

**OFFICIAL STATEMENT**

**RATINGS: (See 'RATINGS' herein)  
Fitch: "AAA (negative outlook)"  
Moody's Investors Service: "Aa2 (negative outlook)"  
S&P Global: "AA (stable outlook)"**

**NEW ISSUE**

**SERIAL BONDS**

*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 alternative minimum tax. 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.*



**\$51,960,000  
COUNTY OF ONONDAGA, NEW YORK**

**\$51,960,000 General Obligation (Serial) Bonds, 2018  
(the "Bonds")**

**CUSIP BASE<sup>†</sup>: 68277D**

**Dated: Date of Delivery**

**Due: April 15, 2020-2038**

**MATURITIES\***

Year	Amount	Interest Rate	Yield	CUSIP <sup>†</sup>	Year	Amount	Interest Rate	Yield	CUSIP <sup>†</sup>	Year	Amount	Interest Rate	Yield	CUSIP <sup>†</sup>
2020	\$ 2,740,000	5.000%	1.850%	BN3	2027	\$ 2,655,000*	4.000%	2.530%	BV5	2033	\$3,070,000*	3.250%	3.404%	CB8
2021	2,825,000	5.000	1.920	BP8	2028	2,720,000*	4.000	2.620	BW3	2034	2,460,000*	3.250	3.460	CC6
2022	2,895,000	5.000	2.000	BQ6	2029	2,760,000*	4.000	2.720	BX1	2035	2,530,000*	3.375	3.536	CD4
2023	2,985,000	5.000	2.080	BR4	2030	2,825,000*	3.000	3.104	BY9	2036	2,605,000*	3.375	3.568	CE2
2024	2,450,000	5.000	2.180	BS2	2031	2,910,000*	3.000	3.195	BZ6	2037	2,680,000*	3.500	3.668	CF9
2025	2,520,000	5.000	2.280	BT0	2032	2,995,000*	3.125	3.286	CA0	2038	2,755,000*	3.500	3.699	CG7
2026	2,580,000*	5.000	2.380	BU7										

\* The Bonds maturing in the years 2026-2038 are subject to redemption prior to maturity as described herein under "THE BONDS - Optional Redemption".

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

The Bonds 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"), 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 April 15, 2019 and semi-annually thereafter on October 15 and April 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, or as may be agreed upon by the purchaser, on or about October 11, 2018.

September 26, 2018

THIS REVISED COVER SUPPLEMENTS THE OFFICIAL STATEMENT OF THE COUNTY DATED SEPTEMBER 19, 2018 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 SECTION ENTITLED "RATE OF PRINCIPAL RETIREMENT", AND THE REVISION TO THE DATED DATE ON PAGE 54, THERE HAVE BEEN NO REVISIONS TO SAID OFFICIAL STATEMENT.



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

# 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

EUGENE CONWAY  
Sheriff

ROBERT DURR, ESQ.  
County Attorney

WILLIAM J. FITZPATRICK, ESQ.  
District Attorney

## MUNICIPAL ADVISOR



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## BOND COUNSEL



**ORRICK**

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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**  
**\$51,960,000 General Obligation (Serial) Bonds, 2018**

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 \$51,960,000 principal amount of General Obligation (Serial) Bonds, 2018 (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 April 15, 2019 and semi-annually thereafter on October 15 and April 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 April 15, 2025 are not subject to optional redemption prior to their stated maturities. The Bonds that mature on or after April 15, 2026 will be subject to redemption in whole or in part at any time on or after April 15, 2025 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 No.</u>	<u>Project Description</u>	<u>Amount</u>
512590	Ed Kochian COB Rehab & Renov	\$ 593,103
512591	CC Office & Masonry Improvements	686,000
512592	Downtown Campus Various Imp	500,000
512594	Courthouse Sidewall Copper Flashing	30,736
512596	Remodeling TA Intake Design	189,000
512596	Improvements to Various Public Facilities (Remodeling TA Intake)	1,000,000
512596	Remodeling TA Intake	811,000
512597	OnCenter Rehabilitation	1,200,000
512598	Civic Center Re-Roof	1,383,000
512599	CFS Rehab/Renov (Design)	150,000
512602	War Memorial Improvements	4,500,000
591743	Document Management System	360,000
514002	Van Duyn Capital Projects - 10 Yr.	602,853
514004	Demolition of S1 Building	546,469
522722	Parks Roads/Parking/Trail Paving	250,000
522735	Parks Various Improvements	653,496
522737	Zoo Boardwalk Replacement	505,000
522737	Zoo Boardwalk Replacement	954,945
522739	Parks Shoreline Stabilization	139,025
522740	Parks Roof Replacement	492,006
522741	Loop the Lake Trails	1,000,000
522742	Zoo Animal Medical Care Center	500,000
535039	Camillus Highway Facility Imp	8,500,000
535044	NAMF Maint Facility Improvements	1,000,000
535153	Civic Strip	68,000
535166	2015 Highway Improvements - Bridge Maint Ph1-Design	17,000
535167	2016 Highway Improvements - Oran Delphi Rd Bridge Design	22,000
535169	2015 Highway Improvements - ElecPkwy Signal Interco	10,000
535186	Old Liverpool Rd 2R, Design	20,000
535187	Tuttle Rd Bridge Design	20,000
535189	South Street Bridge Design	15,000
535190	East Taft Rd 2R Design	20,000
535191	2016 Highway Improvements - Canalway Trail Extension Phase II	65,000
535263	TSM '17 Traffic Signal Upgrade	250,000
535359	2017 Hot Mix Bituminous Paving	3,072,000
535459	Drainage '17	250,000
535489	Facilities Repair '17	34,000
551529	E-911 Center Roof Replacement	303,000
551571	Correction Facility Improvements	325,000
552330	Hillbrook Detention Fac Improvements	100,000
561875	W. Quad Renov:Ferrante/Coulter	800,000
575090	Terminal Reservoir Tanks	2,956
575104	Comp Energy & Asset Renewal	2,000,000
587592	Ley Creek Pump Station	122,000
587597	Suburban Green Infrastructure Imp	350,000
587598	Oneida Lake PS	900,000
587598	Oneida Lake PS	3,600,000
587601	Metro WWTP Phos Treatment Sys	385,000
587605	MBL WWTP Disinfection System	100,000
587612	Oak Orchard WWTP	3,000,000
587614	Baldwinsville Seneca Knolls WWTP	2,736,000

(CONTINUED ON THE NEXT PAGE)

<u>Project No.</u>	<u>Project Description</u>	<u>Amount</u>
587622	WEP Energy Projects (ESCO)	900,000
587626	Oak Orchard Secondary Clarifier Rehab	102,000
587627	Camillus Force Main Replacement Phase I	2,000,000
587627	Camillus Force Main Replacement Phase II	500,000
587632	Ley Creek/Liverpool FM Rehab Replace	150,000
587948	LP ACJ Midland Ave	1,009,679
587959	LP ACJ Harbor Brook In Water	643,745
587960	LP ACJ Clinton St RTF	1,520,987
<b>TOTAL:</b>		<b><u>\$ 51,960,000</u></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 April 15, 2019 and semi-annually thereafter on October 15 and April 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 (the “County”) 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 2017, per the U.S. Census, is approximately of 465,398 for the County, which included 2017 estimated population of 143,378 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

Cities within a 350-mile radius of Onondaga County include 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.* The Syracuse Hancock International Airport provides the air passenger service for six major airlines and seven commuter airlines, offering approximately 117 daily arrivals and departures. The County is also served by three major air cargo carriers. Total passengers for 2017 (enplaned and deplaned) were 2,074,878. In 2018, Allegiant Airlines announced new nonstop services to Nashville, Tennessee and Frontier Airlines announced nonstop service to Denver, Raleigh-Durham and Chicago’s O’Hare Airport. The airport started in September of 2017 a \$48.8 million renovation that is scheduled to be completed in October of 2018. New York State will provide the bulk of the funding at \$38.5 million for the redesign of the airport. This renovation will include a new façade, new flooring and furniture in the terminal, a glass pedestrian walkway and an eco-friendly roof over the main entrance.

*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.

*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. There are more than 808 miles of highways, roads, and streets throughout the County. NYS has helped the County maintain safety on the roadways by instituting a free roadside service that helps stranded drivers with minor repairs such as changing tires and battery jump starts. The State deploys two active trucks and one backup truck on County roads during rush hours. In May of 2017, a two year, \$65 million project began to replace bridges on Interstate 690. New York State also announced, in April of 2017, \$22 million in repair work to various points on Interstate 81 throughout the County. Additionally, plans are being reviewed for the replacement of Interstate 81 through downtown Syracuse which could include dismantling the bridges completely. These discussions are continuing with NYS Department of Transportation. More than 150 trucking companies, including the nation’s top 12 carriers of general freight, service the Onondaga County area.

Bus. Bus service is provided by 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. In April of 2018, OurBus started low cost direct bus service from Syracuse to New York City with reclining seats, free WiFi and free water. CENTRO operates an inter-modal transportation center adjacent to the regional market and in close proximity to NBT Bank Stadium, Destiny USA and The St. Joseph’s Amphitheater at Lakeview. The center provides mass transit lineage for rail and bus service. Centro also provides shuttle service for a variety of events at the New York State Fairgrounds as well as many other community events throughout the County.

## **Higher Education**

The County is a center for higher learning with over 42,500 students currently attending colleges and universities within the County.

Syracuse University (“SU”) is a highly regarded private college, offering a diverse portfolio of undergraduate and graduate degrees to its approximately 21,700 full and part-time students. SU’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. The College of Law completed a new \$95 million building which opened in the fall of 2014. The Whitman School of Management’s MBA program is recognized as one of the best graduate programs at SU. SU has also committed to helping veterans by investing in its Institute for Veterans and Military Families. This organization helps veterans transition to academic life with peer orientation and special advisors. These advisors perform a variety of functions including finding ways to obtain academic credit for military service. In February of 2018, a 1968 graduate of Syracuse donated \$20 million to help pay for the SU’s National Veteran’s Resource Center. This Center is expected to open in 2020 and has pledged to place 30,000 veterans, transitioning service members and military spouses in desirable jobs by 2022.

Additional student housing has been planned for the future with a developer submitting documentation for a building with 256 student apartments and over eight thousand square feet of retail space. Peak Campus student housing project started in the spring of 2017 at a cost of \$66 million and will include a 601 bed community comprised of one, two three and four bedroom apartments. Also, just two-tenths of a mile from Peak, construction has started on a 126 unit housing development of luxury student apartments to be known as “505 on Walnut”. The summer of 2016 saw many projects at SU to upgrade resident’s halls, roofing and a Promenade transformation that will create a completely new look to the “front door” of the campus. SU invested \$9 million in classroom enhancements and technology upgrades.

In May of 2017, a donation of \$5 million was made by SU’s Chairman of the Board of Trustees to be used for creating a state-of-the-art student-focused health and wellness center. This facility will feature multi-use courts, elevated running track and health and counseling services to the student body of SU. SU’s \$513 million payroll as well as the many businesses and community services to the area create a great deal of economic activity for Central New York.

Also located within the County is Le Moyne College, a private, Jesuit-run liberal arts college, with approximately 3,500 graduate and undergraduate students. There are over 30 undergraduate majors and six major areas of post graduate studies. In April of 2017, Le Moyne College was awarded a \$1.2 million grant from the National Science Foundation to be used in teaching undergraduates in the STEM disciplines. They also announced an agreement with SU for collaboration between the university’s “iSchool” and Le Moyne’s Madden School of Business. Students can take classes at either institute and earn credits towards advanced degrees to the institute which they are admitted.

The State University of New York’s Upstate Medical University, the largest medical school in upstate New York (1,480 graduate and undergraduate students as well as 348 Interns and Residents) includes four academic divisions, medicine, nursing, health professions and graduate studies. In September of 2016, the school opened a new academic building which will house the College of Nursing as well as the College of Health Professions. There are additional plans to renovate the College of Health Professions to provide students with the most current technology.

St. Joseph's Hospital Health Center is also a center of teaching for the health professions with their School of Nursing earning the prestigious Center of Excellence in Nursing Education for 2016-2019. This is a designation awarded by the National League of Nursing. The hospital announced in June of 2017 that a \$1 million renovation to the School of Nursing is currently being planned. This renovation includes a new student center as well as a new lecture hall.

The State University of New York's College of Environmental Science and Forestry ("SUNY EFC") has 2,250 graduate and undergraduate students with 24 undergraduate and 30 graduate degrees. Their partnership with SU allows students to take classes and use all facilities at both colleges. A new \$30 million ESF research building is being built in the fall of 2017. In January 2018, SUNY ESF announced it will spend approximately \$17 million to upgrade labs and another \$35 million is set aside for upgrades to its second oldest building on campus.

In addition, over 11,800 students attend Onondaga Community College ("OCC"), a two-year college that is part of the State University of New York system. OCC, due to \$10.5 million in local and State funds, underwent renovations in the summer of 2016 which included a major renovation to the library, green projects to the student center, and instructional buildings. In December of 2017, the school reached an agreement with Tesla to train student technicians to service the electric car industry. OCC will have one of the very few programs in the State training students for this new industry.

Over 90.5% of County residents over the age of 25 have a high school education or higher, with 34.3% possessing a Bachelor's Degree or higher (US Census Bureau, Quickfacts 2012-2016 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 2017.

### ***University Hospital***

University Hospital in the City of Syracuse is part of SUNY Upstate Medical University and is the only academic medical center in Central New York. This institution has 735 staffed beds and 2017 inpatient discharges totaled 28,089. 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. Upstate Medical Center also includes a 90,000 square foot facility to consolidate all cancer patient services. This includes ground breaking technologies for certain types of advanced cancers. It is also the region's Level 1 trauma center, burn center, kidney transplant, and pediatric emergency center. Upstate Hospital expanded its east wing to include a two-story, 87,000 square foot children's health facility known as Golisano Children's Hospital. This is known as a hospital within a hospital to meet the special needs of children and their families.

In July of 2016, Upstate Hospital opened a new \$3 million pediatric emergency department that has doubled the size of the previous department. It is completely designed for the special needs of pediatric patients. Additionally, a \$70.6 million New York State grant was received for Upstate Hospital to build a new ambulatory care center. This center will house primary care, behavioral health and specialty services as well as a variety of other patient care services that support a patient's transition from acute care back to the community.

Upstate Hospital is also in the discussion phase with two companies in their CNY Biotech Accelerator (See "THE COUNTY - Economic Development" herein) to create a lab that would develop and test prototype medical devices.

Upstate Medical Center has begun the planning process for a \$140 million addition to its health system that will be built in the next three to five years. This facility will incorporate an urgent care facility where no appointment would be needed. The hospital also hopes to partner with other care providers in the community such as nutritionists, housing and transportation specialists to address all needs of the community.

In November of 2017, a local family donated \$8 million to Upstate to be used for a new hospital complex which will expand the hospital's focus on neurosciences such as Alzheimer's disease and dementia. This building will house eight floors and will cover 360,000 square feet with construction expected to start sometime in 2018.

In January of 2018, New York State approved a plan by Upstate University Hospital to open an eight patient inpatient psychiatric unit for teenagers. The unit will cost \$3.2 million and will be located in Upstate's main hospital plant in downtown Syracuse. It is scheduled to open in 2019.

### ***St. Joseph's Hospital Health Center***

St. Joseph's Hospital Health Center is a facility with 451 staffed beds and in 2017 had 24,933 inpatient discharges. The Health Center also includes a School of Nursing as well as accepting residents from the Upstate Medical Center.

In March of 2017, St. Joseph's opened The Heartburn Center which is dedicated to the treatment of all reflux diseases. The Health Center is intended to be a one-stop facility with a full team of all necessary specialists on staff. St. Joseph's Health Center was also awarded a \$90 million from New York State for debt restructuring and program investment.

In June of 2017, St Joseph's Hospital announced plans to build a \$31 million cardiovascular center to consolidate the various cardiac services located in the different areas of the hospital. The project will be paid for through hospital funds as well as donations. The center will be named after a physician who donated \$3 million to the project.

Additionally, the hospital announced, in November of 2017, plans to build a helipad on its roof to receive the transport of critical patients from the Northern part of New York State. At this point, the service would be limited to critical heart patients. The helipad should be operational by the Fall of 2018.

### ***Crouse Hospital***

Crouse Hospital, with 19,174 discharges and 487 staffed beds, provides a regional referral center for neonatal care and high-risk obstetrics center. The facility announced in the fall of 2016 that the \$38 million expansion to its Emergency Department was ahead of schedule. The expansion will triple the size of the current emergency room and will be a state of the art facility. It will include a rapid evaluation area to allow patients to be seen as quickly as possible. The new Emergency Department opened in July of 2017. Additionally, a Crouse Neuroscience institute was completed in 2016 at a cost of \$10 million. At the same time the Hospital announced a donation that will be used to upgrade equipment and staff education in its Crouse Breast Health Center.

Crouse Hospital is also a leader in the community in the treatment and prevention of opiate and heroin abuse. As a result of their work in this field, New York State awarded the hospital funding of \$400,000 to continue its battle against this epidemic.

### ***Syracuse Veterans Medical Center***

Syracuse Veterans Medical Center ("VMC") is a 106 bed general medical and surgical facility servicing the County's veterans. A \$3.6 million surgery ward was completed in 2016 with a second \$3.8 million ward completed in 2017. Additionally, the Syracuse VMC operates a 48 bed Community Care Center that provides a day program, mental health care and a homeless veteran program.

### ***Nascentia Health***

In 2017, Nascentia Health was created from the combination of a variety of home care and home aid organizations into a unified system. This new structure resulted in an \$11 million capital investment. The major piece to this was the opening of a new headquarters that provided a centralized location for all of its employees which service not only the County but 47 other surrounding counties.

### ***Nursing Facilities***

The County also includes a wide variety of ambulatory care, physical therapy and rehabilitation centers as well as 13 skilled nursing facilities with over 2,800 beds. Menorah Park, one of these skilled and rehabilitation centers, opened, in the Spring of 2017, a \$1 million "Center for Healthy Living" to serve the aging population. This center is open to all seniors with programs for nutrition, physical and occupational therapy, social events and home meal delivery. This facility is innovative in its approach to wellness incorporating seven dimensions of wellbeing into its patient care.

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## 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 (“SU”), creates innovative, adventurous and entertaining productions, including new plays and bold interpretations of classics and musicals. Founded in 1974, Syracuse Stage produces six to seven productions, one of which is 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. Additionally, Syracuse Stage hosts a “Young Playwrights Festival”. High school students are invited to write original ten minute plays which are then critiqued with the winners seeing their plays performed by SU drama students.

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.

Downtown Syracuse has also seen the construction of the Redhouse Arts Center in 2017. The Center will have a large main stage theater with seating for 350 people as well as a smaller stage area with seating for 250 individuals. This is a \$10 million project which will see a mix of play presentation, concerts, comedy acts as well as many other varieties of performance art.

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. The Everson has also become a venue for educating the public on the various works of art in the museum with events such as Lunch and Learns throughout the year. In 2017, a new art exhibit was opened in the museum’s recently renovated ceramics gallery, continuing the Everson’s long-term commitment to the ceramic arts.

Downtown Syracuse also plays hosts to a wide variety of festivals, fairs and concerts throughout the summer months. The Taste of Syracuse once again came to Downtown Syracuse for two days in June of 2018. This festival features foods from local restaurants as well as many concerts. It has become Central New York’s largest and fastest growing festival. In 2017 close to 200,000 people attended this event. Each year a three day arts and crafts festival is hosted by AmeriCu in July. This event attracts more than 50,000 each year with 160 artists and crafters from 30 states and Canada. This event is also considered a great opportunity for visitors to experience the vitality of Downtown Syracuse. Anchored at the other end of downtown on that same weekend in July is the Northeast Jazz and Wine Festival. This fest includes nationally known jazz performers and features wines made in the New York State Finger Lakes. This Jazz fest will continue for 2018 with an eclectic mix of musical styles with an urban flair.

The Jamesville Beach Balloon fest is Syracuse’s premier kick off to summer. The 2018 version will mark the 39<sup>th</sup> festival which occurs at the end of June each year. This event features concerts, amusement rides, and hot air balloon flights each morning and evening.

Areas throughout the County feature many additional festivals during the summer and fall months that reflect the diverse cultural communities in Central New York. These include: Polish Fest, St. Sophia’s Greek Festival, Empire BrewFest, NYS Blues Festival, The CNY Scottish Games, La Fiesta Italiana, and Irish Fest.

NBT Stadium is home of the Syracuse Chiefs, which had been the Triple-A affiliate of the Washington Nationals since the 2009 season, was purchased by the New York Mets in 2017. The Chiefs will become the Mets minor league affiliate starting in 2019 and will continue to play at NBT Stadium. The team drew a total of over 292,000 fans in 2017. 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 City. 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 Crunch is the American Hockey League affiliate of the Tampa Bay Lightning and averaged 5,900 fans per game. They were once again in the Calder Cup playoffs for the 2017-2018 season.

The War Memorial is the home of the Syracuse Silver Knights of the Major Indoor Soccer League. The Knights are also a valuable asset to the community as their foundation helps children gain self-reliance, discipline, teamwork, and a host of other benefits through participation in sports.

The Museum of Science and Technology, known as 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 and adults. This museum includes 35,000 square feet of more than 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. In addition to Syracuse University sports, the Carrier Dome is the venue for Central New York's major concert events. In May 2018, Syracuse University announced that \$118 million in renovations are forthcoming to the Carrier Dome. The renovations will include a new fixed roof to replace the archaic air supported roof and concrete interior and a new center hung scoreboard. Improvements will also include state-of-the-art sound and lighting systems as well as an air-conditioning system. These various upgrades will be in place starting in 2020 through 2022.

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 Lake Park was named "one of America's top ten national heritage parks" after renovations added Wegmans boundless playground, the region's premier skate park, the Griffin Visitor Center, and various sports courts. Trails on the east and west shores have created ten miles of recreation area for walking, running, skating and biking.

Onondaga County's lakes have become destinations in the world of fishing, as evidenced by the national acclaim generated by major BASSMaster, Fishing League Worldwide and CARP Tournament Series events at Oneida Shores and Onondaga Lake since 2007.

The Tourism and Culture industry in the County has proven to be an economic driver. An Economic Impact Study developed by Le Moyne College and Americans for The Arts has shown that for each local resident audience member an additional \$21.66 is generated in event related spending such as dinner, coffee and dessert. For non-resident, that jumps to \$37.57 in additional spending.

## **Conventions and Tourism**

The County has recognized the economic importance of conventions and tourism as a net wealth generator for the community. It is estimated that the County makes up \$855 million of an overall \$1.45 billion in visitor spending in the five counties of Central New York. It 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 County. This complex includes in-house box office management, connective corridors and an award winning in-house chef for catered events. The Nicholas J. Pirro Convention Center is available for major conventions, meetings, banquets, consumer and trade shows. The space includes a multi-purpose exhibit hall with 65,000 square feet, the 15,000 square feet grand ballroom and ten meeting rooms and atrium space. There is an enclosed walkway that attaches to a 1,000-space parking garage. The Convention Center has undergone a green-roofing project and just completed its meeting room renovations to upgrade the sound, lighting and technology systems.

The OnCenter is an award winning facility that has continually been recognized for its outstanding level of customer service, flexibility of function space, quality of food and the hospitality of its staff. Managed by the international venue management company SMG, the OnCenter is advantageously positioned to offer clients creative and flexible options for their groups. The versatility of the OnCenter has led to the annual attraction of over a half million visitors and thousands of room nights to the County. It encompasses 200,000 square feet of meeting, theater, exhibition and arena space. A wide variety of events, including numerous theater, concert, sporting, tradeshow and catered events are held at the Oncenter Complex.

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 managers of the Syracuse Crunch and the County are working together to obtain a sponsor for The War Memorial. It was announced in April of 2018 that the list stands at six. The revenue from the naming rights would be shared by the Crunch and the County. Plans were laid out by the County, in the summer of 2017 for an \$8.5 million renovation to the War Memorial. These upgrades would include a VIP Suite, LED screens and 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 new developer of the Hotel Syracuse completed a \$70 million renovation and opened in August of 2016 as part of the Marriott family of hotels. The Marriott Downtown Syracuse is the official hotel headquarters for the OnCenter Convention Complex. The hotel has 261 guest rooms, three restaurants, and three cocktail lounges. All of the restaurants and lounges are under the direction of an award winning executive chef. Historic Hotels of America named the Marriott Syracuse Downtown as the “Best City Center Historic Hotel” in the nation for 2017. The hotel also joined the list of AAA’s Four Diamond hotels in 2018.

The New York State Fair received \$50 million in funding from the State in 2015 to renovate the fairgrounds. This included demolition of the old Grandstand, enlarging the midway and creating an RV camping area. Also new is a New York experience center with ponds and paths as well as a new front entrance. This \$62 million building will be completed in July of 2018 and will encompass 110,000 square feet with the capacity for 500 trade show booths and 4,000 retractable seats. The Fair drew more than 1.1 million visitors in 2017, which also translated into an area wide economic impact on hotels, restaurants and shopping.

In addition, 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 2018, it will again host the 19<sup>th</sup> annual Syracuse Nationals Auto Show. This show attracts more than 90,000 people from the US and Canada and 400 vendors each year with over 8,000 cars and 450 vendors. Additionally, the Fairgrounds is the venue for events such as The Central New York Home Show, Irish Feis, Food Truck / Brewfest Festivals and the Chinese Lantern Festival

In 2017, the County’s marketing group, VisitSyracuse, launched an “Official Home of Winter” campaign. This season long event featured the area’s strong connection to winter by sending a message out country-wide through a marketing campaign about the advantages of Central New York’s winters. This campaign promoted Central New York as a winter tourist destination featuring skiing, snowmobiling, skating and a variety of other cold weather activities. In 2018, the marketing group will extend this to promote the County and surrounding area as a four season destination.

In 2017, VisitSyracuse efforts directly impacted the booking of over 100 events in the future which will generate over 38,600 overnight stays and \$35 million in estimated travel spending. Some examples of these conventions include the state Firemen’s Association Convention which came back to the County in August of 2017. This convention drew 1,000 volunteer firemen and the estimated impact was approximately \$1 million in local spending. 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.

### ***St Joseph’s Heath Amphitheater at Lakeview***

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 and room for approximately 17,000 more people on the spacious lawn for viewing the performances. It is located on the shores of Onondaga Lake.

In 2018, the naming rights for the Lakeview Amphitheater were awarded to St. Joseph’s Hospital Health Center. The County will receive \$750,000 over a five year term for this agreement.

For the 2018 season, there are 27 concerts booked for the Amphitheater. The economic impact of just one concert in 2016 showed a 13% spike in hotel occupancy with additional businesses such as restaurants and shops reporting significant increases in visitors.

In February of 2016, the County Legislature approved \$1.7 million to build docks and piers on Onondaga Lake and was completed in the fall of 2017. There are 30 to 40 slips for boats to dock at Lakeview Park that provide the ability for boaters to dock at the Amphitheater and attend concerts. Discussions are also taking place for a water taxi service to bring concert goers from around different areas of the lake to the Amphitheater to add to the positive concert experience.

### ***Destiny USA***

Destiny USA is a six-story shopping dining and entertainment destination that is the largest of its kind in New York 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. A new feature, which opened in 2017, is the “Muzium”, a traveling exhibition of arts, science and history. An interactive mystery-solving attraction called the Museum of Intrigue also opened in 2017. This “museum” includes up to seven different stories to solve varying in difficulty using actors and real life artifacts as clues. Destiny also hosts a wide variety of events from fashion shows and charity events to job fairs and Trivia night.

Construction was completed on the \$48 million Embassy Suites Hotel at Destiny USA. This 209 room, seven-story building opened in September of 2017.

## ***Inner Harbor***

The revitalization of the Inner Harbor of Onondaga Lake continues with the Aloft Hotel opening that occurred in July of 2016. Another hotel, Element, began construction in early 2017. 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. Site preparation has started on the western shore for the residential component of this plan. According to COR Development management, the full build out of the Inner Harbor will take approximately five to twelve years. Construction has started on the Iron Pier Apartments which will include 112 apartments and 30,000 square feet of street level retail and restaurants. The Onondaga Creekwalk is a riverwalk style trail for walking, running and biking that currently connects Downtown Syracuse with Onondaga Lake, and 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.

## ***Township Five***

Township Five is a shopping, dining and recreation center located just minutes to the west of Downtown Syracuse. Construction started in 2013 on this \$58 million project with 500,000 square feet designated for a variety of uses which includes housing and a variety of medical offices. This site is also the location of the only Movie Tavern, which is a dining and movie theater combined venue, in New York State.

## **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
2015 (Estimate)	468,463	19,795,791	321,418,820
2016 (Estimate)	466,194	19,745,289	323,127,513
2017 (Estimate)	465,398	19,849,399	325,719,178

Source: U.S. Census Bureau.

## **Commercial Banking**

There are ten major commercial banks with more than 108 branches within the County. The five savings institutions have an additional 9 branches. Offices of the following commercial and savings banks are within the County:

<u>Commercial Banks</u>	<u>Number of Offices</u>	<u>Savings Institutions</u>	<u>Number of Offices</u>
Bank of America, N.A.	10	Berkshire Bank	2
Citizens Bank, N.A.	6	Fulton Savings Bank	2
Community Bank, N.A.	4	Geddes Federal Savings & Loan Assn	1
JP Morgan Chase Bank, N.A.	11	Seneca Federal Savings & Loan Assn	3
Key Bank, N.A.	23	Tompkins Trust Company	1
M & T Bank	29		
NBT Bank, N.A.	12		
Pathfinder Bank	2		
Solvay Bank	10		
The Lyons National Bank	1		

Source: Federal Deposit Insurance Corporation (FDIC). <https://www.fdic.gov/> (accessed September 17, 2018).

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## 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	9,000-9,500
2.	St. Joseph's Hospital Health Center	4,500-5,000
3.	Walmart	4,000-4,500
4.	Syracuse University	4,000-4,500
5.	Lockheed Martin	4,000-4,500
6.	Price Chopper Markets	3,500-4,000
7.	Crouse Health Center	3,000-3,500
8.	Welch Allyn	2,500-3,000
9.	National Grid	2,000-2,500
10.	Tops Friendly Markets	2,000-2,500
11.	Spectrum (formerly Time Warner)	1,500-2,000
12.	Wegmans Food Markets	1,000-1,500
13.	Loretto Health Group	1,000-1,500
14.	Byrne Dairy, Inc.	1,000-1,500
15.	Excellus BlueCross BlueShield	1,000-1,500
16.	Verizon Communications	1,000-1,500
17.	Carrier Corp.	1,000-1,500
18.	Eaton Corp.	1,000-1,500
19.	Syracuse Research Company	500-1,000
20.	AXA Equitable Life Insurance	500-1,000
21.	L.J. Stickley	500-1,000

Source: Center State CEO Community Guide (2016) and Syracuse, New York Fact Sheet - October 2017.

## Unemployment Rate Statistics

	<u>Annual Average Unemployment Rates (%)</u>											<u>2018</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>	<u>2016</u>	<u>2017</u>	<u>YTD</u> <sup>(1)</sup>
Onondaga County	4.1	5.2	7.6	8.0	7.6	8.0	6.8	5.5	5.9	4.5	4.5	4.6
New York State	4.6	5.4	8.3	8.6	8.2	8.5	7.7	6.3	5.3	4.8	4.8	4.5
United States	5.0	7.3	9.9	9.3	8.5	7.9	6.7	5.6	5.0	4.9	4.9	4.0

<sup>(1)</sup> Year-to-date (YTD) data are the months of January through July for each noted year.

	<u>2018 Monthly Unemployment Rates (%)</u>								
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sept</u>
Onondaga County	5.3	5.6	5.0	4.4	3.8	4.2	4.1	N/A	N/A
New York State	5.1	5.1	4.8	4.3	3.7	4.2	4.2	N/A	N/A
United States	4.1	4.1	4.1	3.9	3.8	4.0	3.9	N/A	N/A

Note: Data are not seasonally adjusted. Data are preliminary and subject to revision.

Source: New York State Department of Labor and the U.S. Bureau of Labor Statistics (accessed September 17, 2018).

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## Labor Force Statistics in Onondaga County

Persons in the labor force and persons employed (annual average) in the County for the past ten years and the 2018 YTD<sup>1</sup> are as follows (in thousands):

<u>YEAR</u>	<u>Labor Force</u>	<u>Employment</u>
2008	235.6	223.4
2009	233.6	215.8
2010	237.0	218.0
2011	232.6	214.7
2012	233.0	214.6
2013	231.7	215.9
2014	225.6	213.1
2015	223.7	212.7
2016	222.6	212.6
2017	221.7	211.2
2018 YTD <sup>1</sup>	220.0	209.8

<sup>1</sup> Year-to-date (YTD) data are the months of January through July for 2018.

Source: New York State Department of Labor, Local Area Unemployment Statistics Program (LAUS) (accessed September 17, 2018).

Note: Data are not seasonally adjusted. Data are preliminary and subject to revision.

## Labor Market Statistics

The following tables present the distribution of employment in the County and employment trends for 2000, 2014, 2015, 2016, 2017<sup>(1)</sup>, and 2018<sup>(1)</sup>.

### Trend of Total Employment Total Employment and Employment as a % of Total Employment 2000, 2014, 2015, 2016, 2017<sup>(1)</sup> and 2018<sup>(1)</sup>

Industry	2000	% of Total	2014	% of Total	2015	% of Total	2016	% of Total	2017 <sup>(1)</sup>	% of Total <sup>(1)</sup>	2018 <sup>(1)</sup>	% of Total <sup>(1)</sup>
Agriculture, Forestry, Fishing Hunting	578	0.23%	709	0.29%	756	0.31%	727	0.30%	847	0.35%	659	0.28%
Mining	126	0.05%	131	0.05%	135	0.06%	117	0.05%	96	0.04%	62	0.03%
Utilities	N/A	N/A	1,838	0.76%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Construction	10,272	4.12%	9,490	3.93%	9,353	3.89%	9,681	4.00%	9,754	4.03%	8,969	3.75%
Manufacturing	35,126	14.08%	18,336	7.59%	18,489	7.70%	18,588	7.68%	19,091	7.89%	19,040	7.95%
Wholesale Trade	14,277	5.72%	12,613	5.22%	12,583	5.24%	12,585	5.20%	12,362	5.11%	11,557	4.83%
Retail Trade	29,852	11.97%	28,498	11.79%	28,966	12.06%	28,373	11.73%	27,433	11.34%	26,202	10.95%
Transportation and Warehousing	8,049	3.23%	8,615	3.56%	8,843	3.68%	8,879	3.67%	8,411	3.48%	8,307	3.47%
Information	7,044	2.82%	4,022	1.66%	3,837	1.60%	4,052	1.67%	4,109	1.70%	3,806	1.59%
Finance and Insurance	12,474	5.00%	4,022	1.66%	10,440	4.35%	9,993	4.13%	9,451	3.91%	9,120	3.81%
Real Estate and Rental Leasing	3,331	1.34%	10,582	4.38%	3,205	1.33%	3,362	1.39%	3,198	1.32%	3,243	1.35%
Professional, Scientific and Technical Service	11,033	4.42%	14,363	5.94%	14,263	5.94%	14,009	5.79%	14,199	5.87%	14,252	5.95%
Management of Companies and Enterprises	3,841	1.54%	2,669	1.10%	2,716	1.13%	3,749	1.55%	4,124	1.71%	4,291	1.79%
Administrative and Waste Services	11,959	4.79%	12,594	5.21%	12,042	5.01%	11,606	4.80%	12,250	5.07%	12,524	5.23%
Educational Services	8,213	3.29%	9,178	3.80%	9,189	3.83%	9,190	3.80%	9,122	3.77%	10,061	4.20%
Health Care and Social Assistance	26,253	10.52%	33,766	13.97%	34,326	14.29%	35,526	14.68%	35,834	14.82%	35,884	14.99%
Arts, Entertainment, and Recreation	2,645	1.06%	3,364	1.39%	3,657	1.52%	3,686	1.52%	3,818	1.58%	3,328	1.39%
Accommodation and Food Services	16,080	6.45%	19,266	7.97%	19,561	8.14%	19,491	8.05%	19,218	7.95%	18,691	7.81%
Other Services	9,412	3.77%	8,430	3.49%	8,417	3.50%	8,296	3.43%	8,499	3.51%	8,281	3.46%
Total, All Government	38,819	15.56%	38,849	16.08%	39,116	16.28%	39,587	16.36%	39,598	16.37%	40,808	17.05%
Unclassified	86	0.03%	334	0.14%	306	0.13%	478	0.20%	434	0.18%	272	0.11%
Total, All Industries	249,470	100.00%	241,669	100.00%	240,200	100.00%	241,975	100.00%	241,848	100.00%	239,357	100.00%

<sup>(1)</sup> Data for 2017 and 2018 are preliminary and subject to revision.

Notes: Column totals may not foot due to rounding.

Source: New York State Department of Labor, Quarterly Census of Employment and Wages Survey (QCEW). <https://labor.ny.gov/stats/LSQCEW.shtm> (accessed September 17, 2018).

## Economic Development

A centerpiece of Governor Cuomo's strategy to jumpstart the economy and create jobs, the Regional Economic Development Councils ("REDC") 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 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. In over six rounds of the REDC program, Central New York has received nearly \$1 billion, including the Revitalization money, to support 475 projects designed to grow jobs and strengthen companies.

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.

As government modernization was identified as a priority for economic development, Consensus was created, 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.

CenterState CEO serves as the region's independent and forward-thinking economic development strategist, business leadership organization and chamber of commerce; dedicated to the success of its members and the prosperity of the region.

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

- In partnership with the Brookings Institution, Onondaga County and other regional partners, CenterState CEO developed the CenterState Agenda for Economic Opportunity, the CenterState New York Export Plan, and the CenterState New York Global Investment Initiative (foreign direct investment strategies) to advance economic development and business growth strategies for the CenterState New York region.
- The CenterState Agenda for Economic Opportunity's initiatives are designed to build on and strengthen the region's distinctive assets while addressing critical needs to achieve long-term economic success. The Agenda's key initiatives, which are to establish the Data to Decisions Innovation Alliance, create a regional seed and venture fund, establish a commission on government modernization, and implement the CenterState export initiative, have helped lay the foundation for other strategic initiatives to follow, including the CNY REDC's regional strategic plans and URI proposal.
- 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.
- The CenterState New York Global Investment Initiative is a comprehensive plan that outlines why local business, civic, and government leaders should leverage exports and foreign direct investment to grow global engagement. This strategy is an integral stage of CenterState New York's ongoing participation in the Global Cities Initiative (GCI), a joint project of the Brookings Institution and JPMorgan Chase. The plan integrates and builds on lessons learned from the region's previous GCI endeavors, including a market assessment and the development of the CenterState NY Export Plan.

The City of Syracuse and the County continue to be known nationally for green initiatives. 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. Approximately \$48 million has been spent locally on "Save the Rain" projects, with 190 projects implemented from 2010 to 2016, and another \$12 million that was authorized in 2017. These projects included 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 has invested nearly \$7 million in funding from 2012 through 2015 and dedicated another \$1.2 million of financing for suburban green infrastructure.

Another successful initiative of CenterState CEO's Innovation and Entrepreneurship portfolio is the Clean Tech Center, which develops renewable and clean energy technology companies in New York State. The Tech Garden is a clean technology incubator funded by NYSERDA to develop emerging businesses and commercializing technologies in renewable energy, alternative fuels, system integration and smart grid technologies, transportation and buildings and construction technologies. To date the program has results in 37 new products being developed and more than \$23 million in private investment leveraged to date (since 2009).

Building on this success, CenterState CEO and Syracuse University partnered on a successful grant application for the Economic Development Administration's i6 challenge to foster stronger entrepreneurship in the region's thermal and environmental controls

The County has been a partner to the region's efforts to grow the Unmanned Aerial Systems (UAS) industry in Central New York. The area is one of the leading regions driving the development of a corridor of innovation and testing that will take the unmanned systems industry to new heights.

A squadron of unmanned aircraft (drones) continues to be based at the Air National Guard base in Mattydale. Hancock International Airport became the first commercial airport with federal permission to launch and land unmanned aircraft. This has given rise to many opportunities for this industry in the Central New York area. In October of 2016 a three day conference was held in October of 2016 with approximately 500 air traffic management professionals attending. A 50 mile, \$30 million corridor has been created by the State as an airstrip for unmanned drones and drone testing. This will be significant to the growth of the industry in Central New York with the creation of "Drone Zones". These are geographic areas where drone related companies and startups will become business incubators and accelerators.

The Tech Garden also supports other CEO initiatives to build economic development in Central New York. CenterState's GENIUS NY is the world's largest business accelerator competition that awards six UAS startups a total of \$3 million in investment. Finalists are selected from a competitive pool of submissions from across the globe. The program also provides UAS startups all the tools they need for success, including stipends, resources, programming and connections. The program is currently in its second year. Funding to run the program for a third year was announced in early May 2018.

Another Tech Garden initiative is The Germinator. This also a two year competition awards \$350,000 in investments to six groups who are startup businesses in each session. In addition to funding, teams receive training on topics such as marketing, intellectual property, sales and financing.

Governor Cuomo and Onondaga County Executive Mahoney proposed a \$100 million State and County investment on the western side on 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 and new money is expected to be received by the County as part of the State's expansion in casino gaming to pay the debt service of The Lakeview Amphitheater. The Amphitheater was completed in August of 2015, new housing, improved streetscapes in Solvay, and brownfield cleanup continue to be a part of this proposal. These improvements to Solvay began in 2017 and are continuing into 2018.

The \$23 million Central New York Biotech Accelerator (CNYBAC) is an incubator providing the environment to accelerate biological and medical products to market. The CNYBAC currently has 13 clients and four graduate clients. This 60,000 square foot LEED Silver-certified facility includes lab space, mentoring services and education for companies involved in the commercialization of biotech innovation. It is a joint venture of State University of New York College of Environmental Science and Forestry ("SUNY ESF") and Upstate Medical University ("Upstate"). Phase II of construction of the Biotech Accelerator was completed in 2016 at a cost of \$5.2 million. New and existing tenants include Upstate Pathology Molecular Diagnostics Lab, National Grid Creation Garage and six other clients.

In late 2017, the Central New York Biotechnology Accelerator hosted a pitch session by the six winners of the 2017 Medical Device and Innovation Challenge. The Medical Device Innovation Challenge ("MDIC") program brought together leading innovators in medical device technology and supported them with equipment, facilities, mentors to provide an opportunity to test their ideas.

The University Hill area, which is home to Syracuse University, SUNY ESF, Upstate Medical University, and a concentration of the region's health care and hospital facilities, is separated from the traditional downtown only by an elevated section of Interstate 81. This concentration of talented researchers, graduate students and medical/academic expertise has helped to grow the research and development organizations in this area. There has been capital investment of more than \$600 million in the University Hill in the last three years and another \$500 million is anticipated by the end of 2018. The projects started in 2018 are not only for housing for students (see "THE COUNTY - Higher Education" herein) but also mixed retail and housing for professionals. Additionally, the Syracuse Housing Authority has begun the process of this transformation with the construction of Freedom Commons. Of the total 54 apartments, 9 will be permanent supportive housing units for formerly homeless individuals, while the remaining units will provide affordable housing for individuals and families. The University Hill Corporation, which coordinates with and is associated with CenterState CEO, is the facilitator for these connections. It should be noted that investment in this area is anticipated for the future with \$350 million being spent on projects to be initiated before 2020.

Downtown Syracuse continues to see development and renovation of older buildings into condominiums and retail space. Currently, there are 168 units under construction in the Downtown Syracuse area. The overall occupancy rate for all of this development is 97.3% while the occupancy rate for one bedroom apartments remains above 99%. The investment in projects started in 2016 and completed in 2017 topped \$75.7 million. The investment made so far in 2018 is over \$41 million.

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

- *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 numerous defense contracts for radar units at their Central New York plant. An electronic warfare system was awarded by the Navy as well in January of 2017 for a total of \$93 million. March of 2017 saw much activity at Lockheed. They were awarded a five year project for \$1.5 billion to build the Army's workhorse radar system – the Q-53. The Navy exercised their option with Lockheed to build more of their missile defense systems for a total of \$114 million. Lockheed held a job fair in January of 2017 to fill 100 more jobs due to this increasing workload. In June of 2017, Japan and the US Navy contracted for \$42 million in submarine hunting sonar systems from the Corporation. The Marine Corp, in August of 2017, signed a contract with Lockheed for \$25.2 million to upgrade the Corps' radar technology with options for additional orders that bring the total value to \$46.7 million. The current year saw additional large contracts for Lockheed. In February it was announced that the US Navy selected them to supply two sonar systems for a contract valued at \$51 million. In March, Lockheed entered a joint venture with a European firm to supply Germany with surveillance radar (known as MEADS) as well as new air and missile defense systems. This total contract including both firms totals \$4.9 billion.
- *SRC, Inc., formerly Syracuse Research Corporation*, is a not-for-profit research and development company with more than 55 years of experience in defense, environment and intelligence. SRC currently employs 700 people in the Syracuse area. 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 also saw increase in military contracts in 2017 and 2018. The Army awarded SRC a \$65 million contract in February to develop a system that can detect and defeat small, slow and low-flying drones like those used in the battlefield by the Islamic State in Iraq. That contract is one of the 10 largest in the company's history. In August of 2017, the U.S. Army awarded an \$11 million contract to rapidly develop and deploy an electronic warfare system to protect soldiers from low-flying drones. Later in August, SRC signed a contract with the Air Force for \$10 million for the same type of detection product that was urgently needed.
- *Saab* (purchased local Sensis in 2011) is moving its North American headquarters for its defense company to the County which is anticipated to bring 260 new high-tech positions to the area. They plan to significantly expand their defense business in the United States through the plant in East Syracuse, New York. This shift is to integrate unmanned drones into this new business which is encouraged by the FAA. In June 2017, the Navy awarded a \$584 million contract to Saab for a radar system to be installed in a new ship built in 2017. Saab was also awarded, at the same time as SRC, a defense department contract to develop technology to detect swarms of small drones. The U.S. Coast Guard awarded a \$16.8 million contract to Saab to produce a radar system to be installed in their offshore patrol cutters. This contract includes options that bring the cumulative value of this project to \$118 million.
- *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 900 people locally. 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 products as Welch Allyn and announced in September 2016 that they anticipate adding 100 new jobs. In February of 2017, the Onondaga County Industrial Development Agency approved \$3.1 million in tax breaks for an expansion of the Welch Skaneateles plant. The company plans to add 109 new jobs over the next two years. In May of 2018, the ribbon was cut on a \$12.7 million expansion that will be used as a warehouse and distribution center as well maintaining a campus for research and development.

- *Steri-Pharma* is an antibiotic manufacturing plant located west of downtown Syracuse and currently employs 48 people. They have just been approved for \$1.8 million in tax breaks from Syracuse IDA. This will include a \$50 million expansion, 18,500 square-foot addition to its current building and increase employment to 120 people. Construction is expected to be completed in 2018
- *Feldmeier Equipment*, a maker of stainless steel tanks for pharmaceutical as well as other industries, announced plans in 2017 to build a \$12.7 million factory as it has outgrown its current facility. This expansion is a key item in retaining the company's 128 positions in the County.
- *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. The firm employs 430 full-time workers at its plant northwest of Syracuse and expects to continue its operations at full capacity. The company is a wholly-owned subsidiary of Anheuser-Busch InBev, the leading global brewer, and continues to operate under the Anheuser-Busch name and logo. In May of 2017, it was announced that Anheuser-Busch will invest \$10 million in their facility to produce and package a high end tea through the Teavana Brand.
- Tessy Plastics Corporation is a plastic parts manufacturer as well as a tool and automation design and build organization with plants in Elbridge, Skaneateles, Van Buren and Auburn, New York. Tessy operates in 1.6 million square feet of manufacturing, cleanroom and warehouse space. In 2016, the State offered the company \$18 million of incentives to expand locally instead of accepting a generous offer from South Carolina.
- Inficon, Inc., another technology based company located in the County is an organization specializing in sensor technologies. Their headquarters are located in Switzerland but employ approximately 260 people in Dewitt, New York. Inficon underwent a \$13 million expansion in September of 2014. In April of 2015, they were awarded a \$46.8 million contract by the Department of Defense to supply product to all branches of the military. This 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 8 years having moved to the Airpark in 2008 after outgrowing their former factory. In 2016, Braun completed a 91,000 square foot addition at a capital investment of \$9.8 million.
- 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.
- G&C Foods, a distributor of fresh, frozen and dry foods to retailers and wholesalers, has a “sky’s the limit” attitude. In January of 2016, plans were announced 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 currently does not package food, this will add a whole new area with opportunity for significant growth.
- JMA Wireless, a maker of wireless communications equipment, expanded its business with a \$34 million extension and renovation in 2017. This created an additional 288 new full time jobs in Clay, New York, a suburb of the City of Syracuse.

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. Empire State Development offers a wide variety of financial incentives to qualified business attraction and retention projects that create wealth within New York State.
- 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.
- Greater Syracuse Business Development Center offers a variety of financing packages for small to medium-sized businesses located in Central New York.
- In an effort to train and prepare the local workforce, the New York State Small Business Development Center at OCC, Onondaga-Cortland-Madison BOCES and CNY Works and Workforce Investment Board provides small business assistance, customized training especially in mechanical, engineering, computer and customer service skills and job placement, respectively.

The County has made maximum use of available economic development tools. The Onondaga Civic Development Corporation (“OCDC”), a not-for profit local development corporation, was established in October 2009. The corporation, which can provide tax-exempt financing for not-for-profit corporations, was formed with the purpose of encouraging the development or retention of industries that provide employment and job related training opportunities in the community. During 2015, the OCDC issued bonds for building renovations at Le Moyne College and refinancing of Onondaga Community College (“OCC”) Housing Development debt. OCDC 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 2017, the OCIDA completed two Payment in Lieu of Tax agreements and induced five projects with a capital investment of approximately \$31.5 million.

## 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.

Ensuuing 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**

### *2018 Budget*

The County Executive presented the 2018 budget in September 2017. As the budget was developed, rising salary, debt service, and other operating costs were significant contributors to the projected budget gap of \$22 million. To partially overcome this gap, the County Executive held headcount to a minimal increase, as well as all other discretionary spending. Sales tax growth, a property tax increase of \$3.5 million as well as the use of \$5 million in fund balance were factored into the budget gap reconciliation.

The County Legislature adopted the 2018 Budget on October 10, 2017. The Legislature made additional appropriations cuts and modified revenue assumptions to reduce the property tax levy increase by \$2.9 million. The 2018 all funds budget supports \$1.29 billion in total expenditures, a decrease of approximately 1.2% when compared to the 2017 budget as modified. The General Fund budget included an adopted property tax levy of \$141.7 million, a \$600,000 increase compared to the 2017 budget. After accounting for budgeted and subsequent fund balance appropriations, and encumbrances of \$8.4 million, the current unassigned fund balance is \$59 million or 9.3% of adjusted General Fund revenues.

Consumption based user fees in the Water Environment Protection Department (Sanitary District Fund) remained unchanged from 2018.

The 2018 estimated budget performance currently has the county ending the year with revenues exceeding expenditures by approximately \$4.3 million. The major contributing factors of this estimated surplus is more than anticipated sales tax growth and less than budgeted mandate spending.

### *2019 Budget*

The County Executive will present the 2019 budget on September 14, 2018. As the budget was developed, rising salary and benefits, mandates, and other operating costs were significant contributors to the projected budget gap of \$30 million. To partially overcome this gap, the County Executive held headcount to a minimal increase, as well as all other discretionary spending. Sales tax growth, a property tax increase of \$3.9 million as well as the use of \$1.5 million in fund balance were factored into the budget gap reconciliation.

The County Legislature is scheduled to vote on the 2019 Budget on October 9, 2018.

## **Consolidation of Water Operations**

The County owns property, both real and personal, constituting water district assets (the “Water Assets”) for the Onondaga County Water District, the Southwood – Jamesville Water District and the Warners Water District (collectively the “District”). Pursuant to the County Executive’s 2017 budget that was adopted by the County Legislature, the County transferred operations of the County assets to the Onondaga County Water Authority (OCWA) in January of 2017.

Historically, the County run Metropolitan Water Board had been responsible for operating and maintaining the County’s Water Assets, including a pipeline that brings water from Lake Ontario to the Central New York region. Previously, the County, through the Metropolitan Water Board, sold that water wholesale to Onondaga County Water Authority (“OCWA”), which then retailed that water to homes and businesses. OCWA is a Public Benefit Corporation authorized and enabled under New York State Law to supply water to the residents and businesses in the Central New York region.

The County entered into a cooperation agreement with OCWA to consolidate the parties’ respective networks of public water supply systems for the benefit of all local users. The cooperation agreement contemplates that OCWA shall provide capital improvements and operations and maintenance services in connection with the use and access to the Water Assets for a term not to exceed thirty years, allowing for the continued benefit to the public of a long-term, strong and sustainable water supply.

Outstanding County debt allocable to the Water Assets will continue to be the obligation of the County and the County intends to continue the special district assessments for the 17 towns that comprise the District. However, under the cooperation agreement, OCWA agrees to remit to the County a portion of OCWA’s revenues generated from water sales and through supplier agreements with its retail customers as may be needed to pay the debt service on such County debt as well as other County expenses allocable to the Water Assets.

Except for certain limited improvements to the Water Assets that the County has undertaken to finance and complete in 2017, all future improvements to the Water Assets during the term of the cooperation agreement will be undertaken and financed by OCWA. OCWA indebtedness are special obligations of OCWA and do not constitute a debt or pledge of the faith and credit of the County.

## **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 Onondaga County.

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

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

As of June 1, 2018, 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 2018, budgeted State aid represents approximately 15% 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. Conservative estimates for State revenues were included in the County's 2018 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.

The State budget for the fiscal year beginning April 1, 2018 was enacted on March 30, 2018. While counties continue to govern under stressful fiscal conditions, the 2018-19 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 in 2018 compared to what was paid in 2017. Other budget highlights are as follows:

The enacted 2018-19 State budget was primarily a status quo budget for counties, but it also included some targeted reductions to New York City for its Close to Home initiative, as well as reductions in State funding for community colleges.

## *Sales Tax*

The Governor proposed two major revenue changes that would have benefited counties by increasing sales tax revenues. This included a proposal to modernize the State's sales tax collections process to close a loophole that allows out of State companies selling their products through the Internet to avoid charging sales tax. This puts New York based retailers at a competitive disadvantage and has denied significant sales tax revenues for counties and the State. A second proposal from the Governor was the elimination of a sales tax exemption for energy services companies (ESCOs) that has been in place for nearly 20 years. The reasoning by the Executive was that the exemption is no longer necessary as the industry it aids is fully matured. These proposals sought to level the playing field for competitors in the same marketplace, but were rejected in the final budget. Combined, these two proposals would have increased sales tax revenues for counties by up to \$200 million annually according to estimates from the Governor.

## *Roads and Bridges*

Last year, the State budget included a significant increase in road and bridge funding for local governments across the State. The 2018-19 enacted budget supports the prior increases. By maintaining recent increases for roads, bridges, and culverts in this budget the SFY 2018-19 appropriation level for transportation items will be 44 percent higher than it was in 2015-16.

## *Water Infrastructure*

Last year, at the urging of local governments and counties, the State Legislature and Governor agreed to significantly increase funding levels for water quality and safety initiatives. The State has authorized a \$2.5 billion multi-year spending plan for a vast array of water infrastructure programs, from which counties and other municipalities will be eligible to apply for grant funding. Year two of this program is fully funded and detailed grant opportunities will be made available soon.

## *Indigent Defense Service & Funding Expansion*

In 2017, the Office of Indigent Legal Services (OILS) established a Statewide, one-size-fits-all definition of “indigent” for purposes of providing a county financed public defense in criminal cases, and it has impacted many counties. However, the enacted budget provides increased funding to support the expansion of the Hurrell-Harring settlement to all 57 counties, which requires caseload caps for public defenders and counsel at first appearance. This plan calls for a seven-year phase in of this service expansion and, as required under last year’s budget, the State must appropriate funding to cover any increased costs before a county is required to expand service delivery in their county. The enacted 2018-19 budget provides the first major installment for the remaining 52 counties with an appropriation of \$51 million to assist counties with the expansion and \$1 million for the Office of Indigent Legal Services to expand their staff to support county efforts.

Counties continue to struggle with small funding lapses by the State and other fiscal burdens that can be imposed administratively outside of the budget. For example, State funding to support mandated salary increases for county district attorneys was not included in the State budget for the third year, community college funding fell short, and the budget retains language to allow the Governor to lower appropriations if the federal government cuts Medicaid or other federal funding by more than \$850 million – this does allow the Legislature to develop their own plan before anything happens.

## *Raising the Age of Criminal Responsibility*

Additionally, last year’s budget changed state laws to raise the age of criminal responsibility from 16 to 18 over a two-year phase-in beginning October 1, 2018. When fully phased in, the State estimates the program will cost nearly \$400 million on an annual basis with the State supporting most of the costs, but much of this funding will come from counties first and later reimbursed. State reimbursements to counties are linked to each county staying within their property tax cap, but allowances may be made in circumstances where a county is experiencing fiscal stress. While the State has been working closely with counties on implementing this new law, with a little over four months to go before the law is effective the State has not adopted or even released draft regulations for many parts of the law and State agencies involved.

## *Federal Tax Reform*

The total impact of federal tax reforms enacted last year are still unknown for New York taxpayers, but it has been determined that high tax, high property cost states like New York are disadvantaged by the federal reforms compared to other states. Far more New York taxpayers (in total numbers and proportionately) will pay more in federal taxes than taxpayers in other states. This negative impact will increase over time compared to no changes in federal tax laws. The Legislature and Governor made numerous changes to State tax laws to mitigate the impact on New York taxpayers.

## **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 \$3 million in exclusivity payments for 2017. These payments are earmarked to fund the debt service associated with the borrowing for construction of the Lakeview Amphitheater.

## 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 15, 2020 unless other legislation is extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such fiscal year.

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

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

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 ("Chapter 59"), State budget bill 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.

2018 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 2017 adopted levy, including city abstract, water fund and special districts was \$165 million. The tax base growth factor of 0.72%, as determined by the Office of State Comptroller, was applied to the 2017 levy and 2017 pilot revenue was added to establish a beginning base levy of \$169 million used in the levy limit calculation. The levy growth factor of 1.84% was applied to the base levy and 2018 pilot revenue was subtracted from the base levy to determine a 2018 levy limit before exclusions of \$170 million. No adjustments or exclusions were applicable for determining the 2018 levy limit. However, a carryover of \$2 million due to being under the 2017 levy limit resulted in a total 2018 levy limit of \$172 million. The combined 2018 adopted levy of \$167 million was \$5 million under the allowable levy. The County is allowed to “carryover” 1.5% of the 2018 levy limit, or the amount actually levied under the levy limit, whichever is less. As a result of the actual levy being under the 2018 levy limit, approximately \$2.6 million will carryover to be added to the 2019 levy limit resulting in additional flexibility if the County needs to raise property taxes.

**Employees**

The County provides services through the employment of approximately 3,100 full time employees, excluding those employed at Onondaga Community College. The County’s 2017 workforce represented no increase in headcount over 2016.

The following table sets forth the number of employees in each bargaining unit and the labor organization that represents them. There are 350 Management/Confidential employees not represented by a labor organization. There are two collective bargaining agreements that are under negotiation for a successor agreement at this time.

<u>Number of Employees</u>	<u>Labor Organization</u>	<u>Contract Expiration Date</u>
2,167	Civil Service Employees Association (CSEA)	December 31, 2019
199	Onondaga County Sheriff’s Police Association (OCSPA)	December 31, 2017 <sup>(1)</sup>
272	Deputy Sheriff’s Benevolent Association (DSBA)	December 31, 2018
35	NYS Nurses Association (NYSNA)	December 31, 2020
28	International Union of Operating Engineers (IUOE)	December 31, 2018
30	Central and Northern New York Building Trades Council (BTC)	December 31, 2018
7	Onondaga Sheriffs Captains Association (OSCA)	December 31, 2017 <sup>(1)</sup>

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

Source: County officials.

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## 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 become fully vested 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, 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 contribute a minimum of 3%. Depending on salary, the minimum contribution 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 September 1, 2016, Comptroller Thomas P. DiNapoli announced that employer contribution rates for the New York State and Local Retirement System will decrease in Fiscal Year 2017-18 as compared to Fiscal Year 2016-2017. The average contribution rate for ERS will decrease by 0.2 percent of payroll, from 15.5 percent to 15.3 percent.

The County's December 15<sup>th</sup> contributions to the ERS for the past ten completed fiscal years and the budgeted contribution for the current fiscal year are shown in the table below (includes Onondaga Community College):

<u>Year</u>	<u>Amount Contributed to ERS</u>	<u>Percentage of Reported Salaries</u>
2008	\$ 16,405,925	8.20%
2009	17,026,672	7.93
2010	24,622,685	11.75
2011	42,155,931 <sup>(1)</sup>	21.40
2012	42,788,760	19.92
2013	44,459,788	20.59
2014	38,937,131 <sup>(2)</sup>	18.80
2015	33,214,687 <sup>(2)</sup>	17.30
2016	31,845,040	16.10
2017	33,734,041	15.81
2018 (Budgeted)	33,575,473	15.24

<sup>(1)</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>(2)</sup> The County's December 2014 and 2015 pre-paid pension contribution included an approximately \$3 million reconciling item of prior year salaries.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The County offered a retirement incentive in 2016 to employees already eligible to retire from the State Retirement System. The incentive was a one-time lump sum payment of \$10,000 if the employee agreed to leave the County service by December 31, 2016. Approximately 200 employees took the incentive at a cost of \$2 million to the County and projected savings of \$7-8 million annually. The County did not offer any retirement incentives for the 2017 fiscal year and does not plan to do so for the 2018 fiscal year.

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 (2015 to 2019) is shown below:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2015	20.1%	27.6%
2016	18.2	24.7
2017	15.5	24.3
2018	15.3	24.4
2019	14.9	23.5

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 2018 amount to decrease to 14.9%.

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. For 2014 and 2015 the rate is 12.0% for ERS; 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 System 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 System ("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.

## Other Post-employment Benefits (OPEB)

**Healthcare Benefits.** 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 and OPEB.** OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 45 requires 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.

The County contracted with Armory Associates LLC, an actuarial firm, to calculate its OPEB in accordance with GASB 45. Based on the most recent actuarial evaluation as of January 1, 2017, 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, 2016 and December 31, 2017:

<b><i>Annual OPEB Cost and Net OPEB Obligation:</i></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
Annual required contribution (ARC)	\$ 67,444,452	\$ 74,317,962
Interest on net OPEB obligation	14,170,174	15,720,197
Adjustment to ARC	<u>(17,855,516)</u>	<u>(21,773,816)</u>
Annual OPEB cost (expense)	63,759,110	68,264,343
Expected Contributions made	<u>(22,425,167)</u>	<u>(23,964,969)</u>
Increase in net OPEB obligation	41,333,943	44,299,374
Net OPEB obligation - beginning of year	<u>377,871,314</u>	<u>419,205,257</u>
Net OPEB obligation - end of year	<u>\$ 419,205,257</u>	<u>\$ 463,504,631</u>
Percentage of annual OPEB cost contributed	35.2%	35.1%

### ***Funding Status:***

Actuarial Accrued Liability (AAL)	\$ 797,900,000	\$ 833,800,000
Actuarial Value of Assets	<u>0</u>	<u>0</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 797,900,000</u>	<u>\$ 833,800,000</u>
Funded Ratio (Assets as a Percentage of AAL)	0.0%	0.0%

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2017	\$ 68,264,343	35.1%	\$ 463,504,631
2016	63,759,110	35.2	419,205,257
2015	60,702,257	41.4	377,871,313

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 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.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

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

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.

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. Health benefit plan design changes were implemented with the passage of the Civil Service Employees Association (CSEA) 2016-2019 collective bargaining agreement. The new plan design is expected to save approximately \$800,000 in annual costs through changes including increased office visit co-pays and increased prescription co-pays for mail order fills. Also as part of the new CSEA collective bargaining agreement, employees are required to pay an increased share of their health care. The new agreement requires employees to increase contributions from the current 11% of the cost up to 20% by the end of the four year agreement.

### **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 has complied 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.

Except for as shown under “STATUS OF INDEBTEDNESS – Bonded Debt of Political Subdivisions within the County”, 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, 2017 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 2016 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.

**Proprietary Fund Types:** Proprietary 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 period incurred, if measurable. The County reports the activities of Onondaga Convention Center Hotel Development Corporation (OCCHDC), a blended component unit, as an Enterprise Fund. And the County utilizes the Internal Service Fund 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.

**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.

**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. Onondaga Tobacco Asset Securitization Corporation ("OTASC"), established to sell the tobacco bonds, is blended as a Non-major Debt Service Fund. The Onondaga Convention Center Hotel Development Corporation is blended as an Enterprise 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 2017 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 \$625.0 million in 2012 to \$635.7 million in 2017 for a total five-year increase of 1.7%. These numbers reflect the sales tax accounting pass-through adjustment, which totaled \$86.4 million in 2012 and \$85.5 million in 2017. From 2016 to 2017, general fund revenues adjusted by the sales tax accounting change increased by only .47%. Property tax levy has been held flat for 2015 at \$139.9 million and \$139.7 million in 2016. In 2017, due to more properties on the tax rolls, the levy was \$141.1 million. In total dollars, State and Federal aid for 2016 were \$5.2 million higher than 2015 levels, but comprised 28.3% of the total adjusted revenues in 2016, which is slightly higher than the 2015 level of 27.7%.

## **Local Revenue**

More than half of the County's General Fund revenues are derived from sales and use tax plus real property taxes and related tax items. In 2016, these revenues reported under GAAP standards combined to total \$402.3 million or 63.6% of the total General Fund revenues of \$632.8 million (adjusted by \$83.6 million for the sales tax accounting adjustment). Between 2010 and 2016 the county-wide property tax levy went from \$184.0 to \$139.7 million, a decrease of over \$44 million or 24.1%. During the same time period, the County's share of sales tax revenues grew from \$145.9 to \$249.2 million, an increase of \$103.27 million or 70.8%. The sales tax collections were down for the second year in a row in 2016, reflecting the lackluster growth in sales tax collections given the allocation of sales tax to municipalities as per the sharing agreement did not change significantly in 2016 over 2015.

## Expenditures

Operating Fund expenditures include all General Fund expenditures. Total general fund expenditures reported under GAAP standards increased 9.7% from \$540.2 million in 2011 to \$592.7 million in 2016 after the sales tax accounting adjustment in both years. This was 4.4% higher than the 2015 level of \$567.8 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 2016 with its total fund balance at \$74.7 million. Initial and subsequent appropriations in the 2017 budget assigned \$12.1 million in fund balance of which \$7.6 million was appropriated to balance the budget and \$4.5 million was set aside for encumbrances. The remaining \$62.5 million or 9.1% of adjusted General Fund revenues was unassigned. 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 “FINANCIAL STRUCTURE - 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 was completed in 2013.

The County does retain certain legacy costs These are facility debt service, retiree expenses and extraneous costs. These expenses will be paid out of the remains of the sale proceeds and fund balance of Van Duyn and the County.

## 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.

As of the date of this Official Statement, there are no recent State Comptrollers audits of the County that are currently in progress or nor any that have been published within the past five years.

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

## 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 reports of the State Comptroller for the past three fiscal years of the County are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2016	No Designation	38.3%
2015	No Designation	25.4%
2014	No Designation	22.1%

Note: Reference to website implies no warranty of accuracy

Source: Website of the Office of the New York State Comptroller (accessed September 17, 2018).

## 2018-2023 Capital Improvement Plan

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

In conjunction with the County’s land use plan, currently the 2010 Development Guide but soon to be replaced by the Sustainable Development Plan, a draft of which has been released for public review and feedback, the CIP serves as a general guide for the planning and construction of major capital projects facilities in the County. The County adopts a six-year capital plan, which sets forth the capital projects – both new and previously authorized, which are anticipated to be either authorized or continued in the ensuing six fiscal years. The County Legislature adopted the 2018-2023 Capital Improvement Plan on October 10, 2017.

The adoption of the capital plan does not constitute an authorization to proceed with a project nor the financing thereof. Each project must be voted on individually by the County Legislature and passed by a two-thirds majority to authorize the issuance of obligations. Accordingly, it is difficult to exactly forecast which projects and the total amount of bonds outlined by the capital plan that may be authorized by the County Legislature during 2018-2023.

The 2018-2023 Capital Plan outlined \$255.8 million of proposed general fund projects, \$191.3 million of sewer projects and \$37.6 million of water projects, for a total of \$447.1 million projected to be funded by borrowing during the 6 year period 2018-2023. The figures below estimate when the CIP Projects will be funded with County debt (000’s omitted) for years 2019 to 2023 and 2018 is actual amount of the bonding that will occur this year:

<u>Department</u>	<u>2018</u>	<u>2019-2023</u>	<u>Total</u>
Emergency Communications	\$ 303	\$ 15,609	\$ 15,912
Facilities Management	11,043	19,129	30,172
Parks	4,494	24,488	28,982
Child & Family	100	41	141
Office of Environment	0	4,500	4,500
Sheriff/Corrections	325	1,886	2,211
Library	0	885	885
County Clerk	360	0	360
OCC	800	15,832	16,632
Transportation	13,363	142,961	156,324
Van Duyn	1,149	0	1,149
Metropolitan Water Board <sup>(1)</sup>	2,003	0	2,003
Water Environmental Protection <sup>(2)</sup>	<u>18,020</u>	<u>173,309</u>	<u>191,329</u>
Totals	\$ 51,960	\$ 398,640	\$ 450,600

<sup>(1)</sup> The 2017 budget included a transfer of the Metropolitan Water Board (Water Fund) operations and staff to the Onondaga County Water Authority (OCWA). The Metropolitan Water Board will still exist, but the operations and infrastructure maintenance will be the responsibility of OCWA. OCWA will be required to fund all legacy expenses of the Metropolitan Water Board that the water district tax levy doesn’t cover. The County will continue to issue general obligations for two existing capital projects with all future capital improvements being the responsibility of OCWA.

<sup>(2)</sup> In addition to the numbers presented above, there still remains \$56.1 million in authorized unissued debt that the County plans to issue as GO bonds during the period 2018- 2023. In addition, approximately \$67.2 million authorization for debt qualifies for EFC loans for the same period of time. 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 2017 assessed and full valuations listed below were used to apportion the 2018 County property tax levy. Of the 20 taxing jurisdictions in the County, 13 have adopted a full market value assessment standard, representing approximately 58% of the County’s full market value.

**2017 for 2018**

<b>Towns</b>	<b>2017 Assessed Value for 2018 County Tax <sup>(1)</sup></b>	<b>2017 State Equalization Rates (%) <sup>(2)</sup></b>	<b>2017 Municipalities Full Valuation <sup>(3)</sup></b>	<b>Percent Full Value (%)</b>
Camillus	\$ 1,611,856,267	100.00%	\$ 1,611,856,267	5.91%
Cicero	2,182,943,548	100.00%	2,182,943,548	8.01%
Clay	149,746,820	4.29%	3,490,601,865	12.81%
Dewitt	2,587,645,643	100.00%	2,587,645,643	9.49%
Elbridge	314,264,524	100.00%	314,264,524	1.15%
Fabius	121,025,428	99.00%	122,247,907	0.45%
Geddes	826,186,292	90.00%	917,984,769	3.37%
Lafayette	316,873,334	93.00%	340,724,015	1.25%
Lysander	1,598,130,521	100.00%	1,598,130,521	5.86%
Manlius	2,518,019,309	100.00%	2,518,019,309	9.24%
Marcellus	408,134,087	100.00%	408,134,087	1.50%
Onondaga	1,390,955,895	100.00%	1,390,955,895	5.10%
Otisco	4,164,468	2.02%	206,161,782	0.76%
Pompey	629,105,868	99.00%	635,460,473	2.33%
Salina	1,661,185,383	100.00%	1,661,185,383	6.09%
Skaneateles	1,324,942,693	100.00%	1,324,942,693	4.86%
Spafford	361,588,122	100.00%	361,588,122	1.33%
Tully	237,653,646	100.00%	237,653,646	0.87%
Van Buren	661,698,637	100.00%	661,698,637	2.43%
<b>Town Total</b>	<b>\$ 18,906,120,485</b>		<b>\$ 22,572,199,086</b>	<b>82.81%</b>
Syracuse	\$ 3,749,075,676	80.00%	\$ 4,686,344,595	17.19%
<b>GRAND TOTAL</b>	<b>\$ 22,655,196,161</b>		<b>\$ 27,258,543,681</b>	<b>100.00%</b>

- (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 2017 equalization rates and 2017 full valuations used to apportion the 2018 adopted County property tax levy to the municipalities were established by the N.Y.S. Office of Real Property Services
- (2) 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:

<b>FULL VALUE AND COUNTY PROPERTY TAX LEVY</b>				
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
2018	\$ 22,498,959,297	\$ 28,105,345,560	\$ 141,690,731	\$ 5.04
2017	22,402,731,181	27,840,018,037	141,096,060	5.08
2016	22,122,508,721	27,374,492,215	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	2.56
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

<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 2017 County tax levy is apportioned using the 2016 total full value figures, which are obtained from the municipality's preceding 2016 assessment roll.

## Tax Collection Record

<b>COUNTY TAX COLLECTION RATES FOR TOWNS</b>					
Year	County Levy	First Year Unpaid <sup>(1)</sup>	% Unpaid Year-end	Unpaid 12/31/2017	% Unpaid 12/31/2017
2018	\$ 348,125,925	N/A	N/A	N/A	N/A
2017	339,780,357	\$ 11,362,933	3.34%	\$ 11,362,933	3.34%
2016	335,802,929	11,637,711	3.47%	7,999,430	2.38%
2015	333,509,544	11,748,398	3.52%	5,149,192	1.54%
2014	326,463,729	10,288,148	3.15%	1,636,436	0.50%
2013	319,290,719	10,116,290	3.17%	931,583	0.29%
2012	318,555,842	10,723,425	3.37%	507,954	0.16%
2011	310,719,182	10,220,139	3.29%	332,133	0.11%
2010	284,262,783	10,440,848	3.67%	198,032	0.07%
2009	274,562,462	9,915,331 <sup>(2)</sup>	3.61% <sup>(2)</sup>	170,001	0.06%
2008	268,336,983	8,365,860	3.12%	181,649	0.07%
2007	260,313,637	6,074,852	2.33%	179,997	0.07%
2006	244,920,971	5,337,994	2.18%	102,423	0.04%
2005	235,417,115	5,078,579	2.16%	60,188	0.03%

<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>**

Year	County Levy	First Year Unpaid <sup>(2)</sup>	% Unpaid Year-end	Unpaid 12/31/2017	% Unpaid 12/31/2017
2018	\$ 74,544,822	N/A	N/A	N/A	N/A
2017	73,402,801	\$ 5,599,299	7.63%	\$ 5,599,299	7.63%
2016	71,573,920	5,360,958	7.49%	2,521,049	3.52%
2015	71,923,422	4,396,073	6.11%	1,449,694	2.02%
2014	69,503,686	4,497,585	6.47%	986,588	1.42%
2013	66,984,842	4,035,921	6.03%	657,835	0.98%
2012	68,683,460	4,450,687	6.48%	701,740	1.02%
2011	67,037,234	4,677,041	6.98%	598,624	0.89%
2010	69,062,961	4,892,297	7.08%	559,015	0.81%
2009	66,934,981	5,064,608	7.57%	506,878	0.76%
2008	66,311,802	4,404,469	6.64%	445,342	0.67%
2007	66,708,506	4,357,763	6.53%	362,258	0.54%
2006	66,718,244	4,412,782	6.61%	287,937	0.43%
2005	65,443,753	4,426,380	6.76%	216,121	0.33%

<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>**

Year	County Levy	First Year Unpaid <sup>(2)</sup>	% Unpaid Year-end	Unpaid 4/30/2018	% Unpaid 4/30/2018
2018	\$ 422,670,747	N/A	N/A	N/A	N/A
2017	413,189,158	\$ 16,962,232	4.11%	\$ 13,665,769	3.31%
2016	407,376,849	15,767,552	3.87%	9,308,641	2.29%
2015	405,432,966	16,161,676	3.99%	5,911,720	1.46%
2014	395,967,415	14,785,733	3.73%	2,245,898	0.57%
2013	386,275,561	14,152,211	3.66%	1,425,442	0.37%
2012	387,239,302	15,174,112	3.92%	1,130,335	0.29%
2011	377,756,416	14,897,180	3.94%	882,519	0.23%
2010	353,325,744	15,333,145	4.34%	731,158	0.21%
2009	341,497,443	14,979,939 <sup>(3)</sup>	4.39%	666,485	0.20%
2008	334,648,785	12,770,329	3.82%	621,357	0.19%
2007	327,022,143	10,432,615	3.19%	539,498	0.16%
2006	311,639,215	9,750,776	3.13%	371,981	0.12%
2005	300,860,868	9,504,959	3.16%	262,337	0.09%

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

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## Largest Taxpayers – 2017 Assessment Roll for 2018

<u>Name</u>	<u>Type</u>	<u>Estimated Full Valuation</u>
Niagara Grid	Utility	\$896,160,211
Verizon	Utility	104,345,374
Allied Corp.	Utility	65,312,700
Wegmans Food Market	Retail/Grocery	63,745,542
CSX	Rail Road	51,868,291
Upstate Portfolio LLC	Real Estate	51,686,530
Dominion Pipeline	Utility	45,908,448
Bristol Myer Squibb	Manufacturing	38,797,800
Shoppingtown Mall NY LLC	Retail	36,996,400
Great Northern Mall	Retail	33,960,070

The ten largest taxpayers listed above have a total estimated full valuation of \$1,388,781,366, which represents 4.94% of the County's 2018 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 the fiscal years ending December 31, 2014 through 2018, which incorporates State adjustments for final equalization rates:

<u>Fiscal Year Ending December 31:</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Five Year Average Full Valuation.....	\$ 384,646,320	\$ 391,369,417	\$ 394,550,591	\$ 398,243,929	\$ 402,784,450
Total Tax Levy.....	159,556,263	139,904,736	143,201,833	144,564,957	145,177,794
Total Exclusions.....	30,036,622	31,178,244	39,808,488	40,037,286	38,697,619
Total Tax Levy (subject to limit).....	129,519,641	108,726,492	103,393,345	104,527,671	106,480,175
Tax Margin.....	<u>\$ 255,126,679</u>	<u>\$ 282,642,925</u>	<u>\$ 291,157,246</u>	<u>\$ 293,716,258</u>	<u>\$ 296,304,275</u>
% Tax Power Exhausted.....	33.67%	27.78%	26.21%	26.25%	26.44%

Source: County officials.

## Tax Collection Procedure

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

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

After the return of the town tax rolls to the Chief Fiscal Officer on April 1, the following penalties accrue with respect to delinquent taxes: 6% for April; 6.5% for May; 7% for June; 7.5% for July, plus \$.25 for filing a notice of lien in the office of the Chief Fiscal Officer and \$5.00 to discharge any such filed lien; and 8% for August. Delinquent taxes of the current year are advertised once each week for two weeks on or about September 1. Penalty fees for September are 8%, \$5.25 filing fee, plus a \$70.00 charge added to cover advertising and administrative expenses. On or about October 1, the Chief Fiscal Officer conducts a tax certificate sale. The County of Onondaga purchases most or all of the available tax sale certificates (the "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, Onondaga County and the City of Syracuse created the Greater Syracuse Property Development Corporation, a non-profit corporation, to serve as the region's land bank. The threat of foreclosure by the City and acquisition by the land bank has resulted in increased tax collection revenue for the both the City and County. Since its creation, the land bank has acquired title to hundreds of properties and is working to ensure that properties are redeveloped in a responsible manner, by qualified developers, for purposes that benefit the surrounding community and reverse the decline of property values in blighted areas.

#### Payments In-Lieu of Taxes

The County received \$2,235,461 and \$2,309,515 from Payments In Lieu of Taxes ("PILOTs") for the fiscal years ending 2016 and 2017 respectively. Budgeted 2018 PILOTs are \$2,829,806. PILOTs are received from various economic development agreements negotiated by the County. Although these properties are not on the tax roll, each property has an assessed valuation determined in the same manner as real property taxes.

#### Onondaga County Sales Tax

In September 2004, the County raised its local sales tax rate to 4% from 3%. New York State law previously required a reauthorization of local sales rates in excess of 3% every two years. The County's "additional" 1% rate was reauthorized by the State in 2017 for a three year period December 1, 2017 - November 30, 2020. The County Legislature determines the allocation of sales tax every ten years and on May 4, 2010 the County Legislature unanimously approved a sales tax sharing agreement for the years 2011-2020. This agreement covers the entire 4% local share and acknowledges the "additional" 1% rate must be reauthorized by the New York State Legislature every two years.

For 2017, under the sharing agreement the City received 24.4% of the total, while the County retained 74.9% of the total sales tax collections. Towns no longer received any allocation and the Schools' share is at 0.7%. Since 2013, the sharing agreement distributes approximately 25% to other municipalities while the County retains approximately 75% of revenues from sales taxes.

In 2017, local sales tax revenues were allocated as follows:

Unit	3% Formula		1% Formula		Total	
	Dollar	Percent	Dollar	Percent	Dollar	Percent
County	\$ 253,531,892	99.3%	\$ 1,344,194	1.6%	\$ 254,876,086	74.9%
City	0	0.0	83,195,384	97.8	83,195,384	24.4
Schools	1,759,558	0.7	535,976	0.6	2,295,534	0.7
	<u>\$ 255,291,450</u>		<u>\$ 85,075,553</u>		<u>\$ 340,367,004</u>	

Source: County officials.

## 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Bonds <sup>(1)</sup>	\$ 474,120,566	\$ 601,749,786	\$ 641,467,456	\$ 626,912,023	\$ 646,680,700
Bond Anticipation Notes <sup>(2)</sup>	<u>60,387,091</u>	<u>0</u>	<u>1,510,523</u>	<u>25,173,272</u>	<u>0</u>
Total	\$ 534,507,657	\$ 601,749,786	\$ 642,977,979	\$ 652,085,295	\$ 646,680,700

<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> Represents amounts drawn down by the County for EFC Grid Notes.

### 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. Within the past four years the County has refunded approximately \$19.6 million of its bonds in June 2014 saving \$1.2 million, \$11.3 million in June 2015 saving an additional \$864 thousand through 2027, \$33.88 million in November 2016 saving \$3.75 million through 2030, and \$36 million in October 2017 saving an additional \$3.39 million through 2033.

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.

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 2018 Budget process. The debt management goals are:

<u>Goal Statement</u> (General Fund)	<u>Numerical Goal</u>	<u>2018 Budget</u>	<u>2018 Pro-forma</u> <sup>(2)</sup>
Debt Service/General Funds Revenue <sup>(1)</sup>	5.5%	4.45%	4.53%
Minimize debt service of County residents			
Maximum total net indebtedness	\$700/capita	\$546/capita	\$561/capita
Full valuation taxable property	1.5%	0.916%	0.936%
Rapid debt repayment –			
Retire debt within 10 years	65%	72%	74%

<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.

## Details of Outstanding Indebtedness

The following table sets forth the short-term and bonded indebtedness of the County as of September 12, 2018 and October 11, 2018 (Pro forma):

	Amount Outstanding September 12, 2018	(Pro forma) <sup>(1)</sup> Amount Outstanding October 11, 2018
Short-Term Indebtedness <sup>(2)</sup>	\$ 1,874,974	\$ 1,874,974
Bonded Indebtedness <sup>(3)</sup>	\$ 601,144,177	\$ 652,397,997
Total Indebtedness	\$ 603,019,151	\$ 654,272,971
Total Indebtedness after Defeasance	\$ 601,824,151	\$ 653,077,971

<sup>(1)</sup> Pro forma includes the issuance of the Bonds.

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

<sup>(3)</sup> See "Bonded Indebtedness as of September 12, 2018", herein.

## Estimate of Obligations to be Issued

After this issue, there will be \$32.7 million in County Wide Funds that is authorized and unissued. Approximately \$20.6 million of those projects are contemplated for financing in 2019.

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 \$339 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 2017 financings, the remaining amount authorized and unissued is \$5.1 million for ACJ purposes.

EFC has been proactive and between 2011- 2017 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 (%)
2018 – 2022	5 Years	\$ 112,452,281	47%	47%
2023 – 2027	10 Years	72,240,669	30	77
2028 – 2032	15 Years	35,855,894	15	93
2033 – 2037	20 Years	<u>17,360,424</u>	7	100
Total		\$ 237,909,268		

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

Source: County officials.

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**Bonded Indebtedness as of September 12, 2018**

<u>Bond Issue</u>	<u>Date of Bonds</u>	<u>Interest Rate</u> <sup>(1)</sup>	<u>Amount Outstanding</u>
General Obligation (Serial) Bonds, 2009 Series A	03/5/2009	3.000-5.000%	\$4,925,000
General Obligation (Serial) Bonds, 2010 Series A (Tax Exempt)	06/29/2010	4.000-5.000%	3,000,000
General Obligation (Serial) Bonds, 2011	06/29/2011	2.000-5.000%	2,525,000
General Obligation (Serial) Bonds, 2012	06/28/2012	3.000-5.000%	35,350,000
General Obligation (Serial) Bonds, 2013	06/28/2013	4.000-5.000%	11,900,000
General Obligation (Serial) Bonds, 2014	06/27/2014	2.500-5.000%	26,600,000
General Obligation (Serial) Bonds, 2015	05/28/2015	3.000-5.000%	75,105,000
General Obligation (Serial) Bonds, 2016	07/13/2016	2.000-5.000%	24,580,000
General Obligation (Serial) Bonds, 2017	07/12/2017	2.000-5.000%	21,780,000
General Obligation Refunding (Serial) Bonds, 2009	12/03/2009	3.000-5.000%	6,845,000
General Obligation Refunding (Serial) Bonds, 2012	07/11/2012	2.000-5.000%	5,925,000
General Obligation Refunding (Serial) Bonds, 2014	07/14/2014	2.000-5.000%	14,515,000
General Obligation Refunding (Serial) Bonds, 2015	06/24/2015	2.000-5.000%	10,065,000
General Obligation Refunding (Serial) Bonds, 2016	11/16/2016	1.000-5.00%	35,555,000
General Obligation Refunding (Serial) Bonds, 2017	10/5/2017	1.000-5.00%	33,225,000
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 Environmental Facilities Corp Series 2000A	03/09/2000	4.080-5.990%	160,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2001A	03/08/2001	3.430-5.130%	1,575,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2001B	07/26/2001	2.619-5.154%	365,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2002A	03/14/2002	1.362-4.982%	429,128 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2002G	07/25/2002	1.533-5.795%	6,160,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2003A	03/13/2003	1.031-4.711%	240,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2003F	07/14/2003	0.721-4.500%	1,330,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2004D	07/22/2004	1.581-4.964%	3,245,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2005A	03/03/2005	1.564-4.399%	5,995,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2005B	07/14/2005	2.489-3.999%	2,170,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2006C	07/13/2006	3.626-4.861%	28,580,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2007D	07/01/2007	3.630-4.789%	24,490,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2008A&B	06/19/2008	4.270%	980,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2010C	05/01/2010	0.286-4.226%	1,975,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2011C	06/01/2011	0.281-4.113%	10,905,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2012B	05/24/2012	0.445-4.169%	9,105,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2012E	10/07/2012	0.269-3.539%	3,230,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2014B	07/02/2014	0.1815-4.292%	114,675,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2016B	8/1/2016	0.5480-3.115%	3,570,000 <sup>(3)</sup>
NYS Environmental Facilities Corp Series 2017C	10/25/2017	1.031-3.641%	44,280,049 <sup>(3)</sup>
Qualified Energy Conservation Bonds	12/15/2016	3.500%	<u>2,120,000</u>
<b>Total Serial Bonds Outstanding as of September 12, 2018</b>			<b>\$599,949,177 <sup>(4)</sup></b>

<sup>(1)</sup> Represents Build America Bonds which will receive up to a 35% federal interest subsidy. In Federal fiscal year ending 2015, 2016, and 2017 the subsidy expected was reduced by 6.7%, 6.9%, 6.6%, 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>(2)</sup> Represents Recovery Zone Bonds which will receive up to a 45% federal interest subsidy. In Federal Fiscal Year ending 2015, 2016, & 2017 the subsidy expected was reduced by 6.7%, 6.9%, & 6.6%, 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's portion). Interest expense is subsidized by the New York State Revolving Loan Fund Program for Clean Water.

<sup>(4)</sup> As of September 12, 2018, \$1,195,000 is defeased with proceeds from Tobacco Bonds. The defeased amount is not part of the total above.

**Calculation of Total Net Indebtedness (As of September 12, 2018)**

The following table sets forth the debt limit of the County and its debt-contracting margin as of September 12, 2018:

5-Year Average Full Valuation of Taxable Real Property.....	\$ 26,379,276,277
Debt Limit-7% thereof <sup>(1)</sup> .....	1,846,549,339

Outstanding Indebtednes

Bonds.....	\$ 601,144,177
Bond Anticipation Notes.....	1,874,974
Outstanding Gross Indebtedness...	\$ 603,019,151

Less Exclusions:

Appropriations <sup>(2)</sup> .....	\$ 265,000
Sewer Debt (Bonds) <sup>(3)</sup> .....	291,481,869
Sewer Debt (Notes) <sup>(3)</sup> .....	-
Water Debt (Bonds) <sup>(4)</sup> .....	29,988,458
Defeased Bonds <sup>(5)</sup> .....	1,195,000
Total Exclusions .....	\$ 322,930,327

Total Net Indebtedness <sup>(6)</sup> .....	\$ 280,088,824
Net Debt-Contracting Margin.....	\$ 1,566,460,515.40
Percentage of Debt-Contracting Power Exhausted.....	15.17%

- (1) The Debt Limit of the County is computed in accordance with the provisions of Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law.
- (2) Appropriations from adopted 2018 Budget on principal for indebtedness not otherwise excluded.
- (3) Pursuant to Section 124.10 of the Local Finance Law
- (4) Pursuant to Section 136.00 of the Local Finance Law.
- (5) Debt defeased with Tobacco Revenue Bonds in August 2001 and November 2005.
- (6) The overall Total Net Indebtedness of the County will increase by \$49,957,044 with the issuance of the Bonds.

**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 June 30, 2017).....	\$ 425,545,673
Other School Districts (as of June 30, 2017).....	466,211,454
Towns (as of December 31, 2016).....	69,126,202
Villages (as of May 31, 2017).....	40,439,203
Fire Districts (as of December 31, 2016).....	19,494,128
Gross Total.....	\$ 1,020,816,659

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.....	\$ 527,980,807
Town Water & Sewer Bonds.....	12,484,276
Village Water & Sewer Bonds.....	6,615,325
City of Syracuse.....	113,355,588
Total Excludable.....	\$ 660,435,996
Net Bonded Debt.....	\$ 360,380,663

- (1) Does not include Revenue or Tax Anticipation Notes.
- (2) Includes Debt Reserves comprised of funds received from the sale of Parking Garage Facilities which have outstanding bonds and reserves for special assessment debt, Water Debt, Revenue Anticipation Notes, refunded bonds, and appropriations not otherwise excluded.

Source: Comptroller’s Special Report on Municipal Affairs for Local Finance Years Ended in 2016 and 2017.

## Debt Ratios

The following table sets forth certain ratios related to the County's gross and net direct indebtedness as of September 12, 2018 and October 11, 2018 (Pro forma):

	As of September 12, 2018			As of October 11, 2018 (Pro forma)		
	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> .....	\$ 603,019,151	\$ 1,295.71	2.23%	\$ 654,979,151	\$ 1,407.35	2.42%
Net Direct Indebtedness <sup>(4)</sup> .....	\$ 280,088,824	\$ 601.83	1.03%	\$ 332,048,824	\$ 713.47	1.23%
Gross Direct Plus Net Underlying Indebtedness <sup>(4)</sup> .....	\$ 963,399,814	\$ 2,070.06	3.56%	\$ 1,015,359,814	\$ 2,181.70	3.75%
Net Direct Plus Net Underlying Indebtedness <sup>(4)</sup> .....	\$ 640,469,487	\$ 1,376.18	2.37%	\$ 692,429,487	\$ 1,487.82	2.56%

<sup>(1)</sup> The County's 2017 estimated population is 465,398 according to the U.S. Census. (See "THE COUNTY – Population Trends" herein.)

<sup>(2)</sup> The County's full valuation of taxable real estate for 2018 is \$27,066,942,229. (See "Municipal Subdivisions in the County" herein.)

<sup>(3)</sup> See "Calculation of Total Net Indebtedness (as of September 12, 2018)" herein.

<sup>(4)</sup> The County's applicable share of net underlying indebtedness is estimated to be \$360,380,663. (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 commerce 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 "THE BONDS - Nature of the 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 MATTERS" herein).

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

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## **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 alternative minimum tax. 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”.

## 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, 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 its portion of any certiorari tax refunds. The County's certiorari claims for 2013 through 2017 were \$292,161, \$530,864, \$370,794, \$ 376,715, and \$ 240,181 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 DWEF 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 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 \$41.4 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 2015 Annual Report regarding ACJ compliance, required to be delivered to the DEC on April 1, 2016, 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. 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. Construction of the CSO 063 conveyance pipeline within the Harbor Brook sewer shed and the CSO 061 sewer separation project located in the Midland sewer shed area have also been completed. Planning level costs are known for the majority of all other ACJ projects (including green infrastructure).

With respect to the phosphorous removal project identified in the Metro WWTP Optimization report, the design was completed in 2016 and construction began in 2017 with expected completion in 2019. This project shall serve to further assist Onondaga County in consistently complying with its 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 \$281.7 million in long term loans to fund lake projects. The County anticipates \$101.8 million in local funding for the now remaining 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 exceedances 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. The present tolling agreement expired on December 7, 2016. While it is possible that the DEC and EPA will argue that their claims against the County are still timely, the prospect appears less likely given the lodging of a proposed federal Consent Decree between the DEC, EPA, Honeywell and other PRPs who previously settled with Honeywell which would resolve such oversight cost claims against Honeywell and the other PRPs and contains a covenant not to sue. Under such Consent Decree, Honeywell will pay \$7.3 million in reimbursement and the U.S. will reimburse \$6.25 million to Honeywell in relation to the disposal of contaminants by federal agencies during WWII.

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. In July 2016, after prolonged negotiations and discussions with 6 other named PRPs and the EPA, the parties were able to reach agreement on a Remedial Design Order with the EPA and PRP participation that enables the PRPs to equally share the costs of developing a design for a proposed remedy, thereby providing the framework for arriving at a more precise estimate of the costs of the remedy. The estimate for work associated with a remedial design is now in the realm of \$1.7 million based on work undertaken by consultants retained by the Industrial PRPs to date. The Remedial Design Order does not commit the signatory PRPs to implement any remedial action, but does provide a means by which the PRPs could be reimbursed for expenditures from the proceeds of the GM Bankruptcy settlement. Once the remedial design is complete, any proposed Remedial Action Order with the EPA would be the subject of further extensive negotiations.

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 entered into a Tolling Agreement with CCH, to which the City is also a party, so that the parties could 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. The Tolling Agreement expired on October 3, 2016. On October 4, 2016, CCH filed a complaint against the City and County alleging causes of action under, *inter alia*, CERCLA and State contract law, Superfund Law, and Navigation Law. Subsequently, the City and County filed pre-answer partial motions to dismiss and, on February 2, 2018, the court dismissed all of CCH's claims except CERCLA claims against the City and CERCLA and state common law contractual indemnification claims against the County. Discovery is scheduled to continue through the close of 2018.

In January 2012, the County received notice from the Natural Resource Damage Trustee, which included the Dept. of Interior and the State of New York, of their intention to pursue additional Natural Resource Damage assessments for the Onondaga Lake superfund site. That notice identified the County as a PRP. Honeywell, the County, and the Trustees subsequently executed a Consent Decree, entered in the Federal Court on March 14, 2018, which resolved the County's and Honeywell's natural resource damages liability for the superfund site, including all subsites, in exchange for the County's commitment to, *inter alia*, provide access to its property and undertake certain operation and maintenance obligations.

By letter dated March 11, 2010, the EPA advised National Grid of the Agency's determination to designate National Grid as a PRP with respect to the Onondaga Lake Superfund site due to releases from property formally owned by Niagara Mohawk Power Corp., National Grid's predecessor in interest, at 600 Hiawatha Boulevard. The EPA alleges that the property is contaminated with hazardous substances generated by Niagara Mohawk in the course of operating a manufactured gas plant. In 2001, the County acquired the property from Niagara Mohawk. Therefore, the EPA's letter advised National Grid and the County that the agency

was evaluating whether to list the County as a PRP as well. Pursuant to an agreement between the County and Niagara Mohawk at the time of transfer of the property, the County contends that National Grid, as successor in interest to Niagara Mohawk, retains liability for the site. By letter dated March 25, 2010, the County gave National Grid notice of a potential claim as required by the agreement. According to the PRAP released by New York State in February 2015, National Grid is the only listed PRP.

WASTEBEDS 1-8: Located on the southwest shore of Onondaga Lake, the County acquired Wastebeds 1-6 from the State of New York in the early 1980's. Wastebeds 7-8 are comprised of the adjoining State Fair parking lots. This site is covered by the terms of the settlement between Onondaga County and Honeywell and as such the County contends that ownership of this site should not generate additional potential liability for the County. It is the County's position that any liability that the County might otherwise have as the current site owner has been fully addressed in the Stipulated Judgment resolving Honeywell's contribution action against the County. It is worth noting that in December 2014, 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 Onondaga County Legislature passed a memorializing resolution expressing the desire to enter into discussions with the Onondaga Nation at some point in the future to explore the transfer of the site to the Nation. The Resolution has recently been cited as a basis by the EPA and 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. By Resolution 064, adopted May 3, 2016, the County Legislature superseded the 2011 memorializing resolution and stated that Murphy's Island will not be considered for transfer to the Nation, reconfirming its intent to hold the property as dedicated park land. In December 2017, the County Legislature approved funding to construct a trail on Murphy's Island. Trail construction is consistent with the Site HHRA and will require some limited remediation by the County within the trail footprint. However, the County is under no obligation to remediate the entire Site and will vigorously defend any assertion that it is liable as a PRP or has any remedial obligations beyond those undertaken pursuant to trail construction. Trail design and construction will be done in coordination with the DEC and the United States Fish and Wildlife Services ("USFWS") to avoid any disturbances to the Bald Eagles protected under the Bald and Golden Eagle Protection Act (Eagle Act) and State law.

#### **ONONDAGA COUNTY RESOURCE RECOVERY AGENCY**

In November 1990, the Onondaga County Resource Recovery Agency ("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 ("WTE") 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 2015. The subordinate lien debt has been refinanced.

In November 2014, OCRRA and Covanta entered into a twenty (20) year 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 and in mid-2015 issued \$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 all of 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 two year contracts expire at the end of 2018 but it is the expectation of the Agency that they will be renewed for the foreseeable future.

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## **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**

Other than as stated below, 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:

The County failed to file its Audited Financial Statements for the fiscal year ending December 31, 2016, on or before 180 days after the end of the fiscal year, as required by the County’s undertaking agreement for its Public Finance Authority Revenue Bonds (New York State Association of Counties Qualified Energy Conservation Bond Financing Program), Series 2015A (Federally Taxable) (the “QECCB Bond”). A notice disclosing such failure was timely filed to the Electronic Municipal Market Access (EMMA) website on June 30, 2017. The County’s Audited Financial Statements for the fiscal year ending December 31, 2016 became publicly available and was promptly posted to the MSRB’s EMMA website on June 30, 2017, which is one day after the filing requirement deadline for the QECCB Bond. The County’s Annual Financial Information and Operating Data was filed timely on June 29, 2017.

The County failed to file its Audited Financial Statements for the fiscal year ending December 31, 2017, on or before 180 days after the end of the fiscal year, as required by the County’s undertaking agreement for its QECCB Bond. A notice disclosing such failure was timely filed to the Electronic Municipal Market Access (EMMA) website on July 5, 2018. The County’s Audited Financial Statements for the fiscal year ending December 31, 2017 are expected to become publicly available on or about July 20, 2018, and will be promptly posted to the MSRB’s EMMA website upon their availability. The County’s Annual Financial Information and Operating Data was timely filed on June 29, 2018.

## **MUNICIPAL ADVISOR**

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as 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. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the District 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 warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the County to Fiscal Advisors are partially contingent on the successful closing of the Bonds.

## **CUSIP IDENTIFICATION NUMBERS**

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the County provided, however; the County assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

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## RATINGS

Fitch Ratings, Moody's Investors Service, Inc., and S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC have assigned their municipal bond ratings of "AAA (negative outlook)", "Aa2 (negative 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 S&P Global Ratings, 55 Water Street, 38<sup>th</sup> Floor, New York, New York 10041, Phone: (212) 438-2118. 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 Auction Portal website: [www.FiscalAdvisorsAuction.com](http://www.FiscalAdvisorsAuction.com).

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

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

**COUNTY OF ONONDAGA**

**Dated: September 26, 2018**

/s/  
**Chief Fiscal Officer**

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>ASSETS</b>					
Cash and Investments	\$ 58,476,259	\$ 74,880,429	\$ 75,380,845	\$ 57,181,976	\$ 25,788,035
Receivables:					
Property Taxes	43,594,507	42,883,054	44,399,990	45,452,758	46,711,216
Accounts Receivable	42,967,964	46,047,123	42,498,837	43,108,761	46,500,030
Due from Federal and State Governments	68,390,930	66,572,857	61,657,920	61,761,531	73,801,197
Due from Other Governments	3,807,713	3,415,233	2,986,802	2,734,338	2,677,982
Due from Other Funds	13,227,685	867,251	964,302	5,690,847	17,861,664
Prepaid Expenditures & Other Assets	7,942,774	7,309,456	6,646,513	6,028,457	6,456,136
<b>TOTAL ASSETS</b>	<u>\$ 238,407,832</u>	<u>\$ 241,975,403</u>	<u>\$ 234,535,209</u>	<u>\$ 221,958,668</u>	<u>\$ 219,796,260</u>
<b>LIABILITIES AND FUND EQUITY</b>					
Accounts Payable and Accrued Liabilities	\$ 55,333,884	\$ 62,755,076	\$ 54,452,321	\$ 52,653,290	\$ 53,283,194
Due to Other Governments	59,865,352	63,792,698	60,578,790	59,493,588	62,089,298
Due to Other Funds	1,300,000	1,000,000	800,000	800,000	800,000
Deferred Property Tax Revenues	-	-	-	-	-
Other Deferred Revenues	-	-	-	-	-
Contracts Payable - Retainage	2,457	2,457	2,457	2,457	-
Other Liabilities	641,386	7,817,882	7,817,998	12,029,297	14,071,728
<b>TOTAL LIABILITIES</b>	<u>\$ 117,143,079</u>	<u>\$ 135,368,113</u>	<u>\$ 123,651,566</u>	<u>\$ 124,978,632</u>	<u>\$ 130,244,220</u>
<b>DEFERRED INFLOW OF RESOURCES <sup>(1)</sup></b>	\$ 24,313,022	\$ 18,901,374	\$ 20,372,927	\$ 22,315,183	\$ 22,577,946
<b>FUND EQUITY</b>					
Reserved:					
Non-spendable (prior: Prepaids)	\$ 7,942,774	\$ 7,309,456	\$ 6,646,513	\$ 6,028,457	\$ 6,456,136
Unreserved:					
Committed	5,000,000	5,000,000	5,000,000	5,000,000	-
Assigned (prior: Appropriated)	16,326,067	7,325,091	17,451,521	13,335,100	8,388,852
Unassigned (prior: Unappropriated)	67,682,890	68,071,369	61,412,682	50,301,296	52,129,106
<b>TOTAL FUND EQUITY</b>	<u>96,951,731</u>	<u>87,705,916</u>	<u>90,510,716</u>	<u>74,664,853</u>	<u>66,974,094</u>
<b>TOTAL LIABILITIES and FUND EQUITY</b>	<u>\$ 238,407,832</u>	<u>\$ 241,975,403</u>	<u>\$ 234,535,209</u>	<u>\$ 221,958,668</u>	<u>\$ 219,796,260</u>

<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.

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>REVENUES</b>					
Real Property Taxes and Tax Items	\$ 151,112,855	\$ 149,977,964	\$ 148,446,562	\$ 145,715,446	\$ 150,015,410
Non-Property (Sales) Taxes	333,549,272	344,131,250	343,592,826	340,202,715	347,441,798
Revenues from Federal Sources	88,438,753	87,051,654	89,189,397	90,088,544	85,354,099
Revenues from State Sources	86,981,571	85,174,476	84,729,426	88,996,539	85,474,197
Departmental Income	26,445,728	21,066,583	21,353,292	23,167,985	22,607,500
Service for Other Governments	17,248,068	19,150,988	20,214,619	21,458,384	22,368,948
Sale of Receivables	-	-	-	-	-
Interest Earned	751,745	496,438	456,522	525,809	570,676
Miscellaneous	7,073,257	6,357,033	5,926,431	6,219,966	7,396,422
Total Revenues	<u>\$ 711,601,249</u>	<u>\$ 713,406,386</u>	<u>\$ 713,909,075</u>	<u>\$ 716,375,388</u>	<u>\$ 721,229,050</u>
<b>EXPENDITURES</b>					
General Government Support	\$ 132,676,121	\$ 141,935,642	\$ 149,298,087	\$ 140,964,365	\$ 145,388,004
Economic Assistance and Opportunity	282,997,273	285,111,340	266,793,434	282,892,224	274,426,740
Health	49,128,022	42,369,575	40,064,820	41,990,956	36,954,140
Public Safety	129,060,622	127,908,753	131,589,992	138,420,423	141,496,965
Culture and Recreation	14,193,231	14,421,731	15,353,239	17,610,020	19,711,111
Education	44,611,060	48,502,886	45,292,138	49,568,469	51,568,295
Home and Community Services	1,644,573	1,894,161	1,837,540	2,407,567	2,488,203
Transportation	3,910,187	3,959,792	3,758,260	2,409,877	2,409,877
Total Expenditures	<u>\$ 658,221,089</u>	<u>\$ 666,103,880</u>	<u>\$ 653,987,510</u>	<u>\$ 676,263,901</u>	<u>\$ 674,443,335</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 53,380,160</u>	<u>\$ 47,302,506</u>	<u>\$ 59,921,565</u>	<u>\$ 40,111,487</u>	<u>\$ 46,785,715</u>
Other Financing Sources (Uses):					
Operating Transfers In	2	-	198,138	-	-
Operating Transfers Out	(56,219,313)	(56,548,321)	(57,314,903)	(55,957,350)	(54,476,474)
Proceeds of Long Term Borrowing	-	-	-	-	-
Other	-	-	-	-	-
Total Other Financing	<u>(56,219,311)</u>	<u>(56,548,321)</u>	<u>(57,116,765)</u>	<u>(55,957,350)</u>	<u>(54,476,474)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(2,839,151)</u>	<u>(9,245,815)</u>	<u>2,804,800</u>	<u>(15,845,863)</u>	<u>(7,690,759)</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	99,790,882	96,951,731	87,705,916	90,510,716	74,664,853
Residual Equity Transfers (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 96,951,731</u>	<u>\$ 87,705,916</u>	<u>\$ 90,510,716</u>	<u>\$ 74,664,853</u>	<u>\$ 66,974,094</u>

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

ALL FUNDS

Revenues, Expenditures and Changes in Fund Balance - Budget

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
	Adopted	Adopted	Adopted	Adopted	Adopted
	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
<b>REVENUES</b>					
Real Property Tax Levy	\$ 140,891,159	\$ 139,891,159	\$ 139,691,159	\$ 141,096,060	\$ 141,690,731
Special District Tax Levies	73,709,494	77,746,943	77,741,125	77,740,504	80,099,020
Services for Other Governments	31,503,675	31,423,319	32,943,510	34,939,411	35,669,454
Non-Property (Sales) Taxes <sup>(1)</sup>	349,579,794	357,831,126	349,753,832	347,753,638	358,315,417
Revenues from State Sources	139,936,465	145,976,142	142,959,933	153,053,586	161,451,888
Revenues from Federal Sources	114,286,532	113,292,062	120,095,024	118,164,508	119,508,947
Other Receipts, Etc.	346,548,636	355,863,114	380,802,091	396,253,072	376,640,947
Total Revenues	<u>\$ 1,196,455,755</u>	<u>\$ 1,222,023,865</u>	<u>\$ 1,243,986,674</u>	<u>\$ 1,269,000,779</u>	<u>\$ 1,273,376,404</u>
<b>EXPENDITURES</b>					
General Government Support <sup>(2)</sup>	\$ 781,165,424	\$ 790,006,440	\$ 794,589,353	\$ 802,422,095	\$ 797,753,040
Community College	90,021,159	90,410,020	90,627,773	90,856,237	94,302,434
Community Development	4,605,953	4,602,577	7,919,424	6,613,563	7,609,942
Van Duyn Hospital	5,775,024	5,463,699	5,500,375	5,169,785	3,840,382
Grant	36,226,670	39,216,955	45,111,346	51,099,565	59,499,137
County Road	40,490,798	40,876,874	43,876,780	44,633,806	43,130,441
Road Machinery	7,896,968	7,738,557	7,729,275	6,893,051	6,318,904
Oncenter Revenue Fund <sup>(2)</sup>	2,745,113	2,545,113	2,603,493	2,789,192	2,785,580
Water	10,317,912	10,537,561	11,068,899	3,019,780	3,311,795
Water Environment Protection	81,976,587	88,350,060	87,918,087	91,317,577	94,772,000
Library	15,269,226	14,248,429	14,573,193	14,693,219	15,337,015
Debt Service	53,586,929	62,538,828	62,346,095	71,065,662	66,828,049
Insurance	83,660,192	85,658,074	89,332,832	100,575,494	95,655,082
Total Expenditures	<u>\$ 1,213,737,955</u>	<u>\$ 1,242,193,187</u>	<u>\$ 1,263,196,925</u>	<u>\$ 1,291,149,026</u>	<u>\$ 1,291,143,801</u>
Excess of Revenues Over (Under) Expenditures/ Budgetary Fund Balance Used	<u>\$ (17,282,200)</u>	<u>\$ (20,169,322)</u>	<u>\$ (19,210,251)</u>	<u>\$ (22,148,247)</u>	<u>\$ (17,767,397)</u>

<sup>(1)</sup> Includes sales tax gross up of \$85,645,189, \$88,280,713, \$87,775,755, \$87,227,127, \$89,937,170 and for 2014, 2015, 2016, 2017, and 2018 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 2018, 2017, 2016, 2015, and 2014 budgets reflect this reclassification.

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

**BONDED DEBT SERVICE**

Fiscal Year Ending December 31st	Excluding this Issue			Principal of This Issue	Total New Debt Service
	Principal <sup>(1)</sup>	Interest	Total		
2018	\$ 48,402,895	\$ 24,391,013.96	\$ 72,793,908.96	\$ -	\$ 48,402,895
2019	46,966,229	22,595,916.40	69,562,145.40	-	46,966,229
2020	44,065,884	20,791,401.26	64,857,285.26	2,740,000	46,805,884
2021	43,520,884	19,050,232.65	62,571,116.65	2,825,000	46,345,884
2022	40,510,000	17,353,762.39	57,863,762.39	2,895,000	43,405,000
2023	39,835,000	15,696,880.39	55,531,880.39	2,985,000	42,820,000
2024	37,430,000	14,121,750.71	51,551,750.71	2,450,000	39,880,000
2025	33,800,000	12,693,141.45	46,493,141.45	2,520,000	36,320,000
2026	31,970,000	11,282,145.55	43,252,145.55	2,580,000	34,550,000
2027	29,195,000	10,061,919.84	39,256,919.84	2,655,000	31,850,000
2028	26,010,000	9,007,260.73	35,017,260.73	2,720,000	28,730,000
2029	24,740,000	8,064,744.92	32,804,744.92	2,760,000	27,500,000
2030	24,185,000	7,175,846.10	31,360,846.10	2,825,000	27,010,000
2031	21,815,000	6,349,481.30	28,164,481.30	2,910,000	24,725,000
2032	20,640,000	5,596,884.90	26,236,884.90	2,995,000	23,635,000
2033	19,155,000	4,860,321.95	24,015,321.95	3,070,000	22,225,000
2034	17,635,000	4,187,128.98	21,822,128.98	2,460,000	20,095,000
2035	16,230,000	3,573,770.69	19,803,770.69	2,530,000	18,760,000
2036	14,455,000	3,004,223.89	17,459,223.89	2,605,000	17,060,000
2037	10,875,000	2,505,458.08	13,380,458.08	2,680,000	13,555,000
2038	9,410,000	2,118,369.46	11,528,369.46	2,755,000	12,165,000
2039	6,910,000	1,749,606.52	8,659,606.52	-	6,910,000
2040	7,055,000	1,467,371.95	8,522,371.95	-	7,055,000
2041	7,180,000	1,174,902.48	8,354,902.48	-	7,180,000
2042	7,300,000	876,168.98	8,176,168.98	-	7,300,000
2043	7,415,000	569,837.12	7,984,837.12	-	7,415,000
2044	7,530,000	255,939.18	7,785,939.18	-	7,530,000
2045	2,445,000	48,900.00	2,493,900.00	-	2,445,000
<b>TOTALS</b>	<b>\$ 646,680,892</b>	<b>\$ 230,624,381.83</b>	<b>\$ 877,305,273.83</b>	<b>\$ 51,960,000</b>	<b>\$ 698,640,892</b>

<sup>(1)</sup> Debt outstanding as of December 31, 2017 including Environmental Facilities Bonds of \$276,100,812.  
The totals above do not include defeased Bonds.

## 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 Underwriter at closing.

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**COUNTY OF ONONDAGA, NEW YORK**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For The Fiscal Year Ending December 31, 2017**

**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, 2018**

**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**

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**EXECUTIVE ASSISTANT**

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**ACCOUNTING STAFF**

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LINDA M. MARNELL

JULIUS F. PERROTTA

**INDEPENDENT AUDITORS**

BONADIO & COMPANY, LLP

COUNTY OF ONONDAGA, NEW YORK  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FISCAL YEAR ENDED DECEMBER 31, 2017  
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**INTRODUCTORY**

**SECTION**

**(UNAUDITED)**

**COUNTY OF ONONDAGA, NEW YORK**

**LIST OF PRINCIPAL OFFICIALS**

**COUNTY LEGISLATURE**

EFFECTIVE JANUARY 1, 2018

CHAIRMAN: J. RYAN MCMAHON II

TIM BURTIS	LINDA R. ERVIN *	MICHAEL E. PLOCHOCKI
THOMAS C. BUCKLE, JR.	KEVIN A. HOLMQUIST	JAMES J. ROWLEY
KEN BUSH, JR.	CASEY E. JORDAN	CHRISTOPHER J. RYAN
PEGGY CHASE	DAVID H. KNAPP *	JUDITH A. TASSONE
DEBRA J. CODY	BRIAN F. MAY **	MONICA WILLIAMS
	JOHN D. MCBRIDE	

\* 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

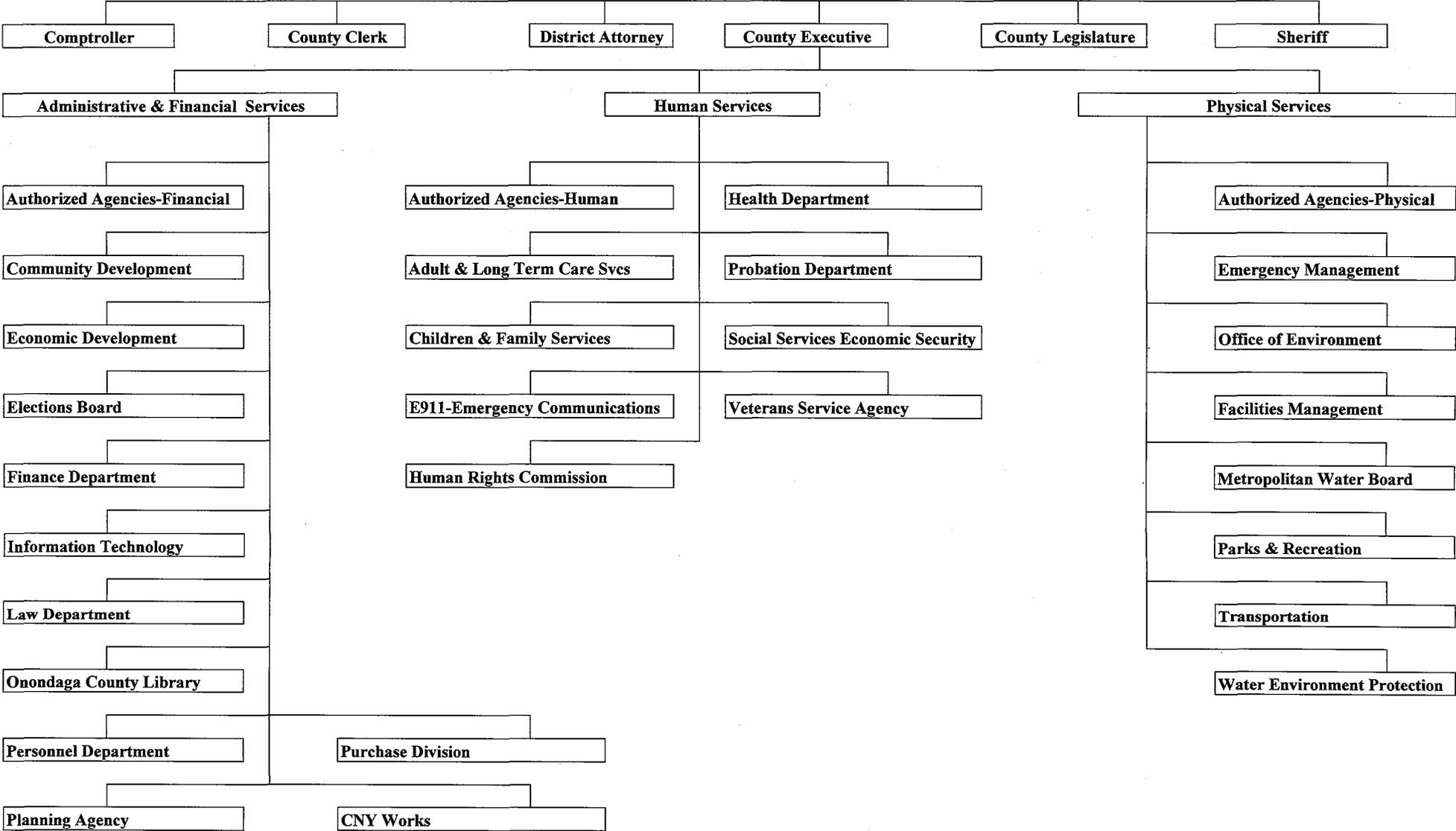
**DISTRICT ATTORNEY**  
WILLIAM J. FITZPATRICK

**COUNTY CLERK**  
LISA DELL

COUNTY OF ONONDAGA

ORGANIZATION CHART

VOTERS





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

August 7, 2018

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, 2017. 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, 2017, 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) and Onondaga Convention Center Hotel Development Corporation (OCCHDC) meet these requirements for recognition as a component unit and their financial information is blended as a Nonmajor Debt Service Fund and an Enterprise Fund respectively 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 ticked up slightly, averaging 4.7% in 2017 compared with 4.5% in 2016, 4.9% in 2015, and 5.6% in 2014. For the 12-month period ending December 2017, the private sector job count in the Syracuse metro area fell over the year by 600, or 0.2 percent, to 252,800 in January 2018. Growth was centered in educational and health services (+600) and manufacturing (+400).

Onondaga County ended 2017 with expenditures exceeding revenues by \$7.7 million; using approximately what was budgeted for reserves to balance the budget. A majority of the shortfall was a result of lower than anticipated sales tax growth.

In July 2017, Onondaga County issued \$21.8 million in General Obligation (GO) Serial Bonds. Borrowing rates are at historically low rates and the true interest cost of the GO's was 2.64%. 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 2017 the County

considered only those projects that could be initiated during the six year capital planning period. The current capital plan outlines 58 projects totaling \$447 million with \$191 million of the resources targeted for Water Environment improvements and \$156 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 for municipalities, and interdepartmental revenue.

**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, \$88.7 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 \$281.7 million in EFC long term loans to fund lake projects. The County anticipates \$101.8 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 \$962,689 in 2017.

**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. Under the authority of the NYSRSSL, the State Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

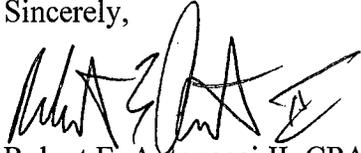
In addition to providing pension benefits, the County provides certain health insurance benefits to retired employees and survivors under its self-insured health program. Substantially all of the County's employees may become eligible for these benefits if they reach normal retirement age while working for the County. As of the end of the year, there were 4,100 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,

A handwritten signature in black ink, appearing to read 'Robert E. Antonacci II', with a stylized flourish at the end.

Robert E. Antonacci II, CPA

**FINANCIAL**

**SECTION**

## INDEPENDENT AUDITOR'S REPORT

August 7, 2018

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 business-type 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, 2017, 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 Civic Development Corporation (OCDC), Friends of the Rosamond Gifford Zoo (The Friends) and Onondaga County Industrial Development Agency (OCIDA), which together represent approximately 8% of assets, approximately 7% of operating revenues, and approximately 12% 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 OCDC, The Friends and OCIDA 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 were 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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## **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 business-type 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, 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 Matters (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 August 7, 2018, 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, 2017. 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 \$377,461,143 (*net position*).
- The government's total net position decreased by \$82,623,808.
- As of the close of the current fiscal year, Onondaga County's governmental funds reported combined ending fund balances of \$151,565,926, a decrease of \$42,787,920 in comparison with the prior year.
- At the end of the current fiscal year, total fund balance for the general fund was \$66,974,094, or 8.6% of total budgetary basis general fund revenues.
- Onondaga County's governmental activities long-term liabilities, including premium and issuance discounts on debt, decreased by \$24,879,828 or 1.8%, 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 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) Agency and Onondaga Convention Center Hotel Development Corporation (OCCHDC), although also legally separate, function for all practical purposes as a department of the County, and therefore have been blended 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.

**Proprietary Fund Types:** Proprietary 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 period incurred, if measurable.

**Enterprise Fund.** The Enterprise Fund is used to account for the activities of OCCHDC, a blended component unit.

**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 the County, 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 and OCCHDC, 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 50-54.

Combining statements for nonmajor governmental funds are presented immediately following the required supplementary information on pages 55-58 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 Governmental Activities, assets and deferred outflows exceeded liabilities and deferred inflows by \$363,561,143 at the close of the 2017 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 \$894,278,606. 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 \$17,815,148. The remaining (\$548,532,611) is unrestricted net deficit.

## County of Onondaga's Net Position

	Governmental activities	
	2016	2017
Current and other assets	\$ 417,606,671	\$ 383,509,490
Capital assets	1,532,805,040	1,522,513,972
<b>Total assets</b>	<b>\$ 1,950,411,711</b>	<b>\$ 1,906,023,462</b>
Deferred Outflow of Resources	138,380,749	68,133,941
Long-term liabilities	1,400,758,028	1,375,878,200
Other liabilities	182,258,113	187,586,839
<b>Total liabilities</b>	<b>1,583,016,141</b>	<b>1,563,465,039</b>
Deferred Inflow of Resources	45,691,368	47,131,221
<b>Net Position:</b>		
Net investment in capital assets	907,560,538	894,278,606
Restricted	21,994,413	17,815,148
Unrestricted	(469,470,000)	(548,532,611)
<b>Total net position</b>	<b>\$ 460,084,951</b>	<b>\$ 363,561,143</b>

**Governmental Activities.** The County's Governmental Activities net position decreased by \$96,523,808. Reduction in fixed assets of \$10.1 million and \$66.2 million net increase in deferred outflows for employee retirement offset a reduction of \$20.4 million in long-term liabilities. These were the primary reasons for the increase in the \$42.8 million deficit reported at the fund level.

**Business-Type Activities.** In 2017, the County implemented the GASB issues Statement No. 80, *Blending Requirements for Certain Component Units; an Amendment of GASB Statement No. 14*. This Statement dictated changes to the financial statement presentation requirements for certain component units. This Statement amends the blending requirement established in Statement No. 14, *The Financial Reporting Entity*. Under the new standards, the Onondaga Convention Center Hotel Development Corporation (OCCHDC) is reported as a blended proprietary fund at December 31, 2017.

County of Onondaga's Changes in Net Position

	Governmental activities	
	2016	2017
Revenues:		
Program Revenue:		
Charges for services	\$ 185,696,599	\$ 163,715,284
Operating grants and contributions	220,038,512	216,930,071
Capital grants and contributions	18,988,179	9,383,977
General Revenue:		
Property taxes	149,383,389	152,003,605
Other taxes	345,552,868	353,069,549
Other	14,703,878	7,396,953
Total revenues	<u>934,363,425</u>	<u>902,499,439</u>
Expenses:		
General government support	175,648,579	170,949,357
Education	57,731,128	55,382,890
Public Safety	168,709,135	176,714,172
Health	59,729,022	93,669,595
Transportation	49,679,564	45,991,780
Economic assistance and opportunity	315,744,468	306,058,543
Culture and recreation	58,764,647	58,025,792
Home and community services	105,410,196	75,716,865
Interest on long-term debt	22,301,230	16,514,253
Total expenses	<u>1,013,717,969</u>	<u>999,023,247</u>
Decrease in net position	(79,354,544)	(96,523,808)
Net position - Beginning	<u>539,439,495</u>	<u>460,084,951</u>
Net position - Ending	<u>\$ 460,084,951</u>	<u>\$ 363,561,143</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 \$52,129,106 while total fund balance is \$66,974,094. 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 6.7% of total budgetary basis general fund expenditures, while total fund balance represents 8.6% of that same amount.

The general fund's fund balance decreased by \$7,690,759 during the current fiscal year. This shortfall was mainly due to lower than anticipated sales tax revenue. The County appropriated approximately \$7.8 million of fund balance to support this deficit.

Water Environment Protection appropriated approximately \$7.7 million in prior years fund balance into 2017 operations. Budget surplus in expenditures of \$3.6 million, including \$1.6 million in salary savings, offset the use of \$4.0 million of the appropriated fund balance. The result was an operating deficit of \$3,866,575.

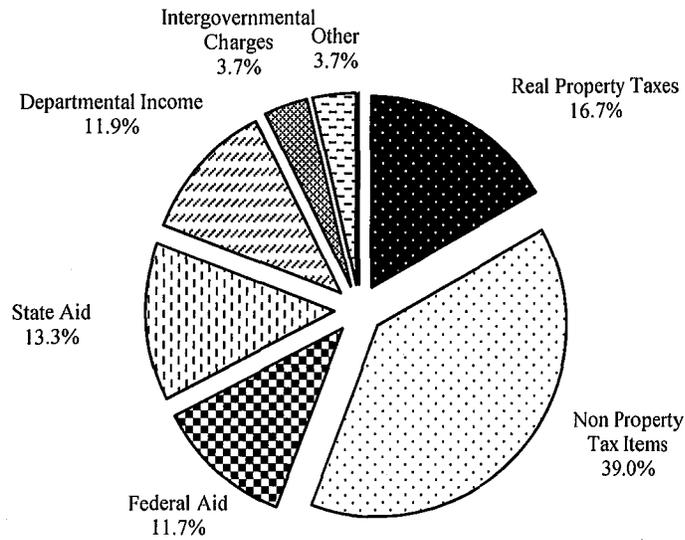
The County's 2017 Debt Service Fund budget authorized an appropriation of \$15.9 million from reserve for bonded debt. Due to unbudgeted revenue of \$2.0 million from bond premium and \$2.2 million from exclusivity payments and other sources, the County offset \$9.9 million of that appropriation and reported an operating deficit of \$6,020,477.

**Proprietary Funds.** The proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

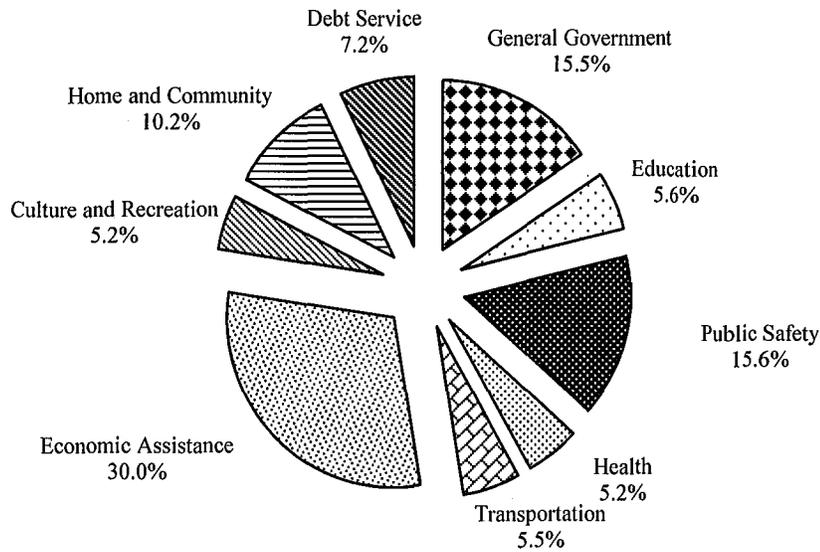
The Enterprise Fund has already been addressed in the discussion of the County's business-type activities.

**Internal Service Funds.** Unrestricted net position of the Internal Service Fund decreased \$2,961,212 decreasing net position to \$613,587. This loss is due to increased health and dental costs. As stated earlier, the activity of the Internal Service Fund predominantly benefits the County. 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:** \$5.4 million increase in appropriations can be summarized as follows:

- \$627,000 increase in State Aid to support Adult Mental Health Services
- \$481,789 increase in State Aid to support Children and Family Services Day Treatment Services
- \$1.2 million decrease in interfund transfer for Department of Transportation and Legislature Grants
- \$75,000 to support use of retained counsel
- \$975,000 increase in State Aid to Support War Memorial upgrades
- \$60,000 increase to support obtaining CPR training cards from the American Heart Association by Onondaga County Emergency Management
- \$4.4 million increase is the carryover of encumbrances from 2016 to 2017

**Revenues:** \$1.0 million increase in the revenue budget can be attributed to the decrease in appropriated fund balance offset by excess revenue to fund the following:

- \$627,000 increase in State Aid from NYS Office of Mental Health for development of a multidisciplinary mobile crisis team and crisis respite program for children up to age 18 and their families
- \$481,789 increase in State Aid from NYS Office of Mental Health to support a partnership among the Onondaga County Department of Children and Family Services, OCM BOCES and local school districts to integrate community supports and services into the school setting
- \$1.2 million decrease in appropriated fund balance for DOT Capital and Legislature Grants
- \$75,000 increase in fund balance to support the use of retained counsel
- \$975,000 increase in State Aid Other Economic Assistance to support War Memorial upgrades
- \$60,000 increase in Other Miscellaneous Revenues to support obtaining CPR training cards from the American Heart Association by Onondaga County Emergency Management

### Capital Asset and Debt Administration

**Capital assets.** The County's investment in capital assets for its governmental activities as of December 31, 2017 amounts to \$1,522,513,972 (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	
	2016	2017
Land	\$ 20,500,002	\$ 20,500,002
Intangible Assets	29,750,000	29,750,000
Land Improvements	11,815,730	10,806,631
Building and Improvements	206,196,136	198,262,634
Equipment	39,992,773	35,305,355
Infrastructure	724,622,810	875,190,108
Construction in progress	499,927,589	352,699,242
<b>Total</b>	<b>\$ 1,532,805,040</b>	<b>\$ 1,522,513,972</b>

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

A number of Capital Projects were completed during the year. These include \$185.0 million in WEP projects related to the Clean Up of Onondaga Lake and \$7.1 million for road improvements reducing the construction in progress account and increasing infrastructure and other capital assets. In addition, the County added approximately \$70.3 million to the construction in progress account including \$27.5 million in road improvements, \$29.1 million in WEP related projects, \$5.2 million in Metro Water Board projects and \$3.2 million in Parks related projects.

**Long-term debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$477,053,292 and loans payable of \$276,100,892. This debt decreased by \$4,999,358 during the current fiscal year.

	<b>Activities</b>	
	<b>2016</b>	<b>2017</b>
Serial bonds	\$ 384,795,000	\$ 370,580,000
OTASC tobacco settlement bonds	106,068,246	106,473,292
Loans	267,290,296	276,100,892
<b>Total</b>	<b>\$ 758,153,542</b>	<b>\$ 753,154,184</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 14.18% of its statutory debt limit at December 31, 2017.

### **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 4.7% in 2017 compared with 4.5% the previous year. For the 12-month period ending January 2018, the private sector job count in the Syracuse metro area fell over the year by 600, or 0.2 percent, to 252,800 compared to the slight increase at January 2017 year end.

The Central New York region has a highly skilled, well educated, productive workforce of 338,366 with an average wage of \$45,756. Having emerged from a traditional manufacturing base of employment, the area is now dominated by new-economy business sectors. Job prospects for the CNY region appear best in the following areas:

- Durable Goods Manufacturing
- Transportation and Utilities
- Information
- Financial Activities
- Professional and Business Services
- Education and Health Services

- Leisure and Hospitality
- Government

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 2018 identified several opportunities and reasons for optimism within the region:

- Employers are expected to hire at a positive pace during the upcoming year, with a Net Employment Outlook of 15 percent.
- The Downtown Committee received a \$500,000 grant through the New York Main Street program to support seven revitalization projects which invest a combined total for more than \$11 million into Downtown Syracuse.
- Opportunities exist within several industries that may ultimately help support the local economy and allow CNY to advance in a positive direction. The unmanned aircraft systems industry was mentioned as a new market for CNY with significant potential. The higher education and health care industries were also mentioned as being extremely important to CNY. Other commonly mentioned industries with future potential include: tourism, craft beer, green energy, and technology.

As part of New York State's Regional Economic Development Councils, 37 priority projects have been recommended to advance the region's growth objectives. These projects represent a total proposed state investment of more than \$23 million, leveraging \$137.3 million in private and other funding for total project expenses of more than \$158.5 million, and a five-year total payroll of over \$100.6 million. Collectively, they support the creation of 582 new jobs, 955 indirect jobs, the retention of 2,216 existing jobs, and leverage a return on invest of 13.38 to 1.

## **Onondaga 2018 Budget**

The County Executive presented the 2018 budget in September 2017. As the budget was developed, rising salary, debt service, and other operating costs were significant contributors to the projected budget gap of \$22 million. To partially overcome this gap, the County Executive held headcount to a minimal increase, as well as all other discretionary spending. Sales tax growth, a property tax increase of \$3.5 million as well as the use of \$5 million in fund balance were factored into the budget gap reconciliation.

The County Legislature adopted the 2018 Budget on October 10, 2017. The Legislature made additional appropriations cuts and modified revenue assumptions to reduce the property tax levy increase by \$2.9 million. The 2018 all funds budget supports \$1.29 billion in total expenditures, a decrease of approximately 1.2% when compared to the 2017 budget as modified. The General Fund budget included an adopted property tax levy of \$141.7 million, a \$600,000 increase vs. 2017. After accounting for budgeted and subsequent fund balance appropriations, and encumbrances of \$8.4 million, the current unassigned fund balance is \$59 million or 9.3% of adjusted General Fund revenues.

Consumption based user fees in the Water Environment Protection Department (Sanitary District Fund) remained unchanged from 2017.

**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, 2017**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 129,004,780	\$ -	\$ 129,004,780	\$ 27,759,933
Deposits by contractors	325,000	-	325,000	-
Receivables:				
Property taxes (net of \$15,403,566 reserve)	46,711,216	-	46,711,216	-
Accounts receivable (net of \$8,029,943 reserve)	64,229,320	-	64,229,320	7,577,321
Due from state and federal governments	96,817,389	-	96,817,389	2,461,237
Due from other governments	2,968,808	-	2,968,808	-
Inventories	8,191,949	-	8,191,949	405,585
Prepaid items and other assets	7,810,293	-	7,810,293	736,876
Notes receivable	-	13,900,000	13,900,000	47,916
Endowment assets:				
Investments	-	-	-	3,567,133
Net pension asset - proportionate share	-	-	-	505,177
Restricted cash	27,450,735	-	27,450,735	-
Capital assets net of accumulated depreciation	1,522,513,972	-	1,522,513,972	144,682,690
Total assets	<u>1,906,023,462</u>	<u>13,900,000</u>	<u>1,919,923,462</u>	<u>187,743,868</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	<u>68,133,941</u>	<u>-</u>	<u>68,133,941</u>	<u>10,765,173</u>

See notes to financial statements.

**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Net Position**  
**December 31, 2017**

	<u>Primary Government</u>			<u>Component Units</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
<b>LIABILITIES</b>				
Accounts payable	25,870,083	-	25,870,083	5,905,209
Accrued liabilities	79,063,865	-	79,063,865	2,674,540
Other liabilities	20,306,401	-	20,306,401	5,942,188
Due to other governments	62,346,490	-	62,346,490	22,384
Due to Onondaga County	-	-	-	812,463
Long term obligations and unpaid liabilities:				
Due within one year	59,418,949	-	59,418,949	-
Due in more than one year	1,316,459,251	-	1,316,459,251	64,652,431
Total liabilities	<u>1,563,465,039</u>	<u>-</u>	<u>1,563,465,039</u>	<u>80,009,215</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	<u>47,131,221</u>	<u>-</u>	<u>47,131,221</u>	<u>5,985,662</u>
<b>NET POSITION</b>				
Net investment in capital assets	894,278,606	-	894,278,606	144,603,675
Restricted for:				
Capital projects	760,290	-	760,290	2,721,225
Debt service	17,054,858	-	17,054,858	-
Endowments	-	-	-	3,453,384
Hancock airpark	-	-	-	60,259
Loans	-	-	-	101,841
Unrestricted	(548,532,611)	13,900,000	(534,632,611)	(38,426,220)
Total net position	<u>\$ 363,561,143</u>	<u>\$ 13,900,000</u>	<u>\$ 377,461,143</u>	<u>\$ 112,514,164</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Activities**  
**Year Ended December 31, 2017**

<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	\$ 180,477,055	\$ (9,527,698)	\$ 20,225,166
Education	55,382,890	-	500,000
Public safety	174,246,044	2,468,128	12,634,727
Health	92,743,142	926,453	6,958,981
Transportation	45,325,861	665,919	4,724,408
Economic assistance and opportunity	303,372,763	2,685,780	12,798,976
Culture and recreation	56,568,629	1,457,163	16,514,107
Home and community services	74,392,610	1,324,255	89,358,919
Interest on long-term debt	16,514,253	-	-
Total governmental activities	<u>\$ 999,023,247</u>	<u>\$ -</u>	<u>\$ 163,715,284</u>
Business-type activities:			
OCCHDC	\$ -	\$ -	\$ -
Total business-type activities	-	-	-
Total primary government	<u>\$ 999,023,247</u>	<u>\$ -</u>	<u>\$ 163,715,284</u>
<b>Component units:</b>			
OCC	\$ 106,149,107		\$ 24,274,174
OCDC	410,846		163,820
Fund Company	732,888		519,139
The Friends	4,444,180		2,248,704
OCIDA	745,757		586,916
Total component units	<u>\$ 112,482,778</u>		<u>\$ 27,792,753</u>

*See notes to financial statements.*

Program Revenues		Net (Expense) Revenue and Changes in Net Position			
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
\$ 4,463,197	\$ 1,100,000	\$ (145,160,994)	\$ -	\$ (145,160,994)	\$ -
18,398,916	2,065,020	(34,418,954)	-	(34,418,954)	-
4,390,742	86,829	(159,601,874)	-	(159,601,874)	-
36,018,368	-	(50,692,246)	-	(50,692,246)	-
7,814,762	3,796,012	(29,656,598)	-	(29,656,598)	-
137,973,595	-	(155,285,972)	-	(155,285,972)	-
4,194,589	1,027,781	(36,289,315)	-	(36,289,315)	-
3,675,902	1,308,335	18,626,291	-	18,626,291	-
-	-	(16,514,253)	-	(16,514,253)	-
<u>\$ 216,930,071</u>	<u>\$ 9,383,977</u>	<u>\$ (608,993,915)</u>	<u>\$ -</u>	<u>\$ (608,993,915)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 216,930,071</u>	<u>\$ 9,383,977</u>	<u>\$ (608,993,915)</u>	<u>\$ -</u>	<u>\$ (608,993,915)</u>	<u>\$ -</u>
\$ 16,965,169	\$ 4,688,646	\$ -	\$ -	\$ -	\$ (60,221,118)
-	-	-	-	-	(247,026)
129,400	-	-	-	-	(84,349)
502,548	-	-	-	-	(1,692,928)
125,000	-	-	-	-	(33,841)
<u>\$ 17,722,117</u>	<u>\$ 4,688,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (62,279,262)</u>
General revenues:					
Real property taxes and tax items		152,003,605	-	152,003,605	-
Sales tax and use tax		353,069,549	-	353,069,549	-
Investment earnings		962,689	-	962,689	220,523
Tobacco settlement proceeds		5,837,151	-	5,837,151	-
Participation in debt service-external sources		597,113	-	597,113	-
Contributions other		-	-	-	24,550,833
Other revenue		-	13,900,000	13,900,000	24,676,178
County contributions		-	-	-	9,766,349
Total general revenues and special items		<u>512,470,107</u>	<u>13,900,000</u>	<u>526,370,107</u>	<u>59,213,883</u>
Change in net position		<u>(96,523,808)</u>	<u>13,900,000</u>	<u>(82,623,808)</u>	<u>(3,065,379)</u>
Net position-beginning		<u>460,084,951</u>	<u>-</u>	<u>460,084,951</u>	<u>115,579,543</u>
Net position-ending		<u>\$ 363,561,143</u>	<u>\$ 13,900,000</u>	<u>\$ 377,461,143</u>	<u>\$ 112,514,164</u>

**COUNTY OF ONONDAGA, NEW YORK**

**Balance Sheet  
Governmental Funds  
December 31, 2017**

	<u>General</u>	<u>Water Environment Protection</u>
<b>ASSETS</b>		
Cash, cash equivalents and investments	\$ 25,788,035	\$ 30,595,444
Deposits by contractors	-	-
Receivables:		
Property taxes (net of \$15,403,566 reserve)	46,711,216	-
Accounts receivable (net of \$4,335,543 reserve)	46,500,030	9,696,612
Due from state and federal governments	73,801,197	-
Due from other funds	17,861,664	-
Due from other governments	2,677,982	5,081
Inventories	-	-
Prepaid items	6,456,136	769,431
Restricted cash	-	-
Total assets	\$ <u>219,796,260</u>	\$ <u>41,066,568</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 9,385,882	\$ 1,647,120
Accrued liabilities	43,897,312	1,377,969
Other liabilities	14,071,728	350,000
Due to other funds	800,000	-
Due to other governments	62,089,298	23
Total liabilities	<u>130,244,220</u>	<u>3,375,112</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	<u>22,577,946</u>	<u>5,146,934</u>
<b>FUND BALANCES</b>		
Nonspendable	6,456,136	769,431
Restricted	-	-
Assigned	8,388,852	31,775,091
Unassigned	52,129,106	-
Total fund balances	<u>66,974,094</u>	<u>32,544,522</u>
Total liabilities, deferred inflow of resources and fund balances	\$ <u>219,796,260</u>	\$ <u>41,066,568</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>
\$	17,053,640	\$	29,783,371	\$	8,987,478	\$	112,207,968
	-		325,000		-		325,000
	-		-		-		46,711,216
	731,050		832,183		2,447,322		60,207,197
	-		8,870,573		14,145,619		96,817,389
	-		-		800,000		18,661,664
	-		-		285,745		2,968,808
	-		-		105,763		105,763
	-		-		554,726		7,780,293
	-		18,000,689		9,450,046		27,450,735
\$	<u>17,784,690</u>	\$	<u>57,811,816</u>	\$	<u>36,776,699</u>	\$	<u>373,236,033</u>
\$	-	\$	9,399,823	\$	5,437,258	\$	25,870,083
	-		5,217,757		3,080,840		53,573,878
	-		105,798		5,778,875		20,306,401
	-		-		17,861,664		18,661,664
	-		-		257,169		62,346,490
	<u>-</u>		<u>14,723,378</u>		<u>32,415,806</u>		<u>180,758,516</u>
	<u>-</u>		<u>13,057,794</u>		<u>128,917</u>		<u>40,911,591</u>
	-		-		660,489		7,886,056
	10,634,411		760,290		6,420,447		17,815,148
	7,150,279		29,270,354		9,999,546		86,584,122
	-		-		(12,848,506)		39,280,600
	<u>17,784,690</u>		<u>30,030,644</u>		<u>4,231,976</u>		<u>151,565,926</u>
\$	<u>17,784,690</u>	\$	<u>57,811,816</u>	\$	<u>36,776,699</u>	\$	<u>373,236,033</u>

**County of Onondaga, New York  
 Reconciliation of Governmental Funds Balance Sheet  
 To the Statement of Net Position  
 For the Year Ended December 31, 2017**

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

Total fund balances - governmental funds (page 6)	\$ 151,565,926
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,522,513,972
Inventories of automotive parts and road materials expensed as acquired in the funds.	8,086,186
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.	613,587
Deferred inflow related to defeased debt and pension not reported in the funds.	(6,219,630)
Deferred outflow on defeased debt and pension related transactions not reported in the funds.	68,133,941
Accrued interest not reported in the funds.	(5,254,639)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,375,878,200)</u>
Net position of governmental activities (page 2)	<u><u>\$ 363,561,143</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, 2017**

	<b>General</b>	<b>Water Environment Protection</b>
<b>REVENUES</b>		
Taxes:		
Real property taxes and tax items	\$ 150,015,410	\$ 1,725,432
Sales tax and use tax	347,441,798	-
Federal aid	85,354,099	-
State aid	85,474,197	-
Departmental	22,607,500	79,826,790
Service for other governments	22,368,948	2,021,573
Tobacco settlement proceeds	-	-
Interest on investments	570,676	66,967
Miscellaneous	7,396,422	729,061
Total revenues	721,229,050	84,369,823
<b>EXPENDITURES</b>		
Current:		
General government support	145,388,004	-
Education	51,568,295	-
Public safety	141,496,965	-
Health	36,954,140	-
Transportation	2,409,877	-
Economic assistance and opportunity	274,426,740	-
Culture and recreation	19,711,111	-
Home and community services	2,488,203	55,976,452
Debt service:		
Principal	-	-
Interest	-	-
Total expenditures	674,443,335	55,976,452
Excess (deficiency) of revenues over expenditures	46,785,715	28,393,371
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	-
Transfers out	(54,476,474)	(32,259,946)
Proceeds of long-term borrowings	-	-
Refunding Bond	-	-
Payments to Escrow Agent	-	-
Participation in debt service-external sources	-	-
Bond premium	-	-
Total other financing sources (uses)	(54,476,474)	(32,259,946)
Net change in fund balance	(7,690,759)	(3,866,575)
Fund balances- beginning	74,664,853	36,411,097
Fund balances- ending	\$ 66,974,094	\$ 32,544,522

*See notes to financial statements.*

<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 151,740,842
-	-	5,627,751	353,069,549
-	2,776,672	18,083,587	106,214,358
-	6,607,305	28,018,188	120,099,690
-	75,001	5,374,819	107,884,110
-	-	9,131,231	33,521,752
-	-	5,837,151	5,837,151
105,423	105	215,510	958,681
2,234,168	1,719,958	14,824,100	26,903,709
<u>2,339,591</u>	<u>11,179,041</u>	<u>87,112,337</u>	<u>906,229,842</u>
751,056	2,090,206	5,225,393	153,454,659
-	3,814,481	-	55,382,776
-	1,267,847	11,449,072	154,213,884
-	-	14,710,293	51,664,433
-	27,515,313	24,394,538	54,319,728
-	1,104,710	20,747,014	296,278,464
-	3,856,598	27,959,914	51,527,623
-	34,664,791	7,458,361	100,587,807
46,381,180	-	325,000	46,706,180
19,012,842	-	5,538,843	24,551,685
<u>66,145,078</u>	<u>74,313,946</u>	<u>117,808,428</u>	<u>988,687,239</u>
<u>(63,805,487)</u>	<u>(63,134,905)</u>	<u>(30,696,091)</u>	<u>(82,457,397)</u>
55,058,112	14,403,929	38,241,683	107,703,724
-	-	(20,967,304)	(107,703,724)
-	21,780,000	-	21,780,000
33,835,000	-	-	33,835,000
(40,797,119)	-	-	(40,797,119)
597,113	15,162,579	-	15,759,692
9,091,904	-	-	9,091,904
<u>57,785,010</u>	<u>51,346,508</u>	<u>17,274,379</u>	<u>39,669,477</u>
(6,020,477)	(11,788,397)	(13,421,712)	(42,787,920)
23,805,167	41,819,041	17,653,688	194,353,846
<u>\$ 17,784,690</u>	<u>\$ 30,030,644</u>	<u>\$ 4,231,976</u>	<u>\$ 151,565,926</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, 2017**

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

Net change in fund balances-total governmental funds (page 9) \$ (42,787,920)

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 depreciation exceeded capital outlays in the current period. (10,291,068)

Increase in long-term receivables and deferred property tax revenues resulting in increased revenue in the statement of activities. 792,096

Deferred outflows associated with the net pension liability exceeded deferred inflows (66,229,703)

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. 4,504,428

Expenditures in the governmental funds that are not reported as expenses in the statement of activities. 20,449,571

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. (2,961,212)

Change in net position of governmental activities (page 4) \$ (96,523,808)

*See notes to financial statements*

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**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2017**

	<u>Internal Service Fund</u>	<u>OCCHDC</u>
<b>ASSETS</b>		
Current assets:		
Cash, cash equivalents and investments	\$ 16,796,812	\$ -
Receivables	<u>175,787</u>	<u>-</u>
Total current assets	<u>16,972,599</u>	<u>-</u>
Noncurrent assets:		
Unfunded claims receivable	26,526,652	-
Promissory note receivable	-	13,900,000
Prepaid expenses	<u>30,000</u>	<u>-</u>
Total noncurrent assets	<u>26,556,652</u>	<u>13,900,000</u>
Total assets	<u>43,529,251</u>	<u>13,900,000</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	<u>4,706,627</u>	<u>-</u>
Total current liabilities	<u>4,706,627</u>	<u>-</u>
Noncurrent liabilities:		
Unpaid claim liabilities	<u>38,209,037</u>	<u>-</u>
Total noncurrent liabilities	<u>38,209,037</u>	<u>-</u>
Total liabilities	<u>42,915,664</u>	<u>-</u>
<b>NET POSITION</b>		
Unrestricted	<u>613,587</u>	<u>13,900,000</u>
Total net position	<u>\$ 613,587</u>	<u>\$ 13,900,000</u>

*See notes to financial statements.*

**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Revenues, Expenses, and Change in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2017**

	<u>Internal Service Fund</u>	<u>OCCHDC</u>
<b>OPERATING REVENUES</b>		
Interdepartmental charges	\$ 65,375,097	\$ -
Other charges/revenues	<u>16,639,363</u>	<u>13,900,000</u>
Total operating revenues	<u>82,014,460</u>	<u>13,900,000</u>
<b>OPERATING EXPENSES</b>		
Insurance premiums and benefits	80,067,621	-
Personnel service	243,071	-
Supplies	120	-
Contractual services	1,363,463	-
General and administrative	<u>3,305,405</u>	<u>-</u>
Total operating expenses	<u>84,979,680</u>	<u>-</u>
Operating Income (Loss)	<u>(2,965,220)</u>	<u>13,900,000</u>
Nonoperating revenue		
Interest income	<u>4,008</u>	<u>-</u>
Total nonoperating revenue	<u>4,008</u>	<u>-</u>
Change in net position	(2,961,212)	13,900,000
Total net position-beginning	<u>3,574,799</u>	<u>-</u>
Total net position-end	<u>\$ 613,587</u>	<u>\$ 13,900,000</u>

*See notes to financial statements.*

**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended December 31, 2017**

	<u>Internal Service Fund</u>	<u>OCCHDC</u>
<b>Cash Flows From Operating Activities</b>		
Receipts from interfund services provided	\$ 93,070,619	\$ -
Receipts from grants	-	15,000,000
Payments for employee services and benefits	(89,951,879)	-
Payments for supplies and services	(2,927,981)	-
Payments for interdepartmental charges	(985,616)	-
Payments to Syracuse Community Hotel Restoration Co. 1, LLC	-	(13,900,000)
Payments to the County	-	(1,100,000)
Net cash from operating activities	<u>(794,857)</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>		
Interest and earnings	<u>4,008</u>	<u>-</u>
Net change in cash, cash equivalents and investments	(790,849)	-
Cash, cash equivalents and investments -beginning	<u>17,587,661</u>	<u>-</u>
Cash, cash equivalents and investments -ending	<u>\$ 16,796,812</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash From</b>		
<b>Operating Activities:</b>		
Operating income (loss)	\$ (2,965,220)	\$ 13,900,000
Adjustments to reconcile operating income to net cash from operating activities:		
Changes in assets, liabilities, and deferrals:		
Decrease in receivables	10,216,260	1,100,000
Increase in accounts payable	1,644,763	-
Decrease in accrued liabilities	(1,267,338)	-
Increase in overpayments	839,898	-
Decrease in unpaid claim liabilities	(9,263,220)	-
Decrease in due to Syracuse Community Hotel restoration Co. 1, LLC	-	(13,900,000)
Decrease in due to County	-	(1,100,000)
Net cash from operating activities	<u>\$ (794,857)</u>	<u>\$ -</u>

*See notes to financial statements.*

**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Net Position**  
**Fiduciary Funds**  
**December 31, 2017**

	Cemetery Private Purpose Trust Fund	Pension Trust Fund	Agency
	<u>Trust Fund</u>	<u>Fund</u>	<u>Agency</u>
<b>ASSETS</b>			
Cash	\$ 1,047,458	\$ -	\$ 13,566,814
Guaranteed Investment Contracts	-	29,372,058	-
Cash Pooled Separate Accounts	-	62,665,082	-
Mutual funds	-	6,320,602	-
<b>Total assets</b>	<b>\$ 1,047,458</b>	<b>\$ 98,357,742</b>	<b>\$ 13,566,814</b>
<b>LIABILITIES</b>			
Liabilities -Agency fund liabilities	-	-	\$ 13,566,814
<b>NET POSITION</b>	<b>\$ 1,047,458</b>	<b>\$ 98,357,742</b>	

**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Change in Net Position**  
**Fiduciary Funds**  
**Year Ended December 31, 2016**

	Cemetery Private Purpose Trust Fund	Pension Trust Fund
	<u>Trust Fund</u>	<u>Fund</u>
<b>ADDITIONS</b>		
Investment Income	\$ -	\$ 5,934,418
Departmental	103,750	-
Interest on investments	1,205	-
Contributions	-	5,142,964
<b>Total additions</b>	<b>104,955</b>	<b>11,077,382</b>
<b>DEDUCTIONS/BENEFITS PAID</b>	<b>215,975</b>	<b>5,171,627</b>
Change in net position	(111,020)	5,905,755
Net position - beginning	1,158,478	92,451,987
<b>NET POSITION - ENDING</b>	<b>\$ 1,047,458</b>	<b>\$ 98,357,742</b>

*See notes to financial statements*

**COUNTY OF ONONDAGA, NEW YORK**  
**Combining Statement of Net Position**  
**Component Units**  
**December 31, 2017**

	<u>OCC</u>	<u>OCDC</u>
<b>ASSETS</b>		
Cash, cash equivalents and investments	\$ 21,977,194	\$ 968,152
Accounts receivable (net of \$3,694,400 reserve)	7,041,318	69,841
Due from state and federal governments	2,444,237	-
Inventories	-	-
Prepaid items and other assets	655,124	84
Notes receivable	-	-
Endowment assets :		
Investments	-	-
Promises to give	-	-
Net pension asset - proportionate share	505,177	-
Capital assets net of accumulated depreciation	<u>140,112,259</u>	<u>1,776</u>
Total assets	<u>\$ 172,735,309</u>	<u>\$ 1,039,853</u>
Deferred outflow of resources	<u>10,765,173</u>	<u>-</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 5,566,693	\$ 10,244
Accrued liabilities	2,588,969	-
Other liabilities	5,942,188	-
Due to other governments and agencies	22,384	-
Due to Onondaga County	-	68,805
Long term obligations and unpaid liabilities:		
Due in more than one year	<u>64,466,436</u>	<u>185,995</u>
Total liabilities	<u>78,586,670</u>	<u>265,044</u>
Deferred inflow of resources	<u>5,919,099</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	140,112,259	1,776
Restricted for:		
Capital projects	2,719,583	-
Endowments	-	-
Hancock airpark	-	60,259
Loans	47,641	54,200
Unrestricted	<u>(43,884,770)</u>	<u>658,574</u>
Total net position	<u>\$ 98,994,713</u>	<u>\$ 774,809</u>

*See notes to financial statements.*

<u>Fund Company</u>	<u>The Friends</u>	<u>OCIDA</u>	<u>Total Component Units</u>
\$ 42	\$ 1,724,684	\$ 3,089,861	\$ 27,759,933
-	48,024	418,138	7,577,321
17,000	-	-	2,461,237
297,807	107,778	-	405,585
-	81,668	-	736,876
-	-	47,916	47,916
-	3,567,133	-	3,567,133
-	-	-	-
-	-	-	505,177
-	79,015	4,489,640	144,682,690
<u>\$ 314,849</u>	<u>\$ 5,608,302</u>	<u>\$ 8,045,555</u>	<u>\$ 187,743,868</u>
-	-	-	10,765,173
\$ 29,105	\$ 159,908	\$ 139,259	\$ 5,905,209
-	85,571	-	2,674,540
-	-	-	5,942,188
-	-	-	22,384
285,744	90,902	367,012	812,463
-	-	-	64,652,431
<u>314,849</u>	<u>336,381</u>	<u>506,271</u>	<u>80,009,215</u>
-	66,563	-	5,985,662
-	-	4,489,640	144,603,675
-	-	1,642	2,721,225
-	3,453,384	-	3,453,384
-	-	-	60,259
-	-	-	101,841
-	1,751,974	3,048,002	(38,426,220)
<u>\$ -</u>	<u>\$ 5,205,358</u>	<u>\$ 7,539,284</u>	<u>\$ 112,514,164</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Combining Statement of Revenues, Expenditures, and Changes in Net Position**  
**Component Units**  
**Year Ended December 31, 2017**

	<u>OCC</u>	<u>OCDC</u>
<b>Expenses:</b>		
Program operations	\$ 98,171,656	\$ 401,718
Depreciation	7,977,451	9,128
Total expenses	<u>106,149,107</u>	<u>410,846</u>
<b>Program revenues:</b>		
Charges for services	24,274,174	163,820
Operating grants and contributions	16,965,169	-
Total program revenues	<u>41,239,343</u>	<u>163,820</u>
Net program (expenses) revenues	<u>(64,909,764)</u>	<u>(247,026)</u>
<b>General revenues (expenses):</b>		
Contribution from (to) Onondaga County	9,682,000	-
Interest and investment income	7,140	11,075
Contributions from (to) other governments	24,550,833	-
Federal aid grant revenue	24,676,178	-
Total general revenues (expenses)	<u>58,916,151</u>	<u>11,075</u>
Change in net position	(5,993,613)	(235,951)
Capital contributions	4,688,646	-
Net position-beginning as restated see note 16	<u>100,299,680</u>	<u>1,010,760</u>
Net position -end of year	<u>\$ 98,994,713</u>	<u>\$ 774,809</u>

*See notes to financial statements.*

<u>Fund Company</u>	<u>Friends of Rosamond Gifford Zoo</u>	<u>OCIDA</u>	<u>Total Component Units</u>
\$ 732,888	\$ 4,413,055	\$ 706,735	\$ 104,426,052
-	31,125	39,022	8,056,726
<u>732,888</u>	<u>4,444,180</u>	<u>745,757</u>	<u>112,482,778</u>
519,139	2,248,704	586,916	27,792,753
129,400	502,548	125,000	17,722,117
<u>648,539</u>	<u>2,751,252</u>	<u>711,916</u>	<u>45,514,870</u>
<u>(84,349)</u>	<u>(1,692,928)</u>	<u>(33,841)</u>	<u>(66,967,908)</u>
84,349	-	-	9,766,349
-	197,598	4,710	220,523
-	-	-	24,550,833
-	-	-	24,676,178
<u>84,349</u>	<u>197,598</u>	<u>4,710</u>	<u>59,213,883</u>
-	(1,495,330)	(29,131)	(7,754,025)
-	-	-	4,688,646
-	6,700,688	7,568,415	115,579,543
<u>\$ -</u>	<u>\$ 5,205,358</u>	<u>\$ 7,539,284</u>	<u>\$ 112,514,164</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, 2017. 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 2017 financial statements were not available for incorporation into these financial statements. As a result, their 2016 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.

**Onondaga Convention Center Hotel Development Corporation (OCCHDC)**

OCCHDC was formed in 2010 by County Legislature Resolution #135. The Corporation was formed and operated for charitable purposes within the meaning of Section 501(c)(e) of the Internal Revenue code of 1986, as amended, to reduce unemployment, promote and provide for additional and maximum employment, improve and maintain job opportunities, and lessen the burden of government and act in the public interest; with a primary purpose of administering grants from the State of New York and assisting related development of a hotel or similar amenities supporting the Onondaga County Convention Center. Although legally separate, for financial reporting purposes, OCCHDC is presented as an Enterprise Fund and Business Type Activity due to the fact it is organized as a not-for-profit corporation and the County is the sole corporate member.

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

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

Onondaga Community College  
Onondaga Hill, Syracuse, New York 13215

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

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

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

The Friends  
One Conservation Place  
Syracuse, New York 13204

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

Onondaga Convention Center Hotel  
Development Corporation (OCCHDC)  
421 Montgomery Street, 14<sup>th</sup> Floor  
Syracuse, New York 13202

**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, are reported separately from business-type activities, which rely to a significant extent on external support. The primary government is reported separately from certain discretely presented component units.

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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds and proprietary 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 proprietary 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.

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

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.

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.

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

**Proprietary Fund Types:** Proprietary 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 period incurred, if measurable.

**Enterprise Fund**

The activities of OCCHDC, a blended component unit, is reported as a Major Enterprise Fund.

**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 2017 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, 2016.

**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.

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

**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.

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:

<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.

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

The County's deferred outflows and inflows at December 31, 2017 are as follows:

	Governmental Fund Level	Governmental Activities Level
<b>Deferred Outflows:</b>		
Difference between reacquisition price and net carrying amount of refunded debt	\$ -	\$ 1,213,639
Net pension liability related transactions	-	66,920,302
<b>Total Deferred Outflows</b>	<b>\$ -</b>	<b>\$ 68,133,941</b>
<b>Deferred Inflows:</b>		
Unavailable Property Taxes and User Fees	\$ 27,853,797	\$ -
Deferred EFC funding for Lake ACJ	13,057,794	13,057,794
Difference between employer contributions and proportional share of retirement contributions	-	20,974,349
Gain on Defeased Debt	-	13,099,078
<b>Total Deferred Inflows</b>	<b>\$ 40,911,591</b>	<b>\$ 47,131,221</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 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 assuances 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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 County is reporting a deficit in the General Grants Fund of \$5,768,430. This deficit is primarily the result an improvement project for which reimbursement is not available until the completion and approval of work. The Library Grants Fund reported a deficit fund balance of \$4,575,497 at December 31, 2017. This was the result of Management's decision to make major renovations to leased property that houses the County's central library. The County then sublet space to SUNY Upstate Medical University, entering into a twenty-year lease. The rent from this lease will be used to fund this deficit in the years to come. In 2012 the County sold Van Duyn Home and Hospital and ceased providing residential nursing services. The nursing home operation incurs certain legacy costs such as retiree benefits and debt. In 2017, accumulated fund balance that remained in the Van Duyn Fund after the sale was depleted and the fund ended with a deficit of \$2,475,463. This amount will be covered by the General Fund in 2018. All future legacy costs will be budgeted for and accounted in the General Fund.

**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 \$7,886,056.

**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, Debt Service Fund and OTASC is classified as restricted.

**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 and appropriated fund balance are classified as assigned. Encumbrances at year end 2017 totaled \$3,388,852. The County has appropriated \$5,000,000 to the 2018 budget. The total assigned General Fund amount is \$8,388,852.

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

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.

**Government-wide Statements and Proprietary Funds**

Equity is classified as net position and displayed in the following components:

Net investment in capital assets – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – see definition above under Fund Financial Statements.

Unrestricted – remaining net position that does not meet the definition of “net investment in capital assets” or restricted net position.

**Jointly Governed Organizations**

The County has some level of representation in the Greater Syracuse Property Development Corporation (Land Bank). The Land Bank, a discretely presented 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 \$1,522,513,972 difference can be found in the Summary of Changes in Capital Assets on page 33. Another element of that reconciliation explains that “Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$1,375,878,200 difference can be found in the Changes in Long-term Obligations section of these notes on page 37.

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

**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	\$ 71,499,090
Depreciation Expense	(81,790,158)
Total	<u>\$ (10,291,068)</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	\$ 56,345,046
Additional loans	49,736,979
Plus Premium	9,091,904
Deferred inflow on defeased debt	87,459
Principal repayments:	
General obligation debt	(70,155,000)
Loan payments	(40,926,383)
Amortization of gain on defeased debt	(719,629)
Amortization of premium (amortized against interest expense)	(8,092,653)
Amortization of deferred outflow	127,849
Total	<u>\$ (4,504,428)</u>

Another element of that reconciliation states that “Expenses reported in the governmental funds that are not reported as expenditures in the statement of activities.” The details of this difference are as follows:

Tax certiorari	\$ 786,000
Compensated absences	(22,433)
Judgments and claims	(2,124,848)
Postemployment benefits	44,299,374
Net Pension Liability	(55,898,554)
Workers' compensation	(7,919,260)
Accrued interest	(83,045)
Inventory adjustment	513,195
Total	<u>\$ (20,449,571)</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 \$171,069,787 and the bank balance was \$161,099,853. Of these amounts, \$6,554,074 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	\$ 16,659,389
Amount collateralized with securities held by the pledging financial institution's trust department or its agent in the County's name	144,440,464
Total bank balance	<u>\$ 161,099,853</u>

**Investments**

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

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

All County investments are category 1.

U.S. Government Securities	\$ 8,358,047
Commercial Paper-OTASC	6,409,247
Money Market Funds-OTASC	144,827
Total Investments	<u>\$ 14,912,121</u>

At December 31, 2017 the carrying amount of the County's short-term investments approximates fair value (based on quoted market prices).

**4. PROPERTY TAXES AND TAX ABATEMENT**

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

**4. PROPERTY TAXES AND TAX ABATEMENT (continued)**

The County’s property tax calendar is as follows:

Assessment date.....	July 1, 2016
Levy date.....	December 31, 2016
Lien date.....	July 1, 2017
Due date.....	January 1, 2017
Penalties and interest are added.....	February 1, 2017 1.0%
	March 1, 2017 1.5%
Tax sale-2016 delinquent taxes.....	October 1, 2017
Tax auction-2012 prior delinquent taxes.....	November 15, 2017

Uncollected school taxes assumed by the County as a result of settlement proceedings are reported as receivables in the General Fund to maintain central control and provide for tax settlement and enforcement proceedings. The portion of the receivable that represents taxes relieved for schools in the amount of \$21,248,055 is included in the liability due to other governments at December 31, 2017. 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, 2017 was .39% of the five-year average full assessed valuation of taxable real property.

The County is subject to tax abatements granted by two industrial developments agencies, the City of Syracuse and various towns. The abatements fall into two general categories, economic development and affordable housing. Eligibility is determined on an individual case basis in which participants prepare and submit an application to the designated agency.

The Onondaga County Industrial Development Agency and the Syracuse Industrial Development Agency were created in accordance with The New York State Industrial Development Agency Act of 1969 to promote and develop the economic growth in the County and to assist in attracting industry to the County through bond and sale/leaseback financing programs and other activities.

The participant must prepare a written cost benefit analysis identifying the following:

1. The potential creation or retention of permanent private sector jobs, their salaries and benefit packages;
2. The estimated value of tax exemptions;
3. The amount of private sector investment likely to be generated by this project;
4. The extent to which the project will provide additional sources of revenue for municipalities and school districts; and
5. Any other public benefit that might occur due to the project.

The standard policy is to provide for a graduated abatement to county, municipal and school taxes. For projects providing significant and substantial economic and community benefit to the county, as determined by the agency, the agency, at its sole discretion, may elect to provide up to 100% abatement for a period not to exceed 20 years. In addition, it is policy to grant exemption of state and local sales and use taxes for construction materials, equipment and furnishings for all projects to the full extent permitted by the State of New York and exemption from mortgage recording taxes.

**4. PROPERTY TAXES AND TAX ABATEMENT (continued)**

The City of Syracuse and various Towns utilize several New York State programs to acquire and/or rehabilitate properties that will be used to provide affordable housing.

Information relevant to disclosure of those programs for the year ended December 31, 2017 is:

<u>Tax Abatement Program</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Mortgage Tax</u>
Economic Development:			
OCIDA	\$ 2,204,358	\$ 1,225,822	\$ 195,237
SIDA	4,971,935	3,777,733	1,164,552
Affordable Housing:			
City of Syracuse	708,868	-	-
Various Towns	119,428	-	-
Total Tax Abatement	<u>\$ 8,004,589</u>	<u>\$ 5,003,555</u>	<u>\$ 1,359,789</u>

**5. NEW AND UPCOMING PRONOUNCEMENTS**

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 adopted the provisions of Statement No. 74 for the year ending December 31, 2017 with no material effect.

In January 2016, the GASB issues Statement No. 80, *Blending Requirements for Certain Component Units; an Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirement established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. The County adopted the provisions of Statement No. 80 for the year ending December 31, 2017 and as a result, the OCCHDC is now presented as a blended Major Enterprise Fund. In 2016 the OCCHDC was presented as a discretely component unit.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The County adopted the provisions of Statement No. 74 for the year ending December 31, 2017 with no material effect.

**Upcoming Pronouncements**

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.

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

In March 2016, the GASB issued Statement No. 82, Pension Issues; an amendment of GASB Statements No. 67, No. 68, and No. 73. The objective of this Statement is to address certain issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Pending the measurement date of the employer's pension liability, the Corporation is required to adopt the provisions of Statement No. 82 for the year ended December 31, 2017 or 2018. The County is required to adopt the provisions of Statement No. 75 for the year ending December 31, 2018.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. This Statement also requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. The best estimate should include probability weighting of all potential outcomes, when such information is available or can be obtained at reasonable cost. The County is required to adopt the provisions of this Statement for the year ending December 31, 2019.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments with a focus on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. The County is required to adopt the provisions of this Statement for the year ending December 31, 2019.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is address practice issues specific to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). The County is required to adopt the provisions of this Statement for the year ending December 31, 2018.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. The County is required to adopt the provisions of this Statement for the year ending December 31, 2018.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The County is required to adopt the provisions of this Statement for the year ending December 31, 2020.

The County has not yet assessed the impact of these pronouncements 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, 2017	Additions	Reductions	Balance December 31, 2017
<b>Capital assets, not being depreciated</b>				
Land	\$ 20,500,002	\$ -	\$ -	\$ 20,500,002
Intangible Asset	29,750,000	-	-	29,750,000
Construction in progress	499,927,589	70,327,715	(217,556,062)	352,699,242
Total capital assets, not being depreciated	<u>550,177,591</u>	<u>70,327,715</u>	<u>(217,556,062)</u>	<u>402,949,244</u>
<b>Capital assets, being depreciated:</b>				
Land improvements	25,094,697	-	-	25,094,697
Buildings	361,007,574	22,045	-	361,029,619
Building improvements	172,913,537	8,449,240	-	181,362,777
Equipment	142,641,142	2,222,787	(519,894)	144,344,035
Infrastructure	1,483,252,694	208,553,259	-	1,691,805,953
Total capital assets, being depreciated	<u>2,184,909,644</u>	<u>219,247,331</u>	<u>(519,894)</u>	<u>2,403,637,081</u>
<b>Less accumulated depreciation for:</b>				
Land improvements	(13,278,967)	(1,009,099)	-	(14,288,066)
Buildings	(231,299,614)	(9,975,514)	-	(241,275,128)
Building improvements	(96,425,361)	(6,429,273)	-	(102,854,634)
Equipment	(102,648,369)	(6,910,205)	519,894	(109,038,680)
Infrastructure	(758,629,884)	(57,985,961)	-	(816,615,845)
Total accumulated depreciation	<u>(1,202,282,195)</u>	<u>(82,310,052)</u>	<u>519,894</u>	<u>(1,284,072,353)</u>
Total capital assets, being depreciated, net	<u>982,627,449</u>	<u>136,937,279</u>	<u>-</u>	<u>1,119,564,728</u>
Net capital assets-Governmental activities	<u>\$ 1,532,805,040</u>	<u>\$ 207,264,994</u>	<u>\$ (217,556,062)</u>	<u>\$ 1,522,513,972</u>

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

**Governmental Activities:**

General government	\$ 10,634,870
Public Safety	4,957,757
Health	116,144
Transportation	20,428,893
Economic assistance and opportunity	6,679,934
Culture and Recreation	9,017
Home and community services	39,483,437
Total depreciation expense-Governmental Activities	<u>\$ 82,310,052</u>

**7. CAPITAL ASSETS (continued)**

A summary of changes in the capital assets of the Community College at August 31, 2017 is as follows:

	Balance September 1, 2016	Additions	Reductions/ Reclassifications	Balance August 31, 2017
Capital assets, being depreciated:				
Land improvements	25,549,211	1,787,373	-	27,336,584
Buildings	121,457,484	5,150,207	-	126,607,691
Buildings Improvements	87,299,042	4,660,452	-	91,959,494
Equipment	17,630,630	341,461	(40,130)	17,931,961
Library books	596,034	-	-	596,034
Total capital assets, being depreciated	<u>252,532,401</u>	<u>11,939,493</u>	<u>(40,130)</u>	<u>264,431,764</u>
Less accumulated depreciation for:				
Land Improvements	(7,676,575)	(1,170,051)	-	(8,846,626)
Buildings	(60,907,209)	(2,950,351)	-	(63,857,560)
Building Improvements	(32,440,035)	(2,982,073)	-	(35,422,108)
Equipment	(15,041,121)	(822,851)	40,130	(15,823,842)
Library books	(317,242)	(52,127)	-	(369,369)
Total accumulated depreciation	<u>(116,382,182)</u>	<u>(7,977,453)</u>	<u>40,130</u>	<u>(124,319,505)</u>
Net capital assets-Community College	<u>\$ 136,150,219</u>	<u>\$ 3,962,040</u>	<u>\$ -</u>	<u>\$ 140,112,259</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, 2017, the County had utilized 14.18% of its statutory debt limit. Details relating to bonds payable at December 31, 2017 are summarized as follows:

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

General Obligation Bonds:	Final Maturity	Interest Rate	Total
General Obligation, 2009	2020	4.00-5.00%	\$ 9,800,000
General Obligation, 2009	2023	2.00-5.00%	8,950,000
General Obligation, 2010	2019	4.00-5.00%	6,050,000
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	2020	3.00-5.00%	5,050,000
General Obligation, 2012	2037	3.00-5.00%	38,250,000
General Obligation, 2012	2025	2.00-5.00%	8,280,000
General Obligation, 2013	2033	4.00-5.00%	17,400,000
General Obligation, 2014	2034	2.50-5.00%	29,500,000
General Obligation, 2014	2026	2.00-5.00%	16,740,000
General Obligation, 2015	2045	3.00-5.00%	77,535,000
General Obligation, 2015	2027	2.00-5.00%	11,360,000
PFA Bonds QECCB, 2015	2025	3.65%	2,120,000
General Obligation, 2016	2036	2.00-5.00%	26,500,000
General Obligation, 2016	2030	1.00-5.00%	35,560,000
General Obligation, 2017	2037	3.00-5.30%	21,780,000
General Obligation, 2017	2033	1.00-5.00%	33,230,000
			<u>370,580,000</u>
 OTASC:			
Tobacco Settlement Pass-Through Bonds, Series 2005	2054	6.00-7.15%	11,208,292
Tobacco Settlement Pass-Through Bonds, Series 2016	2051	5.00-5.75%	95,265,000
			<u>\$ 477,053,292</u>

The annual requirements and sources to amortize debt on outstanding bonds as of December 31, 2017 are as follows:

Year	Principal	Interest	Total
2018	\$ 35,435,000	\$ 20,143,993	\$ 55,578,993
2019	33,965,000	18,392,189	52,357,189
2020	31,080,000	16,912,766	47,992,766
2021	30,980,000	15,515,435	46,495,435
2022	28,050,000	14,162,620	42,212,620
2023-2027	116,130,000	53,105,377	169,235,377
2028-2032	72,645,000	33,278,519	105,923,519
2033-2037	43,255,000	22,011,679	65,266,679
2038-2042	27,460,000	14,830,457	42,290,457
2043-2047	27,475,000	7,893,050	35,368,050
2048-2051	19,370,000	1,994,750	21,364,750
2054	11,208,292	128,111,708	139,320,000
	<u>\$ 477,053,292</u>	<u>\$ 346,352,543</u>	<u>\$ 823,405,835</u>

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

**Advance Refunding**

The County issued \$33,835,000 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 \$36,025,000 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 net carrying amount of the old debt exceeded the reacquisition price by \$87,459. This amount is being recorded as a deferred inflow 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 sixteen years by \$4,168,581 and resulted in an economic gain of \$3,483,443.

**Obligations Authorized Unissued**

At December 31, 2017, the County has obligations authorized and unissued of \$218,016,750, 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, 2017 by issue is shown below:

<b><u>Issue</u></b>	<b><u>Balance</u></b>
General Obligation Bonds 1999	\$ 380,000
General Obligation Bonds 2001	1,340,000
General Obligation Bonds 2002	2,350,000
General Obligation Bonds 1999	1,145,000
General Obligation Bonds 2001	1,960,000
General Obligation Bonds 2002	6,350,000
General Obligation Bonds 2003	5,400,000
General Obligation Bonds 2004	3,675,000
General Obligation Bonds 2006	13,650,000
General Obligation Bonds 2007	12,100,000
General Obligation Bonds 2009	22,075,000
General Obligation Bonds 2011	16,500,000
General Obligation Bonds 2013	36,025,000
Tobacco Settlement Pass Through Bonds 2001	73,065,000
Tobacco Settlement Pass Through Bonds 2005	46,817,124
	\$ 242,832,124

**Other Loans Payable**

The State has made available to the County loans from the State Pollution Control Revolving Fund in the amount of \$553,596,391, of which \$276,100,892 is outstanding at December 31, 2017. 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.

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

At December 31, 2017 principal payments required on other loans payable are as follows:

Years	Principal	Interest	Total
2018	\$ 14,047,895	\$ 9,357,409	\$ 23,405,304
2019	13,961,229	9,256,740	23,217,969
2020	14,230,884	8,869,632	23,100,516
2021	13,860,884	8,453,653	22,314,537
2022	13,860,000	8,033,499	21,893,499
2023-2027	64,415,000	33,648,945	98,063,945
2028-2032	55,650,000	23,117,277	78,767,277
2033-2037	48,620,000	12,854,304	61,474,304
2038-2042	27,200,000	4,955,326	32,155,326
2043-2044	10,255,000	441,375	10,696,375
	<u>\$ 276,100,892</u>	<u>\$ 118,988,160</u>	<u>\$ 395,089,052</u>

**OCIDA**

Through December 31, 2017, OCIDA has issued approximately \$2.58 billion of industrial development and pollution control financing on behalf of county businesses. Of this total, none were issued in the year ended December 31, 2017.

**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, 2017 was \$618,783. There were no additions and reductions of \$333,039 during 2017 resulting in an ending balance as of December 31, 2017 of \$285,744.

**Changes in Long-Term Obligations**

Long-Term obligation activity at December 31, 2017, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Serial Bonds	\$ 384,795,000	\$ 55,615,000	\$ (69,830,000)	\$ 370,580,000	\$ 34,355,000
OTASC Tobacco settlement bonds	106,068,246	730,046	(325,000)	106,473,292	1,080,000
Plus Premium on serial bonds	40,971,233	9,091,904	(8,092,653)	41,970,484	-
Net bonds payable	531,834,479	65,436,950	(78,247,653)	519,023,776	35,435,000
Tax certiorari	1,784,000	990,181	(204,181)	2,570,000	315,000
Compensated absences	13,133,478	15,218,588	(15,241,021)	13,111,045	9,096,054
Judgments and claims	10,416,449	(1,734,777)	(390,071)	8,291,601	525,000
Loans	267,290,296	49,736,979	(40,926,383)	276,100,892	14,047,895
Postemployment benefits	419,205,257	68,264,343	(23,964,969)	463,504,631	-
Net Pension Liability	133,014,286	(55,898,554)	-	77,115,732	-
Due to agencies	1,771,808	-	-	1,771,808	-
Workers Compensation	22,307,975	(235,143)	(7,684,117)	14,388,715	-
Total Governmental activities	<u>1,400,758,028</u>	<u>141,778,567</u>	<u>(166,658,395)</u>	<u>1,375,878,200</u>	<u>59,418,949</u>
<b>Component Units:</b>					
Community College:					
Net Pension Liability	12,630,919	(5,861,377)	-	6,769,542	-
Postemployment Benefits	54,446,728	5,503,027	(2,568,221)	57,381,534	-
Compensated absences	63,873	251,487	-	315,360	-
Total Component Units	<u>\$ 67,141,520</u>	<u>\$ (106,863)</u>	<u>\$ (2,568,221)</u>	<u>\$ 64,466,436</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, 2017 is as follows:

<u>Project</u>	<u>Authorization</u>	<u>Expended</u>
Parks Roads, Parking and Trail	\$ 6,439,188	\$ 5,485,924
Thompson Road	8,940,000	7,846,579
Old Rte. 5 Repaving Construction	6,885,000	6,151,643
Fremont Road over CSX Bridge Construction	6,062,000	5,629,200
Central Library Reconfiguration	8,177,978	7,300,913
Terminal Reservoir Tank	34,290,000	26,713,400
Comprehensive Energy & Asset Renovation	14,000,000	8,499,316
Westside Upgrades	18,150,000	2,373,783
Electronics Park Trunk Sewer	10,000,000	4,944,515
Oneida Lake PS	10,120,000	4,195,132
Metro Waste Water Treatment Plant Grit Handling	25,827,294	19,921,503
Metro Waste Water Treatment Phos	24,195,000	2,223,930
ACJ-Midland Avenue Conveyance Engineering	128,782,668	99,474,650
ACJ-Clinton Street Conveyances	12,100,000	8,983,523
Willis Avenue Over CSX	6,516,000	5,347,359
Oak Orchard Waste Water Improvements	13,715,000	1,046,041
Baldwinsville Sen Knolls Waste Water Treatment Plant	6,300,000	963,991
John Glenn EB & WB Bridge	6,280,000	2,464,664
Camillus Highway Maintenance Facility Improvements	8,500,000	6,058,314
Hot Mix Bituminous Paving	8,404,932	7,568,682
WEP Energy Project ESCO	10,300,000	814
NAMF Highway Maintenance Facility Improvement	10,000,000	0
Hot Bit Paving	6,323,478	4,927,223
MBL Waste Water Treatment Plant Disinfection System	11,725,000	2,669,458

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, 2017 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

**10. RETIREMENT BENEFITS (continued)**

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.

Under the authority of the NYSRSSL, the Comptroller certifies annually the actuarially determined rates expressed as proportions of payroll of members, which are used to compute the contributions required to be made by employers to the pension accumulation fund. The employee contribution rates are based on ERS membership dates as follows:

	<u>Membership Date</u>	<u>Employee Contribution</u>
Tier 1	Prior to 7/1/73	None
Tier 2	7/1/73 - 7/26/76	None
Tier 3	7/27/76 - 8/31/83	3% of salary for the first 10 years of service
Tier 4	9/1/83 - 12/31/09	3% of salary for the first 10 years of service
Tier 5	1/1/10 - 3/31/12	3% of salary
Tier 6	4/1/12 and after	From 3% to 6% of salary

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 2017, 2016 and 2015 were \$33,734,041, \$31,845,040 and \$33,214,687 respectively. The County's contributions made to the ERS were equal to 100% of the contributions required for each year.

At December 31, 2017, the County reported the following liability for its proportionate share of the net pension liability. The net liability was measured as of March 31, 2017. 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, 2016
Plan's total net pension liability	\$ 9,396,223,511
County's proportionate share of the Plan's total net pension liability	\$ 77,115,732

For the year ended December 31, 2017, the County recognized pension expense of \$10,331,149 in the financial statements.

**10. RETIREMENT BENEFITS (continued)**

At December 31, 2017, the County’s reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,932,448	\$ 11,710,461
Changes in assumptions	26,345,560	-
Net differences between projected and actual earnings on pension plan investments	15,403,137	-
Changes in proportion and differences between the County's contributions and proportionate share of contributions	-	9,263,888
County's contributions subsequent to the measurement date	23,239,157	-
Total	<u>\$ 66,920,302</u>	<u>\$ 20,974,349</u>

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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2018	\$ 11,301,030
2019	11,301,030
2020	11,163,588
2021	(11,058,852)

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, 2017
Actuarial valuation date	April 1, 2016
Actuarial Cost Method	Entry age normal
Interest rate	7.00%
Salary Scale	3.80%
Decrement tables	April 1, 2010 - March 31, 2015 ERS's experience
Inflation rate	2.50%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 ERS’s experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2015 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)**

	<u>Target Allocations in %</u>	<u>Long-Term Expected real rate of return in %</u>
Measurement date: March 31, 2017		
Asset Type:		
Domestic Equity	36.00%	4.55%
International Equity	14.00%	6.35%
Private Equity	10.00%	7.75%
Real Estate	10.00%	5.80%
Absolute Return	2.00%	4.00%
Opportunistic Portfolio	3.00%	5.89%
Real Assets	3.00%	5.54%
Bonds & Mortgages	17.00%	1.31%
Cash	1.00%	(0.25%)
Inflation Indexed Bonds	4.00%	1.50%
Total	<u>100.00%</u>	

The discount rate used to calculate the total pension liability was 7.0%. 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 7.0%, 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Current Assumption (7.0%)</u>	<u>1% Increase (8.0%)</u>
County's proportionate share of the net pension liability	\$ 246,293,373	\$ 77,115,732	\$ (65,922,797)

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, 2016	
Employer's total pension liability	\$ 177,400,586
Plan new position	(168,004,363)
Employers' net pension liability	<u>\$ 9,396,223</u>

Ratio of Plan Net Position to the Employers' Total Pension Liability	94.7%
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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, 2017 represent the projected employer contribution for the period of April 1, 2017 through March 31, 2018 based on estimated ERS wages multiplied by the employer’s contribution rate, by tier.

**Retiree Benefits**

In addition to providing pension benefits, the County provides certain health insurance benefits to approximately 4,100 retired employees, survivors and dependents 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. The County has approximately 1,700 retirees in its self-insurance plan and the cost of providing to these retirees during 2017 was approximately \$22.3 million. The County also instituted a Medicare advantage plan in 2013 and has moved approximately 2,400 Medicare eligible retirees, survivors and dependents into this plan. Retirees’ obligation to contribute to these benefits is dependent upon the plan options offered by the County. Total retiree contributions were \$5,133,487 during 2017.

**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 2017, the County contributed \$18.9 million to the plan. Plan members receiving benefits contributed \$5.1 million.

*Annual OPEB cost.* The County’s annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and the amortized amount of any unfunded actuarial accrued liabilities (UAAL) over a period of thirty years. The following table shows the components of the County’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County’s net OPEB obligations.

Annual required contribution	\$ 74,317,962
Interest on net OPEB obligation	15,720,197
Adjustment to annual required contribution	(21,773,816)
Annual OPEB cost	68,264,343
Contributions	(23,964,969)
Increase in net OPEB obligation	44,299,374
Net OPEB obligation-beginning of year	419,205,257
Net OPEB obligation-end of year	<u>\$ 463,504,631</u>

**10. RETIREMENT BENEFITS (continued)**

*Three-year Trend Information*

<u>Fiscal Year Ending</u>	<u>Annual Cost</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2015	\$ 60,702,258	41.4%	\$ 377,871,314
12/31/2016	\$ 63,759,110	35.2%	\$ 419,205,257
12/31/2017	\$ 68,264,343	35.1%	\$ 463,504,631

*Funded Status and Funding Progress.* As of January 1, 2017, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$833.8 million, and there were no plan assets. The covered payroll (annual payroll of active employees covered by the plan) was \$171.0 million, and the ratio of the liability to the covered payroll was 488%.

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, 2017 actuarial valuation the projected unit credit cost method was used. The actuarial assumptions included a 3.75% 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 6.9% initially, decreasing to 3.9% for all benefits after 70 years for those under 65 and 9.0% decreasing to 3.9% for those 65 and over. The UAAL is being amortized based on a level percentage of payroll on a closed basis. The remaining amortization period at December 31, 2017, is nineteen 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.

**11. OPERATING TRANSFERS (continued)**

The following is a summary of operating transfers for the year ended December 31, 2017:

Operating Transfers To:	Major Governmental Funds		Operating Transfers From:				Totals
	General Fund	Water Environment Protection	Nonmajor Governmental Funds				
			County Road Fund	Water Fund	Library Fund	Van Duyn	
<b>Major Governmental Funds:</b>							
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund	17,447,601	24,771,796	9,828,238	2,346,462	657,883	6,132	55,058,112
Capital Projects Fund	172,190	6,103,150	8,078,589	-	50,000	-	14,403,929
<b>Nonmajor Governmental Funds:</b>							
General Grants Fund	2,824,329	1,385,000	-	-	-	-	4,209,329
County Road Fund	28,358,776	-	-	-	-	-	28,358,776
Road Machinery Fund	418,984	-	-	-	-	-	418,984
Library Fund	5,220,429	-	-	-	-	-	5,220,429
Community Development	34,165	-	-	-	-	-	34,165
<b>Total</b>	<b>\$ 54,476,474</b>	<b>\$ 32,259,946</b>	<b>\$ 17,906,827</b>	<b>\$ 2,346,462</b>	<b>\$ 707,883</b>	<b>\$ 6,132</b>	<b>\$ 107,703,724</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, 2017 are summarized as follows:

DUE TO:	<u>DUE FROM:</u>					
	Major Funds	Nonmajor Funds			Total	
	General Fund	General Grants	Van Duyn	Library Grants		Community Development
Major Fund - General Fund	\$ -	\$ 10,835,748	\$ 2,475,463	\$ 4,117,836	\$ 432,617	\$ 17,861,664
Nonmajor Fund - Library Fund	800,000	-	-	-	-	800,000
<b>Total</b>	<b>\$ 800,000</b>	<b>\$ 10,835,748</b>	<b>\$ 2,475,463</b>	<b>\$ 4,117,836</b>	<b>\$ 432,617</b>	<b>\$ 18,661,664</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 \$38,209,037 reported at December 31, 2017 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.

**13. RISK MANAGEMENT (continued)**

Changes in the reported liabilities during fiscal year 2017 were as follows:

	Balance January 1, 2017	Claims and Changes in Estimates	Claim Payments	Balance December 31, 2017
Workers' Compensation	\$ 31,199,336	\$ (7,815)	\$ (7,684,117)	\$ 23,507,404
Judgments and Claims	10,416,449	(1,734,777)	(390,071)	8,291,601
Medical & Dental	5,856,472	83,784,440	(83,230,880)	6,410,032
	<u>\$ 47,472,257</u>	<u>\$ 82,041,848</u>	<u>\$ (91,305,068)</u>	<u>\$ 38,209,037</u>

**Workers' Compensation**

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

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

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

**Judgments and Claims**

The County is a defendant in a number of lawsuits in the ordinary conduct of its affairs. The County is self-insured for individual claims up to \$2,000,000 and amounts greater than \$20,000,000 for all liability (including environmental liability) and certain physical damage risks. The County has excess liability insurance that covers all other claim amounts. In the opinion of County management, after considering all relevant facts, such judgments and claims will not individually or in the aggregate, have a material effect on the financial condition of the County. Such estimate is based upon individual cases reported at December 31, 2017 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, 2017.

**14. TAX CERTIORARI CLAIMS**

The County has accrued \$2,570,000 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. Over 30 ACJ projects were 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 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 the Onondaga County Department of Water Environment Protection (“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:

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

- 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 an 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 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 \$41.4 million. It is worth noting that these costs include a now completed \$20.2 million bypass reduction project to enable the Metro plant to comply with revised effluent limits for chlorine residuals and the Metro phosphorus optimization project, with an estimated cost of \$21.4 million.

In its 2015 Annual Report regarding ACJ compliance and in its 2016 Annual Report, conditionally approved by the DEC, the County reported compliance with all major construction milestones and all required CSO capture milestones.

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

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. 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 and the CSO 061 sewer separation project has also been completed. Over 200 green infrastructure projects have been completed to date.

Planning-level costs for optimizing Metro 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 \$21.4 million. The bacteria/chlorine project is now complete and cost \$20.2 million. These efforts shall serve to further assist Onondaga County in consistently complying with its Metro 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, \$88.7 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 \$281.7 million in long term loans to fund lake projects. The County anticipates \$101.8 million in local funding for the remaining 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. OPERATING LEASE**

In 2016, the County entered into a lease with SUNY Upstate Medical University (SUNY) which allowed SUNY to occupy space at the County's Central Library located in The Galleries of Syracuse. The cost to the County to renovate the occupied space is \$5.1 million to date and will be funded by annual lease payments totaling \$746,778 when space is fully utilized. The Lease expires on September 30, 2026 but may be renewed twice upon mutual written agreement and is subject to the written approvals of the New York State Attorney General and the New York State Office of the State Comptroller. Each renewal period shall be for five (5) years.

**17. SUBSEQUENT EVENT**

In May 2018 the Greater Syracuse Soundstage Development Corporation (GSSDC) received their Certificate of Incorporation as a Not-For-Profit Local Development Corporation Under Section 1411 of the Not-For-Profit Corporation Law of the State of New York and their IRS Employer Identification Number. GSSDC shall serve as a supporting organization for, but operate separate and apart from the County, with a purpose to advance the film industry in the Central New York Region. The County has not yet determined the relationship with GSSDC and the impact on the County's future financial statements.

**REQUIRED**  
**SUPPLEMENTARY INFORMATION**  
**(UNAUDITED)**

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Fund**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Non-GAAP	Variance From	Variance From
	Original	Final	Actual	Original	Final
			Amounts	Favorable (Unfavorable)	Favorable (Unfavorable)
Budgetary fund balance, January 1	\$ 8,883,357	\$ 7,758,357	\$ 7,656,594	\$ (1,226,763)	\$ (101,763)
Resources (inflows):					
Real property taxes County wide	139,948,719	139,948,719	140,292,066	343,347	343,347
Other real property tax items	10,436,424	10,436,424	9,723,344	(713,080)	(713,080)
Sales tax and use tax	354,896,594	354,896,594	347,441,798	(7,454,796)	(7,454,796)
Federal aid	87,973,857	87,973,857	85,354,099	(2,619,758)	(2,619,758)
State aid	93,791,771	95,875,560	85,474,197	(8,317,574)	(10,401,363)
Charges for services	99,116,263	99,116,263	98,607,008	(509,255)	(509,255)
Miscellaneous	6,807,790	6,808,097	7,396,422	588,632	588,325
Interest on Investments	567,320	567,320	570,676	3,356	3,356
Amounts available for appropriation	<u>802,422,095</u>	<u>803,381,191</u>	<u>782,516,204</u>	<u>(19,905,891)</u>	<u>(20,864,987)</u>
Charges to appropriations (outflows):					
General government support:					
Center for forensic science	8,002,190	8,307,970	8,307,970	(305,780)	-
County clerk	3,831,600	3,219,511	3,101,878	729,722	117,633
County comptroller	3,050,631	3,174,378	3,077,611	(26,980)	96,767
County executive	1,650,133	1,638,758	1,610,961	39,172	27,797
County legislature	2,467,574	2,130,007	2,070,235	397,339	59,772
County special expense	12,509,458	7,460,876	6,769,207	5,740,251	691,669
District attorney	9,973,194	10,366,142	10,144,964	(171,770)	221,178
Elections board	2,242,332	2,435,099	2,361,338	(119,006)	73,761
Facilities management	20,161,598	21,498,515	20,315,403	(153,805)	1,183,112
Finance, management and budget	98,771,257	98,883,788	97,030,137	1,741,120	1,853,651
Information technology	12,110,445	12,836,130	11,986,374	124,071	849,756
Law department	5,068,959	5,244,190	4,865,596	203,363	378,594
Personnel department	3,966,239	4,114,804	3,549,066	417,173	565,738
Public defender	8,138,879	8,216,379	7,997,609	141,270	218,770
Purchasing department	2,225,749	2,645,694	2,630,770	(405,021)	14,924
Human Rights	271,571	280,875	262,138	9,433	18,737
	<u>194,441,809</u>	<u>192,453,116</u>	<u>186,081,257</u>	<u>8,360,552</u>	<u>6,371,859</u>
Education:					
Authorized agencies	186,979	199,479	199,479	(12,500)	-
Community college chargebacks	9,682,000	9,682,000	9,682,000	-	-
Education of handicapped children	41,687,512	41,687,512	41,686,816	696	696
	<u>51,556,491</u>	<u>51,568,991</u>	<u>51,568,295</u>	<u>(11,804)</u>	<u>696</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, 2017**

*continued*

	Budgeted Amounts		Non-GAAP	Variance From	Variance From
	Original	Final	Actual Amounts	Original Favorable (Unfavorable)	Final Favorable (Unfavorable)
Public Safety:					
Corrections	22,084,170	23,596,753	23,499,027	(1,414,857)	97,726
Emergency communications	17,830,870	18,337,561	18,173,877	(343,007)	163,684
Emergency management	1,076,690	1,153,856	908,414	168,276	245,442
Probation	9,366,686	9,473,310	9,367,169	(483)	106,141
Hillbrook	7,645,748	8,581,906	8,045,830	(400,082)	536,076
Sheriff	84,875,122	88,381,180	85,599,676	(724,554)	2,781,504
STOP DWI	723,462	729,288	662,851	60,611	66,437
	<u>143,602,748</u>	<u>150,253,854</u>	<u>146,256,844</u>	<u>(2,654,096)</u>	<u>3,997,010</u>
Health:					
Health	15,949,884	16,367,250	16,014,525	(64,641)	352,725
Mental health	25,570,778	27,674,320	20,968,862	4,601,916	6,705,458
	<u>41,520,662</u>	<u>44,041,570</u>	<u>36,983,387</u>	<u>4,537,275</u>	<u>7,058,183</u>
Transportation	<u>2,409,878</u>	<u>2,409,878</u>	<u>2,409,877</u>	<u>1</u>	<u>1</u>
Economic Assistance and Opportunity:					
Authorized agencies human	71,282	71,282	11,282	60,000	60,000
Economic development	831,550	885,205	864,958	(33,408)	20,247
Job training administration	287,980	291,381	279,044	8,936	12,337
Social services - administration	222,566,028	220,529,132	216,489,979	6,076,049	4,039,153
Veterans	712,642	705,081	662,961	49,681	42,120
Childrens Services	65,157,110	65,956,085	65,956,085	(798,975)	-
	<u>289,626,592</u>	<u>288,438,166</u>	<u>284,264,309</u>	<u>5,362,283</u>	<u>4,173,857</u>
Culture and Recreation:					
Aging and youth programs	2,850,904	2,580,744	2,580,744	270,160	-
Authorized agencies	1,440,381	1,395,381	1,395,381	45,000	-
Parks and recreation	14,760,668	14,894,930	13,755,785	1,004,883	1,139,145
	<u>19,051,953</u>	<u>18,871,055</u>	<u>17,731,910</u>	<u>1,320,043</u>	<u>1,139,145</u>
Home and Community Services:					
Authorized agencies physical	125,000	112,500	112,500	12,500	-
Office of environment	330,563	329,014	327,901	2,662	1,113
Onondaga planning agency	2,414,667	2,535,843	2,337,615	77,052	198,228
	<u>2,870,230</u>	<u>2,977,357</u>	<u>2,778,016</u>	<u>92,214</u>	<u>199,341</u>
Other uses:					
Transfer to other funds	57,341,732	56,818,947	54,442,309	2,899,423	2,376,638
Total charges to appropriations	<u>802,422,095</u>	<u>807,832,934</u>	<u>782,516,204</u>	<u>19,905,891</u>	<u>25,316,730</u>
Budgetary fund balance, December 31	<u>\$ -</u>	<u>\$ (4,451,743)</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 4,451,743</u>
Budgetary fund balance is not a current year revenue for budgetary purposes			(7,656,594)		
Unused project balances treated as expenditures for financial reporting purposes			(34,165)		
Net change in fund balance			<u>\$ (7,690,759)</u>		

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Water Environment Protection**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Non-GAAP	Variance From	Variance From
	Original	Final	Actual	Original	Final
	Original	Final	Amounts	Favorable (Unfavorable)	Favorable (Unfavorable)
Budgetary fund balance, January 1	\$ 7,641,727	\$ 7,716,727	\$ 3,866,575	\$ (3,775,152)	\$ (3,850,152)
Resources (inflows):					
Real property taxes County wide	1,725,432	1,725,432	1,725,432	-	-
Charges for services	81,112,811	82,237,811	83,005,052	1,892,241	767,241
Interest on investments	84,468	84,468	66,967	(17,501)	(17,501)
Miscellaneous	<u>753,139</u>	<u>753,139</u>	<u>729,061</u>	<u>(24,078)</u>	<u>(24,078)</u>
Amounts available for appropriation	<u>91,317,577</u>	<u>92,517,577</u>	<u>89,393,087</u>	<u>(1,924,490)</u>	<u>(3,124,490)</u>
Charges to appropriations (outflows):					
Home and Community Services:					
Bear Trap Ley Creek	509,914	509,914	471,650	38,264	38,264
Bloody Brook	157,521	157,521	145,290	12,231	12,231
Consolidated Sanitary District	57,553,262	58,048,125	54,897,065	2,656,197	3,151,060
Flood Control	1,211,699	1,211,699	1,116,646	95,053	95,053
Harbor Brook	302,925	302,925	279,161	23,764	23,764
Meadow Brook	242,340	242,340	223,329	19,011	19,011
Nondepartmental:					
Transfers to other funds	<u>31,339,916</u>	<u>32,539,916</u>	<u>32,259,946</u>	<u>(920,030)</u>	<u>279,970</u>
Total charges to appropriations	<u>91,317,577</u>	<u>93,012,440</u>	<u>89,393,087</u>	<u>1,924,490</u>	<u>3,619,353</u>
Budgetary fund balance, December 31	<u>\$ -</u>	<u>\$ (494,863)</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 494,863</u>
Budgetary fund balance is not a current year revenue for budgetary purposes			<u>(3,866,575)</u>		
Net change in fund balance			<u>\$ (3,866,575)</u>		

See notes to required supplementary information

**COUNTY OF ONONDAGA, NEW YORK**  
**Other Postemployment Benefits Plan**  
**Schedule of Funding Progress**  
**Year Ended December 31, 2017**  
**(in millions)**

Actuarial Valuation Date	Fiscal Year End	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll
01/01/14	12/31/15	-	\$769.1	\$769.1	0.0%	\$170.5
01/01/16	12/31/16	-	\$797.9	\$797.9	0.0%	\$184.3
01/01/16	12/31/17	-	\$833.8	\$833.8	0.0%	\$171.0

**COUNTY OF ONONDAGA, NEW YORK**  
**Required Supplementary Information - Pension**  
**Year Ended December 31, 2017**  
**(in thousands)**

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

	2015	2016	2017
Proportion of the net pension liability	0.86%	0.83%	0.82%
Proportionate share of the net pension liability	\$ 29,175	\$ 133,014	\$ 77,116
Covered-employee payroll	\$ 179,600	\$ 180,715	\$ 194,070
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	16.24%	73.60%	39.74%
Plan fiduciary net position as a percentage of the total pension liability	97.90%	90.70%	94.70%

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

Contractually required contribution	\$ 35,831	\$ 29,427	\$ 30,504
Contributions in relation to the contractually required contribution	35,831	29,427	30,504
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 179,600	\$ 180,715	\$ 194,070
Contributions as a percentage of covered-employee payroll	19.95%	16.28%	15.72%

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.

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***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.

**COUNTY OF ONONDAGA, NEW YORK**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2017**

	<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	\$ 8,000	\$ 582,453	\$ 760,186	\$ 325,860	\$ 6,937,237
Accounts receivable (net of \$61,567 reserve)	558,090	933,915	191,034	93,155	615,657
Due from state and federal governments	11,780,057	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Inventories	-	105,763	-	-	-
Prepaid items	29,116	74,980	291,719	-	-
Restricted cash	275,237	2,754,362	-	-	-
<b>Total assets</b>	<b>\$ 12,650,500</b>	<b>\$ 4,451,473</b>	<b>\$ 1,242,939</b>	<b>\$ 419,015</b>	<b>\$ 7,552,894</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 3,705,979	\$ -	\$ 559,017	\$ 313,415	\$ 58,750
Accrued liabilities	1,018,654	1,404,593	346,272	10,606	-
Other liabilities	2,858,549	1,579,267	-	-	-
Due to other funds	10,835,748	-	-	-	-
Due to other governments	-	50,000	26,952	-	(14)
<b>Total liabilities</b>	<b>18,418,930</b>	<b>3,033,860</b>	<b>932,241</b>	<b>324,021</b>	<b>58,736</b>
<b>DEFERRED INFLOW OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,917</b>
<b>FUND BALANCES</b>					
Nonspendable	29,116	180,743	291,719	-	-
Restricted	-	-	-	-	-
Assigned	-	1,236,870	18,979	94,994	7,365,241
Unassigned	(5,797,546)	-	-	-	-
<b>Total fund balances</b>	<b>(5,768,430)</b>	<b>1,417,613</b>	<b>310,698</b>	<b>94,994</b>	<b>7,365,241</b>
<b>Total liabilities, deferred inflow of resources and fund balances</b>	<b>\$ 12,650,500</b>	<b>\$ 4,451,473</b>	<b>\$ 1,242,939</b>	<b>\$ 419,015</b>	<b>\$ 7,552,894</b>

<b>Special Revenue Funds</b>				<b>Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Van Duyn Fund</b>	<b>Library Fund</b>	<b>Library Grants Fund</b>	<b>Community Development</b>	<b>OTASC</b>	
\$ -	\$ 239,815	\$ -	\$ 300	\$ 133,627	\$ 8,987,478
-	25,471	-	30,000	-	2,447,322
-	246,022	292,120	1,827,420	-	14,145,619
-	800,000	-	-	-	800,000
-	-	-	285,745	-	285,745
-	-	-	-	-	105,763
-	158,911	-	-	-	554,726
-	-	-	-	6,420,447	9,450,046
<u>\$ -</u>	<u>\$ 1,470,219</u>	<u>\$ 292,120</u>	<u>\$ 2,143,465</u>	<u>\$ 6,554,074</u>	<u>\$ 36,776,699</u>
\$ -	\$ 242,389	\$ 200,848	\$ 356,860	\$ -	\$ 5,437,258
-	191,346	44,327	65,042	-	3,080,840
-	-	504,606	836,453	-	5,778,875
2,475,463	-	4,117,836	432,617	-	17,861,664
-	-	-	180,231	-	257,169
<u>2,475,463</u>	<u>433,735</u>	<u>4,867,617</u>	<u>1,871,203</u>	<u>-</u>	<u>32,415,806</u>
-	-	-	-	-	128,917
-	158,911	-	-	-	660,489
-	-	-	-	6,420,447	6,420,447
-	877,573	-	272,262	133,627	9,999,546
(2,475,463)	-	(4,575,497)	-	-	(12,848,506)
<u>(2,475,463)</u>	<u>1,036,484</u>	<u>(4,575,497)</u>	<u>272,262</u>	<u>6,554,074</u>	<u>4,231,976</u>
<u>\$ -</u>	<u>\$ 1,470,219</u>	<u>\$ 292,120</u>	<u>\$ 2,143,465</u>	<u>\$ 6,554,074</u>	<u>\$ 36,776,699</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, 2017**

	Special Revenue Funds			
	General Grants	ONCENTER Fund	County Road	Road Machinery
<b>REVENUES</b>				
Sales tax and use tax	\$ -	\$ 2,789,192	\$ 2,838,559	\$ -
Federal aid	13,328,284	-	-	-
State aid	18,189,047	-	7,684,590	-
Departmental	1,305,283	1,671,215	8,933	671,787
Service for other governments	480,994	-	1,948,180	-
Tobacco settlement proceeds	-	-	-	-
Interest on investments	129,585	4,522	-	-
Miscellaneous	6,663,296	5,579,679	61,240	276,233
Total revenues	<u>40,096,489</u>	<u>10,044,608</u>	<u>12,541,502</u>	<u>948,020</u>
<b>EXPENDITURES</b>				
Current:				
General government support	5,101,255	-	-	-
Public safety	11,449,072	-	-	-
Health	10,507,390	-	-	-
Transportation	4,654	-	23,121,864	1,268,020
Economic assistance and opportunity	20,747,014	-	-	-
Culture and recreation	4,280,740	9,850,027	-	-
Home and community services	1,860,242	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>53,950,367</u>	<u>9,850,027</u>	<u>23,121,864</u>	<u>1,268,020</u>
Excess (deficiency) of revenues over expenditures	<u>(13,853,878)</u>	<u>194,581</u>	<u>(10,580,362)</u>	<u>(320,000)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,209,329	-	28,358,776	418,984
Transfers out	-	-	(17,906,827)	-
Total other financing sources and (uses)	<u>4,209,329</u>	<u>-</u>	<u>10,451,949</u>	<u>418,984</u>
Net change in fund balance	(9,644,549)	194,581	(128,413)	98,984
Fund balances- beginning	3,876,119	1,223,032	439,111	(3,990)
Fund balances- ending	<u>\$ (5,768,430)</u>	<u>\$ 1,417,613</u>	<u>\$ 310,698</u>	<u>\$ 94,994</u>

Special Revenue Funds					Debt Service Fund	Total Nonmajor Governmental Funds
Water Fund	Van Duyn Fund	Library Fund	Library Grants	Community Development	OTASC	
-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,627,751
-	-	324,623	8,869	4,421,811	-	18,083,587
-	-	1,025,281	513,731	605,539	-	28,018,188
1,703,194	-	63,679	-	(49,272)	-	5,374,819
-	-	6,709,773	(7,716)	-	-	9,131,231
-	-	-	-	-	5,837,151	5,837,151
9,673	-	-	-	-	71,730	215,510
1,486,073	109,930	(132,638)	778,456	1,831	-	14,824,100
<u>3,198,940</u>	<u>109,930</u>	<u>7,990,718</u>	<u>1,293,340</u>	<u>4,979,909</u>	<u>5,908,881</u>	<u>87,112,337</u>
-	-	-	-	-	124,138	5,225,393
-	-	-	-	-	-	11,449,072
-	4,202,903	-	-	-	-	14,710,293
-	-	-	-	-	-	24,394,538
-	-	-	-	-	-	20,747,014
-	-	12,509,828	1,319,319	-	-	27,959,914
859,888	-	-	-	4,738,231	-	7,458,361
-	-	-	-	-	325,000	325,000
-	-	-	-	-	5,538,843	5,538,843
<u>859,888</u>	<u>4,202,903</u>	<u>12,509,828</u>	<u>1,319,319</u>	<u>4,738,231</u>	<u>5,987,981</u>	<u>117,808,428</u>
<u>2,339,052</u>	<u>(4,092,973)</u>	<u>(4,519,110)</u>	<u>(25,979)</u>	<u>241,678</u>	<u>(79,100)</u>	<u>(30,696,091)</u>
-	-	5,220,429	-	34,165	-	38,241,683
(2,346,462)	(6,132)	(707,883)	-	-	-	(20,967,304)
<u>(2,346,462)</u>	<u>(6,132)</u>	<u>4,512,546</u>	<u>-</u>	<u>34,165</u>	<u>-</u>	<u>17,274,379</u>
(7,410)	(4,099,105)	(6,564)	(25,979)	275,843	(79,100)	(13,421,712)
7,372,651	1,623,642	1,043,048	(4,549,518)	(3,581)	6,633,174	17,653,688
<u>7,365,241</u> \$	<u>(2,475,463)</u> \$	<u>1,036,484</u> \$	<u>(4,575,497)</u> \$	<u>272,262</u> \$	<u>6,554,074</u> \$	<u>4,231,976</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Grants Fund**  
**Year Ended December 31, 2017**

	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	\$ -	\$ 70,227	\$ -	\$ -	\$ (70,227)
<b>Federal Aid</b>					
Education	251,346	685,736	234,498	(16,848)	(451,238)
Public safety	891,868	3,032,362	521,523	(370,345)	(2,510,839)
Health	7,019,353	13,591,863	6,421,089	(598,264)	(7,170,774)
Transportation	163,000	1,743,468	59,927	(103,073)	(1,683,541)
Social services	6,885,339	17,382,606	2,446,835	(4,438,504)	(14,935,771)
Other economic assistance	2,583,000	3,609,299	1,354,921	(1,228,079)	(2,254,378)
Culture and recreation	-	-	-	-	-
Home and community services	1,514,182	2,005,933	2,289,491	775,309	283,558
Total federal aid	19,308,088	42,051,267	13,328,284	(5,979,804)	(28,722,983)
<b>State Aid</b>					
General government support	1,050,000	6,735,601	2,415,015	1,365,015	(4,320,586)
Public safety	2,571,054	10,354,048	1,937,728	(633,326)	(8,416,320)
Health	5,326,196	10,765,195	4,449,870	(876,326)	(6,315,325)
Social services	12,957,216	15,557,639	4,957,575	(7,999,641)	(10,600,064)
Other economic assistance	3,002,809	35,524,208	4,235,637	1,232,828	(31,288,571)
Culture and recreation	-	64,078	-	-	(64,078)
Transportation	122,696	439,184	70,245	(52,451)	(368,939)
Home and community services	152,444	3,760,141	122,977	(29,467)	(3,637,164)
Total state aid	25,182,415	83,200,094	18,189,047	(6,993,368)	(65,011,047)
<b>Departmental</b>					
General government support	50,000	76,227	57,516	7,516	(18,711)
Public safety	20,000	53,888	7,157	(12,843)	(46,731)
Health	148,670	(6,707)	180,038	31,368	186,745
Economic Assistance	84,805	(2,009)	84,805	-	86,814
Culture and recreation	-	1,269,491	746,565	746,565	(522,926)
Home and community services	875,000	1,588,818	260,181	(614,819)	(1,328,637)
Total departmental	1,178,475	2,979,708	1,336,262	157,787	(1,643,446)

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Grants Fund**  
**Year Ended December 31, 2017**

*continued*

	Budgeted Amounts		Non-GAAP Actual Amounts	Original Favorable (Unfavorable)	Final Favorable (Unfavorable)
	Original	Final			
Service for Other Governments					
General Government	28,000	133,915	82,785	54,785	(51,130)
Public safety	330,000	1,081,331	373,209	43,209	(708,122)
Health	-	138,108	-	-	(138,108)
Other economic assistance	25,000	25,000	25,000	-	-
Home and community services	-	(33,807)	-	-	33,807
Total service for other governments	<u>383,000</u>	<u>1,344,547</u>	<u>480,994</u>	<u>97,994</u>	<u>(863,553)</u>
Interest on Investments	-	179,637	129,585	129,585	(50,052)
Miscellaneous	<u>3,308,639</u>	<u>5,994,389</u>	<u>6,663,296</u>	<u>3,354,657</u>	<u>668,907</u>
Transfers from other funds	<u>1,738,948</u>	<u>4,155,525</u>	<u>4,209,329</u>	<u>2,470,381</u>	<u>53,804</u>
Amounts available for appropriations	<u>51,099,565</u>	<u>139,975,394</u>	<u>44,336,797</u>	<u>(6,762,768)</u>	<u>(95,638,597)</u>
Charges to appropriations (outflows):					
General Government Support					
Board of elections	-	644,629	-	-	644,629
County clerk	50,000	187,681	73,623	(23,623)	114,058
County legislature	245,000	4,863,065	746,604	(501,604)	4,116,461
Information Technology	-	153,962	60,058	(60,058)	93,904
District attorney	1,258,290	3,433,452	1,209,804	48,486	2,223,648
Finance, management and budget	50,000	590,704	447,605	(397,605)	143,099
Public defender	1,000,000	6,367,994	2,510,370	(1,510,370)	3,857,624
Facilities management	-	137,317	31,889	(31,889)	105,428
Purchasing department	28,000	96,641	21,302	6,698	75,339
Total general government support	<u>2,631,290</u>	<u>16,475,445</u>	<u>5,101,255</u>	<u>(2,469,965)</u>	<u>11,374,190</u>
Public Safety					
Corrections	348,000	464,844	365,739	(17,739)	99,105
Emergency communications- E911	-	2,732,906	188,364	(188,364)	2,544,542
Emergency management	655,800	2,451,893	389,887	265,913	2,062,006
Probation	245,809	5,543,152	5,543,152	(5,297,343)	-
Sheriff	2,769,653	10,397,868	2,100,525	669,128	8,297,343
Special traffic programs	-	47,783	-	-	47,783
Hillbrook	-	2,861,405	2,861,405	(2,861,405)	-
Total public safety	<u>4,019,262</u>	<u>24,499,851</u>	<u>11,449,072</u>	<u>(7,429,810)</u>	<u>13,050,779</u>

*continued*

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Grants Fund**  
**Year Ended December 31, 2017**

*continued*

	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual Amounts</u>	<u>Original Favorable (Unfavorable)</u>	<u>Final Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>			
Health					
Health	12,077,316	23,406,594	10,169,740	1,907,576	13,236,854
Mental health	1,200,000	4,754,304	368,629	831,371	4,385,675
Total health	<u>13,277,316</u>	<u>28,160,898</u>	<u>10,538,369</u>	<u>2,738,947</u>	<u>17,622,529</u>
Transportation	-	1,310,584	4,654	(4,654)	1,305,930
Economic Assistance and Opportunity					
Aging and youth	6,985,911	9,039,417	6,098,059	887,852	2,941,358
County Promotion	-	2,050,911	50,000	(50,000)	2,000,911
Economic development	320,000	25,170,730	12,896,170	(12,576,170)	12,274,560
Children and Family	12,148,302	18,120,964	-	12,148,302	18,120,964
Social services	9,744,579	13,072,992	1,702,785	8,041,794	11,370,207
Total economic assistance and opportunity	<u>29,198,792</u>	<u>67,455,014</u>	<u>20,747,014</u>	<u>8,451,778</u>	<u>46,708,000</u>
Culture and Recreation	100,000	(1,797,684)	4,280,740	(4,180,740)	(6,078,424)
Home and Community Services					
Planning agency	1,872,905	4,737,908	1,415,355	457,550	3,322,553
Water environment protection	-	2,626,653	444,886	(444,886)	2,181,767
Office of the environment	-	85,708	1	(1)	85,707
Total home and community service	<u>1,872,905</u>	<u>7,450,269</u>	<u>1,860,242</u>	<u>12,663</u>	<u>5,590,027</u>
Total charges to appropriations	<u>51,099,565</u>	<u>143,554,377</u>	<u>53,981,346</u>	<u>(2,881,781)</u>	<u>89,573,031</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (3,578,983)</u>	<u>\$ (9,644,549)</u>	<u>\$ (9,644,549)</u>	<u>\$ (6,065,566)</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**ONCENTER Fund**  
**Year Ended December 31, 2017**

	<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>	
Resources (inflows):					
Sales tax and use tax	\$ 2,789,192	\$ 2,789,192	\$ 2,789,192	\$ -	\$ -
State Aid	-	-	-	-	-
Departmental	-	1,306,052	1,671,215	1,671,215	365,163
Interest on Investments	-	-	4,522	4,522	4,522
Miscellaneous	-	5,579,682	5,579,679	5,579,679	(3)
Amounts available for appropriations	<u>2,789,192</u>	<u>9,674,926</u>	<u>10,044,608</u>	<u>7,255,416</u>	<u>369,682</u>
Charges to appropriations (outflows):					
Transportation	<u>2,789,192</u>	<u>9,850,029</u>	<u>9,850,027</u>	<u>(7,060,835)</u>	<u>2</u>
Total charges to appropriations	<u>2,789,192</u>	<u>9,850,029</u>	<u>9,850,027</u>	<u>(7,060,835)</u>	<u>2</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (175,103)</u>	<u>\$ 194,581</u>	<u>\$ 194,581</u>	<u>\$ 369,684</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**County Road Fund**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Non-GAAP Actual Amounts	Variance From Original Favorable	Variance From Final Favorable
	Original	Final		(Unfavorable)	(Unfavorable)
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>	<u>(Unfavorable)</u>
Resources (inflows):					
Sales tax and use tax	\$ 2,662,266	\$ 2,662,266	\$ 2,838,559	\$ 176,293	\$ 176,293
State Aid					
Transportation	5,643,528	7,690,914	7,684,590	2,041,062	(6,324)
Total state aid	<u>5,643,528</u>	<u>7,690,914</u>	<u>7,684,590</u>	<u>2,041,062</u>	<u>(6,324)</u>
Departmental	3,477,028	3,477,028	3,377,160	(99,868)	(99,868)
Services for Other Governments	1,911,212	1,973,839	1,948,180	36,968	(25,659)
Miscellaneous	37,639	37,639	61,240	23,601	23,601
Transfers from other funds	30,902,133	29,492,358	28,358,776	(2,543,357)	(1,133,582)
Amounts available for appropriations	<u>44,633,806</u>	<u>45,334,044</u>	<u>44,268,505</u>	<u>(365,301)</u>	<u>(1,065,539)</u>
Charges to appropriations (outflows):					
Transportation	27,718,189	27,399,514	26,490,091	1,228,098	909,423
Total charges to appropriations	<u>27,718,189</u>	<u>27,399,514</u>	<u>26,490,091</u>	<u>1,228,098</u>	<u>909,423</u>
Other Financing Uses					
Transfer to other funds	16,915,617	17,963,003	17,906,827	(991,210)	56,176
Total financing sources and uses	<u>16,915,617</u>	<u>17,963,003</u>	<u>17,906,827</u>	<u>(991,210)</u>	<u>56,176</u>
Budgetary fund balance, December 31	<u>\$ -</u>	<u>\$ (28,473)</u>	<u>\$ (128,413)</u>	<u>\$ (128,413)</u>	<u>\$ (99,940)</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Road Machinery Fund**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Non-GAAP Actual Amounts	Variance From Original Favorable (Unfavorable)	Variance From Final Favorable (Unfavorable)
	Original	Final		(Unfavorable)	(Unfavorable)
Resources (inflows):					
Departmental	\$ 5,598,330	\$ 5,598,330	\$ 5,650,937	\$ 52,607	\$ 52,607
Miscellaneous	439,800	439,800	276,233	(163,567)	(163,567)
Transfers from other funds	854,921	664,921	418,984	(435,937)	(245,937)
Amounts available for appropriations	<u>6,893,051</u>	<u>6,703,051</u>	<u>6,346,154</u>	<u>(546,897)</u>	<u>(356,897)</u>
Charges to appropriations (outflows):					
Transportation	6,893,051	6,732,475	6,247,170	645,881	485,305
Total charges to appropriations	<u>6,893,051</u>	<u>6,732,475</u>	<u>6,247,170</u>	<u>645,881</u>	<u>485,305</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (29,424)</u>	<u>\$ 98,984</u>	<u>\$ 98,984</u>	<u>\$ 128,408</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Water Fund**  
**Year Ended December 31, 2017**

	<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>
Budgetary fund balance, January 1	\$ -	\$ 1,475,439	\$ -	\$ -	\$ (1,475,439)
Resources (inflows):					
Departmental	1,685,729	1,685,729	1,703,194	17,465	17,465
Service for Other Governments	-	-	-	-	-
Interest on Investments	-	6,732,475	9,673	9,673	(6,722,802)
Miscellaneous	1,334,051	(29,424)	1,486,073	152,022	1,515,497
Amounts available for appropriation	<u>3,019,780</u>	<u>9,864,219</u>	<u>3,198,940</u>	<u>179,160</u>	<u>(6,665,279)</u>
Charges to appropriations (outflows):					
Home and Community Services	620,568	859,893	859,888	(239,320)	5
Nondepartmental:					
Transfer to other funds	<u>2,399,212</u>	<u>2,346,462</u>	<u>2,346,462</u>	<u>52,750</u>	<u>-</u>
Total charges to appropriations	<u>3,019,780</u>	<u>3,206,355</u>	<u>3,206,350</u>	<u>(186,570)</u>	<u>5</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 6,657,864</u>	<u>\$ (7,410)</u>	<u>\$ (7,410)</u>	<u>\$ (6,665,274)</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, 2017**

	<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>		<u>(Unfavorable)</u>	<u>(Unfavorable)</u>
Budgetary fund balance, January 1	\$ 5,169,785	\$ 5,169,785	\$ -	\$ (5,169,785)	\$ (5,169,785)
Resources (inflows):					
Departmental	-	-	-	-	-
Health	-	-	-	-	-
Miscellaneous	-	-	109,930	109,930	109,930
Total departmental	-	-	109,930	(5,059,855)	(5,059,855)
Amounts available for appropriation	5,169,785	5,169,785	109,930	(5,059,855)	(5,059,855)
Charges to appropriations (outflows):					
Health	5,169,785	5,163,653	4,202,903	966,882	960,750
Nondepartmental:					
Transfer to other funds	-	6,132	6,132	(6,132)	-
Total charges to appropriations	5,169,785	5,169,785	4,209,035	960,750	960,750
Budgetary fund balance, December 31	\$ -	\$ -	\$ (4,099,105)	\$ (4,099,105)	\$ (4,099,105)

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Library Fund**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Non-GAAP Actual Amounts	Variance From	Variance From
	Original	Final		Original	Final
				Favorable	Favorable
			(Unfavorable)	(Unfavorable)	
Budgetary fund balance, January 1	\$ 453,378	\$ 453,378	\$ 6,564	\$ (446,814)	\$ (446,814)
Resources (inflows):					
Federal Aid	-	-	324,623	324,623	324,623
State Aid	1,050,979	1,050,979	1,025,281	(25,698)	(25,698)
Departmental	73,335	73,335	63,679	(9,656)	(9,656)
Service for Other Governments	6,799,470	6,799,470	6,709,773	(89,697)	(89,697)
Miscellaneous	145,113	145,113	(132,638)	(277,751)	(277,751)
Transfers from other funds	5,311,320	5,220,429	5,220,429	(90,891)	-
Amounts available for appropriation	<u>13,833,595</u>	<u>13,742,704</u>	<u>13,217,711</u>	<u>(615,884)</u>	<u>(524,993)</u>
Charges to appropriations (outflows):					
Culture and Recreation	<u>13,396,496</u>	<u>13,108,891</u>	<u>12,509,828</u>	<u>886,668</u>	<u>599,063</u>
Total charges to appropriations	<u>13,396,496</u>	<u>13,108,891</u>	<u>12,509,828</u>	<u>886,668</u>	<u>599,063</u>
Other Financing Uses					
Transfer to other funds	<u>437,099</u>	<u>707,883</u>	<u>707,883</u>	<u>(270,784)</u>	<u>-</u>
Total financing sources and uses	<u>437,099</u>	<u>707,883</u>	<u>707,883</u>	<u>(270,784)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (74,070)</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 74,070</u>

Budgetary fund balance is not a current year revenue for budgetary purposes

Net change in fund balance

(6,564)  
\$ (6,564)

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Library Grants Fund**  
**Year Ended December 31, 2017**

	<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):					
Federal Aid	\$ 100,000	\$ 98,518	\$ 8,869	\$ (91,131)	\$ (89,649)
State Aid	484,624	1,032,063	513,731	29,107	(518,332)
Service for Other Governments	-	8,965	(7,716)	(7,716)	(16,681)
Miscellaneous	<u>275,000</u>	<u>6,364,708</u>	<u>778,456</u>	<u>503,456</u>	<u>(5,586,252)</u>
Amounts available for appropriation	<u>859,624</u>	<u>7,504,254</u>	<u>1,293,340</u>	<u>433,716</u>	<u>(6,210,914)</u>
Charges to appropriations (outflows):					
Culture and Recreation	<u>859,624</u>	<u>3,010,787</u>	<u>1,319,319</u>	<u>(459,695)</u>	<u>1,691,468</u>
Total charges to appropriations	<u>859,624</u>	<u>3,010,787</u>	<u>1,319,319</u>	<u>(459,695)</u>	<u>1,691,468</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>4,493,467</u>	\$ <u>(25,979)</u>	\$ <u>(25,979)</u>	\$ <u>(4,519,446)</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Community Development Fund**  
**Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		Non-GAAP	Variance From	Variance From
	<u>Original</u>	<u>Final</u>	Actual Amounts	Original Favorable (Unfavorable)	Final Favorable (Unfavorable)
Resources (inflows):					
Health	\$ -	\$ 4,859,143	\$ 1,474,425	\$ 1,474,425	\$ (3,384,718)
Home and community services	<u>5,113,563</u>	<u>11,785,984</u>	<u>2,947,386</u>	<u>(2,166,177)</u>	<u>(8,838,598)</u>
Total federal aid	5,113,563	16,645,127	4,421,811	(691,752)	(12,223,316)
State Aid					
Home and community services	1,500,000	5,425,184	605,539	(894,461)	(4,819,645)
Departmental	-	(152,716)	(49,272)	(49,272)	103,444
Miscellaneous	-	(13,708)	1,831	1,831	15,539
Transfers from other funds	<u>-</u>	<u>2,536,711</u>	<u>34,165</u>	<u>34,165</u>	<u>(2,502,546)</u>
Amounts available for appropriation	<u>6,613,563</u>	<u>24,440,598</u>	<u>5,014,074</u>	<u>(1,599,489)</u>	<u>(19,426,524)</u>
Charges to appropriations (outflows):					
Home and Community Services	<u>6,613,563</u>	<u>24,236,670</u>	<u>4,738,231</u>	<u>1,875,332</u>	<u>19,498,439</u>
Total charges to appropriations	<u>6,613,563</u>	<u>24,236,670</u>	<u>4,738,231</u>	<u>1,875,332</u>	<u>19,498,439</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 203,928</u>	<u>\$ 275,843</u>	<u>\$ 275,843</u>	<u>\$ 71,915</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Debt Service Fund**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Non-GAAP	Variance From	Variance From
	Original	Final	Actual	Original	Final
	(Unfavorable)	(Unfavorable)	(Unfavorable)	(Unfavorable)	(Unfavorable)
Budgetary fund balance, January 1	\$ 15,880,180	\$ 15,880,180	\$ 11,097,129	\$ (4,783,051)	\$ (4,783,051)
Resources (inflows):					
Transfers from other funds	55,185,482	96,122,437	95,845,067	40,659,585	(277,370)
Amounts available for appropriation	71,065,662	112,002,617	106,942,196	35,876,534	(5,060,421)
Charges to appropriations (outflows):					
General government support	9,115,200	18,030,928	12,002,420	(2,887,220)	6,028,508
Education	3,915,007	12,345,961	7,715,212	(3,800,205)	4,630,749
Public safety	5,388,449	12,248,992	5,414,362	(25,913)	6,834,630
Health	474,900	473,150	775,473	(300,573)	(302,323)
Transportation	11,701,849	20,560,117	17,427,225	(5,725,376)	3,132,892
Culture and recreation	6,253,797	8,555,784	11,015,863	(4,762,066)	(2,460,079)
Home and community services:					
Bear trap/Ley creek	24,035	24,595	24,035	-	560
Bloody brook	91,341	93,981	91,341	-	2,640
Central sanitary districts	30,735,886	31,074,369	38,242,687	(7,506,801)	(7,168,318)
Harbor brook	141,625	147,975	141,625	-	6,350
Meadow brook	494,863	556,650	494,466	397	62,184
Water fund	2,728,710	2,613,377	13,597,487	(10,868,777)	(10,984,110)
Total home and community services	34,216,460	34,510,947	52,591,641	(18,375,181)	(18,080,694)
Total charges to appropriations	71,065,662	106,725,879	106,942,196	(35,876,534)	(216,317)
Budgetary fund balance, December 31	\$ -	\$ 5,276,738	-	\$ -	\$ (5,276,738)
Interest revenue not considered for budgetary purposes			105,423		
Miscellaneous revenue exclusivity payment			2,234,167		
Other financing sources not considered for budgetary purposes:					
Budgetary fund balance is not a current year revenue for budgetary purposes			(11,097,129)		
Bond premium			1,989,950		
Unused project balances treated as revenue for financial reporting purposes			150,000		
Unbudgeted participation in debt service external sources			597,112		
Net change in fund balance			\$ (6,020,477)		

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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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Governmental activities</b>				
Net invested in capital assets	\$ 852,007,509	\$ 836,275,910	\$ 842,791,377	\$ 776,806,016
Restricted	19,823,048	22,730,632	24,359,185	24,805,553
Unrestricted	<u>(93,367,529)</u>	<u>(128,645,326)</u>	<u>(165,018,646)</u>	<u>(120,866,799)</u>
<b>Total governmental activities net position</b>	<u>\$ 778,463,028</u>	<u>\$ 730,361,216</u>	<u>\$ 702,131,916</u>	<u>\$ 680,744,770</u>
<b>Business-type activities</b>				
Net invested in capital assets	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total business-type activities net position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Primary government</b>				
Net invested in capital assets	\$ 852,007,509	\$ 836,275,910	\$ 842,791,377	\$ 776,806,016
Restricted	19,823,048	22,730,632	24,359,185	24,805,553
Unrestricted	<u>(93,367,529)</u>	<u>(128,645,326)</u>	<u>(165,018,646)</u>	<u>(120,866,799)</u>
<b>Total primary government net position</b>	<u>\$ 778,463,028</u>	<u>\$ 730,361,216</u>	<u>\$ 702,131,916</u>	<u>\$ 680,744,770</u>

**Fiscal Year**

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 943,407,659	\$ 934,565,871	\$ 887,775,290	\$ 903,030,795	\$ 907,560,538	\$ 894,278,606
24,925,639	29,882,211	32,399,308	29,400,591	21,994,413	17,815,148
(291,587,619)	(375,254,568)	(371,702,041)	(392,991,891)	(469,470,000)	(548,532,611)
<u>\$ 676,745,679</u>	<u>\$ 589,193,514</u>	<u>\$ 548,472,557</u>	<u>\$ 539,439,495</u>	<u>\$ 460,084,951</u>	<u>\$ 363,561,143</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	13,900,000
<u>\$ -</u>	<u>\$ 13,900,000</u>				

\$ 943,407,659	\$ 934,565,871	\$ 887,775,290	\$ 903,030,795	\$ 907,560,538	\$ 894,278,606
24,925,639	29,882,211	32,399,308	29,400,591	21,994,413	17,815,148
(291,587,619)	(375,254,568)	(371,702,041)	(392,991,891)	(469,470,000)	(534,632,611)
<u>\$ 676,745,679</u>	<u>\$ 589,193,514</u>	<u>\$ 548,472,557</u>	<u>\$ 539,439,495</u>	<u>\$ 460,084,951</u>	<u>\$ 377,461,143</u>

**County of Onondaga, New York**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**Schedule 2**

	Fiscal Year		
	2008	2009	2010
<b>Expenses</b>			
<b>Governmental activities:</b>			
General government support	\$ 218,159,741	\$ 218,932,637	\$ 230,998,064
Education	56,115,210	57,018,115	65,147,736
Public safety	131,896,522	127,630,857	139,640,552
Health	105,762,977	101,141,630	100,695,505
Transportation	42,074,051	38,522,292	35,937,447
Economic assistance and opportunity	262,786,203	255,717,572	258,479,081
Culture and recreation	47,748,717	35,388,697	35,214,223
Home and community services	75,444,171	90,521,110	60,919,353
Interest on long-term debt	18,174,279	18,694,633	19,072,029
<b>Total governmental activities expenses</b>	<u>958,161,871</u>	<u>943,567,543</u>	<u>946,103,990</u>
<b>Business-type activities:</b>			
OCCHDC	-	-	-
<b>Total business-type activities expenses</b>	-	-	-
<b>Total primary government expenses</b>	<u>\$ 958,161,871</u>	<u>\$ 943,567,543</u>	<u>\$ 946,103,990</u>
<b>Program Revenues</b>			
<b>Governmental activities:</b>			
Charges for services	\$ 197,066,748	\$ 180,621,469	\$ 179,931,127
Operating grants and contributions	199,017,801	215,666,695	213,038,907
Capital grants and contributions	19,934,877	11,398,419	17,979,648
<b>Total governmental activities program revenues</b>	<u>416,019,426</u>	<u>407,686,583</u>	<u>410,949,682</u>
<b>Business-type activities:</b>			
Charges for services	-	-	-
Operating grants and contributions	-	-	-
Capital grants and contributions	-	-	-
<b>Total business-type activities program revenues</b>	-	-	-
<b>Total primary government program revenues</b>	<u>\$ 416,019,426</u>	<u>\$ 407,686,583</u>	<u>\$ 410,949,682</u>
<b>Net (Expense)/Revenue</b>			
Governmental activities	\$ (542,142,445)	\$ (535,880,960)	\$ (535,154,308)
Business-type activities	-	-	-
<b>Total primary government net expense</b>	<u>\$ (542,142,445)</u>	<u>\$ (535,880,960)</u>	<u>\$ (535,154,308)</u>
<b>General Revenues and Other Changes in Net Position</b>			
<b>Governmental activities:</b>			
Real property taxes	\$ 189,794,554	\$ 178,297,034	\$ 192,525,831
Sales tax and use tax	300,164,040	284,918,896	304,589,655
Investment earnings	7,859,241	3,385,671	2,349,606
Tobacco settlement proceeds	8,358,345	7,806,998	7,055,112
Termination payments	-	-	-
Participation in debt service-external sources	188,910	284,461	404,804
Sale of receivables	-	13,086,088	-
Special item (ONCENTER and Van Duyn transfer)	-	-	-
Transfers and County contributions	-	-	-
<b>Total governmental activities</b>	<u>506,365,090</u>	<u>487,779,148</u>	<u>506,925,008</u>
<b>Business-type activities:</b>			
Investment earnings	-	-	-
Other revenue	-	-	-
Transfers and County contributions	-	-	-
Promissory note	-	-	-
<b>Total business-type activities</b>	-	-	-
<b>Total primary government</b>	<u>\$ 506,365,090</u>	<u>\$ 487,779,148</u>	<u>\$ 506,925,008</u>
<b>Change in Net Position</b>			
Governmental activities	\$ (35,777,355)	\$ (48,101,812)	\$ (28,229,300)
Business-type activities	-	-	-
<b>Total primary government</b>	<u>\$ (35,777,355)</u>	<u>\$ (48,101,812)</u>	<u>\$ (28,229,300)</u>

Fiscal Year						
2011	2012	2013	2014	2015	2016	2017
\$ 168,264,794	\$ 167,937,434	\$ 163,070,675	\$ 163,395,435	\$ 171,239,059	\$ 175,648,579	\$ 170,949,357
67,898,863	51,230,463	58,500,840	50,010,541	46,408,925	57,731,128	55,382,890
141,546,415	151,420,062	160,050,080	155,199,410	153,257,764	168,709,135	176,714,172
109,899,660	123,164,947	122,005,552	53,777,244	55,532,742	59,729,022	93,669,595
41,477,441	44,554,903	52,391,343	50,653,570	49,413,037	49,679,564	45,991,780
283,357,681	304,096,029	304,315,508	317,196,014	291,562,500	315,744,468	306,058,543
35,394,512	38,422,777	46,524,048	45,693,981	42,325,012	58,764,647	58,025,792
85,755,517	85,256,094	88,411,166	99,626,016	78,331,049	105,410,196	75,716,865
22,144,792	21,816,079	21,967,688	25,015,840	26,876,170	22,301,230	16,514,253
<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>1,013,717,969</u>	<u>999,023,247</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>\$ 1,013,717,969</u>	<u>\$ 999,023,247</u>
\$ 200,299,414	\$ 211,473,766	\$ 196,227,634	\$ 169,451,827	\$ 166,420,336	\$ 185,696,599	\$ 163,715,284
213,197,032	214,295,520	217,515,933	213,713,841	214,564,050	220,038,512	216,930,071
30,235,526	55,211,478	26,009,155	11,735,005	10,579,987	18,988,179	9,383,977
<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>424,723,290</u>	<u>390,029,332</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>\$ 424,723,290</u>	<u>\$ 390,029,332</u>
\$ (512,007,703)	\$ (506,918,024)	\$ (577,484,178)	\$ (565,667,378)	\$ (523,381,885)	\$ (588,994,679)	\$ (608,993,915)
-	-	-	-	-	-	-
<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>	<u>\$ (588,994,679)</u>	<u>\$ (608,993,915)</u>
\$ 164,188,059	\$ 161,254,615	\$ 150,423,597	\$ 150,635,859	\$ 151,649,933	\$ 149,383,389	\$ 152,003,605
316,703,720	332,217,015	339,658,462	349,646,335	348,914,909	345,552,868	353,069,549
2,146,754	1,757,948	1,553,584	1,282,756	1,178,423	1,022,492	962,689
6,688,826	6,821,381	6,817,145	7,712,439	11,946,032	7,985,119	5,837,151
-	-	-	-	-	5,069,500	-
893,198	666,894	656,747	15,669,032	659,526	626,767	597,113
-	201,080	(7,046,875)	-	-	-	-
-	-	-	-	-	-	-
<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>509,640,135</u>	<u>512,470,107</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	13,900,000
-	-	-	-	-	-	13,900,000
<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>\$ 509,640,135</u>	<u>\$ 526,370,107</u>
\$ (21,387,146)	\$ (3,999,091)	\$ (85,421,518)	\$ (40,720,957)	\$ (9,033,062)	\$ (79,354,544)	\$ (96,523,808)
-	-	-	-	-	-	13,900,000
<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>	<u>\$ (79,354,544)</u>	<u>\$ (82,623,808)</u>

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

	<b>Fiscal Year</b>			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>General Fund</b>				
Reserved	\$ 4,838,089	\$ 5,292,050	\$ 7,808,464	\$ -
Unreserved	65,874,512	69,373,888	76,719,455	-
Nonspendable	-	-	-	5,286,175
Committed	-	-	-	-
Assigned	-	-	-	28,919,636
Unassigned	-	-	-	64,988,261
<b>Total general fund</b>	<u>\$ 70,712,601</u>	<u>\$ 74,665,938</u>	<u>\$ 84,527,919</u>	<u>\$ 99,194,072</u>
<b>Water Environment Protection Fund</b>				
Reserved	\$ 2,101,093	\$ 1,771,573	\$ 1,503,554	\$ -
Unreserved	38,338,151	37,444,904	35,307,697	-
Nonspendable	-	-	-	638,350
Assigned	-	-	-	34,737,761
<b>Total water environment protection fund</b>	<u>\$ 40,439,244</u>	<u>\$ 39,216,477</u>	<u>\$ 36,811,251</u>	<u>\$ 35,376,111</u>
<b>Debt Service Fund</b>				
Reserved	\$ 36,108,118	\$ 41,723,821	\$ 42,165,109	\$ -
Restricted	-	-	-	40,817,343
Assigned	-	-	-	-
<b>Total debt service fund</b>	<u>\$ 36,108,118</u>	<u>\$ 41,723,821</u>	<u>\$ 42,165,109</u>	<u>\$ 40,817,343</u>
<b>Capital Projects Fund</b>				
Reserved	\$ 36,932,658	\$ 42,216,680	\$ 60,284,561	\$ -
Unreserved	(36,619,459)	(25,744,491)	(35,138,763)	-
Nonspendable	-	-	-	-
Restricted	-	-	-	7,436,576
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total capital projects fund</b>	<u>\$ 313,199</u>	<u>\$ 16,472,189</u>	<u>\$ 25,145,798</u>	<u>\$ 7,436,576</u>
<b>All Other Governmental Funds</b>				
Reserved	\$ 18,401,521	\$ 14,243,221	\$ 15,213,437	\$ -
Unreserved, reported in:				
Special revenue funds	17,007,295	12,210,553	5,587,796	-
Debt service funds	83,409	90,558	103,728	-
Nonspendable	-	-	-	1,430,751
Restricted	-	-	-	-
Assigned	-	-	-	26,301,155
Unassigned	-	-	-	-
<b>Total all other governmental funds</b>	<u>\$ 35,492,225</u>	<u>\$ 26,544,332</u>	<u>\$ 20,904,961</u>	<u>\$ 27,731,906</u>

**Fiscal Year**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$	-	-	-	-	-	-
	-	-	-	-	-	-
	7,434,194	7,942,774	7,309,456	6,646,513	6,028,457	6,456,136
	-	5,000,000	5,000,000	5,000,000	5,000,000	-
	25,068,778	16,326,067	7,325,091	17,451,521	13,335,100	8,388,852
	67,287,910	67,682,890	68,071,369	61,412,682	50,301,296	52,129,106
\$	<u>99,790,882</u>	<u>96,951,731</u>	<u>87,705,916</u>	<u>90,510,716</u>	<u>74,664,853</u>	<u>66,974,094</u>
\$	-	-	-	-	-	-
	-	-	-	-	-	-
	920,616	1,002,740	891,232	786,274	752,517	769,431
	36,693,395	40,631,949	42,923,834	42,109,751	35,658,580	31,775,091
\$	<u>37,614,011</u>	<u>41,634,689</u>	<u>43,815,066</u>	<u>42,896,025</u>	<u>36,411,097</u>	<u>32,544,522</u>
\$	-	-	-	-	-	-
	14,073,346	18,740,055	21,570,884	19,168,007	14,399,015	10,634,411
	22,728,788	18,284,782	13,491,314	9,952,399	9,406,152	7,150,279
\$	<u>36,802,134</u>	<u>37,024,837</u>	<u>35,062,198</u>	<u>29,120,406</u>	<u>23,805,167</u>	<u>17,784,690</u>
\$	-	-	-	-	-	-
	-	-	-	-	-	-
	2,807	-	-	-	-	-
	2,222,194	2,517,575	2,204,425	1,541,206	1,092,837	760,290
			29,480,015	32,892,665	40,726,204	29,270,354
	(26,333,991)	(27,033,703)	-	-	-	-
\$	<u>(24,108,990)</u>	<u>(24,516,128)</u>	<u>31,684,440</u>	<u>34,433,871</u>	<u>41,819,041</u>	<u>30,030,644</u>
\$	-	-	-	-	-	-
	-	-	-	-	-	-
	2,064,580	1,019,785	934,191	-	-	-
	8,630,099	8,624,581	8,624,000	809,788	795,470	660,489
	26,012,076	-	-	8,691,378	6,502,561	6,420,447
	(202,727)	15,338,688	23,646,492	19,541,557	14,914,130	9,999,546
	-	(368,538)	(460,412)	(23,705)	(4,558,473)	(12,848,506)
\$	<u>36,504,028</u>	<u>24,614,516</u>	<u>32,744,271</u>	<u>29,019,018</u>	<u>17,653,688</u>	<u>4,231,976</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Revenues</b>				
Real property taxes and tax items	\$ 185,570,483	\$ 185,104,195	\$ 185,255,928	\$ 159,906,576
Sales tax and use tax	300,164,040	284,918,896	304,589,655	316,703,720
Federal aid	83,694,221	105,752,832	114,096,923	118,766,975
State aid	135,258,457	121,312,282	116,921,632	124,665,583
Departmental	110,230,846	110,692,394	109,832,564	119,803,507
Services for other governments	73,261,416	51,729,312	48,435,161	67,633,604
Tobacco settlement proceeds	8,358,345	7,806,998	7,055,112	6,688,826
Interest on investments	7,450,197	3,242,129	2,273,276	2,075,438
Miscellaneous	9,907,113	10,240,104	9,769,465	14,213,726
Sale of receivables	-	13,086,088	-	-
Total revenues	<u>913,895,118</u>	<u>893,885,230</u>	<u>898,229,716</u>	<u>930,457,955</u>
<b>Expenditures</b>				
General government	198,408,248	197,846,093	195,855,982	150,645,016
Education	51,383,514	51,636,672	51,284,124	47,952,884
Public safety	114,988,343	112,475,714	123,386,485	122,444,760
Health	94,432,295	95,871,458	87,784,835	99,230,390
Transportation	26,363,171	24,967,034	24,364,447	26,982,740
Economic assistance and opportunity	255,156,067	249,041,562	250,929,288	276,596,788
Culture and recreation	29,944,767	29,676,868	29,252,876	29,150,063
Home and community services	68,102,328	70,027,487	67,870,619	70,676,114
Capital outlay	87,598,359	72,366,843	91,379,812	104,939,126
Debt service:				
Principal	25,138,438	28,284,206	24,080,873	27,381,800
Interest	16,155,774	16,305,652	17,846,002	19,857,818
Total expenditures	<u>967,671,304</u>	<u>948,499,589</u>	<u>964,035,343</u>	<u>975,857,499</u>
Excess of revenues over (under) expenditures	<u>(53,776,186)</u>	<u>(54,614,359)</u>	<u>(65,805,627)</u>	<u>(45,399,544)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	89,026,390	73,635,007	66,137,762	73,898,633
Transfers out	(89,026,390)	(73,635,007)	(66,137,762)	(73,898,633)
Termination payments	-	-	-	-
Proceeds of long-term borrowings	-	61,725,000	53,625,000	33,755,000
Refunding bond	-	33,345,000	-	-
Payments to refund bond escrow agent	-	(36,558,388)	-	-
Participation in debt service-external sources	13,374,962	4,498,508	19,087,111	9,987,427
Bond premium	-	7,161,609	4,025,795	2,658,087
Principal Forgiveness	-	-	-	-
Special item (ONCENTER and Van Duyn transfer)	-	-	-	-
Total other financing sources (uses)	<u>13,374,962</u>	<u>70,171,729</u>	<u>76,737,906</u>	<u>46,400,514</u>
Net change in fund balance	<u>\$ (40,401,224)</u>	<u>\$ 15,557,370</u>	<u>\$ 10,932,279</u>	<u>\$ 1,000,970</u>
Debt service as a percentage of noncapital expenditures	4.7%	5.1%	4.8%	5.4%

**Fiscal Year**

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 157,356,977	\$ 152,822,237	\$ 151,709,781	\$ 150,178,378	\$ 147,441,133	\$ 151,740,842
332,217,015	339,658,462	349,646,335	348,914,909	345,552,868	353,069,549
127,052,967	126,443,049	108,983,638	113,355,117	118,117,030	106,214,358
142,454,031	117,082,039	116,465,208	111,788,920	120,909,661	120,099,690
124,833,575	123,236,938	111,214,381	114,928,901	118,970,958	107,884,110
70,159,905	44,563,260	45,662,870	31,434,986	36,458,050	33,521,752
6,821,381	6,817,145	7,712,439	6,600,032	13,331,119	5,837,151
1,699,737	1,514,778	1,239,555	1,148,738	1,008,066	958,681
13,388,065	17,336,148	18,222,449	19,106,398	24,516,977	26,903,709
-	-	-	-	-	-
<u>975,983,653</u>	<u>929,474,056</u>	<u>910,856,656</u>	<u>897,456,379</u>	<u>926,305,862</u>	<u>906,229,842</u>
143,436,270	134,856,773	145,255,951	152,473,885	146,494,024	151,364,453
39,572,323	44,611,060	48,502,886	45,292,138	49,568,469	51,568,295
131,927,650	134,371,600	133,386,620	135,293,980	143,802,737	152,946,037
114,665,022	108,522,081	60,486,588	56,412,886	56,607,515	51,664,433
25,696,539	28,688,474	30,542,745	29,377,796	27,785,554	26,804,415
296,129,276	295,591,563	301,568,110	284,851,745	301,809,696	295,173,754
30,352,729	37,241,630	37,067,086	39,388,316	51,348,892	47,671,025
66,608,800	69,678,033	71,163,559	69,091,114	74,381,500	65,923,016
167,688,051	152,184,373	78,803,290	118,429,089	88,563,305	74,313,946
33,136,216	33,069,102	49,926,669	44,154,474	51,322,148	46,706,180
19,206,417	20,384,574	23,246,312	24,166,107	26,270,621	24,551,685
<u>1,068,419,293</u>	<u>1,059,199,263</u>	<u>979,949,816</u>	<u>998,931,530</u>	<u>1,017,954,461</u>	<u>988,687,239</u>
<u>(92,435,640)</u>	<u>(129,725,207)</u>	<u>(69,093,160)</u>	<u>(101,475,151)</u>	<u>(91,648,599)</u>	<u>(82,457,397)</u>
84,253,948	89,343,668	101,402,949	107,239,115	114,070,480	107,703,724
(84,253,948)	(89,343,668)	(101,402,949)	(107,239,115)	(114,070,480)	(107,703,724)
-	-	-	-	5,069,500	-
51,425,000	67,870,000	34,800,000	82,550,000	26,500,000	21,780,000
20,615,000	-	19,600,000	11,370,000	131,475,000	33,835,000
(22,680,624)	-	(22,333,870)	(12,932,472)	(149,930,121)	(40,797,119)
13,301,703	42,585,021	74,265,173	11,007,443	28,190,261	15,759,692
5,619,538	8,451,437	6,298,202	4,448,325	18,717,769	9,091,904
-	-	11,765,901	-	-	-
201,080	(73,671)	-	-	-	-
<u>68,481,697</u>	<u>118,832,787</u>	<u>124,395,406</u>	<u>96,443,296</u>	<u>60,022,409</u>	<u>39,669,477</u>
<u>\$ (23,953,943)</u>	<u>\$ (10,892,420)</u>	<u>\$ 55,302,246</u>	<u>\$ (5,031,855)</u>	<u>\$ (31,626,190)</u>	<u>\$ (42,787,920)</u>

5.8%

5.9%

8.1%

7.8%

8.3%

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>		
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
2016	29,609,363	35,611,353	7,387,032	8,881,605	22,222,361	26,729,748	83.14%	5.28
2017	30,025,581	36,152,550	7,526,622	9,085,608	22,498,959	27,066,942	83.12%	5.23

**COUNTY OF ONONDAGA, NEW YORK**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**Schedule 6**

<u>TAXPAYER</u>	2017			2008		
	Taxable Assessed Value	Rank	Percentage Of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total Taxable Assessed Value
National Grid / Niagra Mohawk	\$ 896,160,211	1	3.31%	\$ 718,746,708	1	2.82%
Verizon / NY Telephone Co.	104,345,374	2	0.39%	210,993,400	2	0.83%
Allied Corp	65,312,700	3	0.24%	-	-	-
Wegmans Food Market	63,745,542	4	0.24%	48,034,800	5	0.19%
CSX Rail Road	51,868,291	5	0.19%	-	-	-
Upstate Portfolio LLC	51,686,530	6	0.19%	-	-	-
Dominion Pipeline	45,908,448	7	0.17%	-	-	-
Bristol Myers Squibb	38,797,800	8	0.14%	44,698,600	6	0.18%
Shoppingtown Mall	36,996,400	9	0.14%	53,621,400	4	0.21%
Great Northern Mall	33,960,070	10	0.13%	-	-	-
HUB Properties Trust	-	-	-	67,915,400	3	0.27%
New Process Gear, Inc.	-	-	-	32,000,000	7	0.13%
Carrier Corporation	-	-	-	20,459,438	9	0.08%
Nob Hill of Syracuse Apartments	-	-	-	20,459,438	9	0.08%
Syracuse University	-	-	-	22,472,117	8	0.09%
<b>Total</b>	<b>\$ 1,388,781,366</b>		<b>5.13%</b>	<b>\$ 1,239,401,301</b>		<b>4.88%</b>

**COUNTY OF ONONDAGA, NEW YORK**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**Schedule 7**

<u>Fiscal Year Ended</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>			<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>	<u>Collections in Subsequent Years</u>	<u>Amount</u>	<u>Percentage of Levy</u>
2008	\$ 334,648,785	\$ 321,878,456	96.18%	\$ 11,695,645	\$ 334,021,794	99.81%
2009	341,497,443	334,543,258	97.96%	5,723,154	340,820,564	99.80%
2010	353,325,744	337,992,603	95.66%	13,735,520	352,568,697	99.79%
2011	377,756,416	362,859,235	96.06%	12,611,322	376,825,660	99.75%
2012	387,239,302	372,065,190	96.08%	12,091,975	386,029,608	99.69%
2013	386,275,561	372,123,350	96.34%	9,421,706	384,686,142	99.59%
2014	395,967,415	381,678,459	96.39%	5,567,197	393,344,391	99.34%
2015	405,432,966	389,240,124	96.01%	5,598,739	398,834,080	98.37%
2016	407,376,849	389,827,755	96.13%	7,028,616	396,856,371	97.42%
2017	413,189,158	396,226,926	95.89%	N/A	N/A	

**COUNTY OF ONONDAGA, NEW YORK**  
**Overlapping and Underlying Governmental Activities Debt**  
**As of December 31, 2017**  
*(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	\$ 646,681	35.02%
Total Overlapping Debt	<u>\$ 646,681</u>	<u>35.02%</u>
<b>Political subdivisions within Onondaga County:</b>		
Towns (as of 12/31/2015)	\$ 69,111	3.74%
Villages (as of 5/31/2016)	35,389	1.92%
School districts (as of 6/30/2016)	461,876	25.01%
City of Syracuse and city schools (as of 6/30/2016)	425,293	23.03%
Fire districts (as of 12/31/2015)	208,434	11.29%
Total Underlying Debt	<u>\$ 1,200,103</u>	<u>64.98%</u>
<b>Total Overlapping and Underlying Debt</b>	<b>\$ 1,846,784</b>	<b>100.00%</b>

**COUNTY OF ONONDAGA, NEW YORK**

**Legal Debt Margin Information**

**Last Ten Fiscal Years**

*(dollars in thousands)*

**Schedule 9**

	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 1,331,236	\$ 1,523,511	\$ 1,632,193	\$ 1,701,089	\$ 1,747,508	\$ 1,776,162	\$ 1,795,016	\$ 1,826,391	\$ 1,841,236	\$ 1,858,472
Total net debt applicable to limit	119,427	159,798	184,570	192,911	218,412	237,955	238,377	282,702	274,989	263,502
Legal debt margin	\$ 1,211,809	\$ 1,363,713	\$ 1,447,623	\$ 1,508,178	\$ 1,529,096	\$ 1,538,207	\$ 1,556,639	\$ 1,543,689	\$ 1,566,247	\$ 1,594,970
Total net debt applicable to the limit as a percentage of debt limit	8.97%	10.49%	11.31%	11.34%	12.50%	13.40%	13.28%	15.48%	14.94%	14.18%

**Legal Debt Margin Calculation for Fiscal Year 2017**

Assessed value - 5 year average \$26,549,595

**Legal debt margin:**

Debt limit (7% of total assessed value) 1,858,472

Debt applicable to limit:

    General obligation bonds 646,681

    Bond Anticipation Notes -

Less: Excludable debt (383,179)

Total net debt applicable to limit 263,502

Legal debt margin \$1,594,970

**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 Obligation Bonds</b>	<b>BANs Payable</b>	<b>Percentage of Actual Taxable</b>	
			<b>Value of Property</b>	<b>Per Capita</b>
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
2016	384,795	-	1.44%	822
2017	370,580	-	1.40%	796

**Other Governmental Activities Debt**

<b>Fiscal Year</b>	<b>OTASC Bonds</b>	<b>E-911 Loans</b>	<b>EFC Loans</b>	<b>Total Other Bonds and Loans</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
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
2016	106,068	-	267,290	373,358	758,153	1.70%	1,623
2017	106,473	-	276,101	382,574	753,154	1.57%	1,618

**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>
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		44,800	70,090	5.8%
2015	467,026		46,892	69,573	5.0%
2016	468,463		47,865	68,933	4.4%
2017	465,398		N/A	68,197	4.7%

Source: US Census Bureau

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

<u>Employer</u>	<u>2017</u>			<u>2008</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	9,136	1	4.33%	6,880	1	3.08%
St. Joseph's Hospital Health Center	4,660	2	2.21%	3,145	3	1.41%
Syracuse University	4,407	3	2.09%	6,455	2	2.89%
Lockheed Martin Corporation	4,200	4	1.99%	2,350	6	1.05%
Crouse Hospital	3,000	5	1.42%	2,600	4	1.16%
National Grid/Niagara Mohawk	2,200	6	1.04%	1,810	8	0.81%
Time Warner Cable	1,900	7	0.90%	780	10	0.35%
Wegmans Food Markets	1,413	8	0.67%	1,750	9	0.78%
Loretto	1,314	9	0.62%	-	-	-
Welch Allyn	1,250	10	0.59%	-	-	-
Magna Drivetrain-New Process Gear Inc	-		0.00%	2,700	5	1.21%
P & C Food Markets	-		0.00%	2,000	7	0.90%
<b>Total</b>	<u>33,480</u>		<u>15.85%</u>	<u>30,470</u>		<u>13.64%</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Full-time Equivalent County Government Employees by Function/Program**  
**Last Ten Fiscal Years**

**Schedule 13**

**Full -time Employees as of January 1**

<b>Function/Program</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
County clerk	39	38	37	35	35
County comptroller	36	37	33	31	31
County executive	9	13	10	11	11
County legislature	27	26	27	24	24
District attorney	100	97	94	93	93
Elections board	17	20	15	16	16
Facilities management	107	103	92	103	103
Finance, management and budget	31	29	28	27	27
Information technology	76	75	74	74	74
Law department	38	40	40	38	38
Personnel department	25	26	21	27	27
Purchasing department	12	15	13	16	16
<b>General Government Support</b>	<b>517</b>	<b>519</b>	<b>484</b>	<b>495</b>	<b>495</b>
Corrections	189	192	192	180	180
Emergency communications	145	149	148	137	137
Emergency management	7	7	5	6	6
Probation	140	145	119	87	107
Sheriff	561	578	578	540	540
STOP DWI	0	0	0	0	0
<b>Public Safety</b>	<b>1,042</b>	<b>1,071</b>	<b>1,042</b>	<b>950</b>	<b>970</b>
Health	364	371	359	297	297
LTC community services	14	16	15	0	0
LTC Van Duyen	559	525	525	504	504
Adult and LTC Care	0	0	0	0	0
Mental health department	80	80	80	53	53
<b>Health</b>	<b>1,017</b>	<b>992</b>	<b>979</b>	<b>854</b>	<b>854</b>
Transportation	197	195	177	163	163
<b>Transportation</b>	<b>197</b>	<b>195</b>	<b>177</b>	<b>163</b>	<b>163</b>
Economic development	7	7	5	6	6
Job training administration	6	6	4	2	2
Social services department	733	727	683	690	690
Children & Family	0	0	0	0	0
Veterans service agency	2	3	3	3	3
<b>Economic Assistance</b>	<b>748</b>	<b>743</b>	<b>695</b>	<b>701</b>	<b>701</b>
Aging and youth	18	19	17	18	18
Onondaga public libraries	56	57	57	55	55
Syracuse branch libraries	54	60	59	53	53
Parks and recreation	119	117	103	86	86
<b>Culture &amp; Recreation</b>	<b>247</b>	<b>253</b>	<b>236</b>	<b>212</b>	<b>212</b>
Community development	13	13	16	17	17
Human rights commission	4	4	0	0	0
Office of the environment	1	1	1	1	1
Onondaga planning agency	16	17	16	14	14
Water board	35	36	37	25	25
Water environment protection	387	387	377	370	370
<b>Home &amp; Community Services</b>	<b>456</b>	<b>458</b>	<b>447</b>	<b>427</b>	<b>427</b>
<b>Total</b>	<b>4,224</b>	<b>4,231</b>	<b>4,060</b>	<b>3,802</b>	<b>3,822</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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
County Clerk	34	36	36	36	31
County Comptroller	31	32	32	32	29
County Executive	12	12	12	13	10
County Legislature	23	26	26	26	24
District Attorney	93	94	96	102	91
Elections Board	15	16	16	16	13
Facilities Management	107	107	119	120	113
Finance	27	61	88	94	78
Information Technology	73	69	76	75	58
Law Department	37	43	44	40	35
Personnel Department	23	28	30	31	36
Purchasing Department	17	19	19	23	22
<b>General Government Support</b>	<b>492</b>	<b>543</b>	<b>594</b>	<b>608</b>	<b>540</b>
Corrections	179	177	181	183	175
Emergency Communications	140	145	145	145	135
Emergency Management	7	7	7	7	7
Probation	108	78	77	76	77
Sheriff	533	534	538	535	529
STOP DWI	0	0	0	0	0
<b>Public Safety</b>	<b>967</b>	<b>941</b>	<b>948</b>	<b>946</b>	<b>923</b>
Health	280	290	274	275	239
LTC Community Services	0	0	0	0	0
LTC Van Duyn	495	0	0	0	0
Adult and LTC Care	0	54	57	59	50
Mental Health Department	51	0	0	0	0
<b>Health</b>	<b>826</b>	<b>344</b>	<b>331</b>	<b>334</b>	<b>289</b>
Transportation	169	159	159	161	157
<b>Transportation</b>	<b>169</b>	<b>159</b>	<b>159</b>	<b>161</b>	<b>157</b>
Economic Development	7	7	7	7	8
Job Training Administration	2	2	2	2	2
Social Services Department-Economic S	690	422	413	402	369
Children & Family Services	0	271	271	276	252
Veterans Service Agency	2	0	0	0	0
<b>Economic Assistance</b>	<b>701</b>	<b>702</b>	<b>693</b>	<b>687</b>	<b>631</b>
Aging and Youth	17	0	0	0	0
Onondaga Public Libraries	53	53	44	43	74
Syracuse Branch Libraries	53	53	51	48	
Parks and recreation	93	101	98	98	81
<b>Culture &amp; Recreation</b>	<b>216</b>	<b>207</b>	<b>193</b>	<b>189</b>	<b>155</b>
Community development	17	14	15	13	13
Human rights commission	0	0	0	2	2
Office of the environment	1	1	1	2	2
Onondaga planning agency	14	18	18	18	13
Water board	23	30	31	33	0
Water environment protection	369	380	382	388	336
<b>Home &amp; Community Services</b>	<b>424</b>	<b>443</b>	<b>447</b>	<b>456</b>	<b>366</b>
<b>Total</b>	<b>3,795</b>	<b>3,339</b>	<b>3,365</b>	<b>3,381</b>	<b>3,061</b>

Source: Management and Budget

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

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Police protection</b>										
Number of police personnel and officers	538	537	516	502	499	498	498	496	497	483
Number of police vehicles	206	206	209	208	210	211	211	211	211	211
Number of Stations	8	8	8	7	7	7	7	7	8	8
<b>Highways</b>										
Miles of streets maintained	792	792	792	793	793	793	793	793	793	793
Road signs installed	853	1,105	923	1,168	1,180	1,180	1,300	1,600	1,375	1,375
Signal lights	98	100	101	102	102	104	108	108	112	113
<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	107	107	107	107
Park acreage	6,580	6,580	6,580	6,580	6,580	6,580	6,636	6,636	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)	116,200	119,700	119,700	119,700	119,700	119,700	119,700	119,700	119,700	119,700
Miles of sanitary sewers	3,060	3,065	3,065	3,067	3,072	3,076	3,079	3,082	3,083	3,087
Number of pumping stations	148	149	149	151	153	157	157	157	157	165
Number of sewer units	180,938	181,425	181,269	179,863	180,967	180,326	180,765	180,741	180,741	181,814
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	92	92	92	92	92	92	96	96	96	96
Number of service connections	51	51	51	51	47	47	47	47	47	47

## FORM OF BOND COUNSEL'S OPINION

\$51,960,000 General Obligation (Serial) Bonds, 2018

October 11, 2018

County of Onondaga,  
State of New York

Re: County of Onondaga, New York  
\$51,960,000 General Obligation (Serial) Bonds, 2018

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$51,960,000 General Obligation (Serial) Bonds, 2018 (the "Obligations"), of the County of Onondaga, State of New York (the "Obligor"), dated October 11, 2018, 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 April 15, 2019 and semi-annually thereafter on October 15 and April 15, and maturing in the amount of \$\_\_\_\_\_,000 on April 15, 2019, \$\_\_\_\_\_,000 on April 15, 2020, \$\_\_\_\_\_,000 on April 15, 2021, \$\_\_\_\_\_,000 on April 15, 2022, \$\_\_\_\_\_,000 on April 15, 2023, \$\_\_\_\_\_,000 on April 15, 2024, \$\_\_\_\_\_,000 on April 15, 2025, \$\_\_\_\_\_,000 on April 15, 2026, \$\_\_\_\_\_,000 on April 15, 2027, \$\_\_\_\_\_,000 on April 15, 2028, \$\_\_\_\_\_,000 on April 15, 2029, \$\_\_\_\_\_,000 on April 15, 2030, \$\_\_\_\_\_,000 on April 15, 2031, \$\_\_\_\_\_,000 on April 15, 2032, \$\_\_\_\_\_,000 on April 15, 2033, \$\_\_\_\_\_,000 on April 15, 2034, \$\_\_\_\_\_,000 on April 15, 2035, \$\_\_\_\_\_,000 on April 15, 2036, \$\_\_\_\_\_,000 on April 15, 2037, and \$\_\_\_\_\_,000 on April 15, 2038.

The Obligations maturing on or before April 15, 2025 shall not be subject to redemption prior to maturity. The Obligations maturing on or after April 15, 2026 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 April 15, 2025 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 alternative minimum tax. 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