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 \$17.4 million for ACJ purposes.

EFC has been proactive and in 2011- 2015 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 <sup>st</sup>	Accumulated Term	Total Amount <sup>(1)</sup>	Percent Retired (%)	Accumulated Percentage (%)
2017 - 2021	5 Years	\$ 111,316,437	48%	48%
2022 - 2026	10 Years	72,934,811	31	79
2027 - 2031	15 Years	33,054,000	14	93
2032 - 2036	20 Years	<u>15,398,000</u>	7	100
Total		\$ 232,703,248		

<sup>(1)</sup> Represents only General Fund long-term debt.

**Calculation of Total Net Indebtedness (As of June 7, 2016)**

The following table sets forth the debt limit of the County and its debt-contracting margin as of June 7, 2016:

5-Year Average Full Valuation of Taxable Real Property.....	\$ 26,982,767,318
Debt Limit-7% thereof <sup>(1)</sup> .....	1,888,792,712

Outstanding Indebtedness:

Bonds.....	\$ 610,272,344
Bond Anticipation Notes.....	<u>7,431,508</u>
Outstanding Gross Indebtedness.....	\$ 617,703,852

Less Exclusions:

Appropriations <sup>(2)</sup> .....	\$ 265,000
Sewer Debt (Bonds) <sup>(3)</sup> .....	315,352,718
Sewer Debt (Notes) <sup>(3)</sup> .....	0
Water Debt (Bonds) <sup>(4)</sup> .....	32,076,782
Defeased Bonds <sup>(5)</sup> .....	<u>3,345,000</u>
Total Exclusions .....	\$ <u>351,039,500</u>

Total Net Indebtedness.....	\$ <u>266,664,352</u>
Net Debt-Contracting Margin .....	\$ <u>1,622,129,360</u>
Percentage of Debt-Contracting Power Exhausted. ....	14.12%

- <sup>(1)</sup> 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.
- <sup>(2)</sup> Appropriations from adopted 2016 Budget on principal for indebtedness not otherwise excluded.
- <sup>(3)</sup> Pursuant to Section 124.10 of the Local Finance Law
- <sup>(4)</sup> Pursuant to Section 136.00 of the Local Finance Law.
- <sup>(5)</sup> Debt defeased with Tobacco Revenue Bonds in August 2001 and November 2005.

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## 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 <sup>(1)</sup>
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 <sup>(2)</sup>
Town Water & Sewer Bonds .....	11,701,745
Village Water & Sewer Bonds.....	1,163,600
City of Syracuse.....	<u>179,492,749 <sup>(3)</sup></u>
Total Excludable .....	<u>\$ 651,869,074</u>
Net Bonded Debt.....	<u>\$ 389,997,180</u>

- <sup>(1)</sup> 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.
- <sup>(2)</sup> 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.
- <sup>(3)</sup> 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 June 7, 2016 and July 13, 2016 pro forma:

	As of June 7, 2016			Pro forma at July 13, 2016 <sup>(1)</sup>		
	Amount of Indebtedness	Per Capita <sup>(2)</sup>	% of Full Valuation <sup>(3)</sup>	Amount of Indebtedness	Per Capita <sup>(2)</sup>	% of Full Valuation <sup>(3)</sup>
Gross Direct Indebtedness <sup>(4)</sup>	\$ 617,703,852	\$ 1,318.58	2.35%	\$ 644,203,852	\$ 1,375.14	2.45%
Net Direct Indebtedness <sup>(4)</sup>	\$ 266,664,352	569.23	1.01	293,164,352	625.80	1.11
Gross Direct plus Net Underlying Indebtedness <sup>(5)</sup>	\$ 1,007,701,032	2,151.08	3.83	1,060,701,032	2,264.22	4.03
Net Direct plus Net Underlying Indebtedness <sup>(5)</sup>	\$ 656,661,532	1,401.74	2.50	709,661,532	1,514.87	2.70

- <sup>(1)</sup> Pro forma includes the addition of the new issue (\$26,500,000 bonds with a closing date of July 13, 2016) to total outstanding debt and adding subsequent year debt service to current levels.
- <sup>(2)</sup> The County's 2015 estimated population is 468,463 according to the U.S. Census. (See "THE COUNTY – Population Trends" herein.)
- <sup>(3)</sup> The County's full valuation of taxable real estate for 2016 is \$26,295,531,955. (See "Municipal Subdivisions in the County" herein.)
- <sup>(4)</sup> See "Calculation of Total Net Indebtedness (as of June 7, 2016)" herein.
- <sup>(5)</sup> 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 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 2011 through 2015 were \$193,919, \$452,897, \$292,161, \$530,864 and \$370,794 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 the 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") as 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 U.S. District Court for the Northern District of New York on November 16, 2009, replaced the existing 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 combined sewage 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 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 the 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 DWEP 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 DEC released a draft phosphorus Total Maximum Daily Load (“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 DEC adopted the draft TMDL as the recommended final TMDL and submitted it to the EPA for review.

On June 29, 2012, the EPA approved the TMDL. DWEP 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 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 2014 Annual Report regarding ACJ compliance, required to be delivered to the DEC on April 1, 2015, the County reported compliance with all major construction milestones and all required CSO capture milestones.

**FINANCIAL CONSIDERATIONS:** DWEP has advised that in today's dollars, the estimated cost of the improvements and studies required by the revised ACJ is \$703 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 approval for the CSO Floatables Facilities Plan. Construction has been completed within compliance due dates for several large-scale CSO projects, including Clinton CSO Storage, Harbor Brook CSO Storage, and CSO 003 and 004 Conveyances. Planning level costs are known for the majority of all other ACJ projects (including green infrastructure). Construction of the 063 conveyance project has also been completed.

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 the County in consistently complying with the newly issued Metro WWTP SPDES permit – which was modified to reflect DEC's recently promulgated 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 \$12.4 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 \$266.8 million in 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.

### **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 on mercury-related remediation in Onondaga Lake within twelve years of entry of the settlement. Honeywell has formally advised the County that such remediation costs have exceeded \$200 million and has filed a claim for payment. The County rejected the claim alleging that supporting documentation failed to comply with applicable settlement provisions. Honeywell and the County are working to resolve this matter.

On July 1, 2005, the State issued a Record of Decision outlining the selected remedies for Onondaga Lake. In September 2005, the New York State Department of Environmental Conservation ("DEC") 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 DEC, which suspended the running of any applicable statute of limitation pending negotiations. The present tolling agreement runs to July 29, 2016.

In January 2007 the U.S. District Court for the Northern District of New York approved a Consent Decree which 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. Upon information and belief, such work has been completed.

On October 31, 2008, the EPA and the DEC 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 DEC demands are continuing. These negotiations were 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 Geddes 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 \$1 million to \$2 million and negotiations are ongoing.

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 Court approved a settlement which secured approximately \$22 million from the General Motors bankruptcy estate to be used to finance response actions at or in connection with Lower Ley Creek. The County is prepared to assert defenses to claims for contribution.

The Cooper Crouse-Hinds ("CCH") landfill is situated along the northern bank of Ley Creek. The northern part of the landfill is located in the Town of Salina while the southern portion is located within the City of Syracuse. The landfill was used by CCH for disposal of industrial waste, including foundry sand. Pursuant to an agreement with the City of Syracuse, the southern portion of the landfill was used by the City for solid waste disposal. In 2015, CCH advised the City and County of its intent to pursue each party for contribution for costs incurred by CCH for remediation and closure of the landfill. CCH asserts that PCB contaminated dredge spoils were disposed of at the landfill. The County disclaims liability but has entered into a Tolling Agreement with CCH, to which the City is also a party, so that the parties can exchange relevant documents, assess the impact of the Lower Ley Creek negotiations, if any, on resolution of this matter and/or proceed with litigation or focused settlement negotiations. Based on documents available to date and recent case law, the County appears to have viable defenses to liability.

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 the 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, DEC issued a Record of Decision approving the remedy for Wastebeds 1-8. The County recently constructed an Amphitheater on Lakeview Point, which is primarily located within Wastebeds 5 and 6, and construction took 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 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 DEC 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 the 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 was defeased in May of 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 of 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 assumed responsibility for the subordinate lien bonds, which by mid-2015 had a balance with accrued interest of about \$43 million and, in 2015, refinanced same. OCRRA also issued 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 2016 but it is the expectation of the Agency that they will be renewed for the foreseeable future.

### **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 amount, 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.”

## CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the County will enter into a Continuing Disclosure Undertaking, the description of which is attached hereto as “APPENDIX – C”.

### Historical Compliance

The County is in compliance, in all material respects, within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

## MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the “Municipal Advisor”) serves as an independent financial advisor to the County on matters relating to debt management. The Municipal 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 Municipal 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 Municipal 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 Municipal 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, 23<sup>rd</sup> 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.

Fiscal Advisors & Marketing, Inc. and the County may place a copy of this Official Statement on their websites at [www.fiscaladvisors.com](http://www.fiscaladvisors.com) and [www.ongov.net](http://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.

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>.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC., an underwriter of the Bonds, has entered into a retail distribution arrangement with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

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**

/s/  
**Chief Fiscal Officer**

**Dated: June 22, 2016**

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>ASSETS</b>					
Cash and Investments	\$ 69,227,739	\$ 44,330,459	\$ 58,476,259	\$ 74,880,429	\$ 75,380,845
Receivables:					
Property Taxes	41,133,372	45,689,657	43,594,507	42,883,054	44,399,990
Accounts Receivable	45,543,581	46,395,494	42,967,964	46,047,123	42,498,837
Due from Federal and State Governments	65,897,488	67,439,504	68,390,930	66,572,857	61,657,920
Due from Other Governments	3,130,899	3,392,138	3,807,713	3,415,233	964,302
Due from Other Funds	3,679,689	25,401,947	13,227,685	867,251	2,986,802
Prepaid Expenditures & Other Assets	5,286,175	7,434,194	7,942,774	7,309,456	6,646,513
<b>TOTAL ASSETS</b>	<b>\$ 233,898,943</b>	<b>\$ 240,083,393</b>	<b>\$ 238,407,832</b>	<b>\$ 241,975,403</b>	<b>\$ 234,535,209</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Accounts Payable and Accrued Liabilities	\$ 41,909,995	\$ 50,991,358	\$ 55,333,884	\$ 62,755,076	\$ 54,452,321
Due to Other Governments	68,623,193	61,884,952	59,865,352	63,792,698	60,578,790
Due to Other Funds	1,000,000	534,005	1,300,000	1,000,000	800,000
Deferred Property Tax Revenues	18,476,298	22,373,936	-	-	-
Other Deferred Revenues	4,499,984	4,389,735	-	-	-
Contracts Payable - Retainage	14,407	2,457	2,457	2,457	2,457
Other Liabilities	180,994	116,068	641,386	7,817,882	7,817,998
<b>TOTAL LIABILITIES</b>	<b>\$ 134,704,871</b>	<b>\$ 140,292,511</b>	<b>\$ 117,143,079</b>	<b>\$ 135,368,113</b>	<b>\$ 123,651,566</b>
<b>DEFERRED INFLOW OF RESOURCES <sup>(1)</sup></b>					
			\$ 24,313,022	\$ 18,901,374	\$ 20,372,927
<b>FUND EQUITY</b>					
Reserved:					
Non-spendable (prior: Prepaids)	\$ 5,286,175	\$ 7,434,194	\$ 7,942,774	\$ 7,309,456	\$ 6,646,513
Unreserved:					
Committed	-	-	5,000,000	5,000,000	5,000,000
Assigned (prior: Appropriated) <sup>(2)</sup>	28,919,636	25,068,778	16,326,067	7,325,091	17,451,521
Unassigned (prior: Unappropriated)	64,988,261	67,287,910	67,682,890	68,071,369	61,412,682
<b>TOTAL FUND EQUITY</b>	<b>99,194,072</b>	<b>99,790,882</b>	<b>96,951,731</b>	<b>87,705,916</b>	<b>90,510,716</b>
<b>TOTAL LIABILITIES and FUND EQUITY</b>	<b>\$ 233,898,943</b>	<b>\$ 240,083,393</b>	<b>\$ 238,407,832</b>	<b>\$ 241,975,403</b>	<b>\$ 234,535,209</b>

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

<sup>(2)</sup> 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>REVENUES</b>					
Real Property Taxes and Tax Items	\$ 158,026,303	\$ 155,264,959	\$ 151,112,855	\$ 149,977,964	\$ 148,446,562
Non-Property (Sales) Taxes <sup>(1)</sup>	315,009,768	328,278,544	333,549,272	344,131,250	343,592,826
Revenues from Federal Sources	89,295,419	87,213,238	88,438,753	87,051,654	89,189,397
Revenues from State Sources	84,272,724	88,326,259	86,981,571	85,174,476	84,729,426
Departmental Income	26,291,235	27,076,679	26,445,728	21,066,583	21,353,292
Service for Other Governments	19,291,892	18,268,238	17,248,068	19,150,988	20,214,619
Sale of Receivables	-	-	-	-	-
Interest Earned	966,338	792,885	751,745	496,438	456,522
Miscellaneous	5,862,245	6,180,306	7,073,257	6,357,033	5,926,431
Total Revenues	<u>\$ 699,015,924</u>	<u>\$ 711,401,108</u>	<u>\$ 711,601,249</u>	<u>\$ 713,406,386</u>	<u>\$ 713,909,075</u>
<b>EXPENDITURES</b>					
General Government Support <sup>(1)</sup>	\$ 148,422,007	\$ 141,133,214	\$ 132,676,121	\$ 141,935,642	\$ 149,298,087
Economic Assistance and Opportunity	264,160,594	283,995,469	282,997,273	285,111,340	266,793,434
Health	39,696,962	51,789,911	49,128,022	42,369,575	40,064,820
Public Safety	117,375,263	125,625,329	129,060,622	127,908,753	131,589,992
Culture and Recreation	16,255,023	12,938,539	14,193,231	14,421,731	15,353,239
Education	47,952,884	39,572,323	44,611,060	48,502,886	45,292,138
Home and Community Services	3,003,004	1,508,623	1,644,573	1,894,161	1,837,540
Transportation	4,332,453	3,888,078	3,910,187	3,959,792	3,758,260
Total Expenditures	<u>\$ 641,198,190</u>	<u>\$ 660,451,486</u>	<u>\$ 658,221,089</u>	<u>\$ 666,103,880</u>	<u>\$ 653,987,510</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 57,817,734</u>	<u>\$ 50,949,622</u>	<u>\$ 53,380,160</u>	<u>\$ 47,302,506</u>	<u>\$ 59,921,565</u>
Other Financing Sources (Uses):					
Operating Transfers In	822,973	649	2	-	198,138
Operating Transfers Out	(43,974,554)	(50,353,461)	(56,219,313)	(56,548,321)	(57,314,903)
Proceeds of Long Term Borrowing	-	-	-	-	-
Other	-	-	-	-	-
Total Other Financing	<u>(43,151,581)</u>	<u>(50,352,812)</u>	<u>(56,219,311)</u>	<u>(56,548,321)</u>	<u>(57,116,765)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>14,666,153</u>	<u>596,810</u>	<u>(2,839,151)</u>	<u>(9,245,815)</u>	<u>2,804,800</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	84,527,919	99,194,072	99,790,882	96,951,731	87,705,916
Residual Equity Transfers (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 99,194,072</u>	<u>\$ 99,790,882</u>	<u>\$ 96,951,731</u>	<u>\$ 87,705,916</u>	<u>\$ 90,510,716</u>

<sup>(1)</sup> 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

	2012	2013	2014	2015	2016
	Adopted Budget	Adopted Budget	Adopted Budget	Adopted Budget	Adopted Budget
<b>REVENUES</b>					
Real Property Tax Levy	\$ 148,216,571	\$ 140,998,859	\$ 140,891,159	\$ 139,891,159	\$ 139,691,159
Special District Tax Levies	68,304,383	68,782,570	73,709,494	77,746,943	77,741,125
Services for Other Governments	55,686,927	55,598,924	31,503,675	31,423,319	32,943,510
Non-Property (Sales) Taxes <sup>(1)</sup>	321,400,305	339,570,086	349,579,794	357,831,126	349,753,832
Revenues from State Sources	131,561,445	137,690,491	139,936,465	145,976,142	142,959,933
Revenues from Federal Sources	108,023,067	110,779,117	114,286,532	113,292,062	120,095,024
Other Receipts, Etc.	340,204,285	364,054,228	346,548,636	355,863,114	380,802,091
Total Revenues	<u>\$ 1,173,396,983</u>	<u>\$ 1,217,474,275</u>	<u>\$ 1,196,455,755</u>	<u>\$ 1,222,023,865</u>	<u>\$ 1,243,986,674</u>
<b>EXPENDITURES</b>					
General Government Support <sup>(1)</sup>	\$ 757,310,718	\$ 777,191,956	\$ 781,165,424	\$ 790,006,440	\$ 794,589,353
Community College	84,719,904	89,637,800	90,021,159	90,410,020	90,627,773
Community Development	3,869,416	4,781,252	4,605,953	4,602,577	7,919,424
Van Duyn Hospital	50,982,288	49,809,506	5,775,024	5,463,699	5,500,375
Grant	29,100,363	31,557,588	36,226,670	39,216,955	45,111,346
County Road	34,123,475	37,343,545	40,490,798	40,876,874	43,876,780
Road Machinery	6,578,933	7,618,434	7,896,968	7,738,557	7,729,275
Oncenter Revenue Fund <sup>(2)</sup>	-	1,750,000	2,745,113	2,545,113	2,603,493
Water	8,976,134	8,858,933	10,317,912	10,537,561	11,068,899
Water Environment Protection	73,884,379	76,242,030	81,976,587	88,350,060	87,918,087
Library	14,986,961	15,243,591	15,269,226	14,248,429	14,573,193
Debt Service	36,914,195	47,287,764	53,586,929	62,538,828	62,346,095
Insurance	88,777,983	90,661,509	83,660,192	85,658,074	89,332,832
Total Expenditures	<u>\$ 1,190,224,749</u>	<u>\$ 1,237,983,908</u>	<u>\$ 1,213,737,955</u>	<u>\$ 1,242,193,187</u>	<u>\$ 1,263,196,925</u>
Excess of Revenues Over (Under) Expenditures/ Budgetary Fund Balance Used	<u>\$ (16,827,766)</u>	<u>\$ (20,509,633)</u>	<u>\$ (17,282,200)</u>	<u>\$ (20,169,322)</u>	<u>\$ (19,210,251)</u>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

**APPENDIX - B**  
**Onondaga County**

**BONDED DEBT SERVICE**

Fiscal Year Ending December 31st	Excluding this Issue			Principal of This Issue	Total Principal All Issues
	Principal <sup>(1)</sup>	Interest	Total		
2016	\$ 42,252,148	\$ 26,716,516.40	\$ 68,968,664.40	\$ -	\$ 68,968,664.40
2017	44,776,180	23,529,599.81	68,305,779.81	-	68,305,779.81
2018	44,551,180	21,766,236.25	66,317,416.25	1,920,000	68,237,416.25
2019	41,886,180	20,047,094.10	61,933,274.10	1,965,000	63,898,274.10
2020	39,090,844	18,387,788.92	57,478,632.92	2,005,000	59,483,632.92
2021	38,490,844	16,749,960.45	55,240,804.45	2,050,000	57,290,804.45
2022	36,410,000	15,162,273.27	51,572,273.27	1,225,000	52,797,273.27
2023	35,780,000	13,665,106.29	49,445,106.29	1,255,000	50,700,106.29
2024	33,270,000	12,235,929.67	45,505,929.67	1,280,000	46,785,929.67
2025	29,555,000	10,922,854.95	40,477,854.95	1,315,000	41,792,854.95
2026	27,630,000	9,649,224.64	37,279,224.64	1,340,000	38,619,224.64
2027	24,735,000	8,559,471.92	33,294,471.92	1,370,000	34,664,471.92
2028	21,565,000	7,620,436.42	29,185,436.42	1,405,000	30,590,436.42
2029	20,200,000	6,781,818.40	26,981,818.40	1,435,000	28,416,818.40
2030	19,350,000	5,999,999.51	25,349,999.51	1,465,000	26,814,999.51
2031	16,770,000	5,301,719.76	22,071,719.76	1,500,000	23,571,719.76
2032	16,060,000	4,689,109.32	20,749,109.32	950,000	21,699,109.32
2033	15,000,000	4,093,609.31	19,093,609.31	970,000	20,063,609.31
2034	13,080,000	3,557,270.56	16,637,270.56	995,000	17,632,270.56
2035	11,585,000	3,084,481.01	14,669,481.01	1,015,000	15,684,481.01
2036	9,705,000	2,660,767.03	12,365,767.03	1,040,000	13,405,767.03
2037	7,090,000	2,299,835.78	9,389,835.78	-	9,389,835.78
2038	6,800,000	2,023,339.34	8,823,339.34	-	8,823,339.34
2039	6,910,000	1,749,606.52	8,659,606.52	-	8,659,606.52
2040	7,055,000	1,467,371.95	8,522,371.95	-	8,522,371.95
2041	7,180,000	1,174,902.48	8,354,902.48	-	8,354,902.48
2042	7,300,000	876,168.98	8,176,168.98	-	8,176,168.98
2043	7,415,000	569,837.12	7,984,837.12	-	7,984,837.12
2044	7,530,000	255,939.18	7,785,939.18	-	7,785,939.18
2045	2,445,000	48,900.00	2,493,900.00	-	2,493,900.00
<b>TOTALS</b>	<b>\$ 641,467,376</b>	<b>\$ 251,647,169.34</b>	<b>\$ 893,114,545.34</b>	<b>\$ 26,500,000</b>	<b>\$ 919,614,545.34</b>

<sup>(1)</sup> Does not include defeased Bonds. Does include Environmental Facilities Bonds of \$249,937,376.

## 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.

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**COUNTY OF ONONDAGA, NEW YORK**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2015**

**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, 2016**

**PREPARED BY THE COMPTROLLER'S OFFICE**

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

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

**DEPUTY COMPTROLLER/AUDITING  
THOMAS R. SCHEPP**

**CHIEF GOVERNMENTAL ACCOUNTANT  
PHILIP M. BRITT**

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**INDEPENDENT AUDITORS**

**BONADIO & COMPANY, LLP**

**COUNTY OF ONONDAGA, NEW YORK  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FISCAL YEAR ENDED DECEMBER 31, 2015  
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**INTRODUCTORY**

**SECTION**

**(UNAUDITED)**

**COUNTY OF ONONDAGA, NEW YORK**

**LIST OF PRINCIPAL OFFICIALS**

**COUNTY LEGISLATURE**

EFFECTIVE JANUARY 1, 2016

CHAIRMAN: J. RYAN MCMAHON II

TIM BURTIS

CASEY E. JORDAN

MICHAEL E. PLOCHOCKI

PEGGY CHASE

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**  
LISA DELL

COUNTY OF ONONDAGA

ORGANIZATION CHART

VOTERS

Comptroller

County Clerk

District Attorney

County Executive

County Legislature

Sheriff

Administrative & Financial Services

Human Services

Physical Services

Authorized Agencies-Financial

Authorized Agencies-Human

Health Department

Authorized Agencies-Physical

Community Development

Adult & Long Term Care Svcs

Probation Department

Emergency Management

Economic Development

Children & Family Services

Social Services Economic Security

Office of Environment

Elections Board

Corrections Department

Veterans Service Agency

Facilities Management

Finance Department

E911-Emergency Communications

Metropolitan Water Board

Information Technology

Law Department

Onondaga County Library

Personnel Department

Planning Agency

Purchase Division

CNY Works

Parks & Recreation

Transportation

Water Environment Protection



COUNTY OF ONONDAGA

Office of the  
*County Comptroller*

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James V. Maturo  
Deputy Comptroller/Accounting

Thomas R. Schepp II  
Deputy Comptroller/Audit

Robert E. Antonacci II, CPA  
Comptroller

April 25, 2016

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, 2015. 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, 2015, 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 Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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.

The unemployment rate for Onondaga County continued its downward trend averaging 5.0% in 2015 compared with 5.6% in 2014, 6.8% in 2013, and 7.9% in 2012. For the 12-month period ending December 2015, the private sector job count in the Syracuse metro area rose only slightly by 0.2 percent, to 260,600. Areas of job growth stabilizing the count was concentrated in retail trade (+2,200), and leisure and hospitality (+1,400).

Onondaga County ended 2015 with a budgetary surplus of \$11.5 million. A majority of the surplus was a result of mandate relief in the Medicaid program, youth placement costs, and special children's services.

In May 2015, Onondaga County issued \$79.9 million in General Obligation (GO) Serial Bonds. Borrowing rates are at historically low rates and the true interest cost of the GO's was 3.43%. 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 2015 the County considered only those projects that could be initiated during the six year capital planning period. The

current capital plan outlines 61 projects totaling \$476 million with \$175 million of the resources targeted for Water Environment improvements and \$150 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 \$703 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 \$12.4 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 \$266.8 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 \$1,178,423 in 2015.

**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.

As of January 1, 2015 the County adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transitions for Contributions Made Subsequent to the Transition Date – an amendment of GASB Statement No. 68*. The objective of these Statements is to establish 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 these provisions. The County adopted the provisions of these Statements with an effect on the financial statements as described in Note 10.

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 3,925 retirees and survivors receiving these benefits. In 2007, the County began 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,



Robert E. Antonacci II, CPA

**FINANCIAL**

**SECTION**

## INDEPENDENT AUDITOR'S REPORT

April 25, 2016

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, 2015, 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 97% of both assets and operating revenues and approximately 95% of net position of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports 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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(Continued)

viii

## **INDEPENDENT AUDITOR'S REPORT**

(Continued)

### ***Auditor's Responsibility (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, 2015, 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.

### ***Emphasis of Matter***

As described in Note 10 to the financial statements, the County adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27 and GASB Statement No. 71, *Pension Transitions for Contributions Made Subsequent to the Transition Date* – an amendment of GASB Statement No. 68. Our opinions are not modified with respect to this matter.

### ***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, Other Postemployment Benefits Plan Schedule of Funding Progress, Schedule of Proportionate Share of Net Pension Liability, and Schedule of Contributions – Pension Plans 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.

(Continued)

**INDEPENDENT AUDITOR'S REPORT**  
(Continued)

*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.

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, 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 25, 2016, 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, 2015. 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 \$539,439,495 (*net position*).
- The government's total net position decreased by \$9,033,062.
- As of the close of the current fiscal year, Onondaga County's governmental funds reported combined ending fund balances of \$225,980,036, a decrease of \$5,031,855 in comparison with the prior year.
- At the end of the current fiscal year, total fund balance for the general fund was \$90,510,716, or 11.8% of total budgetary basis general fund revenues.
- Onondaga County's governmental activities long-term liabilities, including premium and issuance discounts on debt, increased by \$64,718,712 or 5.4%, 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 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. 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 5-10 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 11-13 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 the economic resources measurement focus and accrual basis of accounting.

The basic fiduciary fund financial statements can be found on page 14 of this report.

**Component Units.** As discussed above, component units are legally separate entities. 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 15-18.

**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 19 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 and required pension disclosures. These required schedules and notes to the schedules can be found on pages 48-52.

Combining statements for nonmajor governmental funds are presented immediately following the required supplementary information on pages 53-56 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 and deferred outflows exceeded liabilities and deferred inflows by \$539,439,495 at the close of the 2015 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 \$903,030,795. 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 \$29,400,591. The remaining (\$392,991,891) is unrestricted net deficit.

## County of Onondaga's Net Position

	<b>Governmental activities</b>	
	<b>2014</b>	<b>2015</b>
Current and other assets	\$ 489,913,565	\$ 464,261,396
Capital assets	1,454,441,823	1,512,143,658
<b>Total assets</b>	<b>\$ 1,944,355,388</b>	<b>\$ 1,976,405,054</b>
Deferred Outflow of Resources	28,109,206	30,738,369
Long-term liabilities	1,204,233,047	1,268,951,759
Other liabilities	202,791,521	184,999,880
<b>Total liabilities</b>	<b>1,407,024,568</b>	<b>1,453,951,639</b>
Deferred Inflow of Resources	16,967,469	13,752,289
<b>Net Position:</b>		
Net investment in capital assets	887,775,290	903,030,795
Restricted	32,399,308	29,400,591
Unrestricted	(371,702,041)	(392,991,891)
<b>Total net position (As restated see Note 10)</b>	<b>\$ 548,472,557</b>	<b>\$ 539,439,495</b>

The County's net position decreased by \$9,033,062. The net increase in long-term debt of \$64,718,712 exceeded the increase in fixed assets of \$57,701,835. Increases in the County's post-employment health and retirement benefits of \$25.6 million and \$51.2 million increase in serial bond debt, including \$50 million for the amphitheater, were the major factors in the decrease in net position and the \$5,031,855 deficit reported at the fund level.

County of Onondaga's Changes in Net Position

	Governmental activities	
	2014	2015
Revenues:		
Program Revenue:		
Charges for services	\$ 169,451,827	\$ 166,420,336
Operating grants and contributions	213,713,841	214,564,050
Capital grants and contributions	11,735,005	10,579,987
General Revenue:		
Property taxes	150,635,859	151,649,933
Other taxes	349,646,335	348,914,909
Other	24,664,227	13,783,981
Total revenues	<u>919,847,094</u>	<u>905,913,196</u>
Expenses:		
General government support	163,395,435	171,239,059
Education	50,010,541	46,408,925
Public Safety	155,199,410	153,257,764
Health	53,777,244	55,532,742
Transportation	50,653,570	49,413,037
Economic assistance and opportunity	317,196,014	291,562,500
Culture and recreation	45,693,981	42,325,012
Home and community services	99,626,016	78,331,049
Interest on long-term debt	25,015,840	26,876,170
Total expenses	<u>960,568,051</u>	<u>914,946,258</u>
Decrease in net position	(40,720,957)	(9,033,062)
Net position - Beginning (as restated see Note 10)	589,193,514	548,472,557
Net position - Ending	<u>\$ 548,472,557</u>	<u>\$ 539,439,495</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 \$61,412,682 while total fund balance is \$90,510,716. 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% of total budgetary basis general fund expenditures, while total fund balance represents 11.9% of that same amount.

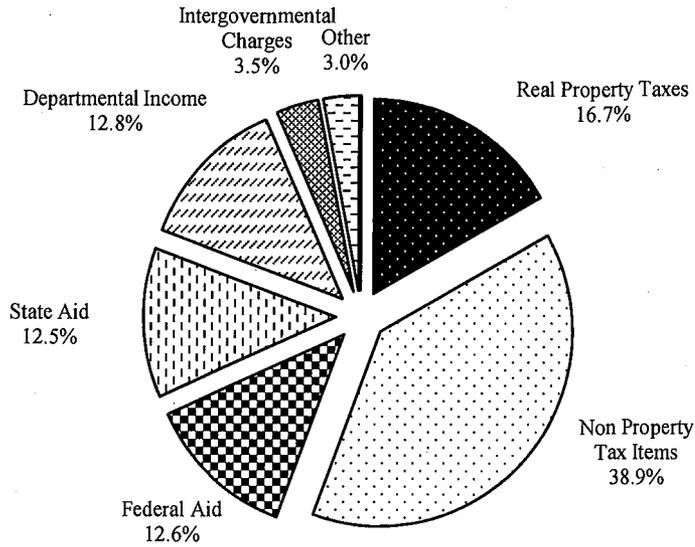
The general fund's fund balance increased by \$2,804,800 during the current fiscal year. In 2015, the County planned to use \$8.7 million of fund balance to offset operations. The majority of this surplus was the result of mandate relief in the Medicaid Program, youth placement costs, and special children's services.

Water Environment Protection appropriated approximately \$6.1 million in prior years fund balance into 2015 operations. Expenditures finishing \$5.5 million under budget offset the use of most of the appropriated fund balance. The result was an operating deficit of \$919,041.

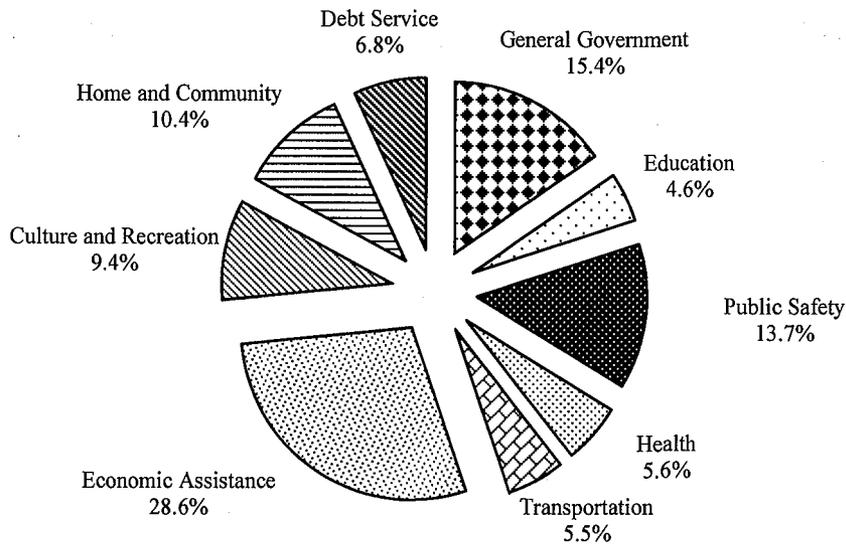
The County's 2015 Debt Service Fund budget authorized an appropriation of \$12.8 million from reserve for bonded debt. Due to unbudgeted revenue of \$4.4 million from bond premium and \$2.4 million from interest and other sources, the County offset \$6.9 million of that appropriation and reported an operating deficit of \$5,941,792.

**Internal Service Funds.** Unrestricted net position of the Internal Service Fund decreased \$1,208,431 decreasing net position to \$13,691,989. 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:** \$9.1 million increase in appropriations can be summarized as follows:

- \$3.7 million increase in internal appropriations to support anticipated provisions for salary and wage adjustments.
- \$758,000 increase in salary and wage and employee benefit costs associated with bargaining unit agreement awards.
- \$350,000 increase in the provision for capital projects account for the Office of the Environment management strategy to minimize the hazard risk to the community against the damaging effects of the Emerald Ash Borer (EAB).
- \$65,000 increase in the provision for capital projects account to support the Parks and Recreation Department at Onondaga Lake Park.
- \$3.3 million increase is the carryover of encumbrances from 2014 to 2015.

**Revenues:** \$5.8 million change in the revenue budget can be attributed to the increase in appropriated fund balance and excess revenue to fund the following:

- \$4.5 million increase in fund balance to provide for bargaining unit awards and estimated awards.
- \$899,000 increase in recognized revenue in excess of budgeted amount. The NYS Office of Mental health provided the County-run Day Treatment and Outpatient Mental health Clinics with supplemental revenue to offset costs associated with clinic operations. Upon reconciling cost and supplemental revenue, it was determined the funds were available for County use.
- \$350,000 increase in fund balance to support the Emerald Ash Borer management strategy.
- \$65,000 increase in fund balance to support construction of a gate at the Onondaga Lake Park Marina entrance.

## Capital Asset and Debt Administration

**Capital assets.** The County's investment in capital assets for its governmental activities as of December 31, 2015 amounts to \$1,512,143,658 (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	
	2014	2015
Land	\$ 20,500,002	\$ 20,500,002
Intangible Assets	29,750,000	29,750,000
Land Improvements	11,730,240	10,870,167
Building and Improvements	173,467,517	221,980,546
Equipment	37,827,760	41,001,321
Infrastructure	671,406,063	754,787,205
Construction in progress	509,760,241	433,254,417
Total	<u>\$ 1,454,441,823</u>	<u>\$ 1,512,143,658</u>

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

A number of Capital Projects were completed during the year. These include \$108 million in WEP related projects, \$25.3 million for road improvements and \$54.3 million in Parks related projects reducing the construction in progress account and increasing infrastructure and other capital assets. In addition, the County added approximately \$121 million to the construction in progress account including \$25.4 million in road improvements, \$30.4 million in WEP related projects and \$55.3 million in Parks related projects.

**Long-term debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$529,910,236 and loans payable of \$252,447,979. This debt increased by \$41,559,342 during the current fiscal year.

	<b>Activities</b>	
	<b>2014</b>	<b>2015</b>
Serial bonds	\$ 340,318,000	\$ 391,530,000
OTASC tobacco settlement bonds	137,036,943	138,380,236
Loans	263,443,930	252,447,979
<b>Total</b>	<b>\$ 740,798,873</b>	<b>\$ 782,358,215</b>

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 15.48% of its statutory debt limit at December 31, 2015.

### **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 5.0% in 2015 compared with 5.6% the previous year. For the 12-month period ending January 2016, the private sector job count in the Syracuse metro area rose 400, or 0.2 percent, to 254,800 as compared to the slight increase at year end 2015.

The Central New York region has a highly skilled, well educated, productive workforce of 346,640 with an average wage of \$46,220. 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
- Health, Biomedical Services, & Biosciences
- Radar & Sensor Devices
- Financial Services
- Agribusiness and Food Processing
- Advanced Manufacturing

Collaboration is the key to Economic Development in the Onondaga County region. The Syracuse Chamber of Commerce and the Metropolitan Development Corporation combined in May 2010 to form the CenterState Corporation for Economic Opportunity (CenterStateCEO). This is a 12-county business leadership and economic development organization.

CenterState Corporation for Economic Opportunity (CEO) in its economic forecast for 2016 identified several opportunities and reasons for optimism within the region:

- There is expected to be a mild job market for the area as employers expect to hire at a modest pace.
- In December 2015 the Central New York Regional Economic Development Council's plan, "CNY Rising" was awarded \$500 million as part of Governor Cuomo's Upstate Revitalization Initiative competition.
- Over the next 3 years the region's employment is expected to grow 2% with the largest growth in the education and health services sectors followed by the professional and business services sectors, and construction.

As part of New York State's Regional Economic Development Councils, in 2015 the Central New York area received \$122.4 million to fund a total of 93 projects including investments at the following:

- CEA Fresh Farms
- COR West Kirkpatrick Street Company III, Inc.
- Syracuse University

## **Onondaga 2016 Budget**

The County Executive presented the 2016 budget in September 2015. As the budget was developed, rising salary, debt service, and other operating costs were significant contributors to the projected budget gap of \$18 million. To overcome this gap, the County Executive held headcount to a minimal increase, as well as all other discretionary spending. Sales tax growth was factored into the budget gap reconciliation as well as the use of \$5 million in fund balance.

The County Legislature adopted the 2016 Budget on October 13, 2015. The Legislature made additional appropriations cuts and increased revenue assumptions to reduce the property tax levy by \$200,000 and the use of fund balance by \$2 million. The property tax levy has been reduced by the Legislature by a total of \$14 million over the last five years. The 2016 all funds budget supports \$1.26 billion in total expenditures, including internal transfers of \$240 million. Expenses are essentially flat when compared to the 2015 budget as modified. The General Fund budget included an adopted property tax levy of \$139,691,159, a \$200,000 reduction vs. 2015. After accounting for budgeted and subsequent fund balance appropriations, encumbrances, and commitments of \$11 million, the current assigned and unassigned fund balance is \$79 million or 12% 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.

Consumption based user fees in the Water Environment Protection Department (Sanitary District Fund) and wholesale water rates charged by the Metropolitan Water Board (Water Fund) remained unchanged from 2015.

**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, 14<sup>th</sup> 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, 2015**

	<b>Primary Government</b>		<b>Component Units</b>
	<b>Governmental Activities</b>		<b>Units</b>
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 233,598,926	\$	30,625,769
Deposits by contractors	395,000		-
Receivables:			
Property taxes (net of \$17,564,623 reserve)	44,399,990		-
Accounts receivable (net of \$3,512,697 reserve)	61,799,792		11,670,524
Due from state and federal governments	85,428,555		3,340,063
Due from other governments	3,406,276		-
Inventories	8,564,760		669,542
Prepaid items and other assets	8,134,347		866,186
Notes receivable	-		143,750
Net pension asset	-		7,371,693
Endowment assets:			
Investments	-		3,485,922
Promises to give	-		38,458
Restricted cash	18,533,750		-
Capital assets net of accumulated depreciation	1,512,143,658		135,775,414
Total assets	1,976,405,054		193,987,321
 <b>DEFERRED OUTFLOW OF RESOURCES</b>			
	30,738,369		3,814,353

*See notes to financial statements.*

**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Net Position**  
**December 31, 2015**

	<b>Primary Government</b>	<b>Component</b>
	<b>Governmental Activities</b>	<b>Units</b>
<b>LIABILITIES</b>		
Accounts payable	27,459,560	9,229,672
Accrued liabilities	77,590,988	3,696,092
Contracts payable - retainage	108,255	-
Other liabilities	18,271,104	12,182,091
Due to other governments	61,569,973	336,409
Due to Onondaga County	-	807,626
Long term obligations and unpaid liabilities:		
Due within one year	55,059,903	-
Due in more than one year	1,213,891,856	53,053,646
Total liabilities	1,453,951,639	79,305,536
 <b>DEFERRED INFLOW OF RESOURCES</b>	 13,752,289	 5,595,524
 <b>NET POSITION</b>		
Net investment in capital assets	903,030,795	135,691,743
Restricted for:		
Capital projects	1,541,206	10,591,441
Debt service	27,859,385	-
Endowments	-	3,857,643
Loans	-	101,820
Unrestricted	(392,991,891)	(37,342,033)
Total net position	\$ 539,439,495	\$ 112,900,614

**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Activities**  
**Year Ended December 31, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Program Revenues Charges for Services</u>
<b>Primary government:</b>			
Governmental activities:			
General government support	\$ 178,975,968	\$ (7,736,909)	\$ 22,755,012
Education	46,408,925	-	528,000
Public safety	151,404,461	1,853,303	11,970,247
Health	55,154,623	378,119	8,882,045
Transportation	48,769,663	643,374	5,686,768
Economic assistance and opportunity	289,014,223	2,548,277	6,327,226
Culture and recreation	41,444,483	880,529	15,962,913
Home and community services	76,897,742	1,433,307	94,308,125
Interest on long-term debt	26,876,170	-	-
<b>Total primary government</b>	<b>\$ 914,946,258</b>	<b>\$ -</b>	<b>\$ 166,420,336</b>
<b>Component units:</b>			
OCC	\$ 99,993,492		\$ 22,530,297
OCDC	1,283,432		624,601
Fund Company	1,060,203		1,076,577
The Friends	2,485,533		2,082,457
OCIDA	887,686		1,649,380
<b>Total component units</b>	<b>\$ 105,710,346</b>		<b>\$ 27,963,312</b>

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
\$ 2,251,381	\$ -	\$ (146,232,666)	\$ -
17,148,711	603,373	(28,128,841)	-
5,680,272	609,040	(134,998,205)	-
36,612,281	-	(10,038,416)	-
6,626,169	9,237,323	(27,862,777)	-
138,356,552	-	(146,878,722)	-
2,801,708	50,900	(23,509,491)	-
5,086,976	79,351	21,143,403	-
-	-	(26,876,170)	-
<u>\$ 214,564,050</u>	<u>\$ 10,579,987</u>	<u>\$ (523,381,885)</u>	<u>\$ -</u>

\$ 12,637,594	\$ -	\$ -	\$ (64,825,601)
-	-	-	(658,831)
-	-	-	16,374
529,279	-	-	126,203
503,896	-	-	1,265,590
<u>\$ 13,670,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (64,076,265)</u>

General revenues:

Real property taxes and tax items	151,649,933	-
Sales tax and use tax	348,914,909	-
Investment earnings	1,178,423	126,974
Tobacco settlement proceeds	11,946,032	-
Participation in debt service-external sources	659,526	-
Contributions other	-	25,394,368
Other revenue	-	27,979,943
County contributions	-	9,540,626
Total general revenues and special items	<u>514,348,823</u>	<u>63,041,911</u>
Change in net position	(9,033,062)	(1,034,354)
Net position-beginning as restated see notes 10&16	<u>548,472,557</u>	<u>113,934,968</u>
Net position-ending	<u>\$ 539,439,495</u>	<u>\$ 112,900,614</u>

**COUNTY OF ONONDAGA, NEW YORK**

**Balance Sheet  
Governmental Funds  
December 31, 2015**

	<u>General</u>	<u>Water Environment Protection</u>
<b>ASSETS</b>		
Cash, cash equivalents and investments	\$ 75,380,845	\$ 40,095,333
Deposits by contractors	-	-
Receivables:		
Property taxes (net of \$17,564,623 reserve)	44,399,990	-
Accounts receivable (net of \$3,512,697 reserve)	42,498,837	5,803,687
Due from state and federal governments	61,657,920	4,450,334
Due from other funds	964,302	-
Due from other governments	2,986,802	1,038
Inventories	-	-
Prepaid items	6,646,513	786,274
Restricted cash	-	-
Total assets	\$ <u>234,535,209</u>	\$ <u>51,136,666</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 9,639,156	\$ 1,658,819
Accrued liabilities	44,813,165	1,212,948
Contracts payable-retainage	2,457	-
Other liabilities	7,817,998	350,000
Due to other funds	800,000	-
Due to other governments	60,578,790	-
Total liabilities	<u>123,651,566</u>	<u>3,221,767</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	<u>20,372,927</u>	<u>5,018,874</u>
<b>FUND BALANCES</b>		
Nonspendable	6,646,513	786,274
Restricted	-	-
Committed	5,000,000	-
Assigned	17,451,521	42,109,751
Unassigned	61,412,682	-
Total fund balances	<u>90,510,716</u>	<u>42,896,025</u>
Total liabilities, deferred inflow of resources and fund balances	\$ <u>234,535,209</u>	\$ <u>51,136,666</u>

See notes to financial statements.

<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 28,378,516	\$ 40,211,223	\$ 21,902,955	\$ 205,968,872
-	395,000	-	395,000
-	-	-	44,399,990
741,890	278,655	4,663,458	53,986,527
-	7,991,103	11,329,198	85,428,555
-	-	800,000	1,764,302
-	-	418,436	3,406,276
-	-	108,228	108,228
-	-	701,560	8,134,347
-	8,529,360	10,004,390	18,533,750
<u>\$ 29,120,406</u>	<u>\$ 57,405,341</u>	<u>\$ 49,928,225</u>	<u>\$ 422,125,847</u>
\$ -	\$ 12,324,412	\$ 3,837,173	\$ 27,459,560
-	3,377,212	4,900,982	54,304,307
-	105,798	-	108,255
-	-	10,103,106	18,271,104
-	-	964,302	1,764,302
-	-	991,183	61,569,973
<u>-</u>	<u>15,807,422</u>	<u>20,796,746</u>	<u>163,477,501</u>
<u>-</u>	<u>7,164,048</u>	<u>112,461</u>	<u>32,668,310</u>
-	-	809,788	8,242,575
19,168,007	1,541,206	8,691,378	29,400,591
-	-	-	5,000,000
9,952,399	32,892,665	19,541,557	121,947,893
-	-	(23,705)	61,388,977
<u>29,120,406</u>	<u>34,433,871</u>	<u>29,019,018</u>	<u>225,980,036</u>
<u>\$ 29,120,406</u>	<u>\$ 57,405,341</u>	<u>\$ 49,928,225</u>	<u>\$ 422,125,847</u>

**County of Onondaga, New York  
 Reconciliation of Governmental Funds Balance Sheet  
 To the Statement of Net Position  
 For the Year Ended December 31, 2015**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds (page 6)	\$ 225,980,036
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,512,143,658
Long-term receivable for tobacco proceeds not reported in the funds.	5,346,000
Inventories of automotive parts and road materials expensed as acquired in the funds.	8,456,532
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.	13,691,989
Deferred inflow including property taxes not available to pay for current-period expenditures and are therefore, deferred in the funds.	25,504,262
Deferred inflow related to defeased debt and pension not reported in the funds.	(6,588,241)
Deferred outflow on defeased debt and pension related transactions not reported in the funds.	30,738,369
Accrued interest not reported in the funds.	(6,881,351)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,268,951,759)</u>
Net position of governmental activities (page 2)	<u><u>\$ 539,439,495</u></u>

*See notes to financial statements*

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**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2015**

	<u>General</u>	<u>Water Environment Protection</u>
<b>REVENUES</b>		
Taxes:		
Real property taxes and tax items	\$ 148,446,562	\$ 1,731,816
Sales tax and use tax	343,592,826	-
Federal aid	89,189,397	-
State aid	84,729,426	-
Departmental	21,353,292	78,175,167
Service for other governments	20,214,619	1,724,314
Tobacco settlement proceeds	-	-
Interest on investments	456,522	72,896
Miscellaneous	5,926,431	737,586
Total revenues	<u>713,909,075</u>	<u>82,441,779</u>
<b>EXPENDITURES</b>		
Current:		
General government support	149,298,087	-
Education	45,292,138	-
Public safety	131,589,992	-
Health	40,064,820	-
Transportation	3,758,260	-
Economic assistance and opportunity	266,793,434	-
Culture and recreation	15,353,239	-
Home and community services	1,837,540	53,875,032
Debt service:		
Principal	-	-
Interest	-	-
Total expenditures	<u>653,987,510</u>	<u>53,875,032</u>
Excess (deficiency) of revenues over expenditures	<u>59,921,565</u>	<u>28,566,747</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	198,138	176
Transfers out	(57,314,903)	(29,485,964)
Proceeds of long-term borrowings	-	-
Refunding Bond	-	-
Payments to Escrow Agent	-	-
Participation in debt service-external sources	-	-
Bond premium	-	-
Total other financing sources (uses)	<u>(57,116,765)</u>	<u>(29,485,788)</u>
Net change in fund balance	2,804,800	(919,041)
Fund balances- beginning	87,705,916	43,815,066
Fund balances- ending	<u>\$ 90,510,716</u>	<u>\$ 42,896,025</u>

*See notes to financial statements.*

<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 150,178,378
-	-	5,322,083	348,914,909
-	7,122,247	17,043,473	113,355,117
-	3,457,740	23,601,754	111,788,920
-	975,000	14,425,442	114,928,901
-	14,042	9,482,011	31,434,986
-	-	6,600,032	6,600,032
155,725	166	463,429	1,148,738
<u>2,224,674</u>	<u>557,444</u>	<u>9,660,263</u>	<u>19,106,398</u>
<u>2,380,399</u>	<u>12,126,639</u>	<u>86,598,487</u>	<u>897,456,379</u>
731,446	1,345,459	2,444,352	153,819,344
-	1,127,002	-	46,419,140
-	1,042,142	3,703,988	136,336,122
-	-	16,348,066	56,412,886
-	25,412,972	25,619,536	54,790,768
-	1,250,000	18,058,311	286,101,745
-	54,935,547	24,035,077	94,323,863
-	33,315,967	13,378,542	102,407,081
42,114,474	-	2,040,000	44,154,474
<u>19,345,701</u>	<u>-</u>	<u>4,820,406</u>	<u>24,166,107</u>
<u>62,191,621</u>	<u>118,429,089</u>	<u>110,448,278</u>	<u>998,931,530</u>
<u>(59,811,222)</u>	<u>(106,302,450)</u>	<u>(23,849,791)</u>	<u>(101,475,151)</u>
50,324,051	17,211,009	39,505,741	107,239,115
-	(1,057,045)	(19,381,203)	(107,239,115)
-	82,550,000	-	82,550,000
11,370,000	-	-	11,370,000
(12,932,472)	-	-	(12,932,472)
659,526	10,347,917	-	11,007,443
<u>4,448,325</u>	<u>-</u>	<u>-</u>	<u>4,448,325</u>
<u>53,869,430</u>	<u>109,051,881</u>	<u>20,124,538</u>	<u>96,443,296</u>
(5,941,792)	2,749,431	(3,725,253)	(5,031,855)
<u>35,062,198</u>	<u>31,684,440</u>	<u>32,744,271</u>	<u>231,011,891</u>
\$ <u>29,120,406</u>	\$ <u>34,433,871</u>	\$ <u>29,019,018</u>	\$ <u>225,980,036</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, 2015**

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) \$ (5,031,855)

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. 57,701,835

Increase in long-term receivables and deferred property tax revenues resulting in increased revenue in the statement of activities. 7,388,881

Deferred inflows associated with the net pension liability exceeded deferred outflows (3,188,440)

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. (43,485,890)

Expenses reported in the statement of activities that are not reported as expenditures in the governmental funds. (21,209,162)

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. (1,208,431)

Change in net position of governmental activities (page 4) \$ (9,033,062)

*See notes to financial statements*

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**COUNTY OF ONONDAGA, NEW YORK**

**Statement of Net Position**

**Internal Service Fund**

**December 31, 2015**

**ASSETS**

Current assets:

Cash, cash equivalents and investments	\$	27,630,054
Receivables		<u>175,788</u>
Total current assets		<u>27,805,842</u>

Noncurrent assets:

Unfunded claims receivable		<u>39,036,038</u>
Total noncurrent assets		<u>39,036,038</u>
Total assets		<u>66,841,880</u>

**LIABILITIES**

Current liabilities:

Accounts payable and accrued liabilities		<u>2,942,008</u>
Total current liabilities		<u>2,942,008</u>

Noncurrent liabilities:

Unpaid claim liabilities		<u>50,207,883</u>
Total noncurrent liabilities		<u>50,207,883</u>
Total liabilities		<u>53,149,891</u>

**NET POSITION**

Unrestricted		<u>13,691,989</u>
Total net position	\$	<u>13,691,989</u>

*See notes to financial statements.*

**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Revenues, Expenses, and Change in Net Position**  
**Internal Service Fund**  
**For the Year Ended December 31, 2015**

**OPERATING REVENUES**

Interdepartmental charges	\$ 62,641,998
Other charges	<u>15,706,845</u>
Total operating revenues	<u>78,348,843</u>

**OPERATING EXPENSES**

Insurance premiums and benefits	75,646,376
Personnel service	295,756
Contractual services	201,618
General and administrative	<u>3,443,209</u>
Total operating expenses	<u>79,586,959</u>

Operating Loss	<u>(1,238,116)</u>
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Nonoperating revenue

Interest income	<u>29,685</u>
Total nonoperating revenue	<u>29,685</u>

Change in net position	(1,208,431)
------------------------	-------------

Total net position-beginning	<u>14,900,420</u>
Total net position-end	<u>\$ 13,691,989</u>

*See notes to financial statements.*

**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Cash Flows**  
**Internal Service Fund**  
**Year Ended December 31, 2015**

**Cash Flows From Operating Activities**

Receipts from interfund services provided	\$ 84,546,884
Payments for employee services and benefits	(81,157,702)
Payments for supplies and services	(6,202,671)
Payments for interdepartmental charges	<u>(2,703,432)</u>
Net cash from operating activities	(5,516,921)

**Cash Flows From Investing Activities**

Interest and earnings	<u>29,685</u>
Net change in cash, cash equivalents and investments	(5,487,236)
Cash, cash equivalents and investments -beginning	<u>33,117,290</u>
Cash, cash equivalents and investments -ending	<u><u>\$ 27,630,054</u></u>

**Reconciliation of Operating Income to Net Cash From Operating Activities:**

Operating loss	\$ (1,238,116)
Adjustments to reconcile operating income to net cash from operating activities:	
Changes in assets, liabilities, and deferrals:	
Decrease in receivables	6,198,041
Decrease in accounts payable	(2,868,426)
Increase in accrued liabilities	108,964
Decrease in unpaid claim liabilities	<u>(7,717,384)</u>
Net cash from operating activities	<u><u>\$ (5,516,921)</u></u>

*See notes to financial statements.*

**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Net Position**  
**Fiduciary Funds**  
**December 31, 2015**

	<b>Cemetery Private Purpose Trust Fund</b>	<b>Pension Trust Fund</b>	<b>Agency</b>
	<u>Trust Fund</u>	<u>Fund</u>	<u>Agency</u>
<b>ASSETS</b>			
Cash	\$ 1,156,871	\$ -	\$ 16,175,283
Guaranteed Investment Contracts	-	25,312,153	-
Cash Pooled Separate Accounts	-	61,812,048	-
Mutual funds	-	4,668,504	-
<b>Total assets</b>	<u>\$ 1,156,871</u>	<u>\$ 91,792,705</u>	<u>\$ 16,175,283</u>
<b>LIABILITIES</b>			
Liabilities -Agency fund liabilities	<u>-</u>	<u>-</u>	<u>\$ 16,175,283</u>
<b>NET POSITION</b>	<u>\$ 1,156,871</u>	<u>\$ 91,792,705</u>	

**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Change in Net Position**  
**Fiduciary Funds**  
**Year Ended December 31, 2015**

	<b>Cemetery Private Purpose Trust Fund</b>	<b>Pension Trust Fund</b>
	<u>Trust Fund</u>	<u>Fund</u>
<b>ADDITIONS</b>		
Investment Income	\$ -	\$ 5,686,689
Departmental	113,200	-
Interest on investments	1,449	-
Contributions	-	4,527,367
<b>Total additions</b>	<u>114,649</u>	<u>10,214,056</u>
<b>DEDUCTIONS/BENEFITS PAID</b>	<u>160,475</u>	<u>4,577,101</u>
Change in net position	(45,826)	5,636,955
Net position - beginning	<u>1,202,697</u>	<u>86,155,750</u>
<b>NET POSITION - ENDING</b>	<u>\$ 1,156,871</u>	<u>\$ 91,792,705</u>

See notes to financial statements

**COUNTY OF ONONDAGA, NEW YORK**  
**Combining Statement of Net Position**  
**Component Units**  
**December 31, 2015**

	OCC	OCDC
<b>ASSETS</b>		
Cash, cash equivalents and investments	\$ 24,714,685	\$ 1,460,661
Accounts receivable (net of \$1,403,475 reserve)	10,618,853	375,883
Due from state and federal governments	3,300,063	-
Inventories	-	-
Prepaid items and other assets	786,094	9,933
Notes receivable	-	-
Net pension asset	7,371,693	-
Endowment assets :		
Investments	-	-
Promises to give	-	-
Capital assets net of accumulated depreciation	<u>132,392,579</u>	<u>19,359</u>
Total assets	<u>\$ 179,183,967</u>	<u>\$ 1,865,836</u>
Deferred outflow of resources	<u>3,814,353</u>	<u>-</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 8,837,072	\$ 17,921
Accrued liabilities	3,602,391	-
Other liabilities	12,082,091	100,000
Due to other governments	69,982	-
Due to Onondaga County	-	53,362
Long term obligations and unpaid liabilities:		
Due in more than one year	<u>52,748,059</u>	<u>305,587</u>
Total liabilities	<u>77,339,595</u>	<u>476,870</u>
Deferred inflow of resources	<u>5,530,094</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	132,392,579	19,359
Restricted for:		
Capital projects	10,556,240	-
Endowments	-	-
Loans	47,620	54,200
Unrestricted	<u>(42,867,808)</u>	<u>1,315,407</u>
Total net position	<u>\$ 100,128,631</u>	<u>\$ 1,388,966</u>

*See notes to financial statements.*

<u>Fund Company</u>	<u>The Friends</u>	<u>OCIDA</u>	<u>Total Component Units</u>
\$ 92	\$ 2,495,242	\$ 1,955,089	\$ 30,625,769
-	58,576	617,212	11,670,524
40,000	-	-	3,340,063
597,056	72,486	-	669,542
-	70,159	-	866,186
-	-	143,750	143,750
-	-	-	7,371,693
-	3,485,922	-	3,485,922
-	38,458	-	38,458
-	83,671	3,279,805	135,775,414
<u>\$ 637,148</u>	<u>\$ 6,304,514</u>	<u>\$ 5,995,856</u>	<u>\$ 193,987,321</u>
-	-	-	3,814,353
\$ 73,233	\$ 47,220	\$ 254,226	\$ 9,229,672
-	93,701	-	3,696,092
-	-	-	12,182,091
-	-	266,427	336,409
563,915	95,401	94,948	807,626
-	-	-	53,053,646
<u>637,148</u>	<u>236,322</u>	<u>615,601</u>	<u>79,305,536</u>
-	65,430	-	5,595,524
-	-	3,279,805	135,691,743
-	-	35,201	10,591,441
-	3,857,643	-	3,857,643
-	-	-	101,820
-	2,145,119	2,065,249	(37,342,033)
<u>\$ -</u>	<u>\$ 6,002,762</u>	<u>\$ 5,380,255</u>	<u>\$ 112,900,614</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Combining Statement of Revenues, Expenditures, and Changes in Net Position**  
**Component Units**  
**Year Ended December 31, 2015**

	<b>OCC</b>	<b>OCDC</b>
<b>Expenses:</b>		
Program operations	\$ 92,574,186	\$ 1,276,013
Depreciation	7,419,306	7,419
Total expenses	99,993,492	1,283,432
<b>Program revenues:</b>		
Charges for services	22,530,297	624,601
Operating grants and contributions	12,637,594	-
Total program revenues	35,167,891	624,601
Net program (expenses) revenues	(64,825,601)	(658,831)
<b>General revenues (expenses):</b>		
Contribution from (to) Onondaga County	9,557,000	-
Interest and investment income	12,860	8,312
Contributions from (to) other governments	25,394,368	-
Federal aid grant revenue	27,979,943	-
Total general revenues (expenses)	62,944,171	8,312
Change in net position	(1,881,430)	(650,519)
Net position-beginning as restated see note 16	102,010,061	2,039,485
Net position -end of year	\$ 100,128,631	\$ 1,388,966

*See notes to financial statements.*

<u>Fund Company</u>	<u>Friends of Rosamond Gifford Zoo</u>	<u>OCIDA</u>	<u>Total Component Units</u>
\$ 1,060,203	\$ 2,456,696	\$ 882,335	\$ 98,249,433
-	28,837	5,351	7,460,913
<u>1,060,203</u>	<u>2,485,533</u>	<u>887,686</u>	<u>105,710,346</u>
1,076,577	2,082,457	1,649,380	27,963,312
-	529,279	503,896	13,670,769
<u>1,076,577</u>	<u>2,611,736</u>	<u>2,153,276</u>	<u>41,634,081</u>
<u>16,374</u>	<u>126,203</u>	<u>1,265,590</u>	<u>(64,076,265)</u>
(16,374)	-	-	9,540,626
-	95,051	10,751	126,974
-	-	-	25,394,368
-	-	-	27,979,943
<u>(16,374)</u>	<u>95,051</u>	<u>10,751</u>	<u>63,041,911</u>
-	221,254	1,276,341	(1,034,354)
-	5,781,508	4,103,914	113,934,968
<u>\$ -</u>	<u>\$ 6,002,762</u>	<u>\$ 5,380,255</u>	<u>\$ 112,900,614</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 31<sup>st</sup>, the accompanying financial statements include financial information for the year ended August 31, 2015. 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 2015 financial statements were not available for incorporation into these financial statements. As a result, their 2014 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

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

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

The Friends  
One Conservation Place  
Syracuse, New York 13204

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

OTASC  
John H. Mulroy Civic Center  
421 Montgomery Street, 14<sup>th</sup> 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 and fiduciary 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 2015 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, 2014.

**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.

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.

The County's deferred outflows and inflows at December 31, 2015 are as follows:

	Governmental Fund Level	Government-Wide Level
<b>Deferred Outflows:</b>		
Difference between reacquisition price and net carrying amount of refunded debt	\$ -	\$ 1,926,709
Net pension liability related transactions	-	28,811,660
<b>Total Deferred Outflows</b>	<b>\$ -</b>	<b>\$ 30,738,369</b>
 <b>Deferred Inflows:</b>		
Unavailable Property Taxes	\$ 25,504,262	\$ -
Deferred EFC funding for Lake ACJ	7,164,048	7,164,048
Difference between employer contributions and proportional share of retirement contributions	-	5,154,466
Gain on Defeased Debt	-	1,433,775
<b>Total Deferred Inflows</b>	<b>\$ 32,668,310</b>	<b>\$ 13,752,289</b>

**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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 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 Library Grants Fund reported a deficit fund balance of \$21,761 at December 31, 2015. This was the result of a revenue accrual from 2014 that didn't materialize. This amount will be covered by the General Fund in 2016.

**Equity Classifications**

Fund balance is classified 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 \$8,242,575.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

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, restricted or committed are classified as assigned. In the General Fund, encumbrances, appropriated fund balance and Management designations are classified as assigned. Encumbrances at year end 2015 totaled \$3,216,569. The County has appropriated \$2,972,059 to the 2016 budget. In addition, Management has designated \$11,262,893 for debt avoidance and property tax relief. The total assigned General Fund amount is \$17,451,521.

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, a component unit of the City of Syracuse, 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 \$1,512,143,658 difference can be found in the Summary of Changes in Capital Assets on page 31. Another element of that reconciliation

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

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 \$1,268,951,759 difference can be found in the Changes in Long-term Obligations section of these notes on page 35.

### 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 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	\$ 124,152,300
Depreciation Expense	<u>(66,450,465)</u>
Total	<u>\$ 57,701,835</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	\$ 97,303,293
Additional loans	76,215,523
Plus Premium	4,448,325
Deferred outflow on defeased debt	(832,472)
Principal repayments:	
General obligation debt	(44,748,000)
Loan payments	(87,211,474)
Amortization of gain on defeased debt	(157,726)
Amortization of premium (amortized against interest expense)	(1,728,728)
Amortization of issuance discounts (amortized as interest expense)	27,815
Amortization of deferred outflow	<u>169,334</u>
Total	<u>\$ 43,485,890</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:

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

Tax certiorari	\$ 512,000
Compensated absences	(409,782)
Judgments and claims	(1,051,746)
Postemployment benefits	35,583,152
Net Pension Liability	(10,011,640)
Workers' compensation	(4,210,026)
Accrued interest	1,016,075
Inventory adjustment	(218,871)
Total	<u>\$ 21,209,162</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 \$269,464,830 and the bank balance was \$265,262,324. Of these amounts, \$8,820,576 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	\$ 26,744,632
Amount collateralized with securities held by the pledging financial institution's trust department or its agent in the County's name	<u>238,517,692</u>
Total bank balance	<u>\$ 265,262,324</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.

**3. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

U.S. Government Securities	\$ 15,744,134
Commercial Paper-OTASC	8,369,099
Money Market Funds-OTASC	322,279
Total Investments	<u>\$ 24,435,512</u>

At December 31, 2015 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.

The County’s property tax calendar is as follows:

Assessment date.....	July 1, 2014
Levy date.....	December 31, 2014
Lien date.....	July 1, 2015
Due date.....	January 1, 2015
Penalties and interest are added.....	February 1, 2015 1.0%
	March 1, 2015 1.5%
Tax sale-2014 delinquent taxes.....	October 1, 2015
Tax auction-2010 prior delinquent taxes.....	November 15, 2015

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 \$20,738,188 is included in the liability due to other governments at December 31, 2015. 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, 2015 was .42% of the five-year average full assessed valuation of taxable real property.

**5. NEW AND UPCOMING PRONOUNCEMENTS**

As of January 1, 2015 the County adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. The objective of this Statement is to establish 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 these provisions. The County adopted the provisions of this Statement with an effect on the financial statements as described in Note 10.

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

**5. NEW AND UPCOMING PRONOUNCEMENTS (continued)**

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 County adopted the provisions of this Statement with an effect on the financial statements as described in Note 10.

**Upcoming Pronouncements**

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This standard addresses accounting and financial reporting issues related to fair value measurements and provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The County is required to adopt the provisions of Statement No. 72 for the year ending December 31, 2016.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purposes external financial reports of statement local governments for making decision and assessing accountability. The County is required to adopt portions of the provisions of Statement No. 73 for the years ending December 31, 2016 and 2017, pending applicability.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pension (other postemployment benefits or OPEB) included in the general purposes external financial reports of statement local governmental OPEB plans for making decisions and assessing accountability. The County is required to adopt the provisions of Statement No. 74 for the year ending December 31, 2017.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pension (other postemployment benefits or OPEB). The County is required to adopt the provisions of Statement No. 75 for the year ending December 31, 2018.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP) and reduce the GAAP hierarchy to two categories of authoritative GAAP and address the use of authoritative and nonauthoritative literature. The County is required to adopt the provisions of Statement No. 76 for the year ending December 31, 2016.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. The objective of this Statement is to assist financial statement users in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. The County is required to adopt the provisions of Statement No. 77 for the year ending December 31, 2016.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided Through Certain Multi-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68 and pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The County is required to adopt the provisions of Statement No. 78 for the year ending December 31, 2016.

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, 2015	Additions	Reductions	Balance December 31, 2015
Capital assets, not being depreciated				
Land	\$ 20,500,002	\$ -	\$ -	\$ 20,500,002
Intangible Asset	29,750,000	-	-	29,750,000
Construction in progress	509,760,241	121,034,549	(197,540,373)	433,254,417
Total capital assets, not being depreciated	<u>560,010,243</u>	<u>121,034,549</u>	<u>(197,540,373)</u>	<u>483,504,419</u>
Capital assets, being depreciated:				
Land improvements	23,102,305	37,301	-	23,139,606
Buildings	307,707,477	53,279,133	-	360,986,610
Building improvements	161,638,559	10,532,391	-	172,170,950
Equipment	124,280,381	12,339,760	(218,499)	136,401,642
Infrastructure	1,348,640,466	124,469,539	-	1,473,110,005
Total capital assets, being depreciated	<u>1,965,369,188</u>	<u>200,658,124</u>	<u>(218,499)</u>	<u>2,165,808,813</u>
Less accumulated depreciation for:				
Land improvements	(11,372,065)	(897,374)	-	(12,269,439)
Buildings	(211,572,056)	(9,241,735)	-	(220,813,791)
Building improvements	(84,306,463)	(6,056,760)	-	(90,363,223)
Equipment	(86,452,621)	(9,166,199)	218,499	(95,400,321)
Infrastructure	(677,234,403)	(41,088,397)	-	(718,322,800)
Total accumulated depreciation	<u>(1,070,937,608)</u>	<u>(66,450,465)</u>	<u>218,499</u>	<u>(1,137,169,574)</u>
Total capital assets, being depreciated, net	<u>894,431,580</u>	<u>134,207,659</u>	<u>-</u>	<u>1,028,639,239</u>
Net capital assets-Governmental activities	<u>\$ 1,454,441,823</u>	<u>\$ 255,242,208</u>	<u>\$ (197,540,373)</u>	<u>\$ 1,512,143,658</u>

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

**Governmental Activities:**

General government	\$ 9,602,743
Public Safety	7,192,048
Health	140,547
Transportation	21,522,313
Economic assistance and opportunity	12,174
Culture and Recreation	5,444,659
Home and community services	22,535,981
Total depreciation expense-Governmental Activities	<u>\$ 66,450,465</u>

**7. CAPITAL ASSETS (continued)**

A summary of changes in the capital assets of the Community College at August 31, 2015 is as follows:

	Balance September 1, 2014	Additions	Reductions/ Reclassifications	Balance August 31, 2015
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ 733,293	\$ -	\$ 733,293
Total capital assets, not being depreciated	<u>-</u>	<u>733,293</u>	<u>-</u>	<u>733,293</u>
Capital assets, being depreciated:				
Land and building improvements	92,682,098	4,058,011	4,815,844	101,555,953
Buildings	125,632,582	494,391	(4,815,844)	121,311,129
Equipment	19,058,504	473,403	(1,175,417)	18,356,490
Library books	531,880	56,999	(49,312)	539,567
Total capital assets, being depreciated	<u>237,905,064</u>	<u>5,082,804</u>	<u>(1,224,729)</u>	<u>241,763,139</u>
Less accumulated depreciation for:				
Improvements	(32,316,344)	(3,509,889)	(578,208)	(36,404,441)
Buildings	(55,779,062)	(2,931,160)	578,208	(58,132,014)
Equipment	(15,528,410)	(924,133)	1,148,083	(15,304,460)
Library books	(258,677)	(53,572)	49,311	(262,938)
Total accumulated depreciation	<u>(103,882,493)</u>	<u>(7,418,754)</u>	<u>1,197,394</u>	<u>(110,103,853)</u>
Total capital assets, being depreciated, net	<u>134,022,571</u>	<u>(2,335,950)</u>	<u>(27,335)</u>	<u>131,659,286</u>
Net capital assets-Community College	<u>\$ 134,022,571</u>	<u>\$ (1,602,657)</u>	<u>\$ (27,335)</u>	<u>\$ 132,392,579</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, 2015, the County had utilized 15.48% of its statutory debt limit. Details relating to bonds payable at December 31, 2015 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>
<b>General Obligation Bonds:</b>			
General Obligation, 2006	2026	3.50-5.00%	\$ 1,875,000
General Obligation, 2007	2027	3.75-5.00%	2,700,000
General Obligation, 2009	2029	4.00-5.00%	40,950,000
General Obligation, 2009	2023	3.00-5.00%	16,050,000
General Obligation, 2010	2019	4.00-5.00%	12,050,000
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%	26,650,000
General Obligation, 2012	2037	3.00-5.00%	44,375,000
General Obligation, 2012	2025	2.00-5.00%	13,055,000
General Obligation, 2013	2033	4.00-5.00%	63,310,000
General Obligation, 2014	2034	2.50-5.00%	34,800,000
General Obligation, 2014	2026	2.00-5.00%	19,320,000
General Obligation, 2015	2045	3.00-5.00%	79,900,000
General Obligation, 2015	2027	2.00-5.00%	11,370,000
PFA Bonds QECCB, 2015	2025	3.65%	2,650,000
			<u>\$ 391,530,000</u>
<b>OTASC:</b>			
Tobacco Settlement Pass-Through Bonds, Series 2001	2043	5.00-6.00%	83,935,000
Tobacco Settlement Pass-Through Bonds, Series 2005	2060	6.00-7.15%	54,445,236
			<u>\$ 529,910,236</u>

The annual requirements and sources to amortize debt on outstanding bonds as of December 31, 2015 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 31,540,000	\$ 22,407,801	\$ 53,947,801
2017	33,985,000	19,471,320	53,456,320
2018	34,525,000	18,026,820	52,551,820
2019	32,160,000	16,651,694	48,811,694
2020	29,310,000	15,359,795	44,669,795
2021-2025	133,950,000	59,416,136	193,366,136
2026-2030	84,490,000	35,537,740	120,027,740
2031-2035	50,610,000	21,424,025	72,034,025
2036-2040	44,445,393	47,020,360	91,465,753
2041-2045	11,575,000	2,859,781	14,434,781
2050	17,610,955	126,233,419	143,844,374
2055	9,795,673	130,489,947	140,285,620
2060	15,913,215	342,240,747	358,153,962
	<u>\$ 529,910,236</u>	<u>\$ 857,139,585</u>	<u>\$ 1,387,049,821</u>

**Advance Refunding—June 24, 2015**

The County issued \$11,370,000 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 \$12,100,000 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

**8. GENERAL LONG-TERM OBLIGATIONS (continued)**

debt by \$832,472. This amount is being recorded as a deferred outflow and amortized over the remaining life of the refunded debt. This advance refunding was under-taken to reduce total debt service payments over the next twelve years by \$662,231 and resulted in an economic gain of \$571,299.

**Obligations Authorized Unissued**

At December 31, 2015, the County has obligations authorized and unissued of \$182,004,190, 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, 2015 by issue is shown below:

<b><u>Issue</u></b>	<b><u>Balance</u></b>
General Obligation Bonds 1998	\$ 2,200,000
General Obligation Bonds 1999	760,000
General Obligation Bonds 2001	2,460,000
General Obligation Bonds 2002	3,250,000
General Obligation Bonds 1998	1,400,000
General Obligation Bonds 1999	2,315,000
General Obligation Bonds 2001	3,065,000
General Obligation Bonds 2002	10,100,000
General Obligation Bonds 2003	9,000,000
General Obligation Bonds 2004	5,000,000
General Obligation Bonds 2006	15,575,000
General Obligation Bonds 2007	12,100,000
	<u>\$ 67,225,000</u>

**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 \$251,447,979 is outstanding at December 31, 2015. 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 2015, EFC refunded prior State Clean Water and Drinking Water Revolving Funds (SRF) bond issues with new bond issued at lower current-market interest rate. In 2010, the County recognized an intangible asset in the amount of \$29,750,000 for water rights to Lake Ontario. At January 1, 2015, the County still owed \$2,000,000 to the City of Oswego for those rights. The County paid \$1,000,000 in 2015 and will pay \$1,000,000 in 2016.

**8. GENERAL LONG-TERM OBLIGATIONS (continued)**

At December 31, 2015 principal payments required on other loans payable are as follows:

Years	Principal	Interest	Total
2016	\$ 14,217,671	\$ 9,025,978	\$ 23,243,649
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	12,230,884	7,707,706	19,938,590
2021-2025	56,920,884	32,539,393	89,460,277
2026-2030	46,520,000	22,891,805	69,411,805
2031-2035	39,560,000	14,174,556	53,734,556
2036-2040	26,675,000	7,004,527	33,679,527
2041-2045	20,295,000	1,754,022	22,049,022
	<u>\$ 252,447,979</u>	<u>\$ 120,330,220</u>	<u>\$ 372,778,199</u>

**OCIDA**

Through December 31, 2015, OCIDA has issued approximately \$2.58 billion of industrial development and pollution control financing on behalf of county businesses. Of this total, \$12.2 million was issued in the year ended December 31, 2015.

**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, 2015 was \$812,727. There were additions of \$16,475 and reductions of \$265,287 during 2015 resulting in an ending balance as of December 31, 2015 of \$563,915.

**Changes in Long-Term Obligations**

Long-Term obligation activity at December 31, 2015, is as follows:

Governmental Activities:	Beginning Balance			Ending Balance	Due Within One Year
	Restated	Additions	Reductions		
Serial Bonds	\$ 340,318,000	\$ 93,920,000	\$ (42,708,000)	\$ 391,530,000	\$ 30,280,000
OTASC Tobacco settlement bonds	137,036,943	3,383,293	(2,040,000)	138,380,236	1,260,000
Plus Premium on serial bonds	25,814,774	4,448,325	(1,728,728)	28,534,371	-
Less issuance discounts-OTASC	(790,397)	-	27,815	(762,582)	-
Net bonds payable	502,379,320	101,751,618	(46,448,913)	557,682,025	31,540,000
Tax certiorari	850,000	882,794	(370,794)	1,362,000	273,000
Compensated absences	12,782,926	15,510,520	(15,920,302)	12,373,144	9,005,073
Judgments and claims	14,322,908	(651,837)	(399,909)	13,271,162	24,159
Loans	263,443,930	76,215,523	(87,211,474)	252,447,979	14,217,671
Postemployment benefits	342,288,161	60,702,257	(25,119,105)	377,871,313	-
NYS Net Pension Liability	39,186,188	-	(10,011,640)	29,174,548	-
Due to agencies	1,296,189	-	-	1,296,189	-
Workers Compensation	27,683,425	4,554,117	(8,764,143)	23,473,399	-
Total Governmental activities	<u>1,204,233,047</u>	<u>258,964,992</u>	<u>(194,246,280)</u>	<u>1,268,951,759</u>	<u>55,059,903</u>
<b>Component Units:</b>					
Community College:					
Postemployment benefits	45,899,534	5,920,557	(1,712,418)	50,107,673	-
Net Pension Liability	3,255,259	-	(701,098)	2,554,161	-
Compensated absences	65,296	20,929	-	86,225	-
Total Component Units	<u>\$ 49,220,089</u>	<u>\$ 5,941,486</u>	<u>\$ (2,413,516)</u>	<u>\$ 52,748,059</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, 2015 is as follows:

<b>Project</b>	<b>Authorization</b>	<b>Expended</b>
Old Rte. 5 Repaving Construction	\$ 6,885,000	\$ 6,147,293
Metro Waste Water Treatment Plant Grit Handling	5,600,000	5,002,000
Oak Orchard	12,405,000	2,249,729
Central Library Reconfiguration	8,577,978	3,486,023
Ley Creek Improvements	5,480,000	1,732,745
Metro Waste Water Treatment Plant Bypass	25,827,294	3,216,336
Parks Roads, Parking and Trail	6,439,188	5,266,298
Electronics Park Trunk Sewer	10,000,000	4,852,535
Terminal Reservoir Tank	34,290,000	26,691,084
ACJ Clinton Street Conveyances	181,773,548	165,434,235
ACJ Midland Avenue Conveyance Engineering	132,482,668	96,515,208
People Soft	11,954,557	11,231,449
Thompson Road	8,940,000	7,836,439
Fremont Road over CSX Design Bridge	6,580,000	5,970,109
Comprehensive Energy & Asset Renovation	14,000,000	304,996
Willis Avenue Over CSX	6,516,000	863,188
Hot Mix Bituminous Paving	5,970,759	4,485,803
Oneida Lake PS	10,120,000	262,726
Suburban Green Infrastructure	6,980,000	3,552,773
Ed Kochian COB Rehab and Renovations	5,100,000	3,874,315
Digester Cleaning and Repairs	5,000,000	4,485,803

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, 2015 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). This is a cost-sharing multiple-employer retirement system. The ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the ERS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. ERS benefits are established under the provisions of the New York State retirement and Social Security Law (RSSL). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The County also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance.

The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

**10. RETIREMENT BENEFITS (continued)**

For the fiscal year ended December 31, 2015, the County implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date." The implementation of the Statements requires the County to report as a liability its portion of the collective net pensions and liability in the ERS. The implementation of the Statements also requires the County to report a deferred outflow and/or inflow of resources for the effect of liability and difference during the measurement period between the County's contribution and its proportion share of total contribution to the pension system not included in pension expense. Also included as a deferred outflow is the County's contribution to the pension system subsequent to the measurement date.

The ERS is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. For ERS, the State Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

ERS financial statements from which the ERS's fiduciary respective net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the ERS's annual reports.

The County is required to contribute an actuarially determined rate. The required contributions at December 15 for the years 2015, 2014 and 2013 were \$33,214,687, \$38,946,922 and \$44,459,788 respectively. The County's contributions made to the ERS were equal to 100% of the contributions required for each year.

At December 31, 2015, the County reported the following liability for its proportionate share of the net pension liability. The net liability was measured as of March 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The County's proportionate share, excluding OCC, of the net pension liability was based on a projection of the County's long-term share of contributions to the ERS relative to the projected contributions of all participating members, actuarially determined. This information was derived from reports provided to the County by the ERS.

Actuarial valuation date	April 1, 2014
Plan's total net pension liability	\$ 3,378,245,000
County's proportionate share of the Plan's total net pension liability	\$ 29,174,548

For the year ended December 31, 2015, the County recognized pension expense of \$5,823,200 in the financial statements.

At December 31, 2015, the County's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**10. RETIREMENT BENEFITS (continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 933,909	\$ -
Net differences between projected and actual earnings on pension plan investments	5,067,249	-
Changes in proportion and differences between the County's contributions and proportionate share of contributions	-	5,154,466
County's contributions subsequent to the measurement date	22,810,502	-
<b>Total</b>	<b>\$ 28,811,660</b>	<b>\$ 5,154,466</b>

County contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	
2016	\$ 211,674
2017	211,674
2018	211,674
2019	211,670

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Measurement date	March 31, 2015
Actuarial valuation date	April 1, 2014
Interest rate	7.50%
Salary Scale	4.90%
	April 1, 2005 - March 31, 2010
Decrement tables	ERS's experience
Inflation rate	2.70%

Annuitant mortality rates are based on April 1, 2005 – March 31, 2011 ERS's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 – March 31, 2010.

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows:

**10. RETIREMENT BENEFITS (continued)**

	<b>Target Allocations in %</b>	<b>Long-Term Expected real rate of return in %</b>
Measurement date: March 31, 2015		
Asset Type:		
Domestic Equity	38.00%	7.30%
International Equity	13.00%	8.55%
Private Equity	10.00%	11.00%
Real Estate	8.00%	8.25%
Absolute Return	3.00%	6.75%
Opportunistic Portfolio	3.00%	8.60%
Real Asset	3.00%	8.65%
Bonds & Mortgages	18.00%	4.00%
Cash	2.00%	2.25%
Inflation Indexed Bonds	2.00%	4.00%
Total	100.00%	

The discount rate used to calculate the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at current contribution rates and contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the ERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
County's proportionate share of the net pension liability	\$ 194,460,988	\$ 29,174,548	\$ (110,368,191)

The components of the current-year net pension liability of the employers as of the measurement date are as follows: (in thousands)

Measurement date: March 31, 2015	
Employers' total pension liability	\$ 164,591,504
Plan net position	(161,213,259)
Employers' net pension liability	\$ 3,378,245

Ratio of Plan Net Position to the Employers' Total Pension Liability	97.90%
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**10. RETIREMENT BENEFITS (continued)**

ERS employer contributions are paid annually based on the ERS’s fiscal year which ends on March 31<sup>st</sup>. Contributions as of December 31, 2015 represent the projected employer contribution for the period of April 1, 2015 through March 31, 2016 based on estimated ERS wages multiplied by the employer’s contribution rate, by tier.

**Restatement**

For the fiscal year ended December 31, 2015 the County implemented GASB Statement No. 68, “Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27,” and Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date”. The implementation of these new accounting standards resulted in the reporting of deferred outflows of resources, a liability, and deferred inflows of resources related to the participation in the Employee’s Retirement Systems. The County’s net position has been restated as follows:

	<b>County</b>
Net Position Beginning of Year, as Previously Stated	\$ 560,813,111
GASB Statement No. 68 Implementation:	
Beginning system liability - Employee's Retirement System	(39,186,188)
Beginning deferred outflow of resources for contributions subsequent to the measurement date	26,845,634
Net Position Beginning of Year, as Restated	\$ 548,472,557

**Retiree Benefits**

In addition to providing pension benefits, the County provides certain health insurance benefits to approximately 3,925 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 1,700 retirees in its self-insurance plan and the cost of providing to these retirees during 2015 was approximately \$18.9 million. The County also instituted a Medicare advantage plan in 2013 and has moved 2,226 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 \$3,817,228 during 2015.

**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 2015, the County contributed \$21.3 million to the plan. Plan members receiving benefits contributed \$3.8 million.

**10. RETIREMENT BENEFITS (continued)**

*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.

Annual required contribution	\$	62,381,907
Interest on net OPEB obligation		14,547,247
Adjustment to annual required contribution		<u>(16,226,897)</u>
Annual OPEB cost		60,702,257
Contributions		<u>(25,119,105)</u>
Increase in net OPEB obligation		35,583,152
Net OPEB obligation-beginning of year		<u>342,288,161</u>
Net OPEB obligation-end of year	\$	<u><u>377,871,313</u></u>

*Three-year Trend Information*

<u>Fiscal Year Ending</u>	<u>Annual Cost</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2013	\$ 81,098,693	31.9%	\$ 308,541,892
12/31/2014	\$ 57,430,908	41.2%	\$ 342,288,161
12/31/2015	\$ 60,702,257	41.4%	\$ 377,871,313

*Funded Status and Funding Progress.* As of January 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$769.1 million, and there were no plan assets. The covered payroll (annual payroll of active employees covered by the plan) was \$170.5 million, and the ratio of the liability to the covered payroll was 451%.

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, 2015 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

**10. RETIREMENT BENEFITS (continued)**

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, 2015, is twenty-one 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, 2015:

Operating Transfers To:	Major Governmental Funds			Operating Transfers From:					Totals
	General Fund	Water		General Grants Fund	County Road Fund	Road		Library Fund	
		Environment Protection	Capital Projects Fund			Machinery Fund	Water Fund		
<b>Major Governmental Funds:</b>									
General fund	\$ -	\$ -	\$ 47,629	\$ 150,509	\$ -	\$ -	\$ -	\$ -	\$ 198,138
Water Environ. Protection	-	-	176	-	-	-	-	-	176
Debt Service Fund	16,262,256	22,381,964	1,006,183	-	7,859,398	-	2,252,555	561,695	50,324,051
Capital Projects Fund	2,164,963	6,504,000	-	-	7,883,929	-	628,117	30,000	17,211,009
<b>Nonmajor Governmental Funds:</b>									
General Grants Fund	4,426,006	600,000	-	-	7,500	7,500	-	-	5,041,006
County Road Fund	27,349,644	-	3,057	-	-	-	-	-	27,352,701
Road Machinery Fund	1,464,331	-	-	-	-	-	-	-	1,464,331
Library Fund	5,424,329	-	-	-	-	-	-	-	5,424,329
Community Development	223,374	-	-	-	-	-	-	-	223,374
<b>Total</b>	<b>\$ 57,314,903</b>	<b>\$ 29,485,964</b>	<b>\$ 1,057,045</b>	<b>\$ 150,509</b>	<b>\$ 15,750,827</b>	<b>\$ 7,500</b>	<b>\$ 2,880,672</b>	<b>\$ 591,695</b>	<b>\$ 107,239,115</b>

**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, 2015 are summarized as follows:

DUE TO:	DUE FROM:		TOTAL
	Major Funds GENERAL FUND	Nonmajor Funds COUNTY ROAD COUNTY DEVELOPMENT	
Major Fund - General Fund	\$ -	\$ 320,877	\$ 964,302
Nonmajor Fund - Library Fund	800,000	-	800,000
<b>Total</b>	<b>\$ 800,000</b>	<b>\$ 320,877</b>	<b>\$ 1,764,302</b>

**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.

The claims liability of \$50,207,883 reported at December 31, 2015 is based on the requirements of GASB, 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 2014 and 2015 were as follows:

	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>

	Balance January 1, 2015	Claims and Changes in Estimates	Claim Payments	Balance December 31, 2015
Workers' Compensation	\$ 39,555,900	\$ 2,620,183	\$ (8,764,143)	\$ 33,411,940
Judgments and Claims	14,322,908	(651,837)	(399,909)	13,271,162
Medical & Dental	4,046,440	76,518,987	(77,040,646)	3,524,781
	<u>\$ 57,925,248</u>	<u>\$ 78,487,333</u>	<u>\$ (86,204,698)</u>	<u>\$ 50,207,883</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,

**13. RISK MANAGEMENT (continued)**

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, 2015 and available information at the time of this report.

**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, 2015.

**14. TAX CERTIORARI CLAIMS**

The County has accrued \$1,362,000 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") as 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

**15. COMMITMENTS - ONONDAGA LAKE (continued)**

U.S. District Court for the Northern District of New York on November 16, 2009, replaced the existing 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 combined sewage 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 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. 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 DWEP 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 a draft phosphorus Total Maximum Daily Load (“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

**15. COMMITMENTS - ONONDAGA LAKE (continued)**

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 DEC adopted the draft TMDL as the recommended final TMDL and submitted it to the EPA for review.

On June 29, 2012, the EPA approved the TMDL. DWEP 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 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 2014 Annual Report regarding ACJ compliance, required to be delivered to the DEC on April 1, 2015, the County reported compliance with all major construction milestones and all required CSO capture milestones.

FINANCIAL CONSIDERATIONS: DWEP has advised that in today's dollars, the estimated cost of the improvements and studies required by the revised ACJ is \$703 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 approval for the CSO Floatables Facilities Plan. Construction has been completed within compliance due dates for several large-scale CSO projects, including Clinton CSO Storage, Harbor Brook CSO Storage and CSO 003 and 004 Conveyances. Planning level costs are known for the majority of all other ACJ projects (including green infrastructure). Construction of the 063 conveyance project has also been completed.

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 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 \$12.4 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.

**15. COMMITMENTS - ONONDAGA LAKE (continued)**

To date, the County has closed on \$266.8 million in 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.

**16. RESTATEMENT OF NET POSITION – COLLEGE**

For the fiscal year ended August 31, 2015, the College implemented GASB Statement No. 68, “Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27,” and Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date.” The implementation of these new accounting standards resulted in the reporting of an asset, deferred outflows of resources, a liability, and deferred inflows of resources related to the College’s participation in the New York State Teachers’ and Employees’ retirement systems. The College’s net position has been restated as follows:

Net Position Beginning of Year, as Previously Stated	\$ 101,526,693
GASB Statement No. 68 Implementation:	
Beginning system asset - Teachers' retirement system	413,127
Beginning system liability - Employees' retirement system	(3,255,259)
Beginning deferred outflow of resources for contributions subsequent to the measurement date:	
Teachers' retirement system	1,797,000
Employees' retirement system	1,528,500
	<u>1,528,500</u>
Net Position Beginning of Year, as Restated	<u>\$ 102,010,061</u>

**REQUIRED**

**SUPPLEMENTARY INFORMATION**

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Fund**  
**Year Ended December 31, 2015**

	Budgeted Amounts		Non-GAAP	Variance From	Variance From
	Original	Final	Actual	Original	Final
			Amounts	Favorable (Unfavorable)	Favorable (Unfavorable)
Budgetary fund balance, January 1	\$ 3,828,561	\$ 8,748,568	\$ -	\$ (3,828,561)	(8,748,568)
Resources (inflows):					
Real property taxes County wide	137,166,689	137,166,689	138,536,287	1,369,598	1,369,598
Other real property tax items	10,108,883	10,108,883	9,910,275	(198,608)	(198,608)
Sales tax and use tax	352,629,287	352,629,287	343,592,826	(9,036,461)	(9,036,461)
Federal aid	90,274,282	90,274,282	89,189,397	(1,084,885)	(1,084,885)
State aid	92,880,802	92,880,802	84,729,426	(8,151,376)	(8,151,376)
Charges for services	96,718,905	97,627,905	94,404,975	(2,313,930)	(3,222,930)
Miscellaneous	5,846,388	5,846,538	5,926,431	80,043	79,893
Interest on Investments	552,643	552,643	456,522	(96,121)	(96,121)
Amounts available for appropriation	<u>790,006,440</u>	<u>795,835,597</u>	<u>766,746,139</u>	<u>(23,260,301)</u>	<u>(29,089,458)</u>
Charges to appropriations (outflows):					
General government support:					
Center for forensic science	7,780,176	7,891,992	7,745,172	35,004	146,820
County clerk	5,465,061	5,722,147	5,609,579	(144,518)	112,568
County comptroller	3,214,919	3,273,419	2,854,885	360,034	418,534
County executive	1,648,406	1,648,406	1,522,180	126,226	126,226
County legislature	3,136,941	2,237,080	1,924,895	1,212,046	312,185
County special expense	8,958,352	11,027,750	10,427,626	(1,469,274)	600,124
District attorney	9,969,779	10,150,351	9,893,545	76,234	256,806
Elections board	2,352,233	2,352,233	2,221,204	131,029	131,029
Facilities management	20,201,731	20,621,901	19,636,494	565,237	985,407
Finance administration	2,353,933	2,353,933	2,238,698	115,235	115,235
Finance, county wide allocations	90,457,512	91,178,025	89,051,493	1,406,019	2,126,532
Finance, management and budget	6,221,721	6,247,559	5,712,658	509,063	534,901
Information technology	13,164,931	13,613,234	13,150,535	14,396	462,699
Law department	5,446,901	5,474,262	4,886,917	559,984	587,345
Personnel department	3,280,177	3,225,730	3,058,893	221,284	166,837
Public defender	7,842,071	7,842,071	7,769,761	72,310	72,310
Purchasing department	2,313,687	2,306,590	2,123,776	189,911	182,814
Human Rights	-	154,845	104,005	(104,005)	50,840
	<u>193,808,531</u>	<u>197,321,528</u>	<u>189,932,316</u>	<u>3,876,215</u>	<u>7,389,212</u>
Education:					
Authorized agencies	37,500	37,500	37,500	-	-
Community college chargebacks	9,557,000	9,557,000	9,557,000	-	-
Education of handicapped children	42,053,053	42,064,141	35,697,638	6,355,415	6,366,503
	<u>51,647,553</u>	<u>51,658,641</u>	<u>45,292,138</u>	<u>6,355,415</u>	<u>6,366,503</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, 2015**

	Budgeted Amounts		Non-GAAP Actual Amounts	Variance From Original Favorable (Unfavorable)	<i>continued</i> Variance From Final Favorable (Unfavorable)
	Original	Final			
Public Safety:					
Corrections	20,564,898	20,848,047	20,804,706	(239,808)	43,341
Emergency communications	16,928,995	17,024,268	16,895,368	33,627	128,900
Emergency management	1,460,625	1,409,693	974,060	486,565	435,633
Probation	8,842,327	8,867,279	8,514,364	327,963	352,915
Hillbrook	3,622,472	4,472,271	4,472,271	(849,799)	-
Sheriff	82,755,243	85,124,599	83,681,290	(926,047)	1,443,309
STOP DWI	740,849	740,849	689,467	51,382	51,382
	<u>134,915,409</u>	<u>138,487,006</u>	<u>136,031,526</u>	<u>(1,116,117)</u>	<u>2,455,480</u>
Health:					
Health	17,187,850	17,205,770	16,261,257	926,593	944,513
Mental health	25,721,055	26,850,779	23,839,066	1,881,989	3,011,713
	<u>42,908,905</u>	<u>44,056,549</u>	<u>40,100,323</u>	<u>2,808,582</u>	<u>3,956,226</u>
Transportation	<u>3,908,660</u>	<u>3,908,660</u>	<u>3,758,260</u>	<u>150,400</u>	<u>150,400</u>
Economic Assistance and Opportunity:					
Authorized agencies human	198,241	198,241	198,241	-	-
Economic development	797,438	797,438	721,450	75,988	75,988
Job training administration	289,606	289,606	260,311	29,295	29,295
Social services - administration	224,500,554	224,139,500	211,785,706	12,714,848	12,353,794
Veterans	549,711	565,840	565,840	(16,129)	-
Childrens Services	66,258,890	62,003,209	60,757,666	5,501,224	1,245,543
	<u>292,594,440</u>	<u>287,993,834</u>	<u>274,289,214</u>	<u>18,305,226</u>	<u>13,704,620</u>
Culture and Recreation:					
Aging and youth programs	1,513,927	1,506,926	1,386,116	127,811	120,810
Authorized agencies	1,306,514	1,312,989	1,312,989	(6,475)	-
Parks and recreation	12,974,731	13,179,518	12,654,134	320,597	525,384
	<u>15,795,172</u>	<u>15,999,433</u>	<u>15,353,239</u>	<u>441,933</u>	<u>646,194</u>
Home and Community Services:					
Authorized agencies physical	45,000	45,000	45,000	-	-
Office of environment	187,980	187,980	184,781	3,199	3,199
Onondaga planning agency	2,018,734	2,027,264	1,837,777	180,957	189,487
	<u>2,251,714</u>	<u>2,260,244</u>	<u>2,067,558</u>	<u>184,156</u>	<u>192,686</u>
Other uses:					
Transfer to other funds	52,176,056	57,463,903	57,219,155	(5,043,099)	244,748
Total charges to appropriations	<u>790,006,440</u>	<u>799,149,798</u>	<u>764,043,729</u>	<u>25,962,711</u>	<u>35,106,069</u>
Budgetary fund balance, December 31	\$ -	\$ (3,314,201)	2,702,410	\$ 2,702,410	\$ 6,016,611
Unused project balances treated as revenue for financial reporting purposes			102,390		
Net change in fund balance			<u>\$ 2,804,800</u>		

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Water Environment Protection**  
**Year Ended December 31, 2015**

	Budgeted Amounts		Non-GAAP	Variance From	Variance From
	Original	Final	Actual	Original	Final
			Amounts	Favorable	Favorable
				(Unfavorable)	(Unfavorable)
Budgetary fund balance, January 1	\$ 5,443,057	\$ 6,132,894	\$ 919,217	\$ (4,523,840)	\$ (5,213,677)
Resources (inflows):					
Real property taxes County wide	1,731,817	1,731,817	1,731,816	(1)	(1)
Charges for services	80,446,274	80,446,274	80,879,534	433,260	433,260
Interest on investments	60,000	60,000	72,896	12,896	12,896
Miscellaneous	668,912	668,912	737,586	68,674	68,674
Amounts available for appropriation	<u>88,350,060</u>	<u>89,039,897</u>	<u>84,341,049</u>	<u>(4,009,011)</u>	<u>(4,698,848)</u>
Charges to appropriations (outflows):					
Home and Community Services:					
Bear Trap Ley Creek	445,998	445,998	399,737	46,261	46,261
Bloody Brook	137,737	137,737	122,041	15,696	15,696
Consolidated Sanitary District	56,351,190	57,859,872	52,972,076	3,379,114	4,887,796
Flood Control	1,056,009	1,063,713	938,780	117,229	124,933
Harbor Brook	264,880	264,880	234,695	30,185	30,185
Meadow Brook	211,904	211,904	187,756	24,148	24,148
Nondepartmental:					
Transfers to other funds	<u>29,882,342</u>	<u>29,882,342</u>	<u>29,485,964</u>	<u>396,378</u>	<u>396,378</u>
Total charges to appropriations	<u>88,350,060</u>	<u>89,866,446</u>	<u>84,341,049</u>	<u>4,009,011</u>	<u>5,525,397</u>
Budgetary fund balance, December 31	<u>\$ -</u>	<u>\$ (826,549)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 826,549</u>
Unused project balances treated as revenue for financial reporting purposes			176		
Budgetary fund balance is not a current year revenue for budgetary purposes			(919,217)		
Net change in fund balance			<u>\$ (919,041)</u>		

See notes to required supplementary information

**COUNTY OF ONONDAGA, NEW YORK**  
**Other Postemployment Benefits Plan**  
**Schedule of Funding Progress**  
**Year Ended December 31, 2015**  
(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
01/01/13	-	\$973.2	\$973.2	0.0%	\$183.2	531%
01/01/14	-	\$738.0	\$738.0	0.0%	\$169.6	435%
01/01/15	-	\$769.1	\$769.1	0.0%	\$170.5	451%

**COUNTY OF ONONDAGA, NEW YORK**  
**Required Supplementary Information - Pension**  
**Year Ended December 31, 2015**  
(in thousands)

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION  
LIABILITY - EXCLUDING COMMUNITY COLLEGE**

	<u>2015</u>
Proportion of the net pension liability	0.86%
Proportionate share of the net pension liability	\$ 29,175
Covered-employee payroll	\$ 179,600
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	16.24%
Plan fiduciary net position as a percentage of the total pension liability	97.90%

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS -  
EXCLUDING COMMUNITY COLLEGE**

Contractually required contribution	\$ 35,831
Contributions in relation to the contractually required contribution	<u>35,831</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 179,600
Contributions as a percentage of covered-employee payroll	19.95%

**These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the County will present information for these years for which information is available.**

*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.

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**COMBINING FINANCIAL STATEMENTS**

**AND**

**BUDGETARY COMPARISON SCHEDULES**

***NON-MAJOR FUNDS***

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***SPECIAL REVENUE FUNDS***

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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 convention center/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***

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**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, 2015**

	<b>Special Revenue Funds</b>				
	<b>General Grants</b>	<b>Oncenter Fund</b>	<b>County Road</b>	<b>Road Machinery</b>	<b>Water Fund</b>
<b>ASSETS</b>					
Cash, cash equivalents and investments	\$ 7,178,567	\$ 1,358,184	\$ 1,750	\$ 1,323,547	\$ 5,220,403
Accounts receivable (net of \$44,508 reserve)	956,229	1,061,723	881,820	56,540	1,485,648
Due from state and federal governments	9,453,117	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Inventories	-	108,228	-	-	-
Prepaid items	83,183	41,821	299,472	-	59,780
Restricted cash	-	1,313,012	-	-	-
<b>Total assets</b>	<b>\$ 17,671,096</b>	<b>\$ 3,882,968</b>	<b>\$ 1,183,042</b>	<b>\$ 1,380,087</b>	<b>\$ 6,765,831</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 2,044,664	\$ 250,606	\$ 131,535	\$ 160,820	\$ 508,870
Accrued liabilities	3,316,443	976,833	146,371	11,000	159,712
Other liabilities	3,444,792	1,799,560	-	-	-
Due to other funds	-	-	320,877	-	-
Due to other governments	-	50,000	26,952	-	-
<b>Total liabilities</b>	<b>8,805,899</b>	<b>3,076,999</b>	<b>625,735</b>	<b>171,820</b>	<b>668,582</b>
<b>DEFERRED INFLOW OF RESOURCES</b>	-	-	-	-	112,461
<b>FUND BALANCES</b>					
Nonspendable	83,183	150,049	299,472	-	59,780
Restricted	-	-	-	-	-
Assigned	8,782,014	655,920	257,835	1,208,267	5,925,008
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>8,865,197</b>	<b>805,969</b>	<b>557,307</b>	<b>1,208,267</b>	<b>5,984,788</b>
<b>Total liabilities, deferred inflow of resources and fund balances</b>	<b>\$ 17,671,096</b>	<b>\$ 3,882,968</b>	<b>\$ 1,183,042</b>	<b>\$ 1,380,087</b>	<b>\$ 6,765,831</b>

<b>Special Revenue Funds</b>				<b>Debt</b>	<b>Total</b>
<b>Van Duyn</b>	<b>Library</b>	<b>Library Grants</b>	<b>Community</b>	<b>Service Fund</b>	<b>Nonmajor</b>
<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Development</b>	<b>OTASC</b>	<b>Governmental</b>
					<b>Funds</b>
\$ 5,988,530	\$ 644,527	\$ 57,949	\$ 300	\$ 129,198	\$ 21,902,955
-	215,794	5,704	-	-	4,663,458
-	-	75,328	1,800,753	-	11,329,198
-	800,000	-	-	-	800,000
-	-	-	418,436	-	418,436
-	-	-	-	-	108,228
-	184,380	1,944	30,980	-	701,560
-	-	-	-	8,691,378	10,004,390
<u>\$ 5,988,530</u>	<u>\$ 1,844,701</u>	<u>\$ 140,925</u>	<u>\$ 2,250,469</u>	<u>\$ 8,820,576</u>	<u>\$ 49,928,225</u>
\$ 2,953	\$ 361,786	\$ 69,818	\$ 306,121	\$ -	\$ 3,837,173
40,000	193,329	1,279	56,015	-	4,900,982
4,668,452	-	91,589	98,713	-	10,103,106
-	-	-	643,425	-	964,302
-	-	-	914,231	-	991,183
<u>4,711,405</u>	<u>555,115</u>	<u>162,686</u>	<u>2,018,505</u>	<u>-</u>	<u>20,796,746</u>
-	-	-	-	-	112,461
-	184,380	1,944	30,980	-	809,788
-	-	-	-	8,691,378	8,691,378
1,277,125	1,105,206	-	200,984	129,198	19,541,557
-	-	(23,705)	-	-	(23,705)
<u>1,277,125</u>	<u>1,289,586</u>	<u>(21,761)</u>	<u>231,964</u>	<u>8,820,576</u>	<u>29,019,018</u>
<u>\$ 5,988,530</u>	<u>\$ 1,844,701</u>	<u>\$ 140,925</u>	<u>\$ 2,250,469</u>	<u>\$ 8,820,576</u>	<u>\$ 49,928,225</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, 2015**

	<b>Special Revenue Funds</b>				
	<b>General Grants</b>	<b>ONCENTER Fund</b>	<b>County Road</b>	<b>Road Machinery</b>	<b>Water Fund</b>
<b>REVENUES</b>					
Sales tax and use tax	\$ -	\$ 2,545,113	\$ 2,776,970	\$ -	\$ -
Federal aid	12,401,236	-	-	-	-
State aid	15,050,527	119,036	6,223,928	-	-
Departmental	1,171,313	1,581,605	30,145	849,062	10,576,630
Service for other governments	364,595	-	2,561,024	-	50,000
Tobacco settlement proceeds	-	-	-	-	-
Interest on investments	-	3,827	-	-	8,023
Miscellaneous	3,361,519	5,749,607	40,380	292,904	11,914
Total revenues	<u>32,349,190</u>	<u>9,999,188</u>	<u>11,632,447</u>	<u>1,141,966</u>	<u>10,646,567</u>
<b>EXPENDITURES</b>					
Current:					
General government support	2,321,245	-	-	-	-
Public safety	3,703,988	-	-	-	-
Health	11,501,168	-	-	-	-
Transportation	265,694	-	22,774,040	2,579,802	-
Economic assistance and opportunity	18,058,311	-	-	-	-
Culture and recreation	836,438	9,774,827	-	-	-
Home and community services	1,016,584	-	-	-	7,290,093
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>37,703,428</u>	<u>9,774,827</u>	<u>22,774,040</u>	<u>2,579,802</u>	<u>7,290,093</u>
Excess (deficiency) of revenues over expenditures	<u>(5,354,238)</u>	<u>224,361</u>	<u>(11,141,593)</u>	<u>(1,437,836)</u>	<u>3,356,474</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	5,041,006	-	27,352,701	1,464,331	-
Transfers out	(150,509)	-	(15,750,827)	(7,500)	(2,880,672)
Total other financing sources and (uses)	<u>4,890,497</u>	<u>-</u>	<u>11,601,874</u>	<u>1,456,831</u>	<u>(2,880,672)</u>
Net change in fund balance	(463,741)	224,361	460,281	18,995	475,802
Fund balances- beginning	9,328,938	581,608	97,026	1,189,272	5,508,986
Fund balances- ending	<u>\$ 8,865,197</u>	<u>\$ 805,969</u>	<u>\$ 557,307</u>	<u>\$ 1,208,267</u>	<u>\$ 5,984,788</u>

Van Duyn Fund	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Library Fund	Library Grants	Community Development	OTASC	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,322,083
-	-	(7,696)	4,649,933	-	17,043,473
-	1,092,553	636,119	479,591	-	23,601,754
(2,457)	79,680	-	139,464	-	14,425,442
-	6,506,392	-	-	-	9,482,011
-	-	-	-	6,600,032	6,600,032
-	-	-	-	451,579	463,429
421	191,501	10,247	1,770	-	9,660,263
(2,036)	7,870,126	638,670	5,270,758	7,051,611	86,598,487
-	-	-	-	123,107	2,444,352
-	-	-	-	-	3,703,988
4,846,898	-	-	-	-	16,348,066
-	-	-	-	-	25,619,536
-	-	-	-	-	18,058,311
-	12,690,935	732,877	-	-	24,035,077
-	-	-	5,071,865	-	13,378,542
-	-	-	-	2,040,000	2,040,000
-	-	-	-	4,820,406	4,820,406
4,846,898	12,690,935	732,877	5,071,865	6,983,513	110,448,278
(4,848,934)	(4,820,809)	(94,207)	198,893	68,098	(23,849,791)
-	5,424,329	-	223,374	-	39,505,741
-	(591,695)	-	-	-	(19,381,203)
-	4,832,634	-	223,374	-	20,124,538
(4,848,934)	11,825	(94,207)	422,267	68,098	(3,725,253)
6,126,059	1,277,761	72,446	(190,303)	8,752,478	32,744,271
\$ 1,277,125	\$ 1,289,586	\$ (21,761)	\$ 231,964	\$ 8,820,576	\$ 29,019,018

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Grants Fund**  
**Year Ended December 31, 2015**

	Budgeted Amounts		Non-GAAP Actual Amounts	Variance From	Variance From
	Original	Final		Original	Final
				Favorable (Unfavorable)	Favorable (Unfavorable)
Resources (inflows):					
Sales tax and use tax	\$ -	\$ 29,773	\$ -	\$ -	\$ (29,773)
<b>Federal Aid</b>					
Education	239,922	735,762	224,408	(15,514)	(511,354)
Public safety	852,846	3,038,937	1,305,189	452,343	(1,733,748)
Health	4,545,679	12,789,754	6,783,286	2,237,607	(6,006,468)
Transportation	205,000	1,817,465	312,390	107,390	(1,505,075)
Social services	6,335,658	8,184,429	1,494,266	(4,841,392)	(6,690,163)
Other economic assistance	2,616,000	3,468,125	2,281,697	(334,303)	(1,186,428)
Culture and recreation	-	285,000	-	-	(285,000)
Home and community services	-	15,865	-	-	(15,865)
Total federal aid	<u>14,795,105</u>	<u>30,335,337</u>	<u>12,401,236</u>	<u>(2,393,869)</u>	<u>(17,934,101)</u>
<b>State Aid</b>					
General government support	309,390	1,566,893	357,710	48,320	(1,209,183)
Public safety	2,878,245	8,075,186	2,426,723	(451,522)	(5,648,463)
Health	6,010,684	8,331,702	3,833,581	(2,177,103)	(4,498,121)
Social services	5,695,000	5,657,028	5,475,323	(219,677)	(181,705)
Other economic assistance	2,740,000	33,760,500	2,725,732	(14,268)	(31,034,768)
Culture and recreation	100,000	141,553	77,475	(22,525)	(64,078)
Transportation	-	385,431	70,980	70,980	(314,451)
Home and community services	89,250	3,658,965	83,003	(6,247)	(3,575,962)
Total state aid	<u>17,822,569</u>	<u>61,577,258</u>	<u>15,050,527</u>	<u>(2,772,042)</u>	<u>(46,526,731)</u>
<b>Departmental</b>					
General government support	73,237	74,409	56,688	(16,549)	(17,721)
Public safety	182,868	695,682	179,712	(3,156)	(515,970)
Health	112,399	112,399	213,987	101,588	101,588
Economic Assistance	84,805	84,805	86,814	2,009	2,009
Culture and recreation	-	-	476,135	476,135	476,135
Home and community services	330,000	1,007,924	225,821	(104,179)	(782,103)
Total departmental	<u>783,309</u>	<u>1,975,219</u>	<u>1,239,157</u>	<u>455,848</u>	<u>(736,062)</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Grants Fund**  
**Year Ended December 31, 2015**

*continued*

	Budgeted Amounts		Non-GAAP	Original	Final
	Original	Final	Actual	Favorable	Favorable
			Amounts	(Unfavorable)	(Unfavorable)
Service for Other Governments					
General Governemnt	-	224,120	123,742	123,742	(100,378)
Public safety	390,000	1,002,394	210,642	(179,358)	(791,752)
Health	-	135,392	(2,716)	(2,716)	(138,108)
Other economic assistance	25,000	25,000	25,000	-	-
Home and community services	-	-	7,927	7,927	7,927
Total service for other governments	<u>415,000</u>	<u>1,386,906</u>	<u>364,595</u>	<u>(174,147)</u>	<u>(921,933)</u>
Miscellaneous	<u>3,804,525</u>	<u>9,005,651</u>	<u>3,361,519</u>	<u>(443,006)</u>	<u>(5,644,132)</u>
Transfers from other funds	<u>1,596,447</u>	<u>3,167,158</u>	<u>4,890,498</u>	<u>3,294,051</u>	<u>1,723,340</u>
Amounts available for appropriations	<u>39,216,955</u>	<u>107,477,302</u>	<u>37,307,532</u>	<u>(2,049,030)</u>	<u>(70,069,392)</u>
Charges to appropriations (outflows):					
General Government Support					
Board of elections	250,000	705,571	40,314	209,686	665,257
County clerk	73,237	212,799	58,905	14,332	153,894
County legislature	-	4,205,020	71,785	(71,785)	4,133,235
Information Technology	-	250,000	128,635	(128,635)	121,365
District attorney	1,360,656	2,877,308	1,303,894	56,762	1,573,414
Finance, management and budget	26,000	846,817	539,773	(513,773)	307,044
Public defender	-	810,457	170,085	(170,085)	640,372
Purchasing department	-	52,231	7,855	(7,855)	44,376
Total general government support	<u>1,709,893</u>	<u>9,960,203</u>	<u>2,321,246</u>	<u>(611,353)</u>	<u>7,638,957</u>
Public Safety					
Corrections	264,000	365,900	325,262	(61,262)	40,638
Emergency communications- E911	-	1,289,318	77,633	(77,633)	1,211,685
Emergency management	615,000	2,417,388	732,767	(117,767)	1,684,621
Probation	712,668	4,001,105	581,413	131,255	3,419,692
Sheriff	2,630,339	7,681,334	1,983,913	646,426	5,697,421
Special traffic programs	-	54,960	3,000	(3,000)	51,960
Total public safety	<u>4,222,007</u>	<u>15,810,005</u>	<u>3,703,988</u>	<u>518,019</u>	<u>12,106,017</u>

*continued*

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Grants Fund**  
**Year Ended December 31, 2015**

*continued*

	Budgeted Amounts		Non-GAAP Actual Amounts	Original Favorable (Unfavorable)	Final Favorable (Unfavorable)
	Original	Final			
Health					
Health	10,483,295	20,058,841	9,834,057	649,238	10,224,784
Mental health	1,950,000	3,980,971	1,734,955	215,045	2,246,016
Total health	12,433,295	24,039,812	11,569,012	864,283	12,470,800
Transportation	-	1,599,698	265,694	(265,694)	1,334,004
Economic Assistance and Opportunity					
Aging and youth	6,411,102	9,297,043	5,939,193	471,909	3,357,850
County Promotion	-	2,320,911	315,000	(315,000)	2,005,911
Economic development	70,000	31,730,862	2,596,454	(2,526,454)	29,134,408
Children and Family	9,688,000	10,697,956	6,849,852	2,838,148	3,848,104
Social services	3,982,658	4,415,076	2,357,812	1,624,846	2,057,264
Total economic assistance and opportunity	20,151,760	58,461,848	18,058,311	2,093,449	40,403,537
Culture and Recreation	100,000	1,881,372	836,438	(736,438)	1,044,934
Home and Community Services					
Planning agency	-	2,701,609	63,997	(63,997)	2,637,612
Water environment protection	600,000	2,372,812	952,587	(352,587)	1,420,225
Total home and community service	600,000	5,074,421	1,016,584	(416,584)	4,057,837
Total charges to appropriations	39,216,955	116,827,359	37,771,273	1,445,682	79,056,086
Net change in fund balance	\$ -	\$ (9,350,057)	\$ (463,741)	\$ (603,348)	\$ 8,986,694

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**ONCENTER Fund**  
**Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance From</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Original</u>	<u>Final</u>
			<u>Amounts</u>	<u>Favorable</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>	<u>(Unfavorable)</u>	
Resources (inflows):					
Sales tax and use tax	\$ 2,545,113	\$ 2,545,113	\$ 2,545,113	\$ -	\$ -
State Aid	-	119,036	119,036	119,036	-
Departmental	-	1,581,605	1,581,605	1,581,605	-
Interest on Investments	-	3,827	3,827	3,827	-
Miscellaneous	-	5,478,537	5,749,607	5,749,607	271,070
Amounts available for appropriations	<u>2,545,113</u>	<u>9,728,118</u>	<u>9,999,188</u>	<u>7,454,075</u>	<u>271,070</u>
Charges to appropriations (outflows):					
Transportation	<u>2,545,113</u>	<u>9,949,934</u>	<u>9,774,827</u>	<u>(7,229,714)</u>	<u>175,107</u>
Total charges to appropriations	<u>2,545,113</u>	<u>9,949,934</u>	<u>9,774,827</u>	<u>(7,229,714)</u>	<u>175,107</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(221,816)</u>	\$ <u>224,361</u>	\$ <u>14,683,789</u>	\$ <u>95,963</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**County Road Fund**  
**Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance From</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Original</u>	<u>Final</u>
			<u>Amounts</u>	<u>Favorable</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>	<u>(Unfavorable)</u>	
Resources (inflows):					
Sales tax and use tax	\$ 2,656,726	\$ 2,656,726	\$ 2,776,970	\$ 120,244	\$ 120,244
State Aid					
Transportation	5,640,759	6,223,928	6,223,928	583,169	-
Total state aid	5,640,759	6,223,928	6,223,928	583,169	-
Departmental	3,443,468	3,443,468	3,679,368	235,900	235,900
Services for Other Governments	1,911,212	2,561,024	2,561,024	649,812	-
Miscellaneous	35,065	35,065	40,380	5,315	5,315
Transfers from other funds	27,189,644	27,349,644	27,349,644	160,000	-
Amounts available for appropriations	40,876,874	42,269,855	42,631,314	1,754,440	361,459
Charges to appropriations (outflows):					
Transportation	25,774,105	26,423,264	26,423,264	(649,159)	-
Total charges to appropriations	25,774,105	26,423,264	26,423,264	(649,159)	-
Other Financing Uses					
Transfer to other funds	15,102,769	15,852,444	15,750,826	(648,057)	101,618
Total financing sources and uses	15,102,769	15,852,444	15,750,826	(648,057)	101,618
Budgetary fund balance, December 31	\$ -	\$ (5,853)	457,224	\$ 457,224	\$ 463,077
Unused project balances treated as revenue for financial reporting purposes			3,057		
Net change in fund balance			\$ 460,281		

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Road Machinery Fund**  
**Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance From</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Original</u>	<u>Final</u>
			<u>Amounts</u>	<u>Favorable</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>	<u>(Unfavorable)</u>
Resources (inflows):					
Departmental	\$ 5,791,070	\$ 5,791,070	\$ 5,859,479	\$ 68,409	\$ 68,409
Miscellaneous	483,156	498,881	292,904	(190,252)	(205,977)
Transfers from other funds	1,464,331	1,464,331	1,464,331	-	-
Amounts available for appropriations	<u>7,738,557</u>	<u>7,754,282</u>	<u>7,616,714</u>	<u>(121,843)</u>	<u>(137,568)</u>
Charges to appropriations (outflows):					
Transportation	<u>7,738,557</u>	<u>8,175,284</u>	<u>7,597,719</u>	<u>140,838</u>	<u>577,565</u>
Total charges to appropriations	<u>7,738,557</u>	<u>8,175,284</u>	<u>7,597,719</u>	<u>140,838</u>	<u>577,565</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(421,002)</u>	\$ <u>18,995</u>	\$ <u>18,995</u>	\$ <u>439,997</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Water Fund**  
**Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual Amounts</u>	<u>Variance From</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>		<u>Original</u>	<u>Final</u>
				<u>Favorable</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>	<u>(Unfavorable)</u>	
Budgetary fund balance, January 1	\$ -	\$ 39,841	\$ -	\$ -	\$ (39,841)
Resources (inflows):					
Departmental	10,487,561	10,487,561	10,593,370	105,809	105,809
Service for Other Governments	50,000	50,000	50,000	-	-
Interest on Investments	-	-	8,023	8,023	8,023
Miscellaneous	-	-	11,914	11,914	11,914
Amounts available for appropriation	<u>10,537,561</u>	<u>10,577,402</u>	<u>10,663,307</u>	<u>125,746</u>	<u>85,905</u>
Charges to appropriations (outflows):					
Home and Community Services	7,661,264	8,494,297	7,306,833	354,431	1,187,464
Nondepartmental:					
Transfer to other funds	<u>2,876,297</u>	<u>2,880,673</u>	<u>2,880,672</u>	<u>(4,375)</u>	<u>1</u>
Total charges to appropriations	<u>10,537,561</u>	<u>11,374,970</u>	<u>10,187,505</u>	<u>350,056</u>	<u>1,187,465</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(797,568)</u>	\$ <u>475,802</u>	\$ <u>475,802</u>	\$ <u>1,273,370</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, 2015**

	Budgeted Amounts		Non-GAAP Actual Amounts	Variance From	Variance From
	Original	Final		Original	Final
				(Unfavorable)	(Unfavorable)
Budgetary fund balance, January 1	\$ 5,463,699	\$ 5,463,699	\$ 4,848,934	\$ (614,765)	\$ (614,765)
Resources (inflows):					
Departmental	-	-	(2,457)	(2,457)	(2,457)
Miscellaneous	-	-	421	421	421
Total departmental	5,463,699	5,463,699	4,846,898	(616,801)	(616,801)
Amounts available for appropriation	5,463,699	5,463,699	4,846,898	(616,801)	(616,801)
Charges to appropriations (outflows):					
Health	5,463,699	5,463,699	4,846,898	616,801	616,801
Total charges to appropriations	5,463,699	5,463,699	4,846,898	616,801	616,801
Budgetary fund balance, December 31	\$ -	\$ -	-	\$ -	\$ -
Budgetary fund balance is not a current year revenue for budgetary purposes			(4,848,934)		
Net change in fund balance			\$ (4,848,934)		

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Library Fund**  
**Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual Amounts</u>	<u>Variance From</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>		<u>Original</u>	<u>Final</u>
				<u>Favorable</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>	<u>(Unfavorable)</u>	
Budgetary fund balance, January 1	\$ 434,005	\$ 434,005	\$ -	\$ (434,005)	(434,005)
Resources (inflows):					
State Aid	1,081,255	1,081,225	1,092,553	11,298	11,328
Departmental	96,625	96,625	79,680	(16,945)	(16,945)
Service for Other Governments	6,506,392	6,506,392	6,506,392	-	-
Miscellaneous	236,705	236,705	191,503	(45,202)	(45,202)
Transfers from other funds	5,424,329	5,424,329	5,424,329	-	-
Amounts available for appropriation	<u>13,779,311</u>	<u>13,779,281</u>	<u>13,294,457</u>	<u>(484,854)</u>	<u>(484,824)</u>
Charges to appropriations (outflows):					
Culture and Recreation	<u>13,308,248</u>	<u>13,539,380</u>	<u>12,960,937</u>	<u>347,311</u>	<u>578,443</u>
Total charges to appropriations	<u>13,308,248</u>	<u>13,539,380</u>	<u>12,960,937</u>	<u>347,311</u>	<u>578,443</u>
Other Financing Uses					
Transfer to other funds	<u>471,063</u>	<u>321,695</u>	<u>321,695</u>	<u>149,368</u>	<u>-</u>
Total financing sources and uses	<u>471,063</u>	<u>321,695</u>	<u>321,695</u>	<u>149,368</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (81,794)</u>	<u>\$ 11,825</u>	<u>\$ 11,825</u>	<u>\$ 93,619</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Library Grants Fund**  
**Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual Amounts</u>	<u>Variance From Original Favorable (Unfavorable)</u>	<u>Variance From Final Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>			
Resources (inflows):					
Federal Aid	\$ 6,700	\$ 3,904	\$ (7,696)	\$ (14,396)	(11,600)
State Aid	439,418	846,138	636,119	196,701	(210,019)
Miscellaneous	23,000	6,591,218	10,247	(12,753)	(6,580,971)
Amounts available for appropriation	<u>469,118</u>	<u>7,441,260</u>	<u>638,670</u>	<u>169,552</u>	<u>(6,802,590)</u>
Charges to appropriations (outflows):					
Culture and Recreation	<u>469,118</u>	<u>7,513,706</u>	<u>732,877</u>	<u>(263,759)</u>	<u>6,780,829</u>
Total charges to appropriations	<u>469,118</u>	<u>7,513,706</u>	<u>732,877</u>	<u>(263,759)</u>	<u>6,780,829</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (72,446)</u>	<u>\$ (94,207)</u>	<u>\$ (94,207)</u>	<u>\$ (21,761)</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Community Development Fund**  
**Year Ended December 31, 2015**

	Budgeted Amounts		Non-GAAP Actual Amounts	Variance From Original Favorable	Variance From Final Favorable
	Original	Final		(Unfavorable)	(Unfavorable)
Resources (inflows):					
Health	\$ -	\$ 4,120,557	\$ 1,331,923	\$ 1,331,923	\$ (2,788,634)
Home and community services	<u>2,528,475</u>	<u>5,751,613</u>	<u>3,318,010</u>	<u>789,535</u>	<u>(2,433,603)</u>
Total federal aid	2,528,475	9,872,170	4,649,933	2,121,458	(5,222,237)
State Aid					
Home and community services	1,758,228	2,403,851	479,591	(1,278,637)	(1,924,260)
Departmental	-	61,608	139,465	139,465	77,857
Miscellaneous	-	-	1,770	1,770	1,770
Transfers from other funds	<u>315,874</u>	<u>868,391</u>	<u>223,374</u>	<u>(92,500)</u>	<u>(645,017)</u>
Amounts available for appropriation	<u>4,602,577</u>	<u>13,206,020</u>	<u>5,494,133</u>	<u>891,556</u>	<u>(7,711,887)</u>
Charges to appropriations (outflows):					
Home and Community Services	<u>4,602,577</u>	<u>12,972,216</u>	<u>5,071,866</u>	<u>(469,289)</u>	<u>7,900,350</u>
Total charges to appropriations	<u>4,602,577</u>	<u>12,972,216</u>	<u>5,071,866</u>	<u>(469,289)</u>	<u>7,900,350</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 233,804</u>	<u>\$ 422,267</u>	<u>\$ 422,267</u>	<u>\$ 188,463</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Debt Service Fund**  
**Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance From</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Original</u>	<u>Final</u>
	<u>Amounts</u>	<u>Amounts</u>	<u>(Unfavorable)</u>	<u>(Unfavorable)</u>	
Budgetary fund balance, January 1	\$ 12,764,418	\$ 12,764,418	\$ 12,764,418	\$ -	\$ -
Resources (inflows):					
Transfers from other funds	49,774,410	62,778,853	62,322,311	12,547,901	(456,542)
Amounts available for appropriation	62,538,828	75,543,271	75,086,729	12,547,901	(456,542)
Charges to appropriations (outflows):					
General government support	9,166,041	10,369,835	10,369,835	(1,203,794)	-
Education	3,660,358	6,405,660	6,383,726	(2,723,368)	21,934
Public safety	5,089,955	6,037,207	6,037,207	(947,252)	-
Health	716,450	716,450	716,450	-	-
Transportation	11,090,743	11,659,046	11,659,046	(568,303)	-
Culture and recreation	3,296,418	3,297,486	3,297,486	(1,068)	-
Home and community services:					
Bear trap/Ley creek	25,085	25,085	25,085	-	-
Bloody brook	97,306	97,306	97,306	-	-
Central sanitary districts	26,472,242	32,322,389	31,926,980	(5,454,738)	395,409
Harbor brook	150,225	470,088	470,088	(319,863)	-
Meadow brook	525,825	1,890,164	1,888,329	(1,362,504)	1,835
Water fund	2,248,180	2,252,555	2,252,555	(4,375)	-
Total home and community services	29,518,863	37,057,587	36,660,343	(7,141,480)	397,244
Total charges to appropriations	62,538,828	75,543,271	75,124,093	(12,585,265)	419,178
Budgetary fund balance, December 31	\$ -	\$ -	(37,364)	\$ (37,364)	\$ (37,364)
Interest revenue not considered for budgetary purposes			155,725		
Miscellaneous revenue exclusivity payment			2,224,674		
Other financing sources not considered for budgetary purposes:					
Budgetary fund balance is not a current year revenue for budgetary purposes			(12,764,418)		
Bond premium			2,813,882		
Unused project balances treated as revenue for financial reporting purposes			1,006,183		
Unbudgeted participation in debt service external sources			659,526		
Net change in fund balance			\$ (5,941,792)		

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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**

	<b>Fiscal Year</b>			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Governmental activities</b>				
Net invested in capital assets	\$ 816,829,338	\$ 811,788,098	\$ 852,007,509	\$ 836,275,910
Restricted	16,657,808	17,043,588	19,823,048	22,730,632
Unrestricted	<u>3,693,628</u>	<u>(16,671,873)</u>	<u>(93,367,529)</u>	<u>(128,645,326)</u>
<b>Total governmental activities net position</b>	<u>\$ 837,180,774</u>	<u>\$ 812,159,813</u>	<u>\$ 778,463,028</u>	<u>\$ 730,361,216</u>
<b>Business-type activities</b>				
Net invested in capital assets	\$ 10,115,911	\$ 9,583,811	\$ -	\$ -
Unrestricted	<u>(3,930,483)</u>	<u>(7,503,241)</u>	<u>-</u>	<u>-</u>
<b>Total business-type activities net position</b>	<u>\$ 6,185,428</u>	<u>\$ 2,080,570</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Primary government</b>				
Net invested in capital assets	\$ 826,945,249	\$ 821,371,909	\$ 852,007,509	\$ 836,275,910
Restricted	16,657,808	17,043,588	19,823,048	22,730,632
Unrestricted	<u>(236,855)</u>	<u>(24,175,114)</u>	<u>(93,367,529)</u>	<u>(128,645,326)</u>
<b>Total primary government net position</b>	<u>\$ 843,366,202</u>	<u>\$ 814,240,383</u>	<u>\$ 778,463,028</u>	<u>\$ 730,361,216</u>

*Note: In 2008 Van Duyn Fund was converted from an Enterprise Fund to a Special Revenue Fund*

**Fiscal Year**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	842,791,377	\$ 776,806,016	\$ 943,407,659	\$ 934,565,871	\$ 887,775,290	\$ 903,030,795
	24,359,185	24,805,553	24,925,639	29,882,211	32,399,308	29,400,591
	(165,018,646)	(120,866,799)	(291,587,619)	(375,254,568)	(371,702,041)	(392,991,891)
\$	<u>702,131,916</u>	<u>680,744,770</u>	<u>676,745,679</u>	<u>589,193,514</u>	<u>548,472,557</u>	<u>539,439,495</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	842,791,377	\$ 776,806,016	\$ 943,407,659	\$ 934,565,871	\$ 887,775,290	\$ 903,030,795
	24,359,185	24,805,553	24,925,639	29,882,211	32,399,308	29,400,591
	(165,018,646)	(120,866,799)	(291,587,619)	(375,254,568)	(371,702,041)	(392,991,891)
\$	<u>702,131,916</u>	<u>680,744,770</u>	<u>676,745,679</u>	<u>589,193,514</u>	<u>548,472,557</u>	<u>539,439,495</u>

**County of Onondaga, New York**

**Changes in Net Position**

**Last Ten Fiscal Years**

*(accrual basis of accounting)*

**Schedule 2**

	<b>Fiscal Year</b>		
	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Expenses</b>			
Governmental activities:			
General government support	\$ 198,049,372	\$ 258,077,035	\$ 218,159,741
Education	52,893,841	59,975,854	56,115,210
Public safety	102,098,062	120,830,256	131,896,522
Health	47,862,668	50,465,103	105,762,977
Transportation	40,492,055	40,683,043	42,074,051
Economic assistance and opportunity	251,375,443	249,502,570	262,786,203
Culture and recreation	32,317,242	33,395,710	47,748,717
Home and community services	40,866,396	72,756,451	75,444,171
Interest on long-term debt	17,135,664	18,020,424	18,174,279
Total governmental activities expenses	<u>783,090,743</u>	<u>903,706,446</u>	<u>958,161,871</u>
Business-type activities:			
Long term care	40,835,455	45,739,288	-
Total business-type activities expenses	<u>40,835,455</u>	<u>45,739,288</u>	<u>-</u>
Total primary government expenses	<u>\$ 823,926,198</u>	<u>\$ 949,445,734</u>	<u>\$ 958,161,871</u>
<b>Program Revenues</b>			
Governmental activities:			
Charges for services	\$ 131,892,315	\$ 146,275,075	\$ 197,066,748
Operating grants and contributions	201,629,887	196,985,978	199,017,801
Capital grants and contributions	25,946,323	32,851,548	19,934,877
Total governmental activities program revenues	<u>359,468,525</u>	<u>376,112,601</u>	<u>416,019,426</u>
Business-type activities:			
Charges for services	36,136,604	36,115,472	-
Operating grants and contributions	710,941	335,771	-
Capital grants and contributions	300	-	-
Total business-type activities program revenues	<u>36,847,845</u>	<u>36,451,243</u>	<u>-</u>
Total primary government program revenues	<u>\$ 396,316,370</u>	<u>\$ 412,563,844</u>	<u>\$ 416,019,426</u>
<b>Net (Expense)/Revenue</b>			
Governmental activities	\$ (423,622,218)	\$ (527,593,845)	\$ (542,142,445)
Business-type activities	(3,987,610)	(9,288,045)	-
Total primary government net expense	<u>\$ (427,609,828)</u>	<u>\$ (536,881,890)</u>	<u>\$ (542,142,445)</u>
<b>General Revenues and Other Changes in Net Position</b>			
Governmental activities:			
Real property taxes	\$ 190,835,482	\$ 193,684,291	\$ 189,794,554
Sales tax and use tax	291,775,749	293,999,988	300,164,040
Investment earnings	10,821,336	11,901,336	7,859,241
Tobacco settlement proceeds	7,243,015	7,529,850	8,358,345
Participation in debt service-external sources	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	<u>498,915,748</u>	<u>502,572,884</u>	<u>506,365,090</u>
Business-type activities:			
Investment earnings	97,762	11,761	-
Other revenue	562,682	171,426	-
Transfers and County contributions	1,888,020	5,000,000	-
Total business-type activities	<u>2,548,464</u>	<u>5,183,187</u>	<u>-</u>
Total primary government	<u>\$ 501,464,212</u>	<u>\$ 507,756,071</u>	<u>\$ 506,365,090</u>
<b>Change in Net Position</b>			
Governmental activities	\$ 75,293,530	\$ (25,020,961)	\$ (35,777,355)
Business-type activities	(1,439,146)	(4,104,858)	-
Total primary government	<u>\$ 73,854,384</u>	<u>\$ (29,125,819)</u>	<u>\$ (35,777,355)</u>

*Note: In 2008 Van Duyn Fund was converted from an Enterprise Fund to a Special Revenue Fund*

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
\$ 218,932,637	\$ 230,998,064	\$ 168,264,794	\$ 167,937,434	\$ 163,070,675	\$ 163,395,435	\$ 171,239,059
57,018,115	65,147,736	67,898,863	51,230,463	58,500,840	50,010,541	46,408,925
127,630,857	139,640,552	141,546,415	151,420,062	160,050,080	155,199,410	153,257,764
101,141,630	100,695,505	109,899,660	123,164,947	122,005,552	53,777,244	55,532,742
38,522,292	35,937,447	41,477,441	44,554,903	52,391,343	50,653,570	49,413,037
255,717,572	258,479,081	283,357,681	304,096,029	304,315,508	317,196,014	291,562,500
35,388,697	35,214,223	35,394,512	38,422,777	46,524,048	45,693,981	42,325,012
90,521,110	60,919,353	85,755,517	85,256,094	88,411,166	99,626,016	78,331,049
18,694,633	19,072,029	22,144,792	21,816,079	21,967,688	25,015,840	26,876,170
<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>960,568,051</u>	<u>914,946,258</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>\$ 960,568,051</u>	<u>\$ 914,946,258</u>
\$ 180,621,469	\$ 179,931,127	\$ 200,299,414	\$ 211,473,766	\$ 196,227,634	\$ 169,451,827	\$ 166,420,336
215,666,695	213,038,907	213,197,032	214,295,520	217,515,933	213,713,841	214,564,050
11,398,419	17,979,648	30,235,526	55,211,478	26,009,155	11,735,005	10,579,987
<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>391,564,373</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>\$ 391,564,373</u>
\$ (535,880,960)	\$ (535,154,308)	\$ (512,007,703)	\$ (506,918,024)	\$ (577,484,178)	\$ (565,667,378)	\$ (523,381,885)
-	-	-	-	-	-	-
<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>\$ (565,667,378)</u>	<u>\$ (523,381,885)</u>
\$ 178,297,034	\$ 192,525,831	\$ 164,188,059	\$ 161,254,615	\$ 150,423,597	\$ 150,635,859	\$ 151,649,933
284,918,896	304,589,655	316,703,720	332,217,015	339,658,462	349,646,335	348,914,909
3,385,671	2,349,606	2,146,754	1,757,948	1,553,584	1,282,756	1,178,423
7,806,998	7,055,112	6,688,826	6,821,381	6,817,145	7,712,439	11,946,032
284,461	404,804	893,198	666,894	656,747	15,669,032	659,526
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>514,348,823</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>	<u>\$ 514,348,823</u>
\$ (48,101,812)	\$ (28,229,300)	\$ (21,387,146)	\$ (3,999,091)	\$ (85,421,518)	\$ (40,720,957)	\$ (9,033,062)
-	-	-	-	-	-	-
<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>\$ (40,720,957)</u>	<u>\$ (9,033,062)</u>

**County of Onondaga, New York**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**Schedule 3**

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Reserved	\$ 6,015,265	\$ 6,086,167	\$ 4,838,089	\$ 5,292,050
Unreserved	78,340,121	74,262,985	65,874,512	69,373,888
Nonspendable	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 84,355,386</u>	<u>\$ 80,349,152</u>	<u>\$ 70,712,601</u>	<u>\$ 74,665,938</u>
Water Environment Protection Fund				
Reserved	\$ 2,761,504	\$ 2,486,295	\$ 2,101,093	\$ 1,771,573
Unreserved	40,619,873	40,982,235	38,338,151	37,444,904
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Total water environment protection fund	<u>\$ 43,381,377</u>	<u>\$ 43,468,530</u>	<u>\$ 40,439,244</u>	<u>\$ 39,216,477</u>
Debt Service Fund				
Reserved	\$ 31,225,328	\$ 33,510,895	\$ 36,108,118	\$ 41,723,821
Restricted	-	-	-	-
Assigned	-	-	-	-
Total debt service fund	<u>\$ 31,225,328</u>	<u>\$ 33,510,895</u>	<u>\$ 36,108,118</u>	<u>\$ 41,723,821</u>
Capital Projects Fund				
Reserved	\$ 57,862,062	\$ 41,885,429	\$ 36,932,658	\$ 42,216,680
Unreserved	(36,866,958)	(1,075,381)	(36,619,459)	(25,744,491)
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total capital projects fund	<u>\$ 20,995,104</u>	<u>\$ 40,810,048</u>	<u>\$ 313,199</u>	<u>\$ 16,472,189</u>
All Other Governmental Funds				
Reserved	\$ 15,304,947	\$ 16,369,235	\$ 18,401,521	\$ 14,243,221
Unreserved, reported in:				
Special revenue funds	3,187,362	4,517,444	17,007,295	12,210,553
Debt service funds	77,680	77,680	83,409	90,558
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 18,569,989</u>	<u>\$ 20,964,359</u>	<u>\$ 35,492,225</u>	<u>\$ 26,544,332</u>

**Fiscal Year**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	7,808,464	\$ -	\$ -	\$ -	\$ -	\$ -
	76,719,455	-	-	-	-	-
	-	5,286,175	7,434,194	7,942,774	7,309,456	6,646,513
	-	-	-	5,000,000	5,000,000	5,000,000
	-	28,919,636	25,068,778	16,326,067	7,325,091	17,451,521
	-	64,988,261	67,287,910	67,682,890	68,071,369	61,412,682
\$	<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>	<u>90,510,716</u>
\$	1,503,554	\$ -	\$ -	\$ -	\$ -	\$ -
	35,307,697	-	-	-	-	-
	-	638,350	920,616	1,002,740	891,232	786,274
	-	34,737,761	36,693,395	40,631,949	42,923,834	42,109,751
\$	<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>	<u>42,896,025</u>
\$	42,165,109	\$ -	\$ -	\$ -	\$ -	\$ -
	-	40,817,343	14,073,346	18,740,055	21,570,884	19,168,007
	-	-	22,728,788	18,284,782	13,491,314	9,952,399
\$	<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>	<u>29,120,406</u>
\$	60,284,561	\$ -	\$ -	\$ -	\$ -	\$ -
	(35,138,763)	-	-	-	-	-
	-	-	2,807	-	-	-
	-	7,436,576	2,222,194	2,517,575	2,204,425	1,541,206
	-	-	-	-	29,480,015	32,892,665
	-	-	(26,333,991)	(27,033,703)	-	-
\$	<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>	<u>34,433,871</u>
\$	15,213,437	\$ -	\$ -	\$ -	\$ -	\$ -
	5,587,796	-	-	-	-	-
	103,728	-	2,064,580	1,019,785	934,191	-
	-	1,430,751	8,630,099	8,624,581	8,624,000	809,788
	-	-	26,012,076	-	-	8,691,378
	-	26,301,155	(202,727)	15,338,688	23,646,492	19,541,557
	-	-	-	(368,538)	(460,412)	(23,705)
\$	<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>	<u>29,019,018</u>

**County of Onondaga, New York**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**Schedule 4**

	<b>Fiscal Year</b>			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Revenues</b>				
Real property taxes and tax items	\$ 192,479,527	\$ 193,113,915	\$ 185,570,483	\$ 185,104,195
Sales tax and use tax	291,775,749	293,999,988	300,164,040	284,918,896
Federal aid	105,419,994	97,933,889	83,694,221	105,752,832
State aid	122,156,216	131,903,637	135,258,457	121,312,282
Departmental	89,680,125	94,014,080	110,230,846	110,692,394
Services for other governments	28,046,479	28,552,339	73,261,416	51,729,312
Tobacco settlement proceeds	7,243,015	7,529,850	8,358,345	7,806,998
Interest on investments	10,538,549	11,435,825	7,450,197	3,242,129
Miscellaneous	7,812,217	9,790,569	9,907,113	10,240,104
Sale of receivables	-	-	-	13,086,088
<b>Total revenues</b>	<u>855,151,871</u>	<u>868,274,092</u>	<u>913,895,118</u>	<u>893,885,230</u>
<b>Expenditures</b>				
General government	190,675,941	193,104,467	198,408,248	197,846,093
Education	44,514,055	48,253,633	51,383,514	51,636,672
Public safety	107,715,803	108,693,796	114,988,343	112,475,714
Health	48,097,289	50,496,551	94,432,295	95,871,458
Transportation	23,275,885	25,849,968	26,363,171	24,967,034
Economic assistance and opportunity	251,385,306	247,184,758	255,156,067	249,041,562
Culture and recreation	28,470,612	29,028,545	29,944,767	29,676,868
Home and community services	63,843,619	66,133,298	68,102,328	70,027,487
Capital outlay	113,674,114	98,433,440	87,598,359	72,366,843
Debt service:				
Principal	21,543,166	21,888,221	25,138,438	28,284,206
Interest	14,687,096	15,338,992	16,155,774	16,305,652
<b>Total expenditures</b>	<u>907,882,886</u>	<u>904,405,669</u>	<u>967,671,304</u>	<u>948,499,589</u>
Excess of revenues over (under) expenditures	<u>(52,731,015)</u>	<u>(36,131,577)</u>	<u>(53,776,186)</u>	<u>(54,614,359)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	74,681,596	79,297,472	89,026,390	73,635,007
Transfers out	(76,569,616)	(84,297,472)	(89,026,390)	(73,635,007)
Proceeds of long-term borrowings	35,000,000	25,600,000	-	61,725,000
Refunding bond	-	-	-	33,345,000
Payments to refund bond escrow agent	-	-	-	(36,558,388)
Participation in debt service-external sources	19,568,179	35,431,293	13,374,962	4,498,508
Bond premium	38,665	684,282	-	7,161,609
Principal Forgiveness	-	-	-	-
Special item (ONCENTER and Van Duyn transfer)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>52,718,824</u>	<u>56,715,575</u>	<u>13,374,962</u>	<u>70,171,729</u>
<b>Net change in fund balance</b>	<u>\$ (12,191)</u>	<u>\$ 20,583,998</u>	<u>\$ (40,401,224)</u>	<u>\$ 15,557,370</u>
Debt service as a percentage of noncapital expenditures	4.6%	4.6%	4.7%	5.1%

**Fiscal Year**

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 185,255,928	\$ 159,906,576	\$ 157,356,977	\$ 152,822,237	\$ 151,709,781	\$ 150,178,378
304,589,655	316,703,720	332,217,015	339,658,462	349,646,335	348,914,909
114,096,923	118,766,975	127,052,967	126,443,049	108,983,638	113,355,117
116,921,632	124,665,583	142,454,031	117,082,039	116,465,208	111,788,920
109,832,564	119,803,507	124,833,575	123,236,938	111,214,381	114,928,901
48,435,161	67,633,604	70,159,905	44,563,260	45,662,870	31,434,986
7,055,112	6,688,826	6,821,381	6,817,145	7,712,439	6,600,032
2,273,276	2,075,438	1,699,737	1,514,778	1,239,555	1,148,738
9,769,465	14,213,726	13,388,065	17,336,148	18,222,449	19,106,398
-	-	-	-	-	-
<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>	<u>897,456,379</u>
195,855,982	150,645,016	143,436,270	134,856,773	145,255,951	152,473,885
51,284,124	47,952,884	39,572,323	44,611,060	48,502,886	45,292,138
123,386,485	122,444,760	131,927,650	134,371,600	133,386,620	135,293,980
87,784,835	99,230,390	114,665,022	108,522,081	60,486,588	56,412,886
24,364,447	26,982,740	25,696,539	28,688,474	30,542,745	29,377,796
250,929,288	276,596,788	296,129,276	295,591,563	301,568,110	284,851,745
29,252,876	29,150,063	30,352,729	37,241,630	37,067,086	39,388,316
67,870,619	70,676,114	66,608,800	69,678,033	71,163,559	69,091,114
91,379,812	104,939,126	167,688,051	152,184,373	78,803,290	118,429,089
24,080,873	27,381,800	33,136,216	33,069,102	49,926,669	44,154,474
17,846,002	19,857,818	19,206,417	20,384,574	23,246,312	24,166,107
<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>998,931,530</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>	<u>(101,475,151)</u>
66,137,762	73,898,633	84,253,948	89,343,668	101,402,949	107,239,115
(66,137,762)	(73,898,633)	(84,253,948)	(89,343,668)	(101,402,949)	(107,239,115)
53,625,000	33,755,000	51,425,000	67,870,000	34,800,000	82,550,000
-	-	20,615,000	-	19,600,000	11,370,000
-	-	(22,680,624)	-	(22,333,870)	(12,932,472)
19,087,111	9,987,427	13,301,703	42,585,021	74,265,173	11,007,443
4,025,795	2,658,087	5,619,538	8,451,437	6,298,202	4,448,325
-	-	-	-	11,765,901	-
-	-	201,080	(73,671)	-	-
<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>96,443,296</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>	<u>\$ (5,031,855)</u>

4.8%

5.4%

5.8%

5.9%

8.1%

7.8%

**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>		
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
2015	29,320,386	35,079,232	7,369,203	8,783,993	21,951,184	26,295,238	83.48%	5.31

**COUNTY OF ONONDAGA, NEW YORK**

**Principal Property Taxpayers  
Current Year and Nine Years Ago  
Schedule 6**

<u>TAXPAYER</u>	2015			2006		
	<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	\$ 786,967,841	1	2.97%	\$ 675,684,716	1	3.37%
VERIZON / NY Telephone Co.	130,518,162	2	0.49%	134,324,623	2	0.67%
HUB Properties Trust	66,439,284	3	0.25%	18,000,000	10	0.09%
Wegmans Food Markets	62,125,928	4	0.23%	42,869,000	5	0.21%
CSX	51,897,461	5	0.20%	-	-	-
Dominion Pipeline	43,935,917	6	0.17%	-	-	-
PWR3 4155 State Route 31	38,871,472	7	0.15%	-	-	-
Bristol Myers Squibb	38,816,473	8	0.15%	42,907,600	4	0.21%
Shoppingtown Mall LP	36,996,400	9	0.14%	53,571,400	3	0.27%
Buffalo Main Street	31,877,110	10	0.12%	-	-	-
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%
<b>Total</b>	<b>\$ 1,288,446,048</b>		<b>4.86%</b>	<b>\$ 1,052,031,039</b>		<b>5.25%</b>

**COUNTY OF ONONDAGA, NEW YORK**

**Property Tax Levies and Collections**

**Last Ten Fiscal Years**

**Schedule 7**

<b>Fiscal Year Ended</b>	<b>Taxes Levied for the Fiscal Year</b>		<b>Collected within the Fiscal Year of the Levy</b>			<b>Total Collections to Date</b>	
	<b>Amount</b>	<b>Percentage of Levy</b>	<b>Amount</b>	<b>Percentage of Levy</b>	<b>Collections in Subsequent Years</b>	<b>Amount</b>	<b>Percentage of Levy</b>
2006	\$ 311,639,215	\$ 96.87%	\$ 301,888,439	96.87%	\$ 9,131,852	\$ 311,020,291	99.80%
2007	327,022,143		316,589,528	96.81%	9,513,214	326,102,742	99.72%
2008	334,648,785		321,878,456	96.18%	11,695,645	333,574,101	99.68%
2009	341,497,443		334,543,258	97.96%	5,723,154	340,266,412	99.64%
2010	353,325,744		337,992,603	95.66%	13,735,520	351,728,123	99.55%
2011	377,756,416		362,859,235	96.06%	12,611,322	375,470,557	99.39%
2012	387,239,302		372,065,190	96.08%	12,091,975	384,157,165	99.20%
2013	386,275,561		372,123,350	96.34%	9,421,706	381,545,056	98.78%
2014	395,967,415		381,678,459	96.39%	5,567,197	387,245,656	97.80%
2015	405,432,966		389,240,124	96.01%	N/A	N/A	

**COUNTY OF ONONDAGA, NEW YORK**  
**Overlapping and Underlying Governmental Activities Debt**  
**As of December 31, 2015**  
*(dollars in thousands)*  
**Schedule 8**

<u><b>GOVERNMENTAL UNIT</b></u>	<u><b>Debt Outstanding</b></u>	<u><b>Estimated Percentage Applicable</b></u>
County of Onondaga	\$ 642,978	38.16%
<b>Total Overlapping Debt</b>	<u>\$ 642,978</u>	<u>38.16%</u>
<b>Political subdivisions within Onondaga County:</b>		
Towns (as of 12/31/2013)	\$ 73,568	4.37%
Villages (as of 5/31/2014)	43,674	2.59%
School districts (as of 6/30/2014)	501,802	29.78%
City of Syracuse and city schools (as of 5/31/2014)	403,211	23.93%
Fire districts (as of 12/31/2013)	19,610	1.16%
<b>Total Underlying Debt</b>	<u>\$ 1,041,865</u>	<u>61.84%</u>
<b>Total Overlapping and Underlying Debt</b>	\$ 1,684,843	100.00%

**COUNTY OF ONONDAGA, NEW YORK**

**Legal Debt Margin Information**

**Last Ten Fiscal Years**

*(dollars in thousands)*

**Schedule 9**

	<b>Fiscal Year</b>									
	<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>2015</u>
Debt limit	\$ 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	\$ 1,826,391
Total net debt applicable to limit	138,124	146,085	119,427	159,798	184,570	192,911	218,412	237,955	238,377	282,702
Legal debt margin	<u>\$ 1,091,259</u>	<u>\$ 1,137,740</u>	<u>\$ 1,211,809</u>	<u>\$ 1,363,713</u>	<u>\$ 1,447,623</u>	<u>\$ 1,508,178</u>	<u>\$ 1,529,096</u>	<u>\$ 1,538,207</u>	<u>\$ 1,556,639</u>	<u>\$ 1,543,689</u>
Total net debt applicable to the limit as a percentage of debt limit	11.24%	11.38%	8.97%	10.49%	11.31%	11.34%	12.50%	13.40%	13.28%	15.48%

**Legal Debt Margin Calculation for Fiscal Year 2015**

Assessed value - 5 year average \$26,091,294

**Legal debt margin:**

Debt limit (7% of total assessed value) 1,826,391

Debt applicable to limit:

    General obligation bonds 642,978

    Less: Excludable debt (360,276)

    Total net debt applicable to limit 282,702

Legal debt margin \$1,543,689

**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**

<b>Fiscal Year</b>	<b>General</b>		<b>Percentage of</b>	<b>Per Capita</b>
	<b>Obligation</b>	<b>BANs</b>	<b>Actual Taxable</b>	
	<b><u>Bonds</u></b>	<b><u>Payable</u></b>	<b><u>Value of</u></b>	
			<b><u>Property</u></b>	
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%	727
2015	391,530	-	1.49%	836

**Other Governmental Activities Debt**

<b>Fiscal Year</b>	<b>OTASC</b>	<b>E-911</b>	<b>EFC</b>	<b>Total</b>	<b>Total</b>	<b>Percentage</b>	<b>Per</b>
				<b>and Loans</b>	<b>Government</b>	<b>Income</b>	
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
2015	138,380	-	252,448	390,828	782,358	1.75%	1,671

**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>
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	45,093	66,884	7.2%
2014	468,196	N/A	70,090	5.8%
2015	N/A	N/A	69,573	5.0%

**COUNTY OF ONONDAGA, NEW YORK**  
**Principal Employers**  
**Current Year and Ten Years Ago**  
**Schedule 12**

<u>Employer</u>	<u>2015</u>			<u>2006</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	9,330	1	4.38%	6,408	1	2.90%
Syracuse University	4,407	2	2.07%	5,926	2	2.69%
St. Joseph's Hospital Health Center	4,678	3	2.20%	3,140	4	1.42%
Roman Catholic Diocese of Syracuse	3,887	4	1.82%	-	-	-
Wegmans Food Markets	3,686	5	1.73%	3,759	3	1.70%
Crouse Hospital	2,700	6	1.27%	2,400	6	1.09%
Loretto	2,300	7	1.08%	1,820	10	0.82%
National Grid/Niagara Mohawk	2,200	8	1.03%	1,857	9	0.84%
Time Warner Cable	1,900	9	0.89%	-	-	-
Lockheed Martin Corporation	1,600	10	0.75%	2,350	7	1.06%
Magna Drivetrain-New Process Gear Inc.	-		0.00%	2,600	5	1.18%
P & C Food Markets	-		0.00%	2,200	8	1.00%
<b>Total</b>	<u>36,688</u>		<u>17.22%</u>	<u>32,460</u>		<u>14.71%</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**

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
County clerk	38	36	39	38	37
County comptroller	35	36	36	37	33
County executive	10	11	9	13	10
County legislature	26	26	27	26	27
District attorney	95	95	100	97	94
Elections board	17	17	17	20	15
Facilities management	112	115	107	103	92
Finance, management and budget	32	32	31	29	28
Information technology	72	74	76	75	74
Law department	42	42	38	40	40
Personnel department	25	26	25	26	21
Purchasing department	14	14	12	15	13
<b>General Government Support</b>	<b>518</b>	<b>524</b>	<b>517</b>	<b>519</b>	<b>484</b>
Corrections	188	188	189	192	192
Emergency communications	141	144	145	149	148
Emergency management	7	7	7	7	5
Probation	135	136	140	145	119
Sheriff	600	606	561	578	578
STOP DWI	0	0	0	0	0
<b>Public Safety</b>	<b>1,071</b>	<b>1,081</b>	<b>1,042</b>	<b>1,071</b>	<b>1,042</b>
Health	363	355	364	371	359
LTC community services	11	11	14	16	15
LTC Van Duyn	545	531	559	525	525
Adult and LTC Care	0	0	0	0	0
Mental health department	86	85	80	80	80
<b>Health</b>	<b>1,005</b>	<b>982</b>	<b>1,017</b>	<b>992</b>	<b>979</b>
Transportation	190	189	197	195	177
<b>Transportation</b>	<b>190</b>	<b>189</b>	<b>197</b>	<b>195</b>	<b>177</b>
Economic development	6	6	7	7	5
Job training administration	7	7	6	6	4
Social services department	730	727	733	727	683
Children & Family	0	0	0	0	0
Veterans service agency	2	3	2	3	3
<b>Economic Assistance</b>	<b>745</b>	<b>743</b>	<b>748</b>	<b>743</b>	<b>695</b>
Aging and youth	17	17	18	19	17
Onondaga public libraries	59	59	56	57	57
Syracuse branch libraries	61	57	54	60	59
Parks and recreation	117	117	119	117	103
<b>Culture &amp; Recreation</b>	<b>254</b>	<b>250</b>	<b>247</b>	<b>253</b>	<b>236</b>
Community development	13	12	13	13	16
Human rights commission	4	4	4	4	0
Office of the environment	1	1	1	1	1
Onondaga planning agency	15	16	16	17	16
Water board	38	38	35	36	37
Water environment protection	387	386	387	387	377
<b>Home &amp; Community Services</b>	<b>458</b>	<b>457</b>	<b>456</b>	<b>458</b>	<b>447</b>
<b>Total</b>	<b>4,241</b>	<b>4,226</b>	<b>4,224</b>	<b>4,231</b>	<b>4,060</b>

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**

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
County Clerk	35	35	34	36	36
County Comptroller	31	31	31	32	32
County Executive	11	11	12	12	12
County Legislature	24	24	23	26	26
District Attorney	93	93	93	94	96
Elections Board	16	16	15	16	16
Facilities Management	103	103	107	107	119
Finance	27	27	27	61	88
Information Technology	74	74	73	69	76
Law Department	38	38	37	43	44
Personnel Department	27	27	23	28	30
Purchasing Department	16	16	17	19	19
<b>General Government Support</b>	<b>495</b>	<b>495</b>	<b>492</b>	<b>543</b>	<b>594</b>
Corrections	180	180	179	177	181
Emergency Communications	137	137	140	145	145
Emergency Management	6	6	7	7	7
Probation	87	107	108	78	77
Sheriff	540	540	533	534	538
STOP DWI	0	0	0	0	0
<b>Public Safety</b>	<b>950</b>	<b>970</b>	<b>967</b>	<b>941</b>	<b>948</b>
Health	297	297	280	290	274
LTC Community Services	0	0	0	0	0
LTC Van Duyn	504	504	495	0	0
Adult and LTC Care	0	0	0	54	57
Mental Health Department	53	53	51	0	0
<b>Health</b>	<b>854</b>	<b>854</b>	<b>826</b>	<b>344</b>	<b>331</b>
Transportation	163	163	169	159	159
<b>Transportation</b>	<b>163</b>	<b>163</b>	<b>169</b>	<b>159</b>	<b>159</b>
Economic Development	6	6	7	7	7
Job Training Administration	2	2	2	2	2
Social Services Department-Economic Se	690	690	690	422	413
Children & Family Services	0	0	0	271	271
Veterans Service Agency	3	3	2	0	0
<b>Economic Assistance</b>	<b>701</b>	<b>701</b>	<b>701</b>	<b>702</b>	<b>693</b>
Aging and Youth	18	18	17	0	0
Onondaga Public Libraries	55	55	53	53	44
Syracuse Branch Libraries	53	53	53	53	51
Parks and recreation	86	86	93	101	98
<b>Culture &amp; Recreation</b>	<b>212</b>	<b>212</b>	<b>216</b>	<b>207</b>	<b>193</b>
Community development	17	17	17	14	15
Human rights commission	0	0	0	0	0
Office of the environment	1	1	1	1	1
Onondaga planning agency	14	14	14	18	18
Water board	25	25	23	30	31
Water environment protection	370	370	369	380	382
<b>Home &amp; Community Services</b>	<b>427</b>	<b>427</b>	<b>424</b>	<b>443</b>	<b>447</b>
<b>Total</b>	<b>3,802</b>	<b>3,822</b>	<b>3,795</b>	<b>3,339</b>	<b>3,365</b>

Source: Management and Budget

**COUNTY OF ONONDAGA, NEW YORK**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**  
**Schedule 14**

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Police protection</b>										
Number of police personnel and officers	540	530	538	537	516	502	499	498	498	496
Number of police vehicles	199	199	206	206	209	208	210	211	211	211
Number of Stations	7	7	8	8	8	7	7	7	7	7
<b>Highways</b>										
Miles of streets maintained	857	857	792	792	792	793	793	793	793	793
Road signs installed	957	1,025	853	1,105	923	1,168	1,180	1,180	1,300	1,600
Signal lights	93	93	98	100	101	102	102	104	108	108
<b>Parks and recreation</b>										
Athletic fields	14	14	14	14	14	14	14	14	14	14
Miles of hiking trails	56	56	56	56	56	56	56	56	107	107
Park acreage	6,580	6,580	6,580	6,580	6,580	6,580	6,580	6,580	6,636	6,636
Parks and museums	13	13	13	13	13	13	13	13	13	13
<b>Water environment protection</b>										
Average design capacity of treatment plants in gallons ( in thousands)	117,000	116,200	116,200	119,700	119,700	119,700	119,700	119,700	119,700	119,700
Miles of sanitary sewers	3,037	3,047	3,060	3,065	3,065	3,067	3,072	3,076	3,079	3,082
Number of pumping stations	140	150	148	149	149	151	153	157	157	157
Number of sewer units	181,500	180,901	180,938	181,425	181,269	179,863	180,967	180,326	180,765	180,741
Number of wastewater treatment facilities	6	6	6	6	6	6	6	6	6	6
<b>Water operations</b>										
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	92	92	92	92	92	92	92	96	96
Number of service connections	48	51	51	51	51	51	47	47	47	47

**FORM OF BOND COUNSEL’S OPINION**  
 \$26,500,000 General Obligation (Serial) Bonds, 2016

July 13, 2016

County of Onondaga,  
 State of New York

Re: County of Onondaga, New York  
 \$26,500,000 General Obligation (Serial) Bonds, 2016

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$26,500,000 General Obligation (Serial) Bonds, 2016 (the "Obligations"), of the County of Onondaga, State of New York (the "Obligor"), dated July 13, 2016, 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 June 15, 2017 and semi-annually thereafter on December 15 and June 15, and maturing in the amount of \$\_\_\_\_\_,000 on June 15, 2018, \$\_\_\_\_\_,000 on June 15, 2019, \$\_\_\_\_\_,000 on June 15, 2020, \$\_\_\_\_\_,000 on June 15, 2021, \$\_\_\_\_\_,000 on June 15, 2022, \$\_\_\_\_\_,000 on June 15, 2023, \$\_\_\_\_\_,000 on June 15, 2024, \$\_\_\_\_\_,000 on June 15, 2025, \$\_\_\_\_\_,000 on June 15, 2026, \$\_\_\_\_\_,000 on June 15, 2027, \$\_\_\_\_\_,000 on June 15, 2028, \$\_\_\_\_\_,000 on v 15, 2029, \$\_\_\_\_\_,000 on June 15, 2030, \$\_\_\_\_\_,000 on June 15, 2031, \$\_\_\_\_\_,000 on June 15, 2032, \$\_\_\_\_\_,000 on June 15, 2033, \$\_\_\_\_\_,000 on June 15, 2034, \$\_\_\_\_\_,000 on June 15, 2035, and \$\_\_\_\_\_,000 on June 15, 2036.

The Bonds maturing on or before June 15, 2024 shall not be subject to redemption prior to maturity. The Bonds maturing on or after June 15, 2025 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the County on June 15, 2024 or on any date thereafter at par, plus accrued interest to 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