

RATINGS: (See 'RATINGS' herein)

Fitch: "AAA (stable outlook)"

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

Standard & Poor's: "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 individual or corporate alternative minimum taxes, although Bond Counsel observes that interest on the Bonds is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel is also of the opinion that interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (Including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "Tax Matters" herein.*

## COUNTY OF ONONDAGA, NEW YORK

### \$34,800,000 General Obligation (Serial) Bonds, 2014

CUSIP BASE†: 682745

Dated: Date of Delivery

Due: May 1, 2016-2034

#### MATURITIES

Year	Amount	Interest Rate	Yield	CUSIP†	Year	Amount	Interest Rate	Yield	CUSIP†	Year	Amount	Interest Rate	Yield	CUSIP†
2016	\$2,600,000	5.00%	0.32%	3X0	2023	\$2,200,000*	5.00%	2.27%	4E1	2029	\$950,000*	3.00%	3.15%	4L5
2017	2,700,000	5.00	0.61	3Y8	2024	2,175,000*	5.00	2.39	4F8	2030	1,000,000*	3.25	100	4M3
2018	2,900,000	5.00	0.97	3Z5	2025	1,550,000*	2.50	2.64	4G6	2031	1,025,000*	3.25	99	4N1
2019	2,850,000	5.00	1.31	4A9	2026	1,575,000*	3.00	2.78	4H4	2032	1,050,000*	3.25	98	4P6
2020	2,350,000	5.00	1.59	4B7	2027	1,575,000*	3.00	100	4J0	2033	1,050,000*	3.50	100	4Q4
2021	2,400,000	5.00	1.86	4C5	2028	1,325,000*	3.00	3.07	4K7	2034	1,050,000*	3.50	99	4R2
2022	2,475,000	5.00	2.08	4D3										

\* The Bonds maturing in the years 2023-2034 are subject to redemption prior to maturity as described herein under the heading "Optional Redemption".

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

The Bonds will be issued as registered bonds and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on May 1, 2015, November 1, 2015 and semi-annually thereafter on May 1 and November 1 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 in Jersey City, New Jersey or as may be agreed upon on or about June 27, 2014.

June 12, 2014

THIS REVISED COVER SUPPLEMENTS THE OFFICIAL STATEMENT OF THE COUNTY DATED JUNE 5, 2014 RELATING TO THE OBLIGATIONS THEREOF DESCRIBED THEREIN AND HEREIN BY INCLUDING CERTAIN INFORMATION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12. OTHER THAN AS SET FORTH ON THE REVISED COVER AND THE DATED DATE ON PAGE 53, THERE HAVE BEEN NO REVISIONS TO SAID OFFICIAL STATEMENT.

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# COUNTY OFFICIALS

JOANNE M. MAHONEY  
County Executive

J. RYAN MCMAHON, II  
Chairman, County Legislature

WILLIAM P. FISHER  
Deputy County Executive

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

STEVEN P. MORGAN  
Chief Fiscal Officer

SANDRA A. SCHEPP  
County Clerk

KEVIN E. WALSH  
Sheriff

GORDON J. CUFFY, ESQ.  
County Attorney

WILLIAM J. FITZPATRICK, ESQ.  
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## FINANCIAL ADVISOR



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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.

## TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
<b>DESCRIPTION OF THE BONDS .....</b>	<b>4</b>	<b>COUNTY INDEBTEDNESS .....</b>	<b>36</b>
Optional Redemption .....	4	Constitutional Requirements .....	36
<b>NATURE OF OBLIGATION .....</b>	<b>5</b>	Statutory Procedure .....	36
Book-Entry-Only System .....	6	Debt Outstanding End of Fiscal Year .....	37
Purposes of Issue .....	8	Debt Management .....	37
<b>THE COUNTY .....</b>	<b>8</b>	Details of Outstanding Indebtedness .....	38
General Information .....	8	Bonded Indebtedness as of June 3, 2014 .....	39
Governmental Organization .....	9	Estimate of Obligations to be Issued .....	40
Transportation .....	9	Rate of Principal Retirement .....	40
Higher Education .....	10	Calculation of Total Net Indebtedness .....	41
Health and Medicine .....	10	Bonded Debt of Political Subdivisions Within The County .....	42
Culture and Recreation .....	10	Debt Ratios .....	43
Conventions and Tourism .....	11	Bonded Debt Service .....	43
Population Trends .....	12	<b>SPECIAL PROVISIONS AFFECTING</b>	
Unemployment Rate Statistics .....	12	<b>REMEDIES UPON DEFAULT .....</b>	<b>43</b>
Labor Market Statistics .....	13	<b>MARKET AND RISK FACTORS .....</b>	<b>45</b>
Labor Force Statistics in Onondaga County .....	13	<b>LITIGATION.....</b>	<b>45</b>
Major Employers .....	14	Self-Insurance .....	45
Commercial Banking.....	14	Tax Certiorari Claims.....	46
Economic Development .....	15	Onondaga Lake .....	46
<b>FINANCIAL STRUCTURE .....</b>	<b>19</b>	Onondaga Nation Land Claim .....	47
Budgetary Procedures.....	19	CERCLA Claims .....	47
Budget Monitoring and Fiscal Controls .....	19	<b>ONONDAGA COUNTY RESOURCE RECOVERY AGENCY.....</b>	<b>49</b>
County Budget .....	20	<b>TAX MATTERS .....</b>	<b>49</b>
Investment Policy .....	20	<b>LEGAL MATTERS.....</b>	<b>50</b>
State Aid.....	21	<b>CONTINUING DISCLOSURE UNDERTAKING.....</b>	<b>51</b>
Tax Levy Limitation Law .....	22	<b>FINANCIAL ADVISOR.....</b>	<b>52</b>
Employees .....	24	<b>RATINGS.....</b>	<b>52</b>
Pension Payments.....	24	<b>ADDITIONAL INFORMATION .....</b>	<b>52</b>
GASB 45 and Other Post-employment Benefits (OPEB) .....	26	<b>APPENDIX - A</b>	
Other Information.....	26	<b>GENERAL FUND - Balance Sheets</b>	
Data Security .....	27	<b>APPENDIX - A1</b>	
Financial Statements .....	27	<b>GENERAL FUND – Revenues, Expenditures and Changes in</b>	
Accounting Practices.....	27	<b>Fund Balance</b>	
Fund Structure .....	27	<b>APPENDIX - A2</b>	
Revenues .....	28	<b>ALL FUNDS – Revenues, Expenditures and Changes in Fund</b>	
Local Revenue.....	28	<b>Balance - Budget</b>	
Expenditures.....	28	<b>APPENDIX - B</b>	
Fund Balance (non- GAAP) .....	28	<b>BONDED DEBT SERVICE</b>	
Van Duyn Home and Hospital .....	29	<b>APPENDIX - C</b>	
2014-2019 Capital Improvement Plan.....	29	<b>COMPREHENSIVE ANNUAL FINANCIAL REPORT–</b>	
<b>THE STATE COMPTROLLER’S FISCAL STRESS MONITORING</b>		<b>December 31, 2013</b>	
<b>SYSTEM.....</b>	<b>30</b>	<b>APPENDIX – D</b>	
<b>TAX INFORMATION .....</b>	<b>31</b>	<b>FORM OF BOND COUNSEL’S OPINION</b>	
Municipal Subdivisions in the County .....	31		
Full Value and County Property Tax Levy .....	32		
Tax Collection Record.....	32		
Largest Taxpayers- 2014 Assessment Roll .....	33		
Constitutional Tax Margin .....	34		
Tax Collection Procedure .....	34		
Payments In-Lieu of Taxes (“PILOTS”) .....	35		
Onondaga County Sales Tax.....	35		

**OFFICIAL STATEMENT**  
**of the**  
**COUNTY OF ONONDAGA, NEW YORK**

**Relating To**  
**\$34,800,000 General Obligation (Serial) Bonds, 2014**

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 \$34,800,000 principal amount of General Obligation (Serial) Bonds, 2014 (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.

**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 Levy Limitation Law" herein).

The Bonds will be dated the date of delivery and will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC"), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on May 1, 2015, November 1, 2015 and semi-annually thereafter on May 1 and November 1 in each year until maturity. Principal and interest will be paid by the County to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

**Optional Redemption**

The Bonds that mature on or before May 1, 2022 are not subject to optional redemption prior to their stated maturities. The Bonds that mature on or after May 21, 2023 will be subject to redemption in whole or in part at any time on or after May 1, 2022 at the option of the County, at 100% of the par amount plus accrued interest through the date of redemption. If less than all of the Bonds of a particular maturity are called for redemption, DTC or any successor securities depository will select the Bonds to be redeemed pursuant to its rules and procedures or, if book-entry system is discontinued, will be selected by the County's Chief Fiscal Officer, who has been appointed registrar (the "Registrar"), by lot in such manner as the Registrar in its discretion may determine. The County will cause notice of the call for redemption identifying the Bonds or portions thereof to be redeemed to be sent by facsimile transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the redemption date, to the registered owner thereof. The County shall not be responsible for mailing notice of redemption to anyone other than DTC or another qualified securities depository or its nominee unless no qualified securities depository is the registered owner of the Bonds. If no qualified securities depository is the registered owner of the Bonds, notice of redemption shall be mailed to the registered owners of the Bonds. If a portion of a Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion shall be issued to the registered owner upon the surrender thereof.

## 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 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.

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## Purposes of Issue

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

<u>PROJECT</u>	<u>AMOUNT</u>
Reconstruct County Buildings	\$7,500,000
Various ACJ Projects	5,624,154
2013 Road Improvements	4,343,817
Terminal Reservoir Tanks	3,920,582
Various Metro Sewer Projects	2,502,000
2007 Road Improvements	1,965,767
Parks Improvements and Maintenance	1,770,000
Bridges 2012	1,500,000
Highway Garage Engineering Design	1,500,000
OCC Various Site Improvements	723,840
E-911 Furniture Consoles & Carpeting	648,840
2012 Road Improvements	523,000
OCC Ferrante Hall Renovations	430,000
Bridges 2013	400,000
2010 Road Improvements	330,000
2011 Road Improvements	254,000
Highway Land Acquisition & Design	239,000
2008 Road Improvements	175,000
2006 Road Improvements	150,000
Community Plaza Garage	125,000
Sheriff's Facility Replacement Study	100,000
2009 Road Improvements	75,000
	<hr/>
TOTAL:	\$34,800,000

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

## THE COUNTY

### General Information

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

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

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## **Governmental Organization**

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

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

## **Transportation**

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

### **Air**

Air passenger service is provided by six major airlines and fifteen commuter airlines, offering approximately 125 daily arrivals and departures. The County is also served by three major air cargo carriers. Total passengers for 2013 (enplaned and deplaned) were 2,011,690, a 1.4% increase as compared to 2012. In 2011 the Syracuse Regional Airport Authority was established and in March 2014 the FAA approved the transfer of the operating certificate from the City of Syracuse to the Authority. See "Economic Development" herein.

### **Rail**

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

### **Water**

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

### **Highways**

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

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

## **Bus**

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

## **Higher Education**

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

Also located within the County are LeMoyne College, a Jesuit-run liberal arts college (3,400 students); the State University of New York's Upstate Medical University, the largest medical school in upstate New York (1,600 students); and the SUNY College of Environmental Science and Forestry (2,600 students). In addition, over 12,500 students attend Onondaga Community College (OCC), a two-year college that is part of the State University of New York system. OCC was recently cited in the top 10% of community colleges in the country.

Over 90% of County residents over 25 have a high school education or higher, with 33% possessing a Bachelor's Degree or higher (US Census Bureau, 2012 American Community Survey 1-year estimates) putting the County at or above State and national levels.

## **Health and Medicine**

Five of the County's largest employers are in the health care sector and three of the four major hospitals have recently completed or are continuing expansion plans in 2014. University Hospital in Syracuse is part of SUNY Upstate Medical University and is the only academic medical center in Central New York. It recently acquired Community General Hospital (renamed Upstate University Hospital at Community General) and the combined 2013 inpatient discharges totaled 27,300. The largest employer in the County, it is the home of the regional neurosurgery center and one of the country's eleven Joslin Centers for Diabetes. It is also the region's trauma center, burn center, kidney transplant and pediatric emergency center. St. Joseph's Hospital Health Center (25,800 discharges) and Crouse Hospital (19,700 discharges) collectively provide a regional neonatal center, a high-risk obstetrics center and a cardiac surgery and cardiology program. In all, the County's health care system includes the aforementioned hospitals and the Syracuse Veterans Medical Center, over 1,800 practicing physicians, two mental health centers, numerous ambulatory care programs, and a full range of long-term care facilities. Area hospitals operate approximately 1,800 licensed beds. In addition, there are approximately 3,000 beds in thirteen extended care facilities and nursing homes.

## **Culture and Recreation**

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

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

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

Syracuse Jazzfest is the Northeast's largest free jazz festival, attracting up to 80,000 music fans each year. This year's Festival, the 32<sup>nd</sup> annual, will be held on the grounds of the community college. Jazzfest features nationally and internationally known jazz artists.

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

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

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

Onondaga County Parks provides over 3 million annual visitors recreational, cultural, educational, and environmental opportunities in a 6,500-acre system. The County-owned Rosamond Gifford Zoo at Burnet Park has unveiled many new and unusual permanent exhibits in recent years: 2005 -Penguin Coast showcasing the Zoo's colony of Humboldt penguins; 2010 – Primate Park; 2011 - Asian Elephant Preserve offering a new home for the internationally recognized elephant breeding program; 2013 - Pacific octopus aquarium. The Zoo boasts over 700 animals.

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

Onondaga County's lakes have become destinations in the world of fishing, as evidenced by the national acclaim generated by the annual return of BASSMaster events at Oneida Shores and Onondaga Lake since 2007. In 2014, Jamesville Beach is hosting its fifth Ironman event and Oneida Shores, its sixth Iron Girl triathlon. The fourth annual Empire State Marathon will be held in October 2014.

In all, the County Parks system provides the community with a nature center, beaches, forested areas and natural feature parks, a centrally located multi-use park with intensive recreational opportunities, a marina and boat launches, athletic fields and a professional sports stadium, a fish hatchery, dog park, historic facilities and memorial areas, as well as an array of special events and programs which have significant impact upon tourism and quality of life. This is documented by approximately \$10 million in economic impact generated by activities (2012 estimate of the Syracuse Convention & Visitors Bureau).

## **Conventions and Tourism**

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

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

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

The versatility of the Oncenter has led to the annual attraction of over a half million visitors and thousands of booked hotel room nights to Onondaga County. In 2013 there were over 600,000 visitors that attended a wide variety of events, including numerous theater, concert, sporting, tradeshow and catered events. The 2018 U.S. Bowling Congress open tournament was awarded to Syracuse and is expected to generate \$70 million during its time at The Oncenter.

The Empire Expo Center is the home of the Great New York State Fair, which attracts nearly 1,000,000 people from across the Northeast during its 12-day run each August. The New York State Fair was recently ranked the number one state fair in the United States by Hopper.com. The Fairgrounds attract an additional one million visitors to a wide variety of non-Fair events throughout the year. With more than 100 structures, 21 major buildings and parking for 23,000 cars, the Empire Expo Center hosts many events and the annual economic impact of these events to Central New York is an estimated \$200 million over several years. In 2014, it will again host the 43<sup>rd</sup> annual Super Dirt Week and the 16<sup>th</sup> annual Syracuse Nationals Auto Show.

### Population Trends

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

Source: U.S. Census Bureau.

### Unemployment Rate Statistics

#### Annual Average Unemployment Rates (%)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2013</u> <u>YTD<sup>(1)</sup></u>	<u>2014</u> <u>YTD<sup>(1)</sup></u>
Onondaga County	5.1	4.5	4.4	4.1	5.2	7.7	8.1	7.8	8.0	7.0	8.3	6.6
New York State	5.8	5.0	4.6	4.6	5.4	8.3	8.6	8.2	8.5	7.7	8.7	7.4
United States	5.5	5.1	4.6	4.6	5.8	9.3	9.6	8.9	8.1	7.4	7.7	6.7

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

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

#### Monthly Unemployment Rates (%)

	<u>2013</u>												<u>2014</u>		
	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	
Onondaga County	8.1	7.4	6.9	7.0	7.2	7.1	6.8	6.8	6.6	6.1	6.0	6.7	6.8	6.4	
New York State	8.6	8.0	7.4	7.5	7.8	7.8	7.5	7.4	7.3	6.8	6.6	7.3	7.7	7.3	
United States	7.7	7.5	7.5	7.5	7.5	7.3	7.2	7.2	7.2	7.0	6.7	6.6	6.7	6.7	

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

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## Labor Market Statistics

The following tables present the distribution of employment in Onondaga County and employment trends for 2000, 2010, 2011 and 2012.

**Trend of Total Employment**  
**Total Employment and Employment as a % of Total Employment**  
**2000, 2010, 2011 and 2012**

<b>Industry</b>	<b><u>2000</u></b>	<b><u>Percent of Total</u></b>	<b><u>2010</u></b>	<b><u>Percent of Total</u></b>	<b><u>2011</u></b>	<b><u>Percent of Total</u></b>	<b><u>2012</u></b>	<b><u>Percent of Total</u></b>
Agriculture, Forestry, Fishing Hunting	578	0.2%	543	0.2%	546	0.2%	583	0.2%
Mining	126	0.1%	180	0.1%	122	0.1%	122	0.1%
Utilities	N/A	N/A	1,600	0.7%	1,558	0.6%	1,558	0.6%
Construction	10,272	4.1%	9,287	3.9%	9,356	3.9%	9,751	4.1%
Manufacturing	35,126	13.9%	21,231	8.9%	20,591	8.6%	19,001	7.9%
Wholesale Trade	14,277	5.7%	12,588	5.3%	12,993	5.4%	13,265	5.5%
Retail Trade	29,852	11.8%	27,102	11.3%	27,538	11.5%	28,070	11.7%
Transportation and Warehousing	8,049	3.2%	8,311	3.5%	8,246	3.4%	8,243	3.4%
Information	7,044	2.8%	4,401	1.8%	4,340	1.8%	4,171	1.7%
Finance and Insurance	12,474	4.9%	11,605	4.8%	11,662	4.7%	11,379	4.7%
Real Estate and Rental Leasing	3,331	1.3%	3,293	1.4%	3,290	1.4%	3,289	1.4%
Professional and Technical Services	11,033	4.4%	13,204	5.5%	13,241	5.5%	14,495	6.0%
Management of Companies and Enterprises	3,841	1.5%	2,607	1.1%	2,471	1.0%	2,453	1.0%
Administrative and Waste Services	11,959	4.7%	13,562	5.7%	13,546	5.6%	12,018	5.0%
Educational Services	8,213	3.3%	8,841	3.7%	8,959	3.7%	9,009	3.8%
Health Care and Social Assistance	26,253	10.4%	31,489	13.1%	31,914	13.3%	32,895	13.7%
Arts, Entertainment, and Recreation	2,645	1.1%	3,422	1.4%	3,372	1.4%	3,346	1.4%
Accommodation and Food Services	16,080	6.4%	17,659	7.4%	17,899	7.5%	18,214	7.6%
Other Services	9,412	3.7%	8,123	3.4%	8,094	3.4%	8,149	3.4%
Total, All Government	38,819	15.4%	40,477	16.9%	39,952	16.6%	40,004	16.7%
Unclassified	86	0.1%	171	0.1%	236	0.1%	178	0.1%
Total, All Industries	252,477	100.0%	239,697	100.0%	239,926	100.0%	240,193	100.0%

Notes: Column totals may not foot due to rounding.

2013 Annual figures are not available at this time.

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

## Labor Force Statistics in Onondaga County

Persons in the labor force and persons employed (annual average) in Onondaga County for 2001 through 2014 YTD<sup>1</sup> are as follows (in thousands):

<b><u>Year</u></b>	<b><u>Labor Force</u></b>	<b><u>Employment</u></b>
2001	230.9	221.5
2002	231.7	220.3
2003	231.0	219.2
2004	232.2	220.4
2005	233.9	223.3
2006	233.7	223.5
2007	232.7	223.1
2008	234.7	222.6
2009	232.9	214.9
2010	231.0	212.2
2011	228.0	210.4
2012	226.1	209.8
2013 YTD <sup>1</sup>	225.0	210.2
2014 YTD <sup>1</sup>	222.7	208.0

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

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

## Major Employers

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

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

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

\*\* Comcast and Time Warner have announced merger plans. The Federal Communications Commission is in the process of reviewing the merger.

Source: Syracuse Chamber of Commerce, January 2014.

## Commercial Banking

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

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

Source: <http://www2.fdic.gov/idasp/main.asp> March 2014

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## Economic Development

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

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

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

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

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 (CEO). Representing not only Onondaga County, the CEO's 12-county region is home to 1.5 million people and over 130,000 college students. The 35 college campuses make it the third highest concentration of colleges and universities in the nation and bring in more than \$2 billion in research and development annually. The region is an international leader in green and clean technology, sensor systems and nanotechnology.

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

CenterState CEO serves as the region's primary economic, community and business development catalyst and works to achieve regional growth and total community prosperity through partnerships, planning and problem solving. Their Creative Core Emerging Business Competition has awarded over \$1 million to companies poised for growth. As a result of a Brookings-Rockefeller Project on State and Metropolitan Innovation, a potential transformational business practice is now CEO's primary initiative – increasing the region's export activity.

The Metro Export Initiative has three core strategies:

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

A 2014 Agenda for Economic Opportunity, also in collaboration with the Brookings Institute, identified three critical fronts:

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

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

passed a \$3 million financing resolution in May 2012 authorizing the program and dedicated another \$2 million of financing therefor in 2013.

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

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

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

Local hospitals in the Syracuse area employ over 17,500 and the major hospitals are continually making capital investments. A \$90 million six-floor addition at the Veterans Medical Center opened in 2013, creating a new spinal cord injury/disease center and adding 70 new positions. Crouse Hospital is enlarging its surgical rooms to house new technology equipment and is updating its operating room suites. Projects total \$50 million and Phase I, the Witting surgical center, opened in 2011. In the Prospect Hill neighborhood surrounding St. Joseph Hospital, work has been completed to construct affordable housing for employees. St. Joseph's \$80 million new Emergency Room opened in February 2012, part of \$265 million in hospital expansion plans. Currently underway is the six-story expansion that will house 110 private rooms, operating rooms and intensive care units. Up to 600 construction jobs and 200 new full-time health care positions are materializing due to these new facilities. A new data center was also completed and the full hospital expansion's target completion is 2014.

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

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

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

room Marriott hotel opened in July 2013. The \$16 million renovation of the historic Landmark Theatre was completed in 2011 and local parking garages have had attractive facelifts. A \$6 million renovation of an older office building has provided Class A office space, known as Onondaga Tower.

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

In the Lakefront Development area, immediately north of downtown Syracuse, the expansion of the Carousel Center has transformed the Center into Destiny USA—a retail themed destination that is also pioneering new, environmentally-friendly construction techniques and building systems. Travel and Leisure magazine has written that Destiny USA, pulling in 29 million visits a year, will be the second most-visited shopping and entertainment complex in America. At 2.4 million square feet, it is the nation's sixth-largest shopping venue and the largest in New York State. The revitalization of the nearby Inner Harbor was awarded to COR Development Company, a local Syracuse company, which has completed site work and will begin construction in 2014 on a \$350 million transformation including a hotel, apartments and retail.

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

Lockheed Martin Naval Electronics and Surveillance Systems-Radar Systems, a unit of Lockheed Martin Corporation, is 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 1,900 people at its Syracuse headquarters. The company continues to win defense contracts for radar units and mine neutralization devices, including a \$180 million Department of Defense contract, about half of which will be handled at the Salina plant.

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

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

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

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

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

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

Anheuser Busch continues to invest in its Lysander facility, totaling \$304 million in the last ten years including a 24 ounce can line, which increased production by 30% in 2013. The firm employs 430 full-time workers at its plant northwest of Syracuse and expects to continue its operations at full capacity. The company is a wholly-owned subsidiary of Anheuser-Busch InBev, the leading global brewer, and continues to operate under the Anheuser-Busch name and logo. It recently negotiated an agreement that

would reduce the brewery's property taxes over 15 years in exchange for the company's pledge not to close the brewery during that time.

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

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

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

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

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

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

The County has made maximum use of available economic development tools. The Onondaga Civic Development Corporation (OCDC), a not-for profit local development Corporation, was established in October 2009. The corporation, which can provide tax-exempt financing for not-for-profit corporations, was formed with the purpose of encouraging the development or retention of industries that provide employment and job related training opportunities in the community. During 2012, the OCDC issued \$159 million bonds for the renovation and expansion of St. Joseph's Hospital Health Center and it expects to issue another \$85 million for the hospital in 2014. Student housing at SUNY ESF and building renovations at LeMoyne College have also been funded with OCDC debt.

The Onondaga County Industrial Development Agency (OCIDA), a public benefit corporation created in 1970, uses its statutory powers to work with local businesses to build or expand their businesses in Onondaga County. During 2013, the OCIDA completed two major Payment in Lieu of Tax Agreements (PILOTs) to expand facilities for Tessy Plastic's manufacturing and Southern Wine and Spirits warehousing, along with \$154 million in additional investment for ten other projects. Already in 2014, OCIDA has assisted in a 20 year, \$1.7 million PILOT arrangement for Agrana Fruit, an Austrian company that opened its \$50 million fruit preparation plant in Lysander in May 2014, just one of four such USA facilities. A PILOT was also completed for Rock Tenn's new boiler house-

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

## **FINANCIAL STRUCTURE**

### **Budgetary Procedures**

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

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

### **Budget Monitoring and Fiscal Controls**

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

#### **Appropriation/Revenue Forecasts**

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

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

#### **Five-Year Budget Projection**

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

#### **Ensuing Year Departmental Budgets**

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

#### **The County's Budget Process**

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

## **County Budget**

The County implemented a consolidated ERP system – PeopleSoft – during 2012. This \$10.0 million program upgraded and consolidated decades-old legacy systems in financial reporting, budgeting and purchasing. The Human Resources Module of the program will be live in 2014.

The County used this new software to develop the 2013 and 2014 budgets, and at the same time began the process of restructuring how it budgets and funds its operations and programs. Both the 2013 and 2014 budgets were crafted based on functional program areas within each department. Departments were required to build program budgets by specifically identifying expenditures and revenues by each functional area. This approach, when coupled with identifying and assigning performance metrics to each program, will eventually enable the County to make more strategic decisions regarding the funding of programs. Resources will be directed to those programs and services that achieve the outcomes desired within the overall financial framework of the County and its priorities.

The County Executive presented the 2014 budget in September 2013. As the budget was developed, rising costs associated with infrastructure investments, labor costs, and correctional healthcare, as well as revenue decreases were significant contributors to the initial projected budget gap of \$19.0 million. Typical factors which traditionally drive the budget up, employee benefits and mandated costs, provided welcome relief for 2014 and contributed to closing the gap. Pension and employee healthcare costs are projected to both decrease and mandated costs are expected to remain stable and even decrease in certain areas. The County Executive also held headcount to a minimal increase, as well as all other discretionary spending. Additional sales tax growth, both in the County's retained percentage under the sales tax sharing agreement and general sales tax collections growth were factored into the budget gap reconciliation. Fund balance use in the amount of \$2.5 million, as well as no increase in the proposed tax levy, were also part of the County Executive's recommended budget.

The County Legislature adopted the 2014 Budget on October 8, 2013. The Legislature made additional appropriations cuts and increased revenue assumptions to reduce the property tax levy by approximately \$100,000. The property tax levy has been reduced by the Legislature by a total of \$43.0 million over the last four years. The 2014 Budget supports \$1.2 billion in total expenditures, including internal transfers of \$230,126,104. Expenses were 3% below the 2013 budget as modified, due primarily to the sale of Van Duyn (see "Van Duyn Home and Hospital", herein). The General Fund budget included an adopted property tax levy of \$140,891,159, essentially flat vs. 2013.

The County ended 2013 with its total fund balance at \$97.0 million, of which \$7.9 million was non-spendable, \$5.0 million was committed, \$16.0 million was assigned, and \$68.0 million was unassigned. The \$5.0 million of committed fund balance continues to be available to offset future debt service spikes and will be utilized to reduce the impact on future operating budgets. Of the \$16.0 million of assigned fund balance, \$2.5 million was appropriated to balance the 2014 budget, \$3.4 million is set aside for encumbrances, and the remaining \$10.4 million was assigned to reduce property taxes and reduce future debt. This \$10.4 million coupled with the \$68.0 million of unassigned fund balance totals \$78.0 million or 12% of adjusted General Fund revenues.

In 2006, the New York State Comptroller required that County sales tax revenue allocated to municipal governments and school districts within the County must be budgeted as a revenue and expense. Formerly, the allocation of the non-County share of the sales tax was an off-budget transaction in most of New York State's counties. Since this accounting change artificially inflates General Fund revenues, the goal was restated to subtract this amount, which is estimated at \$85.6 million for 2014.

## **Investment Policy**

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

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

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

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

As of April 30, 2014, the County's portfolio consists of money market deposits, certificates of deposit, and U.S. government agency bonds, which range in maturity from one day to five years. The Chief Fiscal Officer's investment policy does not permit the County to invest in derivatives or reverse repurchase agreements and the County has never invested in derivatives or reverse repurchase agreements.

## **State Aid**

In 2014, budgeted State Aid represents approximately 12.9% of the County's General Fund revenues. Nearly all of the State Aid received by the County is formula-based assistance for specific mandated human service programs.

The New York State Budget for the fiscal year beginning April 1, 2014 was enacted on March 31, 2014. While counties continue to govern under stressful fiscal conditions, the 2014-2015 State budget includes mandate relief actions and tools designed to provide counties with savings, funding or flexibility to manage more efficiently. The major program increases include:

**Medicaid:** The enacted State budget continues phasing down the current law's three percent annual increase paid by counties to the State for Medicaid costs. In 2013, a county's payment was based on the total 2012 Medicaid payments increased by two percent. The State estimates a reduction of \$35 million in payments received from Counties in 2013 versus current law. In 2014, the payment to the State will be determined by increasing the annual 2013 payment by one percent. For 2015 and thereafter, the payment will be the same as it was in 2014. The 2014-15 budget continues reforms to the Medicaid program. The State is also continuing to assume Medicaid administrative responsibilities for counties. The 2013-14 Budget used state funds to lower County Medicaid Cap contributions by \$86.0 million through an advancement of enhanced Federal Medical Assistance Percentage for the period January 1, 2014 through March 31, 2014 associated with childless adults under the Affordable Care Act. The budget includes statutory changes necessary to continue implementation of Medicaid Redesign Team recommendations into the 2014-15 state fiscal year.

**Transportation:** The enacted budget provides local assistance funding for transportation as follows: \$438.1 million for CHIPS and \$39.7 million for Marchiselli, this is consistent with the 2013-14 Budget which was the first increase (by \$75.0 million) in five years. The budget also includes an additional \$40.0 million of capital to help municipalities repair and rehabilitate local roads and bridges impacted by the extreme winter. Onondaga County's share of the extreme winter capital funding is \$467,197 for State fiscal year 2014-2015.

**Native American Affairs, Casino Gaming and Lottery:** The Upstate New York Gaming and Economic Development Act was passed by the Legislature, and signed by the Governor on July 30, 2013. The Act authorizes up to four destination gaming resorts in Upstate New York and provides additional revenues from existing Native American gaming facilities to local governments. The Act also authorizes 2,000 Video Lottery Terminals (VLTs) at Off-Track Betting facilities on Long Island. The total statewide fiscal impact of the Act is estimated to be \$430.0 million annually. Funds are required to be used for additional school aid, property tax relief, and local government aid.

The Act results in new revenue for all regions of the State. As defined by the statute, 80 percent of the State's tax revenues will be used statewide for elementary and secondary education or property tax relief. Ten percent of the State's tax revenues will be split equally between host municipalities and host counties. Ten percent of the State's tax revenues will go to other counties in the region of the destination gaming resort to provide tax relief or educational assistance. The educational aid will be additive and will not be part of the State's existing education formula.

The New York State Division of the Budget projects the Upstate New York Gaming and Economic Development Act will produce \$238.0 million, annually, in additional aid for education or property tax relief across the entire State, plus an additional \$192.0 million in annual local government aid. These estimates are based on an average of the different siting scenarios possible under the Act. The methodology for estimated revenues reflects factors such as proximity to population centers, regional income variations, potential impacts on existing VLT facilities, and the applicable tax rates in the gaming regions as specified in the Act. The estimates also include revenue from two new VLT facilities operated by the Nassau and Suffolk OTBs, which are expected to achieve results roughly similar to the VLT facility at the Yonkers raceway on a per machine basis.

## County Receipt of Indian Casino Revenues

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

Conservative estimates for State revenues were included in the County's 2014 budget. The County constantly monitors State budget actions which might negatively impact County operations and endeavors to undertake appropriate measures to mitigate these impacts where possible. The revenues were budgeted to be used as the County's share of the Onondaga Lake Revitalization Project. (See "Economic Development", herein).

## Tax Levy Limitation Law

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

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

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

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

**Real Property Tax Rebate.** Chapter 59 of the Laws of 2014 ("Chapter 59"), State budget bill includes provisions which provide real property tax rebate checks to real property taxpayers of STAR eligible properties, with qualifying incomes of \$500,000 or less, in school districts and certain municipal units of government. Real property owners in school districts are eligible for this rebate in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this rebate in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax rebate in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other

municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this real property tax rebate. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

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

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

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

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.

### **2014 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 2013 adopted levy, including city abstract, water fund and special districts was \$162.6 million. The tax base growth factor of .71%, as determined by the Office of State Comptroller, was applied to the 2013 levy and 2013 pilot revenue was added to establish a beginning base levy of \$166.6 million used in the levy limit calculation. The levy growth factor of 1.66% was applied to the base levy and 2014 pilot revenue was subtracted from the base levy to determine a 2014 levy limit before exclusions of \$166.5 million. No adjustments or exclusions were applicable for determining the 2014 levy limit. However, a carryover from 2013 of \$2.6 million due to being under the 2013 levy limit resulted in a total 2014 levy limit of \$169 million. The combined 2014 adopted levy of \$163 million was \$6 million under the allowable levy. The County is allowed to "carryover" 1.5% of the 2014 levy limit, or the amount actually levied under the levy limit, whichever is less. As a result of the actual levy being under the 2014 levy limit, approximately \$2.5 million will carryover to be added to the 2015 levy limit resulting in additional flexibility if the County needs to raise property taxes.

## Employees

The County provides services through the employment of approximately 3,287 full time employees, excluding those employed at Onondaga Community College. The County's 2014 workforce represents a reduction of over 1,100 employees from January 2004 employment levels. An incentive program completed in the fall of 2010 resulted in 325 early retirements and the recent sale of Van Duyn Home and Hospital eliminated an additional 549 employees. There are approximately 369 Management/Confidential employees. The following table sets forth the number of employees and the labor organizations through which most employees are represented or affiliated. All collective bargaining agreements are under negotiation for successor agreements at this time.

<u>Labor Organization</u>	<u>Number of Employees</u>	<u>Contract Expiration</u>
Civil Service Employees Association (CSEA)	2,336	12/31/12 <sup>(1)</sup>
Onondaga County Sheriff's Police Association (OCSPA)	197	12/31/11 <sup>(1)</sup>
Deputy Sheriff's Benevolent Association (DSBA)	276	12/31/12 <sup>(1)</sup>
NYS Nurses Association	45	12/31/12 <sup>(1)</sup>
International Union of Operating Engineers	28	12/31/12 <sup>(1)</sup>
Central and Northern New York Building Trades Council	29	12/31/12 <sup>(1)</sup>
Onondaga Sheriffs Captains Association (OSCA)	7	12/31/11 <sup>(1)</sup>

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

## Pension Payments

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

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

Key components of Tier V included:

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

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

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

The County's December 15 contributions to the ERS for the years 2004 through 2014 are shown in the table below (includes Onondaga Community College):

<u>Year</u>	<u>Amount Contributed to ERS</u>	<u>Percentage of Pension Eligible Salaries</u>
2004 <sup>(1)</sup>	\$ 24,161,264	13.02%
2005	20,617,865	11.10%
2006	19,624,050	10.42%
2007	20,187,445	10.10%
2008	16,405,925	8.20%
2009	17,026,672	7.93%
2010	24,622,685	11.75%
2011 <sup>(2)</sup>	42,155,931	21.40%
2012	42,788,760	19.92%
2013	44,459,788	20.59%
2014 (Budget)	44,696,445 <sup>(3)</sup>	20.70%

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

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

<sup>(3)</sup> It is anticipated that the County's December 2014 pension contribution will be calculated using 4 fewer months of estimated salaries due to the Van Duyn transfer 2013. The County will fully recognize savings from the Van Duyn transfer as part of the December 2015 ERS payment. The 2015 County ERS invoice will include savings from the reconciliation of prior year salaries and a lower ERS rate estimated at 18% of current salaries

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

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

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

## **GASB 45 and Other Post-employment Benefits (OPEB)**

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

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

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

As of December 31, 2013, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$973.2 million. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$973.2 million. The County's beginning year Net OPEB obligation was \$253,317,551. The County's annual OPEB expense was \$81,098,693 and is equal to the adjusted annual required contribution (ARC). The County's is on a pay-as-you-go funding basis and paid \$25,874,352 to the Plan for the fiscal year ending December 31, 2013, resulting in a net increase to its unfunded OPEB obligation of \$55,224,341, for a fiscal year ending December 31, 2013 total net unfunded OPEB obligation of \$308,541,892. The aforementioned liability and ARC is recognized and disclosed in accordance with GASB 45 standards in the County's December 31, 2013 financial statements. The County's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the County's finances and could force the County to reduce services, raise taxes or both.

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

The County continues to identify ways to reduce its OPEB liability and implements strategies accordingly. The County is currently in the process of addressing the growth of this liability in the following ways: Post 65 retirees were transitioned to a Medicare Advantage Plan effective August 1, 2013 thereby removing them from the County's self -insured plan and saving an estimated \$3.5 million a year. Healthcare plan design changes agreed upon by the County's Healthcare Coalition are expected to begin January 1, 2015. The new plan design is expected to save between \$2.4 and \$2.7 million in annual costs through plan design changes, including increased office visit co-pays and increased prescription co-pays for mail order fills. The plan design is subject to ratification by the unions at the time labor agreements are settled. The County is currently seeking in collective bargaining negotiations to increase the health plan employee contribution ratios from the current levels of 10% medical/15% prescription hybrid to 11.8% medical/30% prescription. This change would generate approximately \$6.7 million in yearly plan savings.

## **Other Information**

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

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

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

The fiscal year of the County is the calendar year.

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

## **Data Security**

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

## **Financial Statements**

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

The County retains an independent certified public accounting firm for a continuous independent audit of all financial transactions of the County. The last such audit covers the fiscal year ending December 31, 2013 and is attached hereto as APPENDIX C to this Preliminary Official Statement.

## **Accounting Practices**

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

The financial affairs of the County are subject to periodic audit by the State Comptroller and the County Comptroller conducts an annual audit of the County's finances. 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 2014 and subsequent years.

## **Fund Structure**

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

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

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

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

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

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

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

## **Revenues**

General Fund revenues are comprised of locally-derived income and aid provided by New York State and the federal government. According to the County's 2013 audited financial statements as reported under the generally accepted accounting principles (GAAP) framework of guidelines for financial accounting, the total general fund only revenues grew from \$545.2 million in 2008 to \$629.7 million in 2013 for a total five-year increase of 15.5%. These numbers reflect the sales tax accounting pass-through adjustment, which totaled \$149.9 million in 2008 and \$81.9 million for 2013. From 2012 to 2013, general fund revenues adjusted by the sales tax accounting change increased \$4.7 million, a net increase of less than 1%. Gross sales tax cash receipts for 2013 were a record high, helping to offset a reduction of the property tax levy which the Legislature voted to lower by \$7.2 million in the 2013 budget, but held flat for 2014. In total dollars, State and Federal aid for 2013 were essentially at 2012 levels, but they comprised 27.9% of the total revenues in 2013, slightly below the 2012 level of 28.1%.

## **Local Revenue**

More than half of the County's General Fund revenues derive from real property taxes and related tax items, plus sales and use tax. In 2013 these revenues reported under GAAP standards combined to total \$402.8 million or 64% of the total General Fund revenues of \$630 million (adjusted by \$81.9 million for the sales tax accounting adjustment). Between 2008 and 2013, the county-wide property tax levy went from \$179.7 to \$141.0 million, a decrease over five years of \$38.7 million or 21.5%. During the same 5-year period, the County's share of sales tax revenues grew from \$143.0 to \$245.3 million, an increase of \$102.3 million or 71.5%. This was also up from \$234.0 million in 2012, reflecting the new sales tax sharing agreement for the ten years through December 31, 2020 and increased collections.

## **Expenditures**

Operating Fund expenditures include all General Fund expenditures. Total general fund expenditures reported under GAAP standards increased 11.5% from \$517.0 million in 2008 to \$576.3 million (adjusted for sales tax accounting adjustment in both years) in 2013. This was only 0.4% above the 2012 level of \$574.0 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 2013 with its total fund balance at \$97.0 million, of which \$7.9 million was non-spendable, \$5 million was committed, \$16 million was assigned, and \$68 million was unassigned. Of the \$16 million of assigned fund balance, \$2.5 million was appropriated to balance the 2014 budget, \$3.4 million is set aside for encumbrances, and the remaining \$10.4 million was assigned to reduce property taxes and reduce future debt. This \$10.4 million coupled with the \$68 million of unassigned fund balance totals \$78 million or 12% of adjusted General Fund revenues. Since 1999, the County's unreserved fund balance has exceeded its 10% goal in every year except 2004. In October 2007, as part of the 2008 budget, legislation was passed to permanently adjust the general fund calculation established by the 1999 resolution for the sales tax pass-thru accounting change. See "County Budget", herein.

## Van Duyn Home and Hospital

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

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

## 2014-2019 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 2014-2019 Capital Improvement Plan on October 8, 2013.

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 2014-2019.

The 2014-2019 Capital Plan outlined \$179 million of proposed general fund projects, \$157 million of sewer projects and \$20 million of water projects projected to be funded by borrowing. The figures below estimate when the CIP Projects will be funded with County debt (000's omitted). The remaining \$24.6 million will be funded with County bonds issued beyond 2019.

<u>Department</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Emergency Communications	0	424	4,522	2,601	6,372	928
Facilities Management	0	6,016	5,270	4,603	10,182	4,000
Parks	0	350	12,200	1,800	2,015	500
Corrections	0	350	0	0	0	0
Finance	0	600	0	0	0	0
Office of Environment	0	500	500	500	500	0
Sheriff	0	0	13,350	0	0	0
OCC	0	0	20,501	17,240	8,826	0
Transportation	0	23,088	11,574	5,800	4,600	2,400
Metropolitan Water Board <sup>(1)</sup>	0	0	1,700	10,000	8,500	0
Water Environmental Protection <sup>(2)(3)</sup>	<u>129,800</u>	<u>9,854</u>	<u>37,480</u>	<u>40,917</u>	<u>33,125</u>	<u>18,458</u>
Totals	\$ 129,800	\$ 41,182	\$ 107,097	\$ 83,461	\$ 74,120	\$ 26,286

<sup>(1)</sup> While Metropolitan Water Board capital projects are financed with general obligations of the County, debt service on these obligations, in the first instance, is paid with special ad valorem levies apportioned among three zones of assessment. Although there are no new projects proposed, there is still \$21.9 million authorized/unissued after this issue for tanks and energy efficiencies.

<sup>(2)</sup> In addition to the numbers presented above, there still remains approximately \$31 million in authorized unissued debt, required for the purpose of the Onondaga Lake Amended Consent Judgment. See "Onondaga Lake" and "Estimate of Obligations" to be issued herein

<sup>(3)</sup> EFC 2014 bond is \$129.8 million, which includes new money of \$57 million with the balance a rollover of short term notes. Financing through EFC will provide for subsidized interest payments.

## THE STATE COMPTROLLER'S FISCAL STRESS MONITORING SYSTEM

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

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

The most current applicable report of the State Comptroller designates Onondaga County as "No Designation".

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

For municipalities, [http://www.osc.state.ny.us/localgov/fiscalmonitoring/pdf/stress\\_list.pdf](http://www.osc.state.ny.us/localgov/fiscalmonitoring/pdf/stress_list.pdf)

For municipalities, [http://www.osc.state.ny.us/localgov/fiscalmonitoring/pdf/municipalities\\_summary\\_list.pdf](http://www.osc.state.ny.us/localgov/fiscalmonitoring/pdf/municipalities_summary_list.pdf)

For a complete description of the Comptroller's Fiscal Stress Monitoring System visit:

<http://osc.state.ny.us/localgov/pubs/fiscalmonitoring/pdf/fiscalstressmonitoring.pdf>

For quick facts on the Fiscal Monitoring System, visit:

[http://www.osc.state.ny.us/press/fiscal\\_stress\\_monitoring/june\\_2013/fact\\_sheet\\_monitoring\\_system.pdf](http://www.osc.state.ny.us/press/fiscal_stress_monitoring/june_2013/fact_sheet_monitoring_system.pdf)

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

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## TAX INFORMATION

### Municipal Subdivisions in the County

There are 19 towns in Onondaga County as well as the City of Syracuse. Real property is assessed for taxation by local assessors in each town within the County and in the City of Syracuse and is placed on the respective tax rolls. The 2013 assessed and full valuations listed below were used to apportion the 2014 County property tax levy. Of the 20 taxing jurisdictions in Onondaga County, 15 have adopted a full market value assessment standard, representing approximately 84% of the County's full market value.

<u>Towns</u>	<u>2013 Assessed Value for 2014 County Tax<sup>(1)</sup></u>	<u>2013 NYS Equalization Rates (%)<sup>(2)</sup></u>	<u>2013 Municipalities Full Valuation<sup>(3)</sup></u>	<u>Percent Full Value (%)</u>
Camillus	\$ 1,600,635,053	100.00	\$ 1,600,635,053	5.95
Cicero	2,185,778,906	100.00	2,185,778,906	8.12
Clay	148,945,136	4.35	3,424,026,115	12.72
Dewitt	2,534,893,713	100.00	2,534,893,713	9.42
Elbridge	316,657,815	100.00	316,657,815	1.18
Fabius	122,520,797	100.00	122,520,797	0.46
Geddes	832,165,931	93.00	894,802,076	3.32
Lafayette	313,338,237	93.00	336,922,835	1.25
Lysander	1,533,133,852	100.00	1,533,133,852	5.70
Manlius	2,437,010,754	100.00	2,437,010,754	9.05
Marcellus	414,286,128	100.00	414,286,128	1.54
Onondaga	1,369,799,324	100.00	1,369,799,324	5.09
Otisco	4,214,779	2.28	184,858,728	0.69
Pompey	633,933,290	100.00	633,933,290	2.36
Salina	1,733,140,114	100.00	1,733,140,114	6.44
Skaneateles	1,281,100,274	100.00	1,281,100,274	4.76
Spafford	362,249,120	100.00	362,249,120	1.35
Tully	240,061,659	100.00	240,061,659	0.89
Van Buren	<u>671,670,747</u>	100.00	<u>671,670,747</u>	2.50
Town total	\$ 18,735,535,629		\$ 22,277,481,300	82.76
Syracuse	\$ 3,805,397,710	82.00	\$ 4,640,728,915	17.24
Grand total	\$ 22,540,933,339		\$ 26,918,210,215	100.00

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

<sup>(2)</sup> 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 2013 equalization rates and 2013 full valuations used to apportion the 2014 adopted County property tax levy to the municipalities were established by the N.Y.S. Office of Real Property Services

<sup>(3)</sup> 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.

## Full Value and County Property Tax Levy

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

Year of Tax Levy	Assessed Value <sup>(1)</sup>	Total Full Value <sup>(2)</sup>	Property Tax Levy <sup>(3)</sup>	Tax Rate Per \$1,000 Full Value
2014	\$ 22,540,933,339	\$ 26,924,957,719	\$140,891,159	\$ 5.23
2013	22,516,540,642	26,704,901,404	140,998,859	5.28
2012	22,391,182,944	26,666,826,135	148,216,571	5.56
2011	20,168,205,458	26,420,301,254	153,821,817	5.82
2010	19,980,204,538	26,148,206,733	183,997,042	7.04
2009	19,390,307,377	25,599,869,832	179,821,396	7.02
2008	18,771,577,301	24,690,825,684	179,707,960	7.28
2007	17,212,915,514	23,252,773,560	183,847,937	7.91
2006	16,564,405,146	21,412,101,056	182,353,259	8.52
2005	15,965,221,936	20,014,617,713	177,306,231	8.86
2004	15,281,641,452	18,928,895,968	171,572,905	9.06

<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 2014 County tax levy is apportioned using the 2013 total full value figures, which are obtained from the municipality's preceding 2013 assessment roll.

## Tax Collection Record

### County Tax Collection Rates for Towns

Year	County Levy	First Year Unpaid <sup>(1)</sup>	% Unpaid Year-end	Unpaid 4/30/14	% Unpaid 4/30/14
2014	\$ 326,463,729	N/A	N/A	N/A	N/A
2013	319,290,719	\$ 10,116,290	3.17%	\$9,043,834	2.83%
2012	318,555,842	10,723,425	3.37%	5,336,602	1.68%
2011	310,719,182	10,220,139	3.29%	2,974,121	0.96%
2010	284,262,783	10,440,848	3.67%	1,544,122	0.54%
2009	274,562,462	9,333,523 <sup>(2)</sup>	3.40% <sup>(2)</sup>	700,299	0.26%
2008	268,336,983	8,365,860	3.12%	381,312	0.14%
2007	260,313,637	6,074,852	2.33%	291,772	0.11%
2006	244,920,971	5,337,994	2.18%	149,548	0.06%
2005	235,417,115	5,078,579	2.16%	84,812	0.04%
2004	230,992,385	5,012,694	2.17%	88,951	0.04%

<sup>(1)</sup> Reflects payments made through December 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 (0.68%).

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

<u>Year</u>	<u>County Levy</u>	<u>First Year Unpaid <sup>(2)</sup></u>	<u>% Unpaid Year-end</u>	<u>Unpaid 4/30/14</u>	<u>% Unpaid 4/30/14</u>
2014	\$ 69,503,686	N/A	N/A	N/A	N/A
2013	66,984,842	\$ 4,035,921	6.03%	\$3,621,291	5.41%
2012	68,683,460	4,450,687	6.48%	2,873,699	4.18%
2011	67,037,234	4,677,041	6.98%	2,167,297	3.23%
2010	69,062,961	4,892,297	7.08%	1,989,988	2.88%
2009	66,934,981	5,064,608	7.57%	1,668,870	2.49%
2008	66,311,802	4,404,469	6.64%	1,462,982	2.21%
2007	66,708,506	4,357,763	6.53%	1,186,403	1.78%
2006	66,718,244	4,412,782	6.61%	672,308	1.01%
2005	65,443,753	4,426,380	6.76%	490,019	0.75%
2004	66,429,007	4,644,312	6.99%	533,346	0.80%

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

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

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

<u>Year</u>	<u>County Levy</u>	<u>First Year Unpaid <sup>(2)</sup></u>	<u>% Unpaid Year-end</u>	<u>Unpaid 4/30/14</u>	<u>% Unpaid 4/30/14</u>
2014	\$ 395,967,415	N/A	N/A	N/A	N/A
2013	386,275,561	\$ 14,152,211	3.66%	\$12,665,125	3.28%
2012	387,239,302	15,174,112	3.92%	8,210,301	2.12%
2011	377,756,416	14,897,180	3.94%	5,141,418	1.36%
2010	353,325,744	15,333,145	4.34%	3,534,110	1.00%
2009	341,497,443	14,398,131 <sup>(3)</sup>	4.22%	2,369,169	0.69%
2008	334,648,785	12,770,329	3.82%	1,844,293	0.55%
2007	327,022,143	10,432,615	3.19%	1,478,175	0.45%
2006	311,639,215	9,750,776	3.13%	821,856	0.26%
2005	300,860,868	9,504,959	3.16%	574,830	0.19%
2004	297,421,392	9,657,006	3.25%	622,297	0.21%

<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.

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

**Largest Taxpayers – 2014 Assessment Roll**

<u>Name</u>	<u>Type</u>	<u>Estimated Full Valuations</u>
National Grid	Utility	\$ 745,722,401
Verizon	Utility	174,032,166
HUB Properties Trust	Real Estate	66,513,505
Wegmans Food Market	Retail/Grocery	55,481,600
Shoppingtown Mall LLC	Commercial	53,345,000
Bristol Myer Squibb	Manufacturing	39,468,800
Great Northern Mall	Retail	38,489,400
Syracuse Mob LLC	Real Estate	23,217,401
Nob Hill of Syracuse Apt	Apartments	22,205,976
Aldi Inc	Retail/Grocery	21,215,000

The ten largest taxpayers listed above have an estimated full valuation of \$1,239,691,249 which represents 4.61% of the County's 2014 full value tax base used for County tax apportionment.

## 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 2010 through 2014 which incorporates State adjustments for final equalization rates:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Tax Limit	\$ 349,755,604	\$ 364,519,132	\$ 374,466,034	\$ 380,606,104	\$ 384,646,320
Total Additions/(Exclusions)	17,750,310	23,117,332	23,572,348	26,899,343	30,036,622
Total Taxing Power	367,505,914	387,636,464	398,038,382	407,505,447	414,682,942
Total Tax Levy <sup>(1)</sup> (subject to limit)	125,452,963	141,732,991	144,349,055	140,654,418	159,556,263
Tax Margin	242,052,951	245,903,473	253,689,327	266,851,029	255,126,679
Tax Margin %	69.21%	67.46%	67.75%	70.11%	66.33%

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

## Tax Collection Procedure

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

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

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

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

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

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

taxes to provide for any deficiency in such remittance.

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

**Payments In-Lieu of Taxes (“PILOTS”)**

The County received \$3,980,749 and \$2,655,087 from payments in lieu of taxes for the fiscal years ending 2012 and 2013 respectively. The Destiny final “first phase” payment of \$1,336,276 accounted for the 2012 increase. Budgeted 2014 pilots are \$2,906,443. PILOTS are received from various economic development agreements negotiated by the County. Although these properties are not on the tax roll, each property has an assessed valuation determined in the same manner as real property taxes.

**Onondaga County Sales Tax**

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

For 2013 the agreement essentially gave the City 23.6% of the total, while the County retained 75.0%. Towns no longer received any allocation and the Schools’ share remained at 1.4%. This new agreement along with strong overall sales tax growth increased the County’s revenues from sales taxes by \$30 million to \$234 million in 2012 and by an additional \$11 million in 2013 to \$245 million.

In 2013, local sales tax revenues were allocated as follows:

	3% Formula <u>Dollar</u>	<u>Percent</u>	1% Formula <u>Dollar</u>	<u>Percent</u>	<u>Total Dollar</u>	<u>Percent</u>
County	241,860,753	98.6%	3,443,471	4.2%	245,304,224	75.0%
City	0	0%	77,318,931	94.5%	77,318,931	23.6%
Schools	<u>3,554,566</u>	1.4%	<u>1,022,309</u>	1.3%	<u>4,576,875</u>	1.4%
	\$ 245,415,319		\$ 81,784,711		\$ 327,200,030	

## COUNTY 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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Bonds <sup>(1)</sup>	\$ 343,500,873	\$ 378,232,800	\$ 402,138,494	\$ 437,519,534	\$ 474,120,566
Bond Anticipation Notes <sup>(2)</sup>	<u>8,531,101</u>	<u>17,383,334</u>	<u>20,000,000</u>	<u>19,529,000</u>	<u>60,387,091</u>
Total	\$ 352,031,974	\$ 395,615,134	\$ 422,138,494	\$ 457,048,534	\$ 534,507,657

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

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

#### Debt Management

Onondaga County has been proactive in making debt management a priority. The County actively monitors its outstanding debt, reviewing candidates for refunding. Taking advantage of the lowest interest-rate environment in forty years, the County refunded \$18.5 million of 10-year-old bonds in 2003, saving \$1.8 million through 2014. In 2009, a \$33,345,000 refunding resulted in savings of \$3.3 million over 14 years. The County refunded approximately \$21 million of its bonds in June 2012 saving \$1.9 million. and anticipates moving forward with a \$20 million refunding in summer 2014 with projected savings of \$1.2 million through 2026

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

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

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 2014 Budget process. The debt management goals are:

<u>Goal Statement</u> (General Fund)	<u>Numerical Goal</u>	<u>2014 Budget</u>	<u>2014 Pro-forma</u> <sup>(2)</sup>
Debt Service/General Funds Revenue <sup>(1)</sup>	5%	3.9%	4.2%
Minimize debt service of County residents			
Maximum total net indebtedness	\$500/capita	\$496/capita	\$502/capita
Full valuation taxable property	1%	0.86%	.87%
Rapid debt repayment –			
Retire debt within 10 years	65%	79%	81%

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

<sup>(2)</sup> Pro forma includes the addition of the Bonds to total outstanding debt, adding subsequent year debt service to current levels. . Since the information above relates to the General Fund only; the net impact of the new issues is only \$23,255,264 to the pro-forma (already calculated in the pro-forma figures).

### Details of Outstanding Indebtedness

The following table sets forth the short-term and bonded indebtedness of the County as of June 3, 2014 and June 27, 2014 (Pro forma).

	Amount Outstanding <u>June 3, 2014</u>	(Pro forma) <sup>(1)</sup> Amount Outstanding <u>June 27, 2014</u>
Short-Term Indebtedness <sup>(2)</sup>	\$ 77,828,133	\$ 77,828,133
Bonded Indebtedness <sup>(3)</sup>	\$ 467,530,309	\$ 502,330,309
Total Indebtedness	\$ 545,358,442	\$ 580,158,442
Total Indebtedness after Defeasance	\$ 526,191,442	\$ 560,991,442

<sup>(1)</sup> Pro forma includes the addition of the Bonds to total outstanding debt and adding subsequent year debt service to current levels.

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

<sup>(3)</sup> See "Bonded Indebtedness as of June 3, 2014", herein.

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## Bonded Indebtedness as of June 3, 2014

<u>Bond Issue</u>	<u>Date of Bonds</u>	<u>Interest Rate</u> <sup>(1)</sup>	<u>Amount Outstanding</u>	
• General Obligation (Serial) Bonds, 1996	2/15/1996	5.000%	315,000	(2*)
• NYS EFC Series B Bonds, 1998	3/15/1998	2.324-3.301%	1,410,000	(3)
• General Obligation (Serial) Bonds, 1998	5/1/1998	5.100-5.125%	3,300,000	(2*)
• General Obligation (Serial) Bonds, 1999	5/1/1999	4.800-5.000%	975,000	(2*)
• NYS EFC Series 2000A	3/9/2000	2.324-3.829%	465,000	(3)
• NYS EFC Series 2001A	3/8/2001	1.817-3.829%	3,535,000	(3)
• General Obligation (Serial) Bonds, 2001 Series A	5/15/2001	5.000-5.250%	3,795,000	(2*)
• NYS EFC Series 2001B	7/26/2001	1.688-3.420%	830,000	(3)
• NYS EFC Series 2002A	3/14/2002	4.4222-4.982%	824,356	(3)
• General Obligation (Serial) Bonds, 2002 Series A	5/1/2002	5.000%	3,700,000	(2*)
• NYS EFC Series 2002G	7/25/2002	1.388-4.800%	8,550,000	(3)
• NYS EFC Series 2003A	3/13/2003	4.121-4.711%	480,000	(3)
• NYS EFC Series 2003F	7/24/2003	3.529-4.500%	2,320,000	(3)
• NYS EFC Series 2004D	7/22/2004	4.016-4.964%	5,705,000	(3)
• NYS EFC Series 2005A	3/3/2005	3.584-4.399%	9,630,000	(3)
• NYS EFC Series 2005B	7/14/2005	3.529-3.999%	3,290,000	(3)
• General Obligation (Serial) Bonds, 2005 Series A	8/15/2005	4.000-4.250%	13,700,000	(2)
• NYS EFC Series 2006C	7/13/2006	4.171-4.861%	34,260,000	(3)
• General Obligation (Serial) Bonds, 2006 Series A	11/14/2006	3.750-5.000%	19,300,000	
• NYS EFC Series 2007D	9/1/2007	4.04-4.789%	31,590,000	(3)
• General Obligation (Serial) Bonds, 2007 Series A	12/19/2007	4.000-5.000%	17,500,000	
• NYS EFC Series 2008A&B	6/19/2008	4.270%	1,285,000	(3)
• General Obligation (Serial) Bonds, 2009 Series A	3/5/2009	3.000-5.000%	45,000,000	
• General Obligation Refunding (Serial) Bonds, 2009	12/3/2009	3.000-5.000%	20,050,000	
• NYS EFC Series 2010C	6/24/2010	1.414 - 4.226%	2,495,000	(3)
• General Obligation (Serial) Bonds, 2010 Series A	6/29/2010	5.000%	21,775,000	
• General Obligation (Serial) Bonds, 2010 Series B Federally Taxable Build America Bonds	6/29/2010	4.250-5.150%	17,570,000	(4)
• General Obligation (Serial) Bonds, 2010 Federally Taxable Recovery Zone Bonds	6/29/2010	5.500-5.900%	4,905,000	(5)
• NYS EFC Series 2011C	6/1/2011	1.133-4.113%	13,665,000	(3)
• General Obligation (Serial) Bonds, 2011	6/29/2011	2.000-5.000%	29,175,000	
• NYS EFC Series 2012B	6/21/2012	0.615-4.169%	10,960,000	(3)
• General Obligation (Serial) Bonds, 2012	6/28/2012	3.000-5.000%	47,925,000	
• General Obligation Refunding (Serial) Bonds, 2012	7/11/2012	2.000-5.000%	15,445,000	
• NYS EFC Series 2012E	11/15/2012	0.379-3.069%	3,935,953	(3)
• General Obligation (Serial) Bonds, 2013	6/28/13	4.000-5.000%	<u>67,870,000</u>	
Total Serial Bonds Outstanding as of June 3, 2014			\$467,530,309	(6)

(1) Interest rate – current through maturity date.

(2) Principal outstanding has been partially defeased with the proceeds from Tobacco Revenue Securitization. (See “Debt Management” herein.)

(2\*) Refunded in 2009; amount outstanding represents amount escrowed to maturity.

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

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

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

(6) Of the \$467,530,309 of outstanding bonded indebtedness as of June 3, 2014, \$19,167,000 is defeased with proceeds from Tobacco Bonds.

**Estimate of Obligations to be Issued**

After this issue, there will be \$20.7 million of general purpose financing that is authorized and unissued. Approximately \$15.5 million of those projects are contemplated for financing in 2015. The County has received an allocation to issue \$3.2 million in Qualified Energy Conservation Bonds (QECBs), taxable bonds offering 70% federal interest subsidy. The County may issue these bonds to partially finance energy initiatives at Metro Water.

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 \$204 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. There is currently \$77.8 million in short-term debt outstanding, which will be rolling to long-term financing. EFC’s 2014 loans will add \$129 million in total long-term sewer debt. Stimulus funds (American Recovery and Reinvestment Act “ARRA” funding) are included in the short-term financing and is resulting in \$11.8 million in loan forgiveness. After the EFC 2014 financings, the remaining amount authorized and unissued is \$31.1 million for ACJ purposes. See “2014-2019 Capital Improvement Plan” and "ONONDAGA LAKE" herein.

EFC has been proactive and in 2011- 2013 refinanced several of its issuances that the County participated in, resulting in lower interest rates in 2011 and subsequent years. Another refunding by EFC is underway in 2014.

**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.

<b>Fiscal Years Ending December 31</b>	<b>Accumulated Term</b>	<b>Total Amount <sup>(1)</sup></b>	<b>Percent Retired (%)</b>	<b>Accumulated Percentage (%)</b>
2015 – 2019	5 Years	\$ 104,031,000	49	49
2020 - 2024	10 Years	71,455,000	34	83
2025 – 2029	15 Years	31,353,000	15	98
2030 – 2033	20 Years	<u>5,019,000</u>	2	100
	Total	\$ 211,858,000		

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

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**Calculation of Total Net Indebtedness (As of June 3, 2014)**

The following table sets forth the debt limit of the County and its debt-contracting margin as of June 3, 2014:

5-Year Average Full Valuation of Taxable Real Property .....	\$ 26,573,038,649
Debt Limit-7% thereof <sup>(1)</sup> .....	1,860,112,705
Outstanding Indebtedness:	
Bonds .....	\$ 467,530,309
Bond Anticipation Notes .....	<u>77,828,133</u>
Outstanding Gross Indebtedness .....	\$ 545,358,442
Less Exclusions:	
Appropriations <sup>(2)</sup> .....	\$ 3,230,000
Sewer Debt (Bonds) <sup>(3)</sup> .....	187,469,292
Sewer Debt (Notes) <sup>(3)</sup> .....	77,828,133
Water Debt (Bonds) <sup>(4)</sup> .....	23,927,000
Defeased Bonds <sup>(5)</sup> .....	<u>19,167,000</u>
Total Exclusions .....	<u>\$ 311,621,425</u>
Total Net Indebtedness <sup>(6)</sup> .....	\$ 233,737,017
Net Debt-Contracting Margin .....	\$ 1,626,375,688
Percentage of Debt-Contracting Power Exhausted.....	12.57%

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

<sup>(2)</sup> Appropriations from adopted 2014 Budget on principal for indebtedness not otherwise excluded.

<sup>(3)</sup> Pursuant to Section 124.10 of the Local Finance Law

<sup>(4)</sup> Pursuant to Section 136.00 of the Local Finance Law.

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

The issuance of the Bonds will increase the gross and net indebtedness of the County by \$23,255,264.

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**Bonded Debt of Political Subdivisions Within The County**

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

City of Syracuse including the City School District (as of April 16, 2014).....	\$ 384,334,621	
Other School Districts (as of June 30, 2013) .....	519,481,249	(1)
Towns (as of December 31, 2012).....	63,296,123	
Villages (as of May 31, 2013).....	44,823,759	
Fire Districts (as of December 31, 2012).....	<u>20,382,568</u>	
Gross Total .....	\$1,032,318,320	

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 .....	\$ 514,425,339	(2)
Town Water & Sewer Bonds .....	11,481,033	
Village Water & Sewer Bonds.....	7,778,575	
City of Syracuse .....	<u>158,174,349</u>	(3)
Total Excludable.....	\$ 691,859,296	
Net Bonded Debt.....	\$ 340,459,024	

- (1) Does not include Revenue or Tax Anticipation Notes. Does include \$41,420,000 bonds refunded to align debt service with building aid payout schedules and/or issued as advance refunding bonds to realize present value savings.
- (2) Includes \$47,200,000 State Building Aid applicable to Syracuse City School District as well as \$41,420,000 bonds refunded to align debt service with building aid payout schedules and/or issued as advance refunding bonds to realize present value savings.
- (3) Includes Debt Reserves comprised of funds received from the sale of Parking Garage Facilities which have outstanding bonds and reserves for special assessment debt (\$4,799,671), Water Debt (\$68,293,981), Revenue Anticipation Notes (\$80,400,000) and appropriations not otherwise excluded (\$4,680,697).

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## Debt Ratios

The following table sets forth certain ratios related to the County's indebtedness as of June 3, 2014 and pro forma:

	As of June 3, 2014			Pro forma at June 27, 2014 <sup>(1)</sup>		
	<u>Amount of Indebtedness</u>	<u>Per Capita</u> <sup>(2)</sup>	<u>% of Full Valuation</u> <sup>(3)</sup>	<u>Amount of Indebtedness</u>	<u>Per Capita</u> <sup>(2)</sup>	<u>% of Full Valuation</u> <sup>(3)</sup>
Gross Direct Indebtedness <sup>(4)</sup>	\$ 545,358,442	\$1,167.73	2.03%	\$580,158,442	\$1,242.24	2.15%
Net Direct Indebtedness <sup>(4)</sup>	\$ 233,737,017	\$ 500.48	0.87%	\$256,992,281	\$ 550.27	0.95%
Gross Direct plus Net Underlying Indebtedness <sup>(5)</sup>	\$ 885,817,466	\$1,896.72	3.29%	\$920,617,466	\$1,971.23	3.42%
Net Direct plus Net Underlying Indebtedness <sup>(5)</sup>	\$ 574,196,041	\$1,229.47	2.13%	\$597,451,305	\$1,279.27	2.22%

<sup>(1)</sup> Pro forma includes the addition of the Bonds to total outstanding debt and adding subsequent year debt service to current levels.

<sup>(2)</sup> The County's 2010 population is 467,026 according to the 2010 U.S. Census.

<sup>(3)</sup> The County's full valuation of taxable real estate for 2014 is \$26,924,957,719. (See "Property Tax Information" herein.)

<sup>(4)</sup> See "Calculation of Total Net Indebtedness as of June 3, 2014" herein.

<sup>(5)</sup> The County's applicable share of net underlying indebtedness is \$340,459,024. (See "Bonded Debt of Political Subdivisions within the County" herein.)

## Bonded Debt Service

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

### SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such

matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

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

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

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

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

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

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

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

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

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

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

## MARKET AND RISK FACTORS

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

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

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

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

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

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

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

## LITIGATION

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

### Self-Insurance

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

## **Tax Certiorari Claims**

There are a number of tax certiorari proceedings pending involving properties that are subject to the levy of County taxes. The plaintiffs in these matters have asserted that their properties are over-assessed and are seeking assessment reductions. A refund of excess taxes is also generally requested. Tax certiorari claims are administered by the City of Syracuse and by the towns, which assess property in the County. Historically, certiorari claims have been settled through negotiations, resulting in amounts, at times, substantially less than originally claimed. Many settlements provide for future adjustments with no direct outlay of money. The County, however, is responsible for the County portion of any certiorari tax refunds. The County's certiorari claims for 2009 through 2013 were \$253,002, \$459,255, \$193,919, \$452,897 and \$292,161 respectively. The County has not found it necessary to borrow funds for tax certiorari refunds since budgeted amounts, together with other available funds, have been sufficient to meet such requirements.

## **Onondaga Lake**

On January 20, 1998, Onondaga County entered into an Amended Consent Judgment (ACJ) with the New York State Department of Environmental Conservation (NYSDEC) and the Atlantic States Legal Foundation (ASLF). This was in 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 effluent). The settlement set forth a plan of required upgrades and other measures to address bacteria, ammonia and phosphorus in lake waters contributed to by the effluent. 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 thirty 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. They also agreed 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 2009, the parties presented to the U. S. District Court Judge for the Northern District of New York, a proposed agreement for further significant modifications 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. The Onondaga Nation and a number of community groups that had opposed implementation of the remaining ACJ CSO projects expressed strong support for the modifications. The modifications to the ACJ, approved by the United States District Court for the Northern District of New York on November 16, 2009, replace the current CSO program with a combination of gray and green infrastructure programs to be implemented in phases to be completed by December 31, 2018. The revised program requires 95% system wide annual average wastewater volume capture by more environmentally beneficial methods. Projects incorporating these methods are commonly referred to as "gray" and "green" projects.

The Onondaga County Department of Water Environment Protection has advised that, in today's dollars, the estimated cost of the improvements and studies required by the revised ACJ is \$695.4 million, excluding interest expenses.

All regulatory mandates associated with the 2009 ACJ amendment have thus far been met, and all necessary approvals have been received with the exception of approval for the CSO Floatables Facilities Plan. The County is currently in discussions with the NYSDEC about potential pathways for achieving the goals associated with the subject plan. Construction continues for some electrical and mechanical elements of the Clinton CSO project. However, the project was placed into service by the ACJ major milestone date. Construction of the Lower Harbor Brook CSO project as well as the 013 and 014 CSOs are expected to be completed within compliance due dates. Construction of the CSO 063 conveyance pipeline within the Harbor Brook sewer shed is expected to begin in mid-2014. Preliminary design for the CSO 061 sewer separation project located in the Midland sewer shed area is expected to be completed in late 2014 with construction being completed by early 2016. Planning level costs are known for the majority of all other ACJ projects (including green infrastructure). The additional process studies associated with the phosphorus removal project identified in the Metro WWTP Optimization report submitted to the NYSDEC on August 31, 2011 were completed and submitted to the DEC in May 2013 via report addendum. The DEC subsequently approved the report addendum in July 2013. The County is currently in the process of procuring an engineering consultant to design what is now known as the Metro WWTP Phosphorus Optimization Project.

New York 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 \$122.1 million in federal funds (inclusive of assistance from the U.S. Army Corps of Engineers). Short-term funding of \$20 million for the Harbor Brook Project has been extended under the ARRA program, and this project is eligible for loan forgiveness (up to \$10.9 million). In addition, the County has received \$12.2 million in funds from other sources (the City and the Niagara Mohawk Power Corporation (now National Grid)) and has contributed cash capital of \$9.1 million.

To date, the County has closed on \$115 million in EFC long term loans to fund lake projects. The County anticipates a total of \$377 million in local funding for the gross capital costs associated with the ACJ Lake Improvement project.

Under the terms of the ACJ, in the event that the remaining projects to be carried out are ultimately constructed but do not meet required effluent limits or that municipal wastewater discharges are still contributing to water quality violations, the County would be required to undertake additional measures to achieve compliance.

### **Onondaga Nation Land Claim**

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

### **CERCLA Claims**

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

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

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

On August 6, 2004, pursuant to a settlement, Honeywell agreed to withdraw its lawsuit against the County with prejudice. By its terms, the settlement creates a contingent liability, which requires the County to pay a total sum of \$1 million if, and only if, Honeywell spends more than \$200 million in mercury-related remediation in Onondaga Lake within twelve years of entry of the settlement.

On July 1, 2005, the State issued a Record of Decision outlining the selected remedies for Onondaga Lake. In September 2005, the NYSDEC notified the County and sixteen other entities that the State and the Environmental Protection Agency (“EPA”) had incurred oversight costs with respect to the Onondaga Lake NPL site in the amount of \$16 million. Thereafter, the County and others entered into Tolling Agreements with the NYSDEC, which suspended the running of any applicable statute of limitation pending negotiations. The present tolling agreement runs to August 15, 2014. This Tolling Agreement is likely to be extended for at least an additional six (6) months.

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

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

On October 31, 2008, the EPA and the NYSDEC served a Demand for Payment letter upon seventeen PRAP's, including the County. The Demand letter addressed to the County identifies the County's PRAP 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.

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

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

By letter dated October 30, 2009, the EPA requested that the County and other alleged PRPs enter into negotiations with the EPA to conduct a Remedial Investigation and Feasibility Study ("RIFS") of a yet to be fully defined site which the EPA is referring to as the Lower Ley Creek site.

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

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

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

WASTE BEDS 1-8: Located on the southwest shore of Onondaga Lake, the County acquired Waste Beds 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.

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

## **ONONDAGA COUNTY RESOURCE RECOVERY AGENCY**

Beginning in 1978, the County involved itself in certain aspects of disposal of solid waste in Onondaga County. State legislation was obtained in 1981 to create the Onondaga County Resource Recovery Agency (OCRRA), a state-created agency specifically vested with the duty to manage the disposal of solid waste in Onondaga County.

Assuming responsibility for waste management in November 1990, OCRRA has managed the system through the construction of a Waste-To-Energy facility (WTE), an agreement with Covanta, LLP to operate the facility, and agreements with the 33 member municipalities and with local haulers to bring suitable solid waste to the facility. In addition, flow control legislation and site designation legislation requires the disposal of most solid waste generated in the member municipalities to be disposed of through the County system.

In order to construct and implement the OCRRA WTE facility, \$184 million in bonds were issued in 1992 and refinanced in 2003. According to OCRRA, those bonds consist of \$82 million in senior lien debt and \$30 million (plus interest) in subordinate debt; the senior lien debt will be defeased by 2015 and the subordinate debt, which becomes the responsibility of the operator (Covanta), will be defeased no later than 2022. As part of that refinancing, OCRRA agreed to the transfer of the facility and facility site to Covanta, as early as 2015, upon Covanta's meeting certain terms and conditions including payment of \$1 for the facility, fair market value for the facility site and assumption of the subordinate lien debt. The OCRRA bonds continue to be secured by the delivery agreements that Onondaga County assigned to OCRRA. These agreements are expiring now. 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 providing for the haulers to deliver waste to OCRRA. These contracts expire at the end of 2014.

As stated above, OCRRA advises that in 2015 Covanta has the opportunity to take title to the facility and facility site. Since the distinction currently recognized by the Courts between valid and invalid interstate waste site designation legislation rests upon the public ownership and operation of the waste disposal system, OCRRA's transfer of ownership of the facility and/or facility site to Covanta may impact the County's efforts to exercise inter-state flow control. A decision by Participating Municipalities not to renew their delivery agreements may also call into question the viability of operating the system in the manner it is presently operated. Any renewed and/or revised County Solid Waste Management Plan must necessarily take these factors into account. OCRRA advises that it is diligently engaged in efforts to explore all approaches to retaining legal and commercial viability of the solid waste management system.

## **TAX MATTERS**

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel for the Bonds is set forth in Appendix D, hereto.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a

Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

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

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

Future legislative proposals, if enacted into law, clarification of the Code or courts 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 D.

## 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", "COUNTY INDEBTEDNESS", "LITIGATION", and a copy of the audited financial statement (prepared in accordance with generally accepted accounting principles in effect at the time of the audit) for the preceding fiscal year, if any; such information, data and audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each fiscal year or, if audited financial statements are prepared, sixty days following receipt by the County of audited financial statements for the preceding fiscal year, but, in no event, not later than the last business day of each fiscal year.

(ii) in a timely manner, not in excess of ten (10) business days after the occurrence of the event, to the MSRB or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Bonds, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax- status of the Bonds
- (g) modifications to rights of Bondholders, if material
- (h) bond calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Bonds
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the County
- (m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material

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

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

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

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

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

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

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

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

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

### **FINANCIAL ADVISOR**

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

### **RATINGS**

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

### **ADDITIONAL INFORMATION**

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

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

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

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

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

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

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

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

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

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

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.

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

**COUNTY OF ONONDAGA**

/s/  
**Chief Fiscal Officer**

**Dated: June 12, 2014**

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>ASSETS</b>					
Cash and Investments	\$ 29,452,648	\$ 54,124,765	\$ 69,227,739	\$ 44,330,459	\$ 58,476,259
Receivables:					
Property Taxes	28,625,100	36,273,084	41,133,372	45,689,657	43,594,507
Accounts Receivable	53,361,555	43,120,931	45,543,581	46,395,494	42,967,964
Due from Federal and State Governments	70,360,821	66,512,373	65,897,488	67,439,504	68,390,930
Due from Other Governments	3,771,489	3,484,488	3,130,899	3,392,138	3,807,713
Due from Other Funds	3,702,536	3,005,347	3,679,689	25,401,947	13,227,685
Prepaid Expenditures & Other Assets	2,939,410	4,788,766	5,286,175	7,434,194	7,942,774
<b>TOTAL ASSETS</b>	<b>\$ 192,213,559</b>	<b>\$ 211,309,754</b>	<b>\$ 233,898,943</b>	<b>\$ 240,083,393</b>	<b>\$ 238,407,832</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Accounts Payable and Accrued Liabilities	\$ 36,743,282	\$ 42,851,645	\$ 41,909,995	\$ 50,991,358	\$ 55,333,884
Due to Other Governments	71,031,359	65,133,253	68,623,193	61,884,952	59,865,352
Due to Other Funds	1,900,000	1,200,000	1,000,000	534,005	1,300,000
Deferred Property Tax Revenues	6,924,913	14,194,816	18,476,298	22,373,936	0
Other Deferred Revenues	932,570	3,029,978	4,499,984	4,389,735	0
Contracts Payable - Retainage	15,241	6,900	14,407	2,457	2,457
Other Liabilities	256	365,243	180,994	116,068	641,386
<b>TOTAL LIABILITIES</b>	<b>117,547,621</b>	<b>126,781,835</b>	<b>134,704,871</b>	<b>140,292,511</b>	<b>117,143,079</b>
<b>DEFERRED INFLOW OF RESOURCES <sup>(1)</sup></b>					<b>\$ 24,313,022</b>
<b>FUND EQUITY</b>					
Reserved:					
Non-spendable (prior: Prepays)	\$ 2,939,410	\$ 4,788,766	\$ 5,286,175	\$ 7,434,194	\$ 7,942,774
Unreserved:					
Committed					5,000,000
Assigned (prior: Appropriated) <sup>(2)</sup>	11,112,343	18,695,058	28,919,636	25,068,778	16,326,067
Unassigned (prior: Unappropriated)	60,614,185	61,044,095	64,988,261	67,287,910	67,682,890
<b>TOTAL FUND EQUITY</b>	<b>74,665,938</b>	<b>84,527,919</b>	<b>99,194,072</b>	<b>99,790,882</b>	<b>96,951,731</b>
<b>TOTAL LIABILITIES and FUND EQUITY</b>	<b>\$ 192,213,559</b>	<b>\$ 211,309,754</b>	<b>\$ 233,898,943</b>	<b>\$ 240,083,393</b>	<b>\$ 238,407,832</b>

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

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

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>REVENUES</b>					
Real Property Taxes and Tax Items	\$ 183,094,220	\$ 183,083,404	\$ 158,026,303	\$ 155,264,959	\$ 151,112,855
Non-Property (Sales) Taxes <sup>(1)</sup>	284,398,541	302,259,198	315,009,768	328,278,544	333,549,272
Revenues from Federal Sources	81,000,925	78,235,370	89,295,419	87,213,238	88,438,753
Revenues from State Sources	91,052,381	93,289,324	84,272,724	88,326,259	86,981,571
Departmental Income	27,186,470	25,329,605	26,291,235	27,076,679	26,445,728
Service for Other Governments	15,334,568	15,181,554	19,291,892	18,268,238	17,248,068
Sale of Receivables	11,270,385	-	-	-	-
Interest Earned	1,059,816	975,369	966,338	792,885	751,745
Miscellaneous	6,547,817	5,942,938	5,862,245	6,180,306	7,073,257
Total Revenues	<u>\$ 700,945,123</u>	<u>\$ 704,296,762</u>	<u>\$ 699,015,924</u>	<u>\$ 711,401,108</u>	<u>\$ 711,601,249</u>
<b>EXPENDITURES</b>					
General Government Support <sup>(1)</sup>	\$ 195,564,062	\$ 193,611,004	\$ 148,422,007	\$ 141,133,214	\$ 132,676,121
Economic Assistance and Opportunity	234,697,854	237,880,615	264,160,594	283,995,469	282,997,273
Health	39,752,199	33,846,102	39,696,962	51,789,911	49,128,022
Public Safety	108,131,830	118,351,445	117,375,263	125,625,329	129,060,622
Culture and Recreation	17,571,614	16,349,236	16,255,023	12,938,539	14,193,231
Education	51,636,672	51,284,124	47,952,884	39,572,323	44,611,060
Home and Community Services	3,243,401	2,667,027	3,003,004	1,508,623	1,644,573
Transportation	3,836,680	3,953,290	4,332,453	3,888,078	3,910,187
Total Expenditures	<u>\$ 654,434,312</u>	<u>\$ 657,942,843</u>	<u>\$ 641,198,190</u>	<u>\$ 660,451,486</u>	<u>\$ 658,221,089</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 46,510,811</u>	<u>\$ 46,353,919</u>	<u>\$ 57,817,734</u>	<u>\$ 50,949,622</u>	<u>\$ 53,380,160</u>
Other Financing Sources (Uses):					
Operating Transfers In	46,504	872,084	822,973	649	2
Operating Transfers Out	<u>(42,603,978)</u>	<u>(37,364,022)</u>	<u>(43,974,554)</u>	<u>(50,353,461)</u>	<u>(56,219,313)</u>
Total Other Financing	<u>(42,557,474)</u>	<u>(36,491,938)</u>	<u>(43,151,581)</u>	<u>(50,352,812)</u>	<u>(56,219,311)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>3,953,337</u>	<u>9,861,981</u>	<u>14,666,153</u>	<u>596,810</u>	<u>(2,839,151)</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	70,712,601	74,665,938	84,527,919	99,194,072	99,790,882
Residual Equity Transfers (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 74,665,938</u>	<u>\$ 84,527,919</u>	<u>\$ 99,194,072</u>	<u>\$ 99,790,882</u>	<u>\$ 96,951,731</u>

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

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

ALL FUNDS

Revenues, Expenditures and Changes in Fund Balance - Budget

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
	Adopted Budget	Adopted Budget	Adopted Budget	Adopted Budget	Adopted Budget
<b>REVENUES</b>					
Real Property Tax Levy	\$ 183,997,042	\$ 153,821,817	\$ 148,216,571	\$ 140,998,859	\$ 140,891,159
Special District Tax Levies	62,528,723	64,042,343	68,304,383	68,782,570	73,709,494
Services for Other Governments	52,607,641	61,528,096	55,686,927	55,598,924	31,503,675
Non-Property (Sales) Taxes <sup>(1)</sup>	287,902,381	306,374,417	321,400,305	339,570,086	349,579,794
Revenues from State Sources	140,995,051	142,434,512	131,561,445	137,690,491	139,936,465
Revenues from Federal Sources	93,758,163	98,125,152	108,023,067	110,779,117	114,286,532
Other Receipts, Etc.	324,390,953	320,987,022	340,204,285	364,054,228	346,548,636
Total Revenues	<u>\$ 1,146,179,954</u>	<u>\$ 1,147,313,359</u>	<u>\$ 1,173,396,983</u>	<u>\$ 1,217,474,275</u>	<u>\$ 1,196,455,755</u>
<b>EXPENDITURES</b>					
General Government Support <sup>(1)</sup>	\$ 762,067,829	\$ 737,353,637	\$ 757,310,718	\$ 777,191,956	\$ 781,165,424
Community College	78,237,387	82,650,100	84,719,904	89,637,800	90,021,159
Community Development	3,937,839	4,341,754	3,869,416	4,781,252	4,605,953
Van Duyn Hospital	44,569,510	47,725,684	50,982,288	49,809,506	5,775,024
Grant	31,618,970	32,351,583	29,100,363	31,557,588	36,226,670
County Road	28,369,121	32,246,166	34,123,475	37,343,545	40,490,798
Road Machinery	6,888,200	6,122,550	6,578,933	7,618,434	7,896,968
Oncenter Revenue Fund <sup>(2)</sup>	-	-	-	1,750,000	2,745,113
Water	9,082,803	8,862,181	8,976,134	8,858,933	10,317,912
Water Environment Protection	71,607,746	68,975,060	73,884,379	76,242,030	81,976,587
Library	13,100,929	13,528,665	14,986,961	15,243,591	15,269,226
Debt Service	35,974,779	34,997,284	36,914,195	47,287,764	53,586,929
Insurance	78,932,030	83,383,098	88,777,983	90,661,509	83,660,192
Total Expenditures	<u>\$ 1,164,387,143</u>	<u>\$ 1,152,537,762</u>	<u>\$ 1,190,224,749</u>	<u>\$ 1,237,983,908</u>	<u>\$ 1,213,737,955</u>
Excess of Revenues Over (Under) Expenditures/ Budgetary Fund Balance Used	<u>\$ (18,207,189)</u>	<u>\$ (5,224,403)</u>	<u>\$ (16,827,766)</u>	<u>\$ (20,509,633)</u>	<u>\$ (17,282,200)</u>

<sup>(1)</sup> Includes sales tax gross up of \$149,809,115, \$95,924,741, \$83,565,717, \$82,336,191 and \$85,645,189 for 2010, 2011, 2012, 2013 and 2014, 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 2014 and 2013 budget reflects this reclassification.

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

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

**BONDED DEBT SERVICE**

Fiscal Year Ending December 31st	Excluding this Issue			Principal of This Issue	Total Principal All Issues
	Principal (1)	Interest	Total		
2014	34,407,604	20,551,726.33	54,959,330.33		34,407,604
2015	38,661,474	18,033,191.75	56,694,665.75		38,661,474
2016	35,981,180	16,518,006.12	52,499,186.12	2,600,000	38,581,180
2017	36,011,180	14,994,303.17	51,005,483.17	2,700,000	38,711,180
2018	35,546,180	13,476,715.18	49,022,895.18	2,900,000	38,446,180
2019	32,831,180	12,031,426.10	44,862,606.10	2,850,000	35,681,180
2020	30,410,844	10,671,197.44	41,082,041.44	2,350,000	32,760,844
2021	29,645,844	9,346,279.31	38,992,123.31	2,400,000	32,045,844
2022	27,340,000	8,096,868.29	35,436,868.29	2,475,000	29,815,000
2023	26,850,000	6,943,391.22	33,793,391.22	2,200,000	29,050,000
2024	24,215,000	5,867,232.29	30,082,232.29	2,175,000	26,390,000
2025	20,965,000	4,891,868.42	25,856,868.42	1,550,000	22,515,000
2026	19,140,000	4,046,417.60	23,186,417.60	1,575,000	20,715,000
2027	15,965,000	3,292,808.99	19,257,808.99	1,575,000	17,540,000
2028	12,850,000	2,660,230.72	15,510,230.72	1,325,000	14,175,000
2029	11,705,000	2,098,204.28	13,803,204.28	950,000	12,655,000
2030	10,650,000	1,600,028.39	12,250,028.39	1,000,000	11,650,000
2031	7,890,000	1,197,708.83	9,087,708.83	1,025,000	8,915,000
2032	7,005,000	893,259.50	7,898,259.50	1,050,000	8,055,000
2033	5,795,000	621,015.78	6,416,015.78	1,050,000	6,845,000
2034	3,710,000	410,702.63	4,120,702.63	1,050,000	4,760,000
2035	3,100,000	254,192.25	3,354,192.25	0	3,100,000
2036	3,130,000	110,297.85	3,240,297.85	0	3,130,000
2037	400,000	7,000.00	407,000.00	0	400,000
<b>TOTALS</b>	<b>\$474,205,486</b>	<b>\$158,614,072.44</b>	<b>\$632,819,558.44</b>	<b>\$34,800,000</b>	<b>\$509,005,486</b>

(1) Does not include defeased Bonds. Does include Environmental Facilities Bonds of \$145,525,534.

**COUNTY OF ONONDAGA, NEW YORK**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2013**

**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, 2014**

**PREPARED BY THE COMPTROLLER'S OFFICE**

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

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

**DEPUTY COMPTROLLER/AUDITING  
PHILIP M. BRITT**

**CHIEF GOVERNMENTAL ACCOUNTANT  
ANTHONY P. CALOGERO**

**EXECUTIVE ASSISTANT  
NANCY L. CAMPOLITO**

**ACCOUNTING STAFF**

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SHARON C. HUGHES

SUZANNE M. COWIN

SHARON L. MASTROENI

LISA M. VERUCCI-NAVE

JOYCE E. WILSON

**AUDITING STAFF**

ROXANNE R. BUGNACKI

HEATHER M. DIBLASI

JUDITH E. ELLIS

JENNIFER A. FRICANO

ROBERT M. HOLLISTER

LINDA M. MARNELL

JULIUS F. PERROTTA

**INDEPENDENT AUDITORS**

TESTONE, MARSHALL, & DISCENZA, LLP

**COUNTY OF ONONDAGA, NEW YORK  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FISCAL YEAR ENDED DECEMBER 31, 2013  
 TABLE OF CONTENTS**

---

PAGE

*INTRODUCTORY SECTION (UNAUDITED)*

List of Principal Officials .....	i
Organization Chart .....	ii
Letter of Transmittal.....	iii

*FINANCIAL SECTION*

<b>Independent Auditors' Report</b> .....	ix
<b>Management's Discussion and Analysis (Unaudited)</b> .....	xii

**Basic Financial Statements:**

Government-wide Financial Statements:

Statement of Net Position .....	1
Statement of Activities.....	3

Fund Financial Statements:

Balance Sheet - Governmental Funds.....	5
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds To the Statement of Activities.....	9
Statement of Net Position - Internal Service Fund.....	10
Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Fund .....	11
Statement of Cash Flows - Internal Service Fund.....	12
Statement of Net Position - Fiduciary Funds.....	13
Statement of Changes in Net Position - Fiduciary Funds.....	13
Combining Statement of Net Position - Component Units.....	14
Combining Statement of Revenues, Expenditures, and Changes in Net Position - Component Units.....	16
Notes to the Financial Statements .....	18

Required Supplementary Information:

Budgetary Comparison Schedule	
Budget and Actual (Non-GAAP Budgetary Basis):	
General Fund .....	44
Water Environment Protection .....	46
Other Postemployment Benefits Plan Schedule of Funding Progress.....	46
Notes to the Required Supplementary Information .....	47

**COUNTY OF ONONDAGA, NEW YORK  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FISCAL YEAR ENDED DECEMBER 31, 2013  
 TABLE OF CONTENTS (Continued)**

---

PAGE

***SUPPLEMENTAL FINANCIAL INFORMATION***

**Combining Financial Statements and Budgetary Comparison Schedules:**

Combining Balance Sheet - Nonmajor Governmental Funds.....	48
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds .....	50
Budgetary Comparison Schedule	
Budget and Actual (Non-GAAP Budgetary Basis)	
General Grants Fund .....	52
ONCENTER Fund.....	55
County Road Fund.....	56
Road Machinery Fund .....	57
Water Fund .....	58
Van Duyn Extended Care Fund .....	59
Library Fund .....	60
Library Grants Fund.....	61
Community Development Fund.....	62
Debt Service Fund .....	63

***STATISTICAL SECTION (UNAUDITED)***

Net Position by Component-Last Ten Fiscal Years.....	64
Changes in Net Position-Last Ten Fiscal Years.....	66
Fund Balances, Governmental Funds-Last Ten Fiscal Years.....	68
Changes in Fund Balances, Governmental Funds-Last Ten Fiscal Years .....	70
Assessed Value and Actual Value of Taxable Property-Last Ten Fiscal Years .....	72
Principal Property Taxpayers- Current Year and Nine Years Ago .....	73
Property Tax Levies and Collections-Last Ten Fiscal Years .....	74
Overlapping and Underlying Governmental Activities Debt .....	75
Legal Debt Margin Information- Last Ten Fiscal Years .....	76
Ratios of Outstanding Debt by Type- Last Ten Fiscal Years .....	77
Demographic and Economic Statistics- Last Ten Calendar Years .....	78
Principal Employers- Current Year and Nine Years Ago.....	79
Full-time Equivalent County Government Employees by Function/Program- Last Ten Fiscal Years .....	80
Capital Asset Statistics by Function/Program- Last Ten Fiscal Years .....	82

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**INTRODUCTORY**  
**SECTION**  
**(UNAUDITED)**

**COUNTY OF ONONDAGA, NEW YORK**

**LIST OF PRINCIPAL OFFICIALS**

**COUNTY LEGISLATURE**

EFFECTIVE JANUARY 1, 2014

CHAIRMAN: J. RYAN MCMAHON II

PEGGY CHASE

CASEY E. JORDAN

MICHAEL E. PLOCHOCKI

JIM CORL

PATRICK M. KILMARTIN \*

KATHLEEN A. RAPP

JOHN C. DOUGHERTY

DAVID H. KNAPP \*\*

CHRISTOPHER J. RYAN

LINDA R. ERVIN \*

DANNY J. LIEDKA

DEREK T. SHEPARD JR.

KEVIN A. HOLMQUIST

BRIAN F. MAY

JUDITH A. TASSONE

MONICA WILLIAMS

\* FLOOR LEADERS

\*\* CHAIR, WAYS & MEANS COMMITTEE

**COUNTY COMPTROLLER**

ROBERT E. ANTONACCI II, CPA

**COUNTY EXECUTIVE**

JOANNE M. MAHONEY

**CHIEF FISCAL OFFICER**

STEVEN MORGAN

**COUNTY SHERIFF**

KEVIN E. WALSH

**DISTRICT ATTORNEY**

WILLIAM J. FITZPATRICK

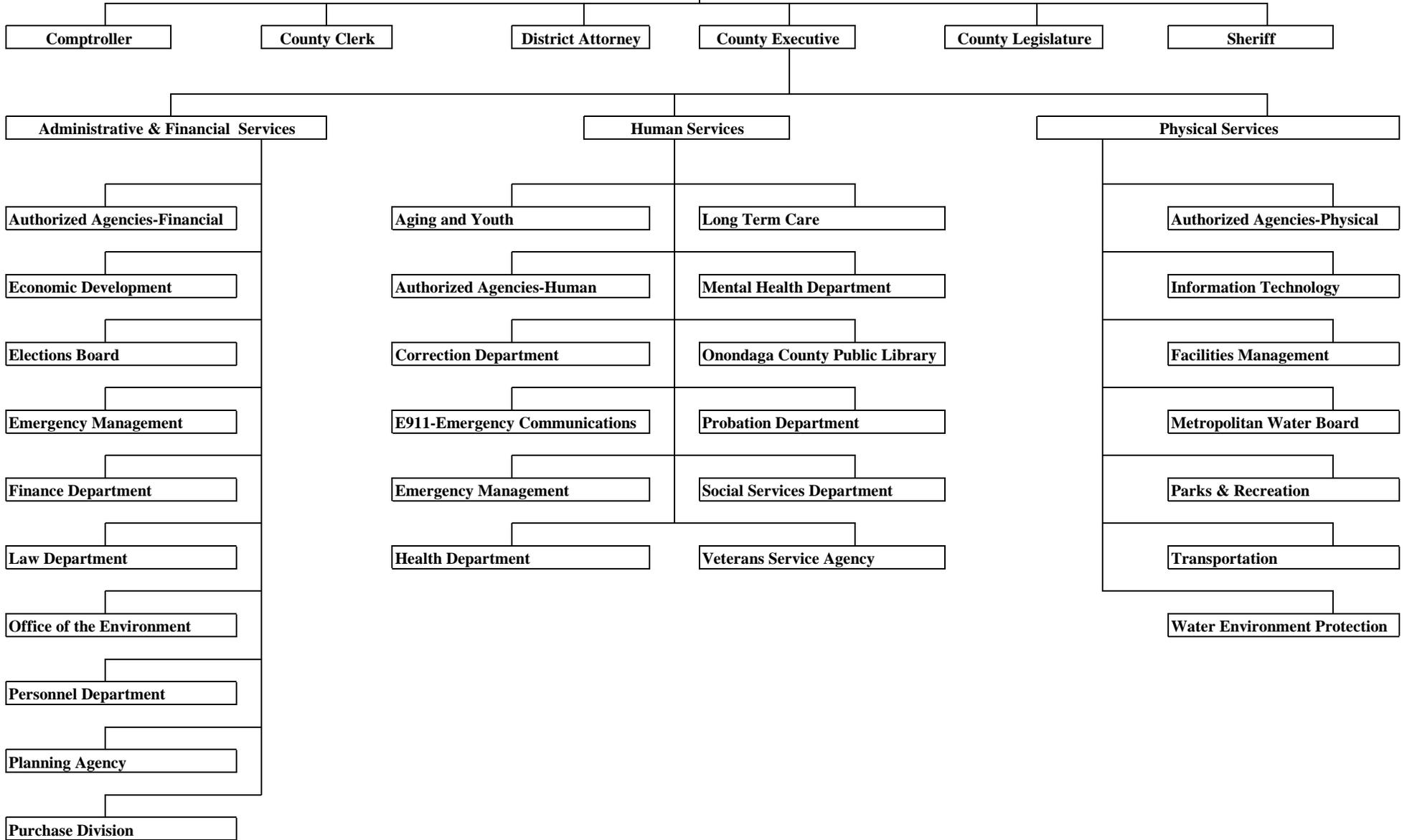
**COUNTY CLERK**

SANDRA A. SCHEPP

COUNTY OF ONONDAGA

ORGANIZATION CHART

VOTERS





Robert E. Antonacci II, CPA  
Comptroller

COUNTY OF ONONDAGA

Office of the  
*County Comptroller*

John H. Mulroy Civic Center, 14th Floor  
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James V. Maturo  
Deputy Comptroller/Accounting

Philip M. Britt  
Deputy Comptroller/Audit

April 17, 2014

To the Citizens of Onondaga County,  
Honorable Joanne M. Mahoney, and  
Honorable Members of the Onondaga County Legislature

I am pleased to submit the Comprehensive Annual Financial Report of Onondaga County for the year ended December 31, 2013. 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 unqualified opinion that the County's basic financial statements for the fiscal year ended December 31, 2013, are fairly presented in conformity with U.S. generally accepted accounting policies. The report of the independent auditors can be found on page ix of the financial section of this report.

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

Generally accepted accounting principles require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter on 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, the Onondaga County Resource Recovery Agency, the Onondaga County Water Authority, and the Central New York Regional Planning Board do not meet the criteria to be component units of the reporting entity, and accordingly are excluded from this report. Predicated on the criteria of these Statements, the Onondaga County Convention Center/War Memorial Management Corporation, Onondaga Community College, Onondaga County Industrial Development Agency, Friends of Rosamond Gifford Zoo, and the Housing Development Fund Company meet the requirements for recognition as component units and accordingly their financial information is presented in a discrete format in the Financial Section of this report. The Onondaga Tobacco Asset Securitization Corporation (OTASC) meets these requirements for recognition as a component unit and their financial information is blended as a Nonmajor Debt Service Fund in the Financial Section of this report.

The County maintains a budgetary control system to ensure compliance with the annual adopted budget and with other applicable laws. Budgetary control is achieved by use of a pre-encumbrance system that reserves available appropriations prior to the initiation of the contract process. This system has the advantage of centrally accounting for a County department's expenditure plans prior to actual development of contracts. Upon finalization of contracts, the pre-encumbrance is replaced by an encumbrance. Encumbered amounts do not lapse at year-end, but are re-appropriated into the ensuing year's budget as prescribed by Onondaga County Law. The County Comptroller submits to the Legislature a monthly report of revenues and expenses compared to budget. Additionally, the Executive Department's Division of Management and Budget submits to the Legislature a quarterly report of budgetary projections.

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

### **Factors Affecting Financial Condition**

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

The local economy supporting County government showed signs of improvement in regards to unemployment and job growth in 2013. The unemployment rate for Onondaga County averaged 7.2% in 2013 compared with 8.1% the previous year. For the 12-month period ending December 2013, the private sector job count in the Syracuse metro area rose 3,900, or 1.5 percent, to 263,300. Job growth was concentrated in educational and health services (+2,400), trade, transportation, and utilities (+1,300), leisure and hospitality (+800), natural resources, mining, and construction (+400), and other services (+100). Job losses occurred in manufacturing (-700), professional and business services (-200), financial activities (-100), and information (-100). The government job count rose (+200) over the year, mainly in state and local government education. Another positive sign is the population growth of 8,700 between 2000 and 2010.

Onondaga County ended 2013 with a \$12.2 million favorable variance vs. budget. Better than expected property tax collections and stabilizing mandate costs drove this surplus. Prior year property tax collections as well as deferred and uncollected collections outperformed budget by a combined \$5 million. The creation of the Greater Syracuse Property Development Corporation (Land Bank) has allowed the city of Syracuse to more aggressively pursue delinquent property taxes resulting in a surge of prior year tax collections and the increase in payments of current year taxes. Mandated costs grew at a lower rate than expected also contributing to the County's surplus. Temporary Assistance caseloads have leveled as the economy slowly recovers and more people enter the workforce. Costly Foster Care placements continue to decrease as the County pushes in resources to maintain youth in the community with appropriate supports while costs for special children's services continued to decrease.

In June 2013, Onondaga County issued \$67.9 million in General Obligation (GO) Serial Bonds. Borrowing rates are at historically low rates and the true interest cost of the GO's is 3.2%. The rating agencies continue to recognize Onondaga County's solid financial position and Moody's, Standard & Poor's, and Fitch rated the County Aa1, 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 2013 the County pared back projects considered in the CIP to only those that could be initiated during the six year capital planning period. The current capital plan outlines \$536 million in projects with \$193 million of the resources targeted for Water Environment improvements and \$142 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% of General Fund revenue; for overall net direct indebtedness to remain below \$500 per capita and 1% 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 an unassigned fund balance goal of 10% of net revenues and calls for amounts in excess of 10% to be applied to avoid future debt or for tax relief. Net revenues are calculated as gross revenues less sales tax pass through revenue budgeted for municipalities

**Onondaga Lake.** Onondaga County entered into an Amended Consent Judgment (ACJ) in 1998 that established a plan to reduce sewage outflows into Onondaga Lake through specific improvements to the Metropolitan Wastewater Treatment Plant and abatement of combined sewer overflows. Total project costs are currently estimated at \$695.4 million. The project is being supported through a combination of state and federal grants and debt covered by local user fees. The State has appropriated \$74.9 million of the Clean Water/Clean Air Environmental Bond Act funds for projects covered under the ACJ. In addition to aid through the Environmental Bond Act, based on pledges by state officials, the County also planned on receiving approximately \$85 million in supplemental funding over the 15 years of the project as initially scheduled in the 1998 ACJ. To date, \$88 million has been received from other New York State sources. The Federal government has already appropriated \$122.1 million in Federal funds (inclusive of assistance from the U.S. Army Corps of Engineers). Short-term funding of \$20 million for the Harbor Brook Project has been extended under the ARRA program and the project is eligible for up to 50% loan forgiveness (up to \$10.9 million). In addition, the County has received \$12.2 million in funds from other sources (City and National Grid) and has cash on hand of \$9.1 million.

To date, the County has closed on \$132.3 million in EFC long term loans to fund lake projects. The County anticipates \$246 million in local funding for the gross capital costs associated with the ACJ in its Capital Improvement Plan.

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

**Cash management.** New York State Law directs which type of investments its counties may use to invest idle cash. Those types of investments are more fully described in Note 3 to the financial statements. Income as a result of these investments was \$1,553,584 in 2013.

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

**Retirement and other postemployment benefits.** The County participates in the New York State and Local Employees' Retirement System (ERS). The ERS provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the ERS. The ERS is noncontributory except for employees who joined the ERS after July 27, 1976. Employees hired before January 1, 2010 contribute 3% of their salary and after ten years of service, the ERS becomes non-contributory for those employees as well. Those employees hired after January 1, 2010 contribute 3% of their salary for all of their years of public service and there is a limitation on the amount of overtime that can be included as wages. Under the authority of the NYSRSSL, the State Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

In addition to providing pension benefits, the County provides certain health insurance benefits to retired employees and survivors under its self-insured health program. Substantially all of the County's employees may become eligible for these benefits if they reach normal retirement age while working for the County. As of the end of the year, there were 3,579 retirees and survivors receiving these benefits. In 2007, the County adopted Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, on a prospective basis. This statement requires municipalities to begin amortizing the long-term, actuarially determined, liability for providing benefits to retirees. The County will recognize this liability over a thirty-year period.

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

### Acknowledgments

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

I also wish to thank the County Executive, the Chief Fiscal Officer, and the County Legislature for their leadership and support of efforts to improve the financial operations of Onondaga County.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert E. Antonacci II CPA". The signature is fluid and cursive, with the letters "CPA" written in a slightly larger, more distinct font at the end of the signature.

Robert E. Antonacci II, CPA

**FINANCIAL**

**SECTION**

Testone, Marshall & Discenza, LLP

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## INDEPENDENT AUDITOR'S REPORT

The Honorable County Executive, Joanne M. Mahoney  
and Honorable Members of the County Legislature  
County of Onondaga, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Onondaga, New York (the "County"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Onondaga County Community College and Friends of the Rosamond Gifford Zoo, which together represent 98% of both assets and operating revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Onondaga County Community College and Friends of the Rosamond Gifford Zoo 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 Friends of the Rosamond Gifford Zoo 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.

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 County'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 County'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 report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Onondaga, New York as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matters***

#### *Transfer of Van Duyn Extended Care Facility*

As described in Note 1 to the financial statements, the County disposed of and transferred operations of the Van Duyn Extended Care Facility (the "Facility") on November 30, 2013. A special item has been recognized as of and for the year ending December 31, 2013 in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 69, *Government Combinations and Disposals of Government Operations*. Our opinion is not modified with respect to this matter.

#### *Change in Accounting Principle - GASB Statement No. 65*

As discussed in Note 5 to the financial statements, in 2013 the County adopted the provisions of GASB No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and Other Postemployment Benefits Plan Schedule of Funding Progress on pages xii-xxiii and 44-47 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.

#### *Supplementary and 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 and individual nonmajor fund 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 and individual nonmajor fund 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 general accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2014, 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 County of Onondaga, New York's internal control over financial reporting and compliance.

*Rustone, Marshall & Dincer, LLP*

April 17, 2014  
Syracuse, New York

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, 2013. 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 \$589,193,514 (*net position*).
- The government's total net position decreased by \$85,421,518.
- As of the close of the current fiscal year, Onondaga County's governmental funds reported combined ending fund balances of \$175,709,645, a decrease of \$10,892,420 in comparison with the prior year.
- At the end of the current fiscal year, total fund balance for the general fund was \$96,951,731, or 12.7% of total budgetary basis general fund revenues.
- Onondaga County's governmental activities long-term liabilities, including premium and issuance discounts on debt, increased by \$146,656,298 or 16%, during the current fiscal year.

## Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for governmental funds.

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

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

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

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the budget and actual schedules for the major governmental funds and funding progress for postemployment benefits. These required schedules and notes to the schedules can be found on pages 44-47.

Combining statements for nonmajor governmental funds are presented immediately following the required supplementary information on pages 48-51 of this report.

## **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$589,193,514 at the close of the 2013 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 \$934,565,871. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

The portion of the County's net position that represents resources that are subject to external restrictions on how they may be used is \$29,882,211. The remaining (\$375,254,568) is unrestricted net deficit.

### County of Onondaga's Net Position

	<b>Governmental activities</b>	
	<b>2012</b>	<b>2013</b>
Current and other assets	\$ 433,922,981	\$ 421,261,766
Capital assets	1,362,375,377	1,432,427,824
<b>Total assets</b>	<b>1,796,298,358</b>	<b>1,853,689,590</b>
Deferred Outflow of Resources	2,976,675	818,213
Long-term liabilities	904,030,595	1,044,194,190
Other liabilities	190,608,618	184,712,110
<b>Total liabilities</b>	<b>1,094,639,213</b>	<b>1,228,906,300</b>
Deferred Inflow of Resources	30,020,788	36,407,989
<b>Net Position:</b>		
Net investment in capital assets	943,407,659	934,565,871
Restricted	24,925,639	29,882,211
Unrestricted	(293,718,266)	(375,254,568)
<b>Total net position</b>	<b>\$ 674,615,032</b>	<b>\$ 589,193,514</b>

The County’s net position decreased by \$85,421,518, significantly more than the \$10,892,420 deficit reported at the fund level. The net increase in long-term debt of \$146,656,298 exceeded the increase in fixed assets of \$70,052,447. The sale of Van Duyn resulted in a loss on disposal of fixed assets of nearly \$12 million, increase in the County’s post-employment health benefits of \$55.2 million and \$32.5 million increase in debt associated with the clean-up of Onondaga Lake were the major factors in the decrease in net position.

County of Onondaga's Changes in Net Position

	<b>Governmental activities</b>	
	<b>2012</b>	<b>2013</b>
Revenues:		
Program Revenue:		
Charges for services	\$ 211,473,766	\$ 196,227,634
Operating grants and contributions	214,295,520	217,515,933
Capital grants and contributions	55,211,478	26,009,155
General Revenue:		
Property taxes	161,254,615	150,423,597
Other taxes	332,217,015	339,658,462
Other	9,246,223	9,027,476
Total revenues	<u>983,698,617</u>	<u>938,862,257</u>
Expenses:		
General government support	170,068,081	163,070,675
Education	51,230,463	58,500,840
Public Safety	151,420,062	160,050,080
Health	123,164,947	122,005,552
Transportation	44,554,903	52,391,343
Economic assistance and opportunity	304,096,029	304,315,508
Culture and recreation	38,422,777	46,524,048
Home and community services	85,256,094	88,411,166
Interest on long-term debt	21,816,079	21,967,688
Total expenses	<u>990,029,435</u>	<u>1,017,236,900</u>
Deficiency in revenues over expenses	(6,330,818)	(78,374,643)
Special Items (ONCENTER and Van Duyn Transfer)	201,080	(7,046,875)
Decrease in net position	(6,129,738)	(85,421,518)
Net position - Beginning as restated (see Note 16)	680,744,770	674,615,032
Net position - Ending	<u>\$ 674,615,032</u>	<u>\$ 589,193,514</u>

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## 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 was \$67,682,890 while total fund balance is \$96,951,731. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 8.9% of total budgetary basis general fund expenditures, while total fund balance represents 12.7% of that same amount.

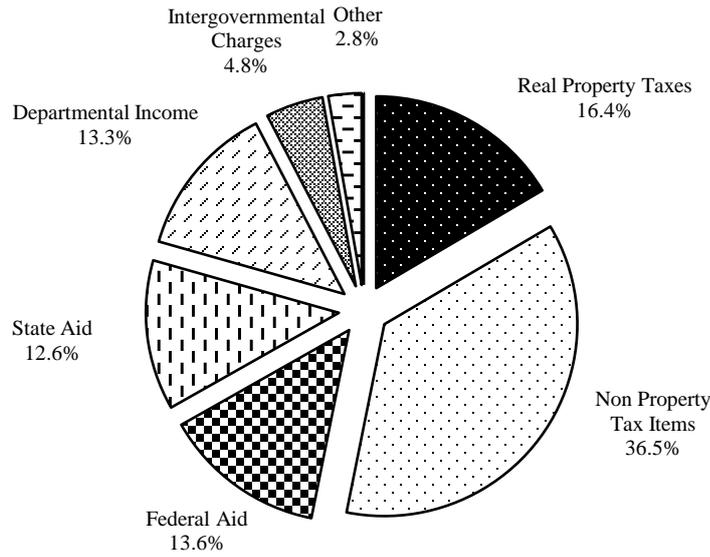
The general fund's fund balance decreased by \$2,839,151 during the current fiscal year. In 2013, the County planned to use \$15 million of fund balance to offset operations. The County experienced better than expected property tax collections. Prior year property tax collections as well as deferred and uncollected collections outperformed budget by a combined \$5 million. Mandated costs grew at a lower rate than expected. Temporary Assistance caseloads have leveled as the economy slowly recovers and more people enter the workforce. Foster Care placements continue to decrease as the County pushes in resources to maintain youth in the community with appropriate supports while costs for special children's services also continued to decrease. The increase in property taxes and lower than mandated costs offset \$12.2 million of the planned use of fund balance.

Water Environment Protection appropriated approximately \$1.3 million in prior years fund balance into 2013 operations. Expenditures finishing \$5.0 million under budget offset the use of any appropriated fund balance. The result was an operating surplus of \$4,020,678.

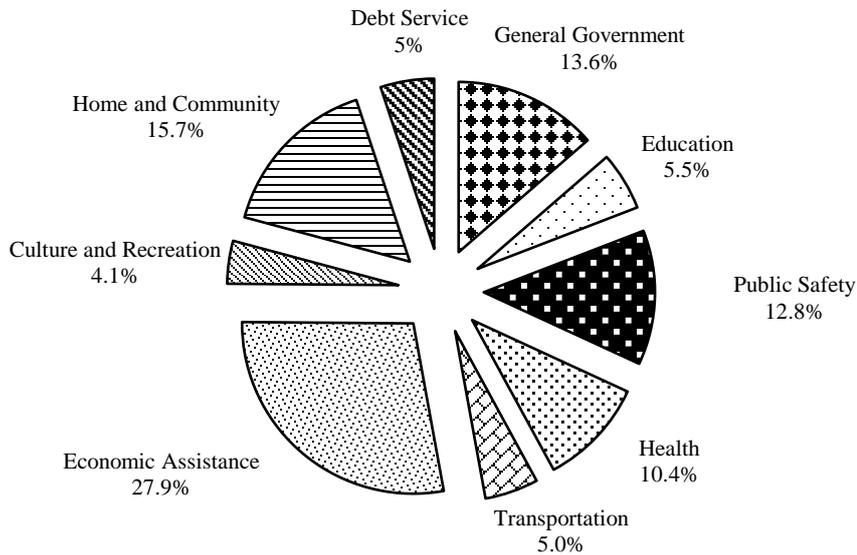
The County's 2013 Debt Service Fund budget authorized an appropriation of \$9.2 million from reserve for bonded debt. Due to unbudgeted revenue of \$8.5 million from bond premium and \$.9 million from interest and other sources, the County offset that appropriation and reported an operating surplus of \$222,703.

**Internal Service Funds.** Unrestricted net position of the Internal Service Fund increased \$608,879 increasing net position to \$15,541,622. This gain is due to lower than expected health costs. This surplus will be credited back to County departments in future years. As stated earlier, the activity of the Internal Service Fund predominantly benefits the primary government. It has been included within governmental activities in the government-wide financial statements.

### County Revenues Governmental Funds



### County Expenditures Governmental Funds



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## General Fund Budgetary Highlights

Appropriations: \$10.4 million increase in appropriations can be summarized as follows:

- \$2.5 million increase in provision for capital projects to include:
  - \$2.0 million increase for Clay Business Park
  - \$250K increase for construction of a Dog Shelter Facility at the Jamesville Correctional Facility
  - \$250K increase for Ash Bore study
- \$2.9 million increase in transfer to grant projects to include:
  - \$1.8 million increase for 2018 USBC Bowling Tournament
  - \$1.0 million increase for the Farmland Preservation Program
  - \$125K for a County Core Services Review
- \$3.3 million increase is the carryover of encumbrances from 2012 to 2013.
- \$0.6 million increase to support automotive equipment expenses
- \$1.1 million increase to support employee benefit expenses

Revenues: \$7.8 million increase in the revenue budget can be summarized as follows:

- \$6.98 million increase in the use of appropriated fund balance to fund the following:
  - \$1.8 million to support the 2018 USBC Bowling Tournament
  - \$2.0 million to support the Clay Business Park
  - \$1.0 million to support the Farmland Preservation Program
  - \$0.6 million to support purchase of automotive equipment
  - \$0.5 million to support the County computer replacement plan
  - \$0.5 million to support staffing initiatives
  - \$0.5 million to support other one-time expenses for Parks, Budget, Office of Environment, and Health departments.
- \$0.5 million increase in fees for the provision of medical examiner services to Oneida County
- \$0.3 million increase in Federal Aid to support Syracuse Behavioral Healthcare

## Capital Asset and Debt Administration

**Capital assets.** The County's investment in capital assets for its governmental activities as of December 31, 2013 amounts to \$1,432,427,824 (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	
	2012	2013
Land	\$ 20,477,562	\$ 20,484,252
Intangible Assets	29,750,000	29,750,000
Land Improvements	13,700,803	12,592,874
Building and Improvements	186,440,719	175,633,290
Equipment	45,078,082	42,379,137
Infrastructure	674,050,334	676,695,240
Construction in progress	392,877,877	474,893,031
<b>Total</b>	<b>\$ 1,362,375,377</b>	<b>\$ 1,432,427,824</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 \$13.1 million in WEP-related projects and \$30.4 million for road improvements reducing the construction in progress account and increasing infrastructure and other capital assets. In addition, the County added approximately \$136 million to the construction in progress account, including \$9.2 million in Metropolitan Water Board improvements, \$19.9 million for road improvements and \$80.6 million in WEP-related projects.

**Long-term debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$470,619,003 and loans payable of \$203,942,657. This debt increased by \$77,456,982 during the current fiscal year.

	Activities	
	2012	2013
Serial bonds	\$ 289,604,000	\$ 333,656,000
OTASC tobacco settlement bonds	136,056,144	136,963,003
Loans	171,444,534	203,942,657
<b>Total</b>	<b>\$ 597,104,678</b>	<b>\$ 674,561,660</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 13.4% of its statutory debt limit at December 31, 2013.

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## Economic Factors and Next Year's Budget and Rates

### The Onondaga Economy

According to the New York State Department of Labor, the unemployment rate for Onondaga County averaged 7.2% in 2013 compared with 8.1% the previous year. For the 12-month period ending December 2013, the private sector job count in the Syracuse metro area rose 3,900, or 1.5 percent, to 263,300.

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

- Clean Energy & Environmental Systems, including the following:
  - The Center of Excellence for Environmental and Energy Systems
  - the State University of New York College of Environmental Science and Forestry (ESF), and
  - the CleanTech Center
- Health, Biomedical Services, & Biosciences, including the following:
  - Welch Allyn, and
  - Bristol-Myers Squibb
- Radar & Sensor Devices, including the following:
  - Center for Advanced Systems and Engineering (CASE), and
  - Sensis
- Financial Services: A highly educated workforce and proximity to metro New York make Syracuse a logical choice for finance and back office operations.
- Agribusiness and Food Processing: Onondaga County's agriculture operations include agriculture, state of the art food processing, warehousing, and wholesale/consumer retail operations. Onondaga County has a significant livestock industry in dairy cattle, beef, swine, poultry, goats, horse and sheep as well as vegetable, cash grain, orchard, nursery, fruit, and greenhouse crops.
  - AGRANA FRUIT US INC., a fruit processing plant, is scheduled to open May 2014. The plant will make fruit preparations for the yogurt making industry, and will employ 60 people initially.
- Advanced Manufacturing: Continuing the legacy of a 200-year history in manufacturing, a large cluster of new precision manufacturing, including metalwork and packaging, continues in Syracuse.

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 2014 identified several opportunities and reasons for optimism within the region:

- The job market is expected to grow at a steady pace as companies plan to hire more employees in 2014.
- Over the next 3 years the region's employment is expected to grow 3% with the largest growth in the education and health services sectors followed by the construction and professional and business services sectors.
- The Central New York area received \$66.9 million to fund a total of 79 projects including investments at the following:
  - INFICON, Inc
  - L & J.G. Stickley
  - TRW Automotive LLC
  - Marquardt Switches Inc.
  - CNY Fabrication, LLC – G.A. Braun

### **Onondaga 2014 Budget**

The County Executive presented the 2014 budget in September 2013. Despite the need to support labor, correctional health and debt service cost increases as well as a decrease in federal inmate revenue, the increase in sales tax collections, coupled with mandate stability, contributed significantly to achieving a balanced budget with no property tax increase in the County Executive's proposed budget.

The 2014 Budget was adopted on October 8, 2013 as amended by the County Legislature. The County Legislature amended the proposed budget by decreasing appropriations and raising revenue estimates to reduce the County Executive's proposed tax levy by \$100,000 to \$140,891,159.

The 2014 Adopted Budget supports \$1,213,737,955 in total appropriations, including internal transfers of \$230,126,104, down 3% from the 2013 budget as modified. The 2014 adopted budget applied \$2.5 million of General Fund reserves. The unassigned General Fund balance equals \$78 million after having adjusted for the appropriation of \$2.5 million in fund balance used in the operating budget to close the 2014 budget gap. This includes the \$12.2 million operating surplus recognized in 2013. General Fund reserves are 12% or \$10.4 million in excess of the County's 10% fund balance policy.

Consumption based user fees were increased 7.24% in the Water Environment Protection Department (Sanitary District Fund) in 2014. Wholesale water rates charged by the Metropolitan Water Board (Water Fund) increased 10% in 2014.

### **Other Significant Matters**

In 2012, the Legislature authorized the sale of Van Duyn Home and Hospital, the County's 513-bed nursing home, and declared its intent for the County to be out of the business of providing residential nursing services. The County sold the assets of Van Duyn Home and Hospital to the Onondaga Civic Development Corporation (OCDC). Within such sale documents, the County reserved to itself sufficient rights to operate the facility until OCDC is able to resell the facility to a subsequent third party operator approved by the New York State Department of Health. The sale to a subsequent third party operator was completed on November 30, 2013 and the County has ceased its operations as of that date. The 2014 budget includes \$5.8 million in legacy costs for retiree healthcare, worker's compensation, and debt.

**Requests for Information**

This financial report is designed to provide a general overview of the County of Onondaga's finances for all those with an interest in the government's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Comptroller's Office, 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, 2013**

	Governmental Activities	Component Units
<b>ASSETS</b>		
Cash, cash equivalents and investments	\$ 186,584,330	\$ 29,632,575
Deposits by contractors	1,125,000	-
Receivables:		
Property taxes (net of \$18,592,562 reserve)	43,594,507	-
Accounts receivable (net of \$5,621,611 reserve)	61,578,405	21,433,387
Due from state and federal governments	91,681,942	1,670,115
Due from other governments	9,397,909	-
Inventories	7,855,248	672,507
Prepaid items and other assets	9,875,379	77,019
Notes receivable	-	233,629
Endowment assets:		
Investments	-	2,084,178
Promises to give	-	133,810
Restricted cash	9,569,046	-
Capital assets net of accumulated depreciation	1,432,427,824	134,498,315
Total assets	1,853,689,590	190,435,535
 <b>DEFERRED OUTFLOW OF RESOURCES</b>	 818,213	 -

*See notes to financial statements.*

**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Net Position**  
**December 31, 2013**

	Governmental Activities	Component Units
<b>LIABILITIES</b>		
Accounts payable	33,534,171	6,434,371
Accrued liabilities	82,167,900	2,557,835
Contracts payable - retainage	2,638,084	-
Other liabilities	5,306,164	2,949,440
Due to other governments	61,065,791	332,393
Due to Onondaga County	-	635,360
Long term obligations and unpaid liabilities:		
Due within one year	106,275,368	-
Due in more than one year	937,918,822	40,466,220
Total liabilities	1,228,906,300	53,375,619
 <b>DEFERRED INFLOW OF RESOURCES</b>	 36,407,989	 25,305,082
 <b>NET POSITION</b>		
Net investment in capital assets	934,565,871	134,426,620
Restricted for:		
Capital projects	2,517,575	7,468,211
Debt service	27,364,636	-
Endowments	-	3,425,274
Loans	-	42,438
Unrestricted	(375,254,568)	(33,607,709)
Total net position	\$ 589,193,514	\$ 111,754,834

**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Activities**  
**Year Ended December 31, 2013**

<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	\$ 171,912,973	\$ (8,842,298)	\$ 37,376,076
Education	58,500,840	-	789,999
Public safety	158,168,980	1,881,100	12,829,138
Health	119,979,927	2,025,625	34,197,999
Transportation	51,870,961	520,382	4,014,801
Economic assistance and opportunity	301,790,047	2,525,461	5,719,126
Culture and recreation	45,698,395	825,653	16,433,121
Home and community services	87,347,089	1,064,077	84,867,374
Interest on long-term debt	21,967,688	-	-
Total primary government	<u>\$ 1,017,236,900</u>	<u>\$ -</u>	<u>\$ 196,227,634</u>
<b>Component units:</b>			
Community College	\$ 100,870,265		\$ 22,969,328
ONCENTER Management Corporation	32,477		3,311
Housing Development Fund Company	727,743		841,717
Friends of Rosamond Gifford Zoo	2,608,891		2,185,188
OCIDA	342,057		556,005
Total component units	<u>\$ 104,581,433</u>		<u>\$ 26,555,549</u>

See notes to financial statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Position	
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Units
\$ 1,754,295	\$ 137,202	\$ (123,803,102)	\$ -
18,785,941	6,490,337	(32,434,563)	-
7,786,935	-	(139,434,007)	-
35,646,123	-	(52,161,430)	-
5,795,994	10,183,551	(32,396,997)	-
137,862,769	-	(160,733,613)	-
2,359,705	(45,106)	(27,776,328)	-
7,524,171	9,243,171	13,223,550	-
-	-	(21,967,688)	-
<u>\$ 217,515,933</u>	<u>\$ 26,009,155</u>	<u>(577,484,178)</u>	<u>-</u>

\$ 40,061,951	\$ -	-	(37,838,986)
-	-	-	(29,166)
-	-	-	113,974
704,557	-	-	280,854
-	-	-	213,948
<u>\$ 40,766,508</u>	<u>\$ -</u>	<u>-</u>	<u>(37,259,376)</u>

General revenues:

Real property taxes and tax items	150,423,597	-
Sales tax and use tax	339,658,462	-
Investment earnings	1,553,584	344,007
Tobacco settlement proceeds	6,817,145	-
Participation in debt service-external sources	656,747	-
Contributions other	-	41,962,045
Other revenue	-	6,693
County contributions	-	8,536,592
Special items (ONCENTER and Van Duyn transfer)	(7,046,875)	-
Total general revenues and special items	<u>492,062,660</u>	<u>50,849,337</u>
Change in net position	(85,421,518)	13,589,961
Net position-beginning as restated (see Note 16)	<u>674,615,032</u>	<u>98,164,873</u>
Net position-ending	<u>\$ 589,193,514</u>	<u>\$ 111,754,834</u>

**COUNTY OF ONONDAGA, NEW YORK**

**Balance Sheet  
Governmental Funds  
December 31, 2013**

	<u>General</u>	<u>Water Environment Protection</u>
<b>ASSETS</b>		
Cash, cash equivalents and investments	\$ 58,476,259	\$ 38,874,020
Deposits by contractors	-	-
Receivables:		
Property taxes (net of \$18,592,562 reserve)	43,594,507	-
Accounts receivable (net of \$4,266,611 reserve)	42,967,964	9,419,241
Due from state and federal governments	68,390,930	-
Due from other funds	13,227,685	-
Due from other governments	3,807,713	1,760
Inventories	-	-
Prepaid items	7,942,774	1,002,740
Restricted cash	-	-
Total assets	<u>\$ 238,407,832</u>	<u>\$ 49,297,761</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 11,359,544	\$ 1,655,830
Accrued liabilities	43,974,340	1,269,365
Contracts payable-retainage	2,457	-
Other liabilities	641,386	-
Due to other funds	1,300,000	-
Due to other governments	59,865,352	-
Total liabilities	<u>117,143,079</u>	<u>2,925,195</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	<u>24,313,022</u>	<u>4,737,877</u>
<b>FUND BALANCES</b>		
Nonspendable	7,942,774	1,002,740
Restricted	-	-
Committed	5,000,000	-
Assigned	16,326,067	40,631,949
Unassigned	67,682,890	-
Total fund balances	<u>96,951,731</u>	<u>41,634,689</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 238,407,832</u>	<u>\$ 49,297,761</u>

*See notes to financial statements.*

Debt Service	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 37,024,837	\$ 5,178,065	\$ 17,478,198	\$ 157,031,379
-	1,125,000	-	1,125,000
-	-	-	43,594,507
-	443,078	3,115,550	55,945,833
-	13,635,787	9,655,225	91,681,942
-	-	1,300,000	14,527,685
-	-	418,436	4,227,909
-	-	89,920	89,920
-	-	929,865	9,875,379
-	-	9,569,046	9,569,046
<u>\$ 37,024,837</u>	<u>\$ 20,381,930</u>	<u>\$ 42,556,240</u>	<u>\$ 387,668,600</u>
\$ -	\$ 13,937,974	\$ 4,589,615	\$ 31,542,963
-	10,644,034	2,821,365	58,709,104
-	2,635,627	-	2,638,084
-	-	4,664,778	5,306,164
-	12,387,498	840,187	14,527,685
-	98,310	1,102,129	61,065,791
-	39,703,443	14,018,074	173,789,791
-	5,194,615	3,923,650	38,169,164
-	-	1,019,785	9,965,299
18,740,055	2,517,575	8,624,581	29,882,211
-	-	-	5,000,000
18,284,782	-	15,338,688	90,581,486
-	(27,033,703)	(368,538)	40,280,649
<u>37,024,837</u>	<u>(24,516,128)</u>	<u>24,614,516</u>	<u>175,709,645</u>
<u>\$ 37,024,837</u>	<u>\$ 20,381,930</u>	<u>\$ 42,556,240</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,432,427,824
Long-term receivables due from other governments not reported in the funds	5,170,000
Inventories of automotive parts and road materials expensed as acquired in the funds.	7,765,328
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.	15,541,622
Deferred inflow including property taxes not available to pay for current-period expenditures and are therefore, deferred in the funds.	24,460,948
Deferred gain on defeased debt not reported in the funds.	(1,749,228)
Accrued interest not reported in the funds.	(5,850,731)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(1,064,281,894)
Net position of governmental activities	<u>\$ 589,193,514</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2013**

	<b>General</b>	<b>Water Environment Protection</b>
<b>REVENUES</b>		
Taxes:		
Real property taxes and tax items	\$ 151,112,855	\$ 1,709,382
Sales tax and use tax	333,549,272	-
Federal aid	88,438,753	-
State aid	86,981,571	-
Departmental	26,445,728	71,635,977
Service for other governments	17,248,068	1,688,732
Tobacco settlement proceeds	-	-
Interest on investments	751,745	77,277
Miscellaneous	7,073,257	566,821
Total revenues	711,601,249	75,678,189
<b>EXPENDITURES</b>		
Current:		
General government support	132,676,121	-
Education	44,611,060	-
Public safety	129,060,622	-
Health	49,128,022	-
Transportation	3,910,187	-
Economic assistance and opportunity	282,997,273	-
Culture and recreation	14,193,231	-
Home and community services	1,644,573	52,943,216
Debt service:		
Principal	-	-
Interest	-	-
Total expenditures	658,221,089	52,943,216
Excess (deficiency) of revenues over expenditures	53,380,160	22,734,973
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>		
Transfers in	2	-
Transfers out	(56,219,313)	(18,714,295)
Proceeds of long-term borrowings	-	-
Participation in debt service-external sources	-	-
Bond premium	-	-
Special items (ONCENTER and Van Duyn transfer)	-	-
Total other financing sources (uses) and special items	(56,219,311)	(18,714,295)
Net change in fund balance	(2,839,151)	4,020,678
Fund balances- beginning	99,790,882	37,614,011
Fund balances- ending	\$ 96,951,731	\$ 41,634,689

*See notes to financial statements.*

<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 152,822,237
-	367,789	5,741,401	339,658,462
-	18,284,679	19,719,617	126,443,049
-	7,724,476	22,375,992	117,082,039
-	-	25,155,233	123,236,938
-	69,999	25,556,461	44,563,260
-	-	6,817,145	6,817,145
179,519	325	505,912	1,514,778
-	240,730	9,455,340	17,336,148
<u>179,519</u>	<u>26,687,998</u>	<u>115,327,101</u>	<u>929,474,056</u>
377,165	8,645,829	1,803,487	143,502,602
-	13,891,845	-	58,502,905
-	686,704	5,310,978	135,058,304
-	1,895,979	59,394,059	110,418,060
-	24,675,838	24,778,287	53,364,312
-	-	12,594,290	295,591,563
-	5,721,410	23,048,399	42,963,040
-	96,666,768	15,090,244	166,344,801
30,999,102	-	2,070,000	33,069,102
15,282,280	-	5,102,294	20,384,574
<u>46,658,547</u>	<u>152,184,373</u>	<u>149,192,038</u>	<u>1,059,199,263</u>
<u>(46,479,028)</u>	<u>(125,496,375)</u>	<u>(33,864,937)</u>	<u>(129,725,207)</u>
37,593,547	15,306,542	36,443,577	89,343,668
-	(15,579)	(14,394,481)	(89,343,668)
-	67,870,000	-	67,870,000
656,747	41,928,274	-	42,585,021
8,451,437	-	-	8,451,437
-	-	(73,671)	(73,671)
<u>46,701,731</u>	<u>125,089,237</u>	<u>21,975,425</u>	<u>118,832,787</u>
222,703	(407,138)	(11,889,512)	(10,892,420)
36,802,134	(24,108,990)	36,504,028	186,602,065
<u>\$ 37,024,837</u>	<u>\$ (24,516,128)</u>	<u>\$ 24,614,516</u>	<u>\$ 175,709,645</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, 2013**

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

Net change in fund balances-total governmental funds (page 8)	\$ (10,892,420)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	70,052,447
Revenues reported in the statement of activities that are not reported as revenue in the governmental funds.	1,214,160
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.	(83,791,959)
Expenses reported in the statement of activities that are not reported as expenditures in the governmental funds.	(62,612,625)
Internal service funds are used by management to charge risk management activities to individual funds:	
The net increase of certain activities of the internal service funds is reported with governmental activities.	<u>608,879</u>
Change in net position of governmental activities (page 4)	<u><u>\$ (85,421,518)</u></u>

*See notes to financial statements*

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**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Net Position**  
**Internal Service Fund**  
**December 31, 2013**

**ASSETS**

Current assets:	
Cash, cash equivalents and investments	\$ 29,552,951
Receivables	<u>175,787</u>
Total current assets	<u>29,728,738</u>
Noncurrent assets:	
Unfunded claims receivable	<u>51,191,761</u>
Total noncurrent assets	<u>51,191,761</u>
Total assets	<u>80,920,499</u>

**LIABILITIES**

Current liabilities:	
Accounts payable and accrued liabilities	<u>2,669,527</u>
Total current liabilities	<u>2,669,527</u>
Noncurrent liabilities:	
Unpaid claim liabilities	<u>62,664,722</u>
Total noncurrent liabilities	<u>62,664,722</u>
Total liabilities	<u>65,334,249</u>

<b>DEFERRED INFLOW OF RESOURCES</b>	<u>44,628</u>
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**NET POSITION**

Unrestricted	<u>15,541,622</u>
Total net position	<u>\$ 15,541,622</u>

*See notes to financial statements.*

**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Fund**  
**For the Year Ended December 31, 2013**

<b>OPERATING REVENUES</b>	
Interdepartmental charges	\$ 87,395,480
Other charges	<u>17,424,893</u>
Total operating revenues	<u>104,820,373</u>
<b>OPERATING EXPENSES</b>	
Insurance premiums and benefits	98,736,616
Supplies	12,087
Contractual services	1,330,701
General and administrative	<u>4,170,896</u>
Total operating expenses	<u>104,250,300</u>
Operating income	<u>570,073</u>
Nonoperating revenue	
Interest income	<u>38,806</u>
Total nonoperating revenue	<u>38,806</u>
Change in net position	608,879
Total net position-beginning	<u>14,932,743</u>
Total net position-end	<u>\$ 15,541,622</u>

*See notes to financial statements.*

**COUNTY OF ONONDAGA, NEW YORK**  
**Statement of Cash Flows**  
**Internal Service Fund**  
**Year Ended December 31, 2013**

**Cash Flows From Operating Activities**

Receipts from interfund services provided	\$ 95,503,110
Payments for employee benefits	(82,692,114)
Payments for supplies and services	(3,993,612)
Payments for interdepartmental charges	<u>(6,103,478)</u>
Net cash provided by operating activities	2,713,906

**Cash Flows From Investing Activities**

Interest and earnings	<u>38,806</u>
Net increase in cash, cash equivalents and investments	2,752,712
Cash, cash equivalents and investments -beginning	<u>26,800,239</u>
Cash, cash equivalents and investments -ending	<u><u>\$ 29,552,951</u></u>

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

Operating income	\$ 570,073
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets, liabilities and deferrals:	
Increase in receivables	(9,311,115)
Decrease in accounts payable	(374,274)
Decrease in deferred inflow	(6,148)
Increase in accrued liabilities	563,645
Increase in unpaid claim liabilities	<u>11,271,725</u>
Net cash provided by operating activities	<u><u>\$ 2,713,906</u></u>

*See notes to financial statements.*

**COUNTY OF ONONDAGA, NEW YORK**

**Statement of Net Position**

**Fiduciary Funds**

**December 31, 2013**

	Cemetery Private Purpose <u>Trust Fund</u>	<u>Agency</u>
<b>ASSETS</b>		
Cash and investments	\$ <u>1,273,500</u>	\$ <u>13,036,538</u>
<b>LIABILITIES</b>		
Liabilities -Agency fund liabilities	<u>-</u>	<u>13,036,538</u>
<b>NET POSITION</b>	\$ <u><u>1,273,500</u></u>	\$ <u><u>-</u></u>

**COUNTY OF ONONDAGA, NEW YORK**

**Statement of Changes in Net Position**

**Fiduciary Funds**

**Year Ended December 31, 2013**

	Cemetery Private Purpose <u>Trust Fund</u>
<b>ADDITIONS</b>	
Departmental	\$ 112,006
Interest on investments	<u>1,838</u>
<b>Total additions</b>	<u>113,844</u>
<b>DEDUCTIONS</b>	<u>5,000</u>
Change in net position	108,844
Net position - beginning	<u>1,164,656</u>
Net position - ending	\$ <u><u>1,273,500</u></u>

*See notes to financial statements*

**COUNTY OF ONONDAGA, NEW YORK**  
**Combining Statement of Net Position**  
**Component Units**  
**December 31, 2013**

	<b>OCC</b>	<b>ONCENTER Management Corporation</b>
<b>ASSETS</b>		
Cash, cash equivalents and investments	\$ 25,761,015	\$ -
Accounts receivable (net of \$1,355,000 reserve)	21,109,731	-
Due from state and federal governments	1,670,115	-
Inventories	-	-
Prepaid items and other assets	23,843	-
Notes receivable	-	-
Endowment assets :		
Investments	-	-
Promises to give	-	-
Capital assets net of accumulated depreciation	132,107,620	-
Total assets	\$ 180,672,324	\$ -
<b>LIABILITIES</b>		
Accounts payable	\$ 5,955,532	\$ -
Accrued liabilities	2,444,935	-
Other liabilities	2,949,440	-
Due to other governments	332,393	-
Due to Onondaga County	-	-
Long term obligations and unpaid liabilities:		
Due in more than one year	40,466,220	-
Total liabilities	52,148,520	-
Deferred inflow of resources	25,257,032	-
<b>NET POSITION</b>		
Net investment in capital assets	132,107,620	-
Restricted for:		
Capital projects	7,466,569	-
Endowments	-	-
Loans	42,438	-
Unrestricted	(36,349,855)	-
Total net position	\$ 103,266,772	\$ -

*See notes to financial statements.*

Fund Company	Friends of Rosamond Gifford Zoo	OCIDA	Total Component Units
\$ 142	\$ 2,723,829	\$ 1,147,589	\$ 29,632,575
-	170,072	153,584	21,433,387
-	-	-	1,670,115
549,421	123,086	-	672,507
-	53,156	20	77,019
-	-	233,629	233,629
-	2,084,178	-	2,084,178
-	133,810	-	133,810
-	71,695	2,319,000	134,498,315
<u>\$ 549,563</u>	<u>\$ 5,359,826</u>	<u>\$ 3,853,822</u>	<u>\$ 190,435,535</u>
\$ 11,166	\$ 93,820	\$ 373,853	\$ 6,434,371
-	112,900	-	2,557,835
-	-	-	2,949,440
-	-	-	332,393
538,397	96,963	-	635,360
-	-	-	40,466,220
<u>549,563</u>	<u>303,683</u>	<u>373,853</u>	<u>53,375,619</u>
-	48,050	-	25,305,082
-	-	2,319,000	134,426,620
-	-	1,642	7,468,211
-	3,425,274	-	3,425,274
-	-	-	42,438
-	1,582,819	1,159,327	(33,607,709)
<u>\$ -</u>	<u>\$ 5,008,093</u>	<u>\$ 3,479,969</u>	<u>\$ 111,754,834</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Combining Statement of Revenues, Expenditures, and Changes in Net Position**  
**Component Units**  
**Year Ended December 31, 2013**

	<b>OCC</b>	<b>ONCENTER Management Corporation</b>
<b>Expenses:</b>		
Program operations	\$ 94,595,610	\$ 32,477
Depreciation	6,274,655	-
Total expenses	100,870,265	32,477
<b>Program revenues:</b>		
Charges for services	22,969,328	3,311
Operating grants and contributions	40,061,951	-
Total program revenues	63,031,279	3,311
Net program (expenses) revenues	(37,838,986)	(29,166)
<b>General revenues (expenses):</b>		
Contribution from (to) Onondaga County	9,307,000	(656,434)
Interest and investment income	20,825	283
Contributions from (to) other governments	41,962,045	-
Other revenue	-	-
Total general revenues (expenses)	51,289,870	(656,151)
Change in net position	13,450,884	(685,317)
Net position -beginning of year	89,815,888	685,317
Net position -end of year	\$ 103,266,772	\$ -

*See notes to financial statements.*

<u>Fund Company</u>	<u>Friends of Rosamond Gifford Zoo</u>	<u>OCIDA</u>	<u>Total Component Units</u>
\$ 727,743	\$ 2,588,827	\$ 342,057	\$ 98,286,714
-	20,064	-	6,294,719
<u>727,743</u>	<u>2,608,891</u>	<u>342,057</u>	<u>104,581,433</u>
841,717	2,185,188	556,005	26,555,549
-	704,557	-	40,766,508
<u>841,717</u>	<u>2,889,745</u>	<u>556,005</u>	<u>67,322,057</u>
113,974	280,854	213,948	(37,259,376)
(113,974)	-	-	8,536,592
-	318,734	4,165	344,007
-	-	-	41,962,045
-	-	6,693	6,693
<u>(113,974)</u>	<u>318,734</u>	<u>10,858</u>	<u>50,849,337</u>
-	599,588	224,806	13,589,961
-	4,408,505	3,255,163	98,164,873
<u>\$ -</u>	<u>\$ 5,008,093</u>	<u>\$ 3,479,969</u>	<u>\$ 111,754,834</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 ONCENTER Management Corporation. The County is governed by an elected County Executive and seventeen elected members of the County Legislature.

### **Financial Reporting Entity**

In accordance with GASB the basic financial statements of the County include the primary government and component units that are defined as legally separate organizations for which the primary government is financially accountable.

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 (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, 2013. The Community College is presented discretely as a component unit of the County.

#### **Onondaga County Convention Center/War Memorial Complex Management Corporation (ONCENTER Management Corporation)**

The ONCENTER Management Corporation is a separate not-for-profit corporation, which manages and operates the Onondaga County Convention Center/War Memorial Complex (the Complex) and other public and civic facilities owned by the County. The ONCENTER Management Corporation and the County operate under a Management Agreement (the Agreement), which defines each party's duties and responsibilities in regard to the Complex. Under the Agreement, the ONCENTER Management Corporation is responsible for the management, operation and maintenance of the Complex, so as to maximize economic opportunities and social benefits to the residents of the County and New York State. The County will appropriate each year from its annual budget, principally from room occupancy tax revenues, funds sufficient to cover the expected excess of costs and expenses over receipts and revenues incurred by the ONCENTER Management Corporation in the performance of its obligations. The County is also responsible for funding a capital reserve for future repairs and replacements to the Complex, which are beyond annual preventative maintenance costs. The County subsidizes a substantial portion of the ONCENTER Management Corporation's operations. The Corporation is presented discretely as a component unit of the County. (See Transfer of Operations Note on Page 22.)

#### **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.

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

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 2013 financial statements were not available for incorporation into these financial statements. As a result, their 2012 year-end financial information is presented.

**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 there is a financial benefit/burden relationship. 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.

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

Onondaga Community College  
Onondaga Hill, Syracuse, New York 13215

ONCENTER  
800 South State Street,  
Syracuse, New York 13202

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

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

Based on the foregoing criteria described in the first paragraph, the following organizations are not part of the County's reporting entity: Onondaga County Resource Recovery Agency, Onondaga County Water Authority and Central New York Regional Planning Board.

**Government-wide and Fund Financial Statements**

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

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

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the internal service funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

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

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

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.

**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:

**Nonmajor Special Revenue Funds**

The Nonmajor Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes including the general grants, ONCENTER fund, county road, road machinery, water, Van Duyn Extended Care Facility, library, library grants, and community development funds.

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

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

**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. Private purpose 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.

**Transfer of Operations****ONCENTER Management Corporation**

County Resolution 103 adopted on June 5, 2012 amended the management agreement between the County and the ONCENTER Management Corporation, a discreetly presented component unit. The resolution called for the dissolution of the ONCENTER Management Corporation and the operation of the convention center/war memorial complex to be shifted back to the County as a special revenue fund, ONCENTER Fund, beginning on July 1, 2012. The County has contracted with SMG to run the day to day operations on a fee for service basis. ONCENTER Management Corporation began transferring assets and liabilities to the County's ONCENTER Fund in July 2012 and the transfer was completed in 2013. The transfer was recorded in accordance with GASB 69, *Government Combinations and Disposals of Government Operations*, which the County elected to early implement as of January 1, 2012. This Statement provides specific accounting and financial reporting guidance for combinations in the governmental environment. For the year ended December 31, 2013, the following assets and liabilities have been transferred to County.

**Van Duyn Home and Hospital**

In 2012, the Legislature authorized the sale of Van Duyn Home and Hospital, the County's 513-bed nursing home, and declared its intent for the County to be out of the business of providing residential nursing services. The County sold the assets of Van Duyn Home and Hospital to the Onondaga Civic Development Corporation (OCDC) in January 2013. Within such sale documents, the County reserved to itself sufficient rights to operate the facility until the facility was able to be sold to a subsequent third party operator approved by the New York State Department of Health. The net value of Van Duyn's assets transferred to OCDC was \$11,973,204. Long term liabilities associated with these assets remain with the County. The term of this lease expired as of November 30, 2013, the date that the County sold Van Duyn to 5075 W. Seneca Tpke., LLC (the Buyer). In consideration of the sale, the Buyer agreed to pay the County a total of \$5 million. The Buyer paid \$50,000 to OCDC and \$50,000 directly to the County in 2013. The balance of \$4.9 million will be paid in equal monthly installments over the next 5 years. The amounts will be paid to OCDC in the first instance and then OCDC will remit those payments to the County. As of December 31, 2013, the following assets and liabilities have been transferred to the Buyer.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	<u>ONCENTER Fund</u>	<u>Van Duyn Fund</u>	<u>Total</u>
Cash, cash equivalents and investments	\$ 535,701	\$ (2,000,000)	
Inventories	-	(162,131)	
Accrued liabilities	-	(1,080,534)	
Net patient revenues	-	2,658,821	
Expenditures - health	-	(25,528)	
<b>Fund Balance Transferred - Special Item: Statement of Revenues, Expenditures and Changes in Fund Balance</b>	<b>\$ 535,701</b>	<b>\$ (609,372)</b>	<b>\$ (73,671)</b>
Proceeds from sale	\$ -	\$ 5,000,000	
Capital Assets	-	\$ (11,973,204)	
<b>Net Position Transferred - Special Item: Statement of Activities</b>	<b>\$ 535,701</b>	<b>\$ (7,582,576)</b>	<b>\$ (7,046,875)</b>

**Inventories**

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

**Capital Assets**

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

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

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

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

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

<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).

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Deferred Inflows/Outflows**

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

In addition to liabilities, the statement of net position reports a separate section or 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. Premium on debt issuance of \$20,905,916 and gain on defeased debt of \$1,749,228 are deferred and will be amortized over the life of the related debt on the government-wide statements. On the governmental funds balance sheet, the deferral is made up of \$24,460,947 of unavailable property taxes and \$13,708,217 of unearned program income.

**Compensated Absences**

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

**Long-term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures in the functional categories of expense.

**Patient Service Revenues – Van Duyn**

The Facility has agreements with third-party payors that provide for payments to the Facility at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Participation in Debt Service - External Sources**

Included in other financing sources in the Debt Service Fund and Capital Projects Fund are proceeds pertaining to the participation in the County's debt service by local corporations and other governments. For the year ended December 31, 2013, such amounts were comprised of the following:

The Debt Service Fund amount of \$656,747 consists of funds received from the Federal Government interest subsidies and New York State Office of Court Administration to defray capital costs associated with energy conservation projects and improvements to the County's court facilities respectively.

The amount of \$41,928,274 in the Capital Projects Fund relates to funding received from the NYS Environmental Facilities Corporation (EFC) to help fund the clean-up of Onondaga Lake.

**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.

**Equity Classifications**

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

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

**Nonspendable fund balance** - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes inventory and prepaid expenses recorded in the Governmental Funds of \$9,965,299.

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

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

**Assigned** - Includes amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor nonspendable. All positive amounts related to funds other than the General Fund that are not otherwise classified as nonspendable or restricted are classified as assigned. In the General Fund,

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

encumbrances, appropriated fund balance and Management designations are classified as assigned. Encumbrances at year end 2013 totaled \$3,435,615. The County has appropriated \$2,493,315 to the 2014 budget. In addition, Management has designated \$10,397,137 for debt avoidance and property tax relief. The total assigned General Fund amount is \$16,326,067.

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

### **Jointly Governed Organizations**

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

### **Use of Estimates**

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

### **Subsequent Events**

Subsequent events have been evaluated by management through April 17, 2014, which is the date of the financial statements were available to be issued.

## 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 \$1,432,427,824 difference can be found in the Summary of Changes in Capital Assets on page 30. 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 \$1,064,281,894 difference can be found in the Changes in Long-term Obligations section of these notes on page 34.

### **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

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

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	\$ 127,323,236
Depreciation Expense	<u>(57,270,789)</u>
Net adjustment to increase net changes in fund balances total government funds to arrive at changes in net position of governmental activities	<u>\$ 70,052,447</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	\$ 70,846,859
Additional loans	41,378,930
Plus Premium	8,451,437
Principal repayments:	
General obligation debt	(25,888,000)
Loan payments	(8,880,807)
Amortization of gain on defeased debt	(157,726)
Amortization of premium (amortized against interest expense)	(1,986,549)
Amortization of issuance discounts (amortized as interest expense)	<u>27,815</u>
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 83,791,959</u>

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

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

The details of this difference are as follows:

Tax certiorari	\$ (51,000)
Compensated absences	(722,196)
Judgments and claims	783,629
Postemployment benefits	55,224,341
Workers' compensation	7,471,839
Accrued interest	721,397
Inventory adjustment	<u>(815,385)</u>
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 62,612,625</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 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 \$210,463,414 and the bank balance was \$209,611,510. Of these amounts, \$8,748,914 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	\$ 4,250,000
Amount collateralized with securities held by the pledging financial institution's trust department or its agent in the County's name	<u>205,361,510</u>
Total bank balance	<u>\$ 209,611,510</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

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

All County investments are category 1.

U.S. Government Securities	\$ 29,243,038
Commercial Paper-OTASC	8,384,289
Money Market Funds-OTASC	240,292
Total Investments	<u>\$ 37,867,619</u>

At December 31, 2013 the carrying amount of the County’s short-term investments approximates fair value (based on quoted market prices).

**4. PROPERTY TAXES AND COLLECTION**

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

The County’s property tax calendar is as follows:

Assessment date.....	July 1, 2012
Levy date.....	December 31, 2012
Lien date.....	July 1, 2013
Due date.....	January 1, 2013
Penalties and interest are added.....	February 1, 2013 1.0%
	March 1, 2013 1.5%
Tax sale-2012 delinquent taxes.....	October 1, 2013
Tax auction-2008 prior delinquent taxes.....	November 15, 2013

Uncollected school taxes assumed by the County as a result of settlement proceedings are reported as receivables in the General Fund to maintain central control and provide for tax settlement and enforcement proceedings. The portion of the receivable that represents taxes relieved for schools in the amount of \$20,362,561 is included in the liability due to other governments at December 31, 2013. 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, 2013 was .44% of the five-year average full assessed valuation of taxable real property.

**5. NEW PRONOUNCEMENTS**

As of January 1, 2013, the County adopted the provision of GASB Statement No. 61 – *The Financial Reporting Entity: Omnibus an amendment of GASB Statement No. 14 and No. 34*. This statement modifies certain requirements for inclusion of component units in the financial reporting entity by requiring that a financial benefit or burden relationship also be present between the primary government and the potential component unit. The implementation of this guidance did not have a significant impact on the County’s financial statements.

**5. NEW PRONOUNCEMENTS (continued)**

As of January 1, 2013, the County adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement clarifies the appropriate reporting for items previously classified as assets and liabilities consistent with the definitions in GASB Concepts Statement No. 4. The implementation of this guidance affected the financial statements by causing the County to expense its bond issuance costs. The effect was a retroactive restatement resulting in a decrease in beginning net position of approximately \$2.1 million from the amount previously reported for year ended December 31, 2012. (See Note 16.)

On January 1, 2013, the County implemented GASB Statement No. 66, *Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62*. This statement clarifies and improves accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that result from the issuance of two pronouncements, GASB Statement No. 54 and GASB Statement No. 62. The implementation of this guidance did not have a significant impact on the County’s 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, 2013	Additions	Reductions	Balance December 31, 2013
Capital assets, not being depreciated				
Land	\$ 20,477,562	\$ 6,690	\$ -	\$ 20,484,252
Intangible Asset	29,750,000	-	-	29,750,000
Construction in progress	392,877,877	136,481,387	(54,466,233)	474,893,031
Total capital assets, not being depreciated	<u>443,105,439</u>	<u>136,488,077</u>	<u>(54,466,233)</u>	<u>525,127,283</u>
Capital assets, being depreciated:				
Land improvements	25,771,590	52,992	(2,725,777)	23,098,805
Buildings	326,383,812	-	(18,676,335)	307,707,477
Building improvements	157,407,964	11,344,807	(19,221,365)	149,531,406
Equipment	125,122,058	6,975,100	(9,793,175)	122,303,983
Infrastructure	1,279,440,203	39,012,501	-	1,318,452,704
Total capital assets, being depreciated	<u>1,914,125,627</u>	<u>57,385,400</u>	<u>(50,416,652)</u>	<u>1,921,094,375</u>
Less accumulated depreciation for:				
Land improvements	(12,070,787)	(871,961)	2,436,817	(10,505,931)
Buildings	(209,063,888)	(9,077,179)	15,278,144	(202,862,923)
Building improvements	(88,287,169)	(3,453,621)	12,998,120	(78,742,670)
Equipment	(80,043,976)	(7,500,433)	7,619,563	(79,924,846)
Infrastructure	(605,389,869)	(36,367,595)	-	(641,757,464)
Total accumulated depreciation	<u>(994,855,689)</u>	<u>(57,270,789)</u>	<u>38,332,644</u>	<u>(1,013,793,834)</u>
Total capital assets, being depreciated, net	<u>919,269,938</u>	<u>114,611</u>	<u>(12,084,008)</u>	<u>907,300,541</u>
Net capital assets-Governmental Activities	<u>\$ 1,362,375,377</u>	<u>\$ 136,602,688</u>	<u>\$ (66,550,241)</u>	<u>\$ 1,432,427,824</u>

**7. CAPITAL ASSETS (continued)**

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

**Governmental Activities:**

General government	\$	7,374,453
Public Safety		6,324,485
Health		178,763
Transportation		21,829,849
Economic assistance and opportunity		27,883
Culture and Recreation		4,954,440
Home and community services		16,580,916
Total depreciation expense-Governmental Activities	<u>\$</u>	<u>57,270,789</u>

A summary of changes in the capital assets of the Community College at August 31, 2013 is as follows:

	Balance September 1, 2012	Additions	Reductions	Balance August 31, 2013
Capital assets, not being depreciated				
Construction in progress	\$ 11,702,856	\$ 18,499,481	\$ -	\$ 30,202,337
Total capital assets, not being depreciated	<u>11,702,856</u>	<u>18,499,481</u>	<u>-</u>	<u>30,202,337</u>
Capital assets, being depreciated:				
Land and building improvements	78,090,970	2,204,340	(200,030)	80,095,280
Buildings	100,137,661	663,853	(438,472)	100,363,042
Equipment	18,527,697	447,807	(576,538)	18,398,966
Library books	529,744	56,366	(62,209)	523,901
Total capital assets, being depreciated	<u>197,286,072</u>	<u>3,372,366</u>	<u>(1,277,249)</u>	<u>199,381,189</u>
Less accumulated depreciation for:				
Improvements	(26,261,227)	(2,755,307)	-	(29,016,534)
Buildings	(51,044,832)	(2,234,310)	-	(53,279,142)
Equipment	(14,261,923)	(1,232,356)	568,404	(14,925,875)
Library books	(263,882)	(52,682)	62,209	(254,355)
Total accumulated depreciation	<u>(91,831,864)</u>	<u>(6,274,655)</u>	<u>630,613</u>	<u>(97,475,906)</u>
Total capital assets, being depreciated, net	<u>105,454,208</u>	<u>(2,902,289)</u>	<u>(646,636)</u>	<u>101,905,283</u>
Net capital assets-Community College	<u>\$ 117,157,064</u>	<u>\$ 15,597,192</u>	<u>\$ (646,636)</u>	<u>\$ 132,107,620</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, 2013, the County had utilized 13.4% of its statutory debt limit. Details relating to bonds payable at December 31, 2013 are summarized as follows:

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

<u>Description of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Total</u>
<u>General Obligation Bonds:</u>			
General Obligation, 1996	2015	4.40-5.00%	\$ 6,000
General Obligation, 2003	2014	2.00-5.85%	950,000
General Obligation, 2005	2026	3.625-4.25%	7,805,000
General Obligation, 2006	2026	3.50-5.00%	21,100,000
General Obligation, 2007	2027	3.75-5.00%	17,500,000
General Obligation, 2009	2029	4.00-5.00%	49,450,000
General Obligation, 2009	2023	2.00-5.00%	23,945,000
General Obligation, 2010	2019	4.00-5.00%	21,775,000
General Obligation, 2010	2026	4.25-5.15%	17,570,000
General Obligation, 2010	2030	5.50-5.90%	4,905,000
General Obligation, 2011	2030	3.00-5.00%	31,500,000
General Obligation, 2012	2037	3.00-5.00%	51,425,000
General Obligation, 2012	2025	2.00-5.00%	17,855,000
General Obligation, 2013	2033	4.00-5.00%	67,870,000
			<u>333,656,000</u>
<u>OTASC:</u>			
Tobacco Settlement Pass-Through Bonds, Series 2001	2043	5.00-6.00%	89,070,000
Tobacco Settlement Pass-Through Bonds, Series 2005	2060	6.00-7.15%	47,893,003
			<u>\$ 470,619,003</u>

The annual requirements and sources to amortize debt on outstanding bonds as of December 31, 2013 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 27,503,000	\$ 20,087,914	\$ 47,590,914
2015	31,703,000	17,741,962	49,444,962
2016	29,040,000	16,408,812	45,448,812
2017	29,040,000	15,118,438	44,158,438
2018	29,405,000	13,891,445	43,296,445
2019-2023	121,165,000	53,874,178	175,039,178
2024-2028	79,885,000	32,660,297	112,545,297
2029-2033	40,565,000	18,930,496	59,495,496
2034-2038	22,245,000	46,484,675	68,729,675
2039-2043	22,059,768	4,497,794	26,557,562
2050	15,616,759	126,233,419	141,850,178
2055	8,564,150	130,489,948	139,054,098
2060	13,827,326	342,240,747	356,068,073
	<u>\$ 470,619,003</u>	<u>\$ 838,660,125</u>	<u>\$ 1,309,279,128</u>

**Obligations Authorized Unissued**

At December 31, 2013, the County has obligations authorized and unissued of \$282,323,270, the proceeds of which are to be used for sewer, road and general capital purposes.

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

**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, 2013 by issue is shown below:

Public Improvement 1994	\$	1,000,000
General Obligation Bonds 1996		994,000
General Obligation Bonds 1998		7,200,000
General Obligation Bonds 1999		5,000,000
General Obligation Bonds 2001		9,150,000
General Obligation Bonds 2002		18,600,000
General Obligation Bonds 2003		12,600,000
General Obligation Bonds 2004		6,300,000
General Obligation Bonds 2005		7,895,000
	<u>\$</u>	<u>68,739,000</u>

**Other Loans Payable**

The State has made available to the County loans from the State Pollution Control Revolving Fund in the amount of \$461,058,159, of which \$200,942,657 is outstanding at December 31, 2013. The notes mature serially in varying annual amounts through 2036, with interest ranging from 0.281% to 6.55%, payable annually. The County has recorded the full amount of loans made available less any repayments remitted. Proceeds from these loans are recognized as participation in debt-external sources in the Capital Projects Fund when eligible expenditures are reimbursed by the State Pollution Control Revolving Fund. During 2013, EFC refunded a prior State Clean Water and Drinking Water Revolving Funds (SRF) bond issues with new bond issued at lower current-market interest rate. The refunding/refinancing amount of prior SRF bond issues for Onondaga County is \$2,555,000. In 2010, the County recognized an intangible asset in the amount of \$29,750,000 for water rights to Lake Ontario. At January 1, 2013, the County still owed \$4,000,000 to the City of Oswego for those rights. The County paid \$1,000,000 in 2013 and will pay \$1,000,000 each year through 2016.

At December 31, 2013 principal payments required on other loans payable are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 69,299,695	\$ 5,480,737	\$ 74,780,432
2015	9,061,474	5,246,110	14,307,584
2016	9,201,180	4,993,200	14,194,380
2017	8,346,180	4,722,072	13,068,252
2018	8,506,180	4,431,478	12,937,658
2019-2023	40,452,948	17,424,753	57,877,701
2024-2028	30,345,000	9,842,086	40,187,086
2029-2033	19,990,000	4,321,565	24,311,565
2034-2036	8,740,000	670,443	9,410,443
	<u>\$ 203,942,657</u>	<u>\$ 57,132,444</u>	<u>\$ 261,075,101</u>

**OCIDA**

Through December 31, 2013, OCIDA has issued approximately \$2.57 billion of industrial development and pollution control financing on behalf of county businesses. Of this total, none was issued in the year ended December 31 2013.

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

**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, 2013 was \$418,436. There were additions of \$205,214 and reductions of \$85,253 during 2013 resulting in an ending balance as of December 31, 2013 of \$538,397.

**Changes in Long-Term Obligations**

Long-Term obligation activity at December 31, 2013, is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Serial Bonds	\$ 289,604,000	\$ 67,870,000	\$ (23,818,000)	\$ 333,656,000	\$ 26,498,000
OTASC Tobacco settlement bonds	136,056,144	2,976,859	(2,070,000)	136,963,003	1,005,000
Plus Premium on serial bonds	14,441,028	8,451,437	(1,986,549)	20,905,916	-
Less issuance discounts-OTASC	(846,027)	-	27,815	(818,212)	-
Net bonds payable	439,255,145	79,298,296	(27,846,734)	490,706,707	27,503,000
Tax certiorari	1,261,000	241,161	(292,161)	1,210,000	266,000
Compensated absences	13,571,668	18,780,566	(19,502,762)	12,849,472	9,159,251
Judgments and claims	14,471,924	7,709,008	(6,925,379)	15,255,553	47,422
Loans	171,444,534	41,378,930	(8,880,807)	203,942,657	69,299,695
Postemployment benefits	253,317,551	55,224,341	-	308,541,892	-
Due to agencies	1,296,189	-	-	1,296,189	-
Workers Compensation	23,007,585	7,471,839	-	30,479,424	-
Total Governmental activities	<u>917,625,596</u>	<u>210,104,141</u>	<u>(63,447,843)</u>	<u>1,064,281,894</u>	<u>106,275,368</u>
<b>Component Units:</b>					
Community College:					
Postemployment benefits	36,009,624	4,314,424	-	40,324,048	-
Compensated absences	49,985	92,187	-	142,172	-
Total Component Units	<u>\$ 36,059,609</u>	<u>\$ 4,406,611</u>	<u>\$ -</u>	<u>\$ 40,466,220</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, 2013 is as follows:

<u>Project</u>	<u>Authorization</u>	<u>Expended</u>
Old Rte. 5 Repaving Construction	\$ 6,885,000	\$ 3,738,735
Metro Waste Water Treatment Plant Grit Handling	5,600,000	416,990
Oak Orchard	12,405,000	-
Central Library Reconfiguration	5,200,000	45,674
Civic Center Windows Systems Replacement	7,000,000	717,716
Parks Roads, Parking and Trail	6,439,188	3,431,223
Electronics Park Trunk Sewer	10,000,000	2,398,392
Terminal Reservoir Tank	34,290,000	20,963,531
ACJ Clinton Street Conveyances	181,773,548	148,755,021
ACJ Harbor Brook In Water Treatment	101,873,452	85,748,292
ACJ Midland Avenue Conveyance Engineering	132,482,668	93,655,762
People Soft	9,887,416	9,032,692
Thompson Road	6,500,000	4,882,659
ACJ Sewer Separation	24,179,647	22,834,546
Fremont Road over CSX Design Bridge	6,002,000	4,545,926
Comprehensive Energy & Asset Renovation	14,000,000	-
Repaving 2013	6,830,759	5,188,402

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, 2013 have been reflected as restricted fund balance in the Capital Projects Fund.

**10. RETIREMENT BENEFITS**

The County participates in the New York State and Local Employees' Retirement System (ERS), a defined benefit, cost sharing multiple-employer retirement plan. The ERS provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the ERS. The Comptroller shall adopt and may amend rules and regulations for the control of the funds. The ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244. The ERS is noncontributory except for employees who joined the ERS after July 27, 1976. Employees hired before January 1, 2010 contribute 3% of their salary and after ten years of service, the ERS becomes non-contributory for those employees as well. Those employees hired after January 1, 2010 contribute 3% of their salary for all of their years of public service and there is a limitation on the amount of overtime that can be included as wages. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The County is required to contribute an actuarially determined rate. The required contributions at December 15 for the years 2013, 2012, and 2011 were \$44,459,788, \$42,788,760, and \$42,155,931, respectively. The County's contributions made to the ERS were equal to 100% of the contributions required for each year.

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

The Community College provides retirement benefits to all full time employees (part-time employees may elect to become participants) through their participation in one of three retirement plans: the New York State Employees Retirement System (defined benefit plan), New York State Teachers Retirement System (defined benefit plan) or the optional defined contribution retirement plan (TIAA-CREF). New York State law provides that employees who were participants prior to July 1, 1976 are noncontributory and those who became participants on or after July 1, 1976 must contribute 3% of their total earnings. After ten years of service, the ERS becomes non-contributory for those employees as well. The Community College's policy is to accrue pension expense which amounted to \$5,130,923, \$4,567,639, and \$4,243,824, for the years ended August 31, 2013, 2012, and 2011, respectively.

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

**Retiree Benefits**

In addition to providing pension benefits, the County provides certain health insurance benefits to approximately 3,579 retired employees, survivors and dependents under its self-insured health program (Note 13).

Substantially all of the County's employees may become eligible for these benefits if they reach normal retirement age while working for the County. The County has 1,758 retirees in its self-insurance plan and the cost of providing to these retirees during 2013 was approximately \$21.2 million. The County also instituted a Medicare advantage plan in 2013 and moved 1,821 Medicare eligible retirees, survivors and dependents into this plan. The premium cost to the County was \$2.5 million. Retirees' obligation to contribute to these benefits is dependent upon the plan options offered by the County. Total retiree contributions were \$3,817,804 during 2013.

**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 2013, the County contributed \$22.1 million to the plan. Plan members receiving benefits contributed \$3.8 million.

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

**10. RETIREMENT BENEFITS (continued)**

Annual required contribution	\$	81,384,837
Interest on net OPEB obligation		10,765,996
Adjustment to annual required contribution		(11,052,140)
Annual OPEB cost		81,098,693
Contributions		(25,874,352)
Increase in net OPEB obligation		55,224,341
Net OPEB obligation-beginning of year		253,317,551
Net OPEB obligation-end of year	\$	<u>308,541,892</u>

*Three-year Trend Information*

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
12/31/2011	\$ 68,350,744	32.0%	\$ 201,312,214
12/31/2012	\$ 76,072,461	31.6%	\$ 253,317,551
12/31/2013	\$ 81,098,693	31.9%	\$ 308,541,892

*Funded Status and Funding Progress.* As of January 1, 2013, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$973.2 million, and there were no plan assets. The covered payroll (annual payroll of active employees covered by the plan) was \$183.2 million, and the ratio of the liability to the covered payroll was 531%.

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, 2013 actuarial valuation the projected unit credit cost method was used. The actuarial assumptions included a 4.25% investment rate of return, which is based on the portfolio of the County's general assets used to pay these benefits and an annual medical and prescription cost trend of 6.7% initially, decreasing to 4.3% for all benefits after 70 years. The UAAL is being amortized based on a level percentage of payroll. The remaining amortization period at December 31, 2013, is twenty-three years.

**11. OPERATING TRANSFERS**

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

The following is a summary of operating transfers for the year ended December 31, 2013:

Operating Transfers To:	Major Governmental Funds			Operating Transfers From:						Totals
	General Fund	Water Environment Protection	Capital Projects Fund	General Grants Fund	County Road Fund	Water Fund	Van Dуйn	Library Fund		
<b>Major Governmental Funds:</b>										
General Fund	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ 2	
Debt Service Fund	17,321,886	13,532,288	15,579	-	5,288,949	615,552	549,293	270,000	37,593,547	
Capital Projects Fund	2,853,850	4,782,007	-	-	6,930,685	590,000	120,000	30,000	15,306,542	
<b>Nonmajor Governmental Funds:</b>										
General Grants Fund	4,896,095	400,000	-	-	-	-	-	-	5,296,095	
County Road Fund	23,872,742	-	-	-	-	-	-	-	23,872,742	
Road Machinery Fund	1,997,279	-	-	-	-	-	-	-	1,997,279	
Library Fund	5,277,461	-	-	-	-	-	-	-	5,277,461	
<b>Total</b>	<b>\$ 56,219,313</b>	<b>\$ 18,714,295</b>	<b>\$ 15,579</b>	<b>\$ 2</b>	<b>\$ 12,219,634</b>	<b>\$ 1,205,552</b>	<b>\$ 669,293</b>	<b>\$ 300,000</b>	<b>\$ 89,343,668</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, 2013 are summarized as follows:

<b><u>DUE TO:</u></b>	<b><u>Major Funds</u></b>		<b><u>Nonmajor Funds</u></b>	
	<b><u>GENERAL FUND</u></b>	<b><u>CAPITAL PROJECTS FUND</u></b>	<b><u>COMMUNITY DEVELOPMENT</u></b>	<b><u>TOTAL</u></b>
Major Fund - General Fund	\$ -	\$ 12,387,498	\$ 840,187	\$ 13,227,685
Nonmajor Fund - Library Fund	1,300,000	-	-	1,300,000
<b>Total</b>	<b>\$ 1,300,000</b>	<b>\$ 12,387,498</b>	<b>\$ 840,187</b>	<b>\$ 14,527,685</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.

**13. RISK MANAGEMENT (continued)**

The claims liability of \$62,664,722 reported at December 31, 2013 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the reported liabilities during fiscal year 2012 and 2013 were as follows:

	Balance January 1, 2012	Claims and Changes in Estimates	Claim Payments	Balance December 31, 2012
Workers' Compensation	\$ 30,630,887	\$ 10,322,297	\$ (8,418,914)	\$ 32,534,270
Judgments and Claims	14,877,803	1,022,462	(1,428,341)	14,471,924
Medical & Dental	4,061,927	71,716,542	(71,391,666)	4,386,803
	<u>\$ 49,570,617</u>	<u>\$ 83,061,301</u>	<u>\$ (81,238,921)</u>	<u>\$ 51,392,997</u>
	Balance January 1, 2013	Claims and Changes in Estimates	Claim Payments	Balance December 31, 2013
Workers' Compensation	\$ 32,534,270	\$ 20,450,432	\$ (10,126,539)	\$ 42,858,163
Judgments and Claims	14,471,924	7,709,008	(6,925,379)	15,255,553
Medical & Dental	4,386,803	82,230,220	(82,066,017)	4,551,006
	<u>\$ 51,392,997</u>	<u>\$ 110,389,660</u>	<u>\$ (99,117,935)</u>	<u>\$ 62,664,722</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, 2013 and available information at the time of this report.

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

The County has contracted with a third-party administrator to manage its self-insurance program which provides certain medical benefits to all active and retired employees (Note 10). The carrying amount of the liability includes estimates of reported and unreported claims as of December 31, 2013.

**14. TAX CERTIORARI CLAIMS**

The County has accrued \$1,210,000 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") for the settlement of litigation commenced in 1988 which alleged violations of the Clean Water Act in the discharge of wastewater into Onondaga Lake from the Metropolitan Sewage Treatment Plant ("Metro") and combined sewer overflow ("CSO") outfalls. The settlement set forth a plan of required upgrades and other measures to address bacteria, ammonia and phosphorus in lake waters contributed to by said discharges. The ACJ was filed in the U.S. District Court for the Northern District of New York.

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

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

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

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

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

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

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

In March 2012, the NYSDEC released draft phosphorus 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 .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 .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

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

the NYSDEC 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. OCDWEP estimates that the cost of complying with the optimization and bypass reduction program required to assure that phosphorus discharges from Metro remain below the maximum loadings to the Onondaga Lake allowed by the TMDL will be in the range of \$34.4 million. It is worth noting that these costs include an estimated \$14.2 million bypass reduction project also required to enable the Metro plant to comply with revised effluent limits for chlorine residuals.

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

**FINANCIAL CONSIDERATIONS:** To meet the objectives of the ACJ, the County has been required to undertake a number of capital projects and related monitoring activities. Construction of these ACJ projects commenced in 1998. To date, over thirty (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.

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

All regulatory mandates associated with the 2009 ACJ amendment have thus far been met and all necessary approvals have been received with the exception of approval for the CSO floatables Facilities Plan. The County is currently in discussions with the NYSDEC about potential pathways for achieving the goals associated with the subject plan. Construction continues for several large-scale CSO projects, including Clinton CSO Storage, Harbor Brook CSO Storage, and CSO 003 and 004 Conveyances; all have been placed into operation within compliance due dates. Planning level costs are known for the majority of all other ACJ projects (including green infrastructure).

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

The State has appropriated \$74.9 million of the Clean Water/Clean Air Environmental Bond Act funds for projects covered under the ACJ. In addition to aid through the Environmental Bond Act, based on pledges by state officials, the County also planned on receiving approximately \$85 million in supplemental funding over the 15 years of the project as initially scheduled in the 1998 ACJ. To date, \$88 million has been received from other New York State sources. The federal government has already appropriated \$122.1 million in federal funds (inclusive of assistance from the U.S. Army Corps of Engineers). Short-term funding of \$20 million for the Harbor Brook Project has been extended under the ARRA program and this project is eligible for up to 50% loan forgiveness (up to \$10.9 million). In addition, the County has received \$12.2 million in funds from

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

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 \$132.3 million in EFC long term loans to fund lake projects. The County anticipates \$246 million in local funding for the gross capital costs associated with the ACJ in its Capital Improvement Plan.

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

**16. RESTATEMENT – GOVERNMENTAL ACTIVITIES**

On January 1, 2013 the County implemented GASB 65 (per Note 5). As such, expenses associated with OTASC bond issuance costs were understated by \$2,130,647 at December 31, 2013. The net effect of the adjustment on governmental activities net position is as follows:

Net Position Previously Reported December 31, 2012	<u>Effect of Restatement</u>	Net Position Restated at January 1, 2013
\$ 676,745,679	\$ (2,130,647)	\$ 674,615,032

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**REQUIRED**

**SUPPLEMENTARY INFORMATION**

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Fund**  
**Year Ended December 31, 2013**

	Budgeted Amounts		Non-GAAP	Variance
	Original	Final	Actual	Favorable
			Amounts	(Unfavorable)
Budgetary fund balance, January 1	\$ 8,043,881	\$ 15,024,276	\$ 2,839,150	\$ (12,185,126)
Resources (inflows):				
Real property taxes County wide	135,885,730	135,885,730	141,027,126	5,141,396
Other real property tax items	9,020,821	9,020,821	10,085,729	1,064,908
Sales tax and use tax	335,048,916	335,048,916	333,549,272	(1,499,644)
Federal aid	90,132,834	90,415,520	88,438,753	(1,976,767)
State aid	92,979,274	93,000,874	86,981,571	(6,019,303)
Charges for services	100,130,038	100,617,038	90,817,258	(9,799,780)
Miscellaneous	5,361,533	5,378,452	7,073,257	1,694,805
Interest on Investments	588,929	588,929	751,745	162,816
Amounts available for appropriation	<u>777,191,956</u>	<u>784,980,556</u>	<u>761,563,861</u>	<u>(23,416,695)</u>
Charges to appropriations (outflows):				
General government support:				
Center for forensic science	6,688,311	7,320,096	2,961,609	4,358,487
County clerk	3,955,399	5,279,448	5,211,243	68,205
County comptroller	3,226,445	3,286,880	3,026,639	260,241
County executive	1,620,032	1,621,500	1,551,109	70,391
County legislature	2,233,919	2,343,292	2,149,504	193,788
County special expense	7,049,582	6,054,625	6,040,008	14,617
District attorney	9,935,866	9,903,491	9,705,025	198,466
Elections board	2,576,516	2,530,966	2,297,952	233,014
Facilities management	18,927,108	19,311,940	18,331,697	980,243
Finance administration	2,326,767	2,342,765	1,594,550	748,215
Finance, county wide allocations	84,326,190	85,003,040	82,890,175	2,112,865
Finance, management and budget	1,799,487	1,807,493	1,548,513	258,980
Information technology	13,087,538	13,905,557	12,916,762	988,795
Law department	5,031,937	5,080,439	4,445,793	634,646
Personnel department	2,366,733	2,414,676	2,204,099	210,577
Public defender	7,665,441	7,683,563	7,496,015	187,548
Purchasing department	1,830,157	2,053,546	1,906,783	146,763
	<u>174,647,428</u>	<u>177,943,317</u>	<u>166,277,476</u>	<u>11,665,841</u>
Education:				
Authorized agencies	154,479	154,479	154,479	-
Community college chargebacks	9,307,000	9,307,000	9,307,000	-
Education of handicapped children	44,865,083	38,050,332	35,149,581	2,900,751
	<u>54,326,562</u>	<u>47,511,811</u>	<u>44,611,060</u>	<u>2,900,751</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, 2013**

*continued*

	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
Public Safety:				
Corrections	21,518,494	20,888,601	20,758,395	130,206
Emergency communications	17,263,633	17,191,197	17,134,816	56,381
Emergency management	1,242,114	1,101,356	1,096,158	5,198
Probation	12,365,898	12,923,912	12,492,122	431,790
Sheriff- civil division	35,914,597	37,371,725	37,184,507	187,218
Sheriff- custody division	44,232,645	45,799,712	45,119,373	680,339
STOP DWI	658,832	749,125	747,249	1,876
	<u>133,196,213</u>	<u>136,025,628</u>	<u>134,532,620</u>	<u>1,493,008</u>
Health:				
Health	17,148,197	23,997,531	23,974,807	22,724
Mental health	25,946,864	26,778,910	25,192,056	1,586,854
	<u>43,095,061</u>	<u>50,776,441</u>	<u>49,166,863</u>	<u>1,609,578</u>
Transportation	3,873,563	3,910,187	3,910,187	-
Economic Assistance and Opportunity:				
Authorized agencies human	56,282	56,282	56,282	-
Economic development	847,713	830,669	809,024	21,645
Job training administration	328,731	328,731	267,668	61,063
Social services - administration	75,496,735	75,270,253	74,525,962	744,291
Social services - programs	213,404,403	209,796,966	203,738,303	6,058,663
Social services - purchase of services	10,911,794	10,911,794	10,812,689	99,105
Veterans service	398,260	500,756	420,686	80,070
	<u>301,443,918</u>	<u>297,695,451</u>	<u>290,630,614</u>	<u>7,064,837</u>
Culture and Recreation:				
Aging and youth programs	1,028,773	1,102,106	1,076,316	25,790
Authorized agencies	1,044,000	1,044,000	1,044,000	-
Parks and recreation	13,405,218	13,156,393	12,126,193	1,030,200
	<u>15,477,991</u>	<u>15,302,499</u>	<u>14,246,509</u>	<u>1,055,990</u>
Home and Community Services:				
Authorized agencies physical	37,500	37,500	37,500	-
Office of environment	175,833	184,410	183,163	1,247
Onondaga planning agency	1,828,272	1,801,992	1,748,559	53,433
	<u>2,041,605</u>	<u>2,023,902</u>	<u>1,969,222</u>	<u>54,680</u>
Other uses:				
Transfer to other funds	(49,089,615)	(56,361,560)	(56,219,310)	(142,250)
Total charges to appropriations	<u>777,191,956</u>	<u>787,550,796</u>	<u>761,563,861</u>	<u>25,986,935</u>
Budgetary fund balance, December 31	\$ -	\$ (2,570,240)	-	\$ 2,570,240

Budgetary fund balance is not a current year revenue for budgetary purposes	(2,839,150)
Unused project balances treated as revenue for financial reporting purposes	2
Unused project balances treated as expenditures for financial reporting purposes	(3)
Net change in fund balance-GAAP basis	<u>\$ (2,839,151)</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Water Environment Protection**  
**Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
			<u>Amounts</u>	<u>(Unfavorable)</u>
Budgetary fund balance, January 1	\$ 1,105,000	\$ 1,265,000	\$ -	\$ (1,265,000)
Resources (inflows):				
Real property taxes County wide	1,709,382	1,709,382	1,709,382	-
Charges for services	72,829,679	72,829,679	74,406,016	1,576,337
Interest on investments	60,000	60,000	77,277	17,277
Miscellaneous	537,969	537,969	566,821	28,852
Amounts available for appropriation	<u>76,242,030</u>	<u>76,402,030</u>	<u>76,759,496</u>	<u>357,466</u>
Charges to appropriations (outflows):				
Home and Community Services:				
Bear Trap Ley Creek	453,880	453,880	415,606	38,274
Bloody Brook	140,178	140,178	128,040	12,138
Consolidated Sanitary District	54,656,040	56,178,751	52,052,737	4,126,014
Flood Control	1,076,637	1,085,626	984,923	100,703
Harbor Brook	269,573	269,573	246,231	23,342
Meadow Brook	215,659	215,659	196,986	18,673
Nondepartmental:				
Transfers to other funds	<u>19,430,063</u>	<u>19,430,063</u>	<u>18,714,288</u>	<u>715,775</u>
Total charges to appropriations	<u>76,242,030</u>	<u>77,773,730</u>	<u>72,738,811</u>	<u>5,034,919</u>
Budgetary fund balance, December 31	<u>\$ -</u>	<u>\$ (1,371,700)</u>	4,020,685	<u>\$ 5,392,385</u>
Unused project balances treated as expenditures for financial reporting purposes			<u>(7)</u>	
Net change in fund balance-GAAP basis			<u>\$ 4,020,678</u>	

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

<u>Actuarial</u>	<u>Actuarial</u>	<u>Actuarial</u>	<u>Unfunded</u>	<u>Funded</u>	<u>Covered</u>	<u>UAAL as a</u>
<u>Valuation</u>	<u>Value of</u>	<u>Accrued</u>	<u>AAL</u>	<u>Ratio</u>	<u>Payroll</u>	<u>Percentage of</u>
<u>Date</u>	<u>Assets</u>	<u>Liability (AAL)</u>	<u>(UAAL)</u>			<u>Covered Payroll</u>
		<u>Entry Age</u>				
01/01/11	-	\$837.8	\$837.8	0.0%	\$176.7	474%
01/01/12	-	\$922.5	\$922.5	0.0%	\$190.5	484%
01/01/13	-	\$973.2	\$973.2	0.0%	\$183.2	531%

See notes to required supplementary information

## 1. BUDGET PROCEDURES

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

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

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

Public hearings are conducted to obtain taxpayer comments.

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

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

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

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

## 2. BUDGETARY BASIS REPORTS

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

**COMBINING FINANCIAL STATEMENTS**  
**AND**  
**BUDGETARY COMPARISON SCHEDULES**

***NON-MAJOR FUNDS***

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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 conventioncenter/war memorial complex.

**County Road Fund**

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

**Road Machinery Fund**

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

**Water Fund**

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

**Van Duyn Extended Care Fund**

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

**Library and Library Grants Funds**

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

**Community Development Fund**

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

***DEBT SERVICE FUND***

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**OTASC**

OTASC is a blended component unit used to account for the accumulation of resources for, and the payments of, Tobacco Settlement Pass-Through Bonds issued in 2001 and 2005.

**COUNTY OF ONONDAGA, NEW YORK**

**Combining Balance Sheet  
Nonmajor Governmental Funds**

**December 31, 2013**

	<u>Special Revenue Funds</u>				
	<u>General Grants</u>	<u>Oncenter Fund</u>	<u>County Road</u>	<u>Road Machinery</u>	<u>Water Fund</u>
<b>ASSETS</b>					
Cash, cash equivalents and investments	\$ 4,908,208	\$ 440,689	\$ 1,414,914	\$ 1,635,363	\$ 4,036,225
Accounts receivable (net of \$80,685 reserve)	1,231,504	303,048	163,212	87,200	1,241,282
Due from state and federal governments	7,659,393	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Inventories	-	89,920	-	-	-
Prepaid items	121,598	49,260	366,081	-	66,743
Restricted cash	-	944,465	-	-	-
<b>Total assets</b>	<b>\$ <u>13,920,703</u></b>	<b>\$ <u>1,827,382</u></b>	<b>\$ <u>1,944,207</u></b>	<b>\$ <u>1,722,563</u></b>	<b>\$ <u>5,344,250</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ 2,686,830	\$ -	\$ 614,684	\$ 479,945	\$ 366,177
Accrued liabilities	647,652	782,779	712,720	-	218,579
Other liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	101,000	26,952	-	-
<b>Total liabilities</b>	<b><u>3,334,482</u></b>	<b><u>883,779</u></b>	<b><u>1,354,356</u></b>	<b><u>479,945</u></b>	<b><u>584,756</u></b>
<b>DEFERRED INFLOW OF RESOURCES</b>	<b><u>2,537,314</u></b>	<b><u>783,912</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>97,774</u></b>
<b>FUND BALANCES</b>					
Nonspendable	121,598	139,180	366,081	-	66,743
Restricted	-	-	-	-	-
Assigned	7,927,309	20,511	223,770	1,242,618	4,594,977
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b><u>8,048,907</u></b>	<b><u>159,691</u></b>	<b><u>589,851</u></b>	<b><u>1,242,618</u></b>	<b><u>4,661,720</u></b>
<b>Total liabilities, deferred inflow of resources and fund balances</b>	<b>\$ <u>13,920,703</u></b>	<b>\$ <u>1,827,382</u></b>	<b>\$ <u>1,944,207</u></b>	<b>\$ <u>1,722,563</u></b>	<b>\$ <u>5,344,250</u></b>

Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
Van Duyn Fund	Library Fund	Library Grants Fund	Community Development	OTASC	
\$ 4,414,408	\$ 198,478	\$ 305,280	\$ 300	\$ 124,333	\$ 17,478,198
28,020	61,284	-	-	-	3,115,550
-	-	103,020	1,892,812	-	9,655,225
-	1,300,000	-	-	-	1,300,000
-	-	-	418,436	-	418,436
-	-	-	-	-	89,920
-	283,665	633	41,885	-	929,865
-	-	-	-	8,624,581	9,569,046
<u>\$ 4,442,428</u>	<u>\$ 1,843,427</u>	<u>\$ 408,933</u>	<u>\$ 2,353,433</u>	<u>\$ 8,748,914</u>	<u>\$ 42,556,240</u>
\$ 51,840	\$ 236,467	\$ 53,919	\$ 99,753	\$ -	\$ 4,589,615
34,209	291,211	9,013	125,202	-	2,821,365
4,664,778	-	-	-	-	4,664,778
-	-	-	840,187	-	840,187
60,139	-	-	914,038	-	1,102,129
<u>4,810,966</u>	<u>527,678</u>	<u>62,932</u>	<u>1,979,180</u>	<u>-</u>	<u>14,018,074</u>
-	-	236,685	267,965	-	3,923,650
-	283,665	633	41,885	-	1,019,785
-	-	-	-	8,624,581	8,624,581
-	1,032,084	108,683	64,403	124,333	15,338,688
(368,538)	-	-	-	-	(368,538)
<u>(368,538)</u>	<u>1,315,749</u>	<u>109,316</u>	<u>106,288</u>	<u>8,748,914</u>	<u>24,614,516</u>
<u>\$ 4,442,428</u>	<u>\$ 1,843,427</u>	<u>\$ 408,933</u>	<u>\$ 2,353,433</u>	<u>\$ 8,748,914</u>	<u>\$ 42,556,240</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, 2013**

	Special Revenue Funds				
	General Grants	ONCENTER Fund	County Road	Road Machinery	Water Fund
<b>REVENUES</b>					
Sales tax and use tax	\$ 451,735	\$ 2,623,093	\$ 2,666,573	\$ -	\$ -
Federal aid	14,775,585	-	-	-	-
State aid	14,302,510	-	5,640,760	-	-
Departmental	1,248,169	426,611	25,303	1,026,874	9,314,389
Service for other governments	256,445	-	1,908,608	-	50,000
Tobacco settlement proceeds	-	-	-	-	-
Interest on investments	-	-	-	-	10,730
Miscellaneous	2,958,048	5,715,590	36,485	445,427	15,022
Total revenues	<u>33,992,492</u>	<u>8,765,294</u>	<u>10,277,729</u>	<u>1,472,301</u>	<u>9,390,141</u>
<b>EXPENDITURES</b>					
Current:					
General government support	1,694,025	-	-	-	-
Public safety	5,310,978	-	-	-	-
Health	11,488,008	-	-	-	-
Transportation	(250)	-	22,446,753	2,331,784	-
Economic assistance and opportunity	12,594,290	-	-	-	-
Culture and recreation	615,576	9,141,304	-	-	-
Home and community services	2,665,891	-	-	-	6,646,479
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>34,368,518</u>	<u>9,141,304</u>	<u>22,446,753</u>	<u>2,331,784</u>	<u>6,646,479</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(376,026)</u>	<u>(376,010)</u>	<u>(12,169,024)</u>	<u>(859,483)</u>	<u>2,743,662</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	5,296,095	-	23,872,742	1,997,279	-
Transfers out	(2)	-	(12,219,634)	-	(1,205,552)
Special item	-	535,701	-	-	-
Total other financing sources and (uses)	<u>5,296,093</u>	<u>535,701</u>	<u>11,653,108</u>	<u>1,997,279</u>	<u>(1,205,552)</u>
Net change in fund balance	4,920,067	159,691	(515,916)	1,137,796	1,538,110
Fund balances- beginning	3,128,840	-	1,105,767	104,822	3,123,610
Fund balances- ending	<u>\$ 8,048,907</u>	<u>\$ 159,691</u>	<u>\$ 589,851</u>	<u>\$ 1,242,618</u>	<u>\$ 4,661,720</u>

Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
Van Duyn Fund	Library Fund	Library Grants	Community Development	OTASC	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,741,401
-	-	192,346	4,751,686	-	19,719,617
-	1,075,272	396,259	961,191	-	22,375,992
12,864,203	93,532	-	156,152	-	25,155,233
16,777,266	6,564,142	-	-	-	25,556,461
-	-	-	-	6,817,145	6,817,145
29,357	-	-	-	465,825	505,912
67,235	204,474	10,635	2,424	-	9,455,340
29,738,061	7,937,420	599,240	5,871,453	7,282,970	115,327,101
-	-	-	-	109,462	1,803,487
-	-	-	-	-	5,310,978
47,906,051	-	-	-	-	59,394,059
-	-	-	-	-	24,778,287
-	-	-	-	-	12,594,290
-	12,794,615	496,904	-	-	23,048,399
-	-	-	5,777,874	-	15,090,244
-	-	-	-	2,070,000	2,070,000
-	-	-	-	5,102,294	5,102,294
47,906,051	12,794,615	496,904	5,777,874	7,281,756	149,192,038
(18,167,990)	(4,857,195)	102,336	93,579	1,214	(33,864,937)
-	5,277,461	-	-	-	36,443,577
(669,293)	(300,000)	-	-	-	(14,394,481)
(609,372)	-	-	-	-	(73,671)
(1,278,665)	4,977,461	-	-	-	21,975,425
(19,446,655)	120,266	102,336	93,579	1,214	(11,889,512)
19,078,117	1,195,483	6,980	12,709	8,747,700	36,504,028
\$ (368,538)	\$ 1,315,749	\$ 109,316	\$ 106,288	\$ 8,748,914	\$ 24,614,516

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Grants Fund**  
**Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
	\$	\$	\$	\$
	-	-	-	-
			Amounts	(Unfavorable)
Budgetary fund balance, January 1	-	-	-	-
Resources (inflows):				
Sales tax and use tax	35,000	(512,604)	451,735	964,339
Federal Aid				
General government support	-	219,671	-	(219,671)
Education	-	708,603	284,108	(424,495)
Public safety	413,500	6,149,989	3,068,408	(3,081,581)
Health	4,938,761	11,882,035	6,706,903	(5,175,132)
Transportation	218,740	1,670,067	61,309	(1,608,758)
Social services	4,824,915	5,012,232	3,009,678	(2,002,554)
Other economic assistance	2,035,000	2,697,584	1,645,179	(1,052,405)
Home and community services	30,212	46,088	-	(46,088)
Total federal aid	12,461,128	28,386,269	14,775,585	(13,610,684)
State Aid				
General government support	325,000	1,316,389	108,403	(1,207,986)
Education	-	(185,719)	(185,719)	-
Public safety	2,307,260	13,858,236	3,113,045	(10,745,191)
Health	4,663,775	7,699,407	4,171,027	(3,528,380)
Social services	2,484,922	4,331,021	2,437,247	(1,893,774)
Other economic assistance	2,535,000	3,456,466	2,392,683	(1,063,783)
Culture and recreation	175,000	449,586	59,422	(390,164)
Home and community services	90,035	7,203,856	2,206,402	(4,997,454)
Total state aid	12,580,992	38,129,242	14,302,510	(23,826,732)
Departmental				
General government support	73,898	48,079	(78,874)	(126,953)
Public safety	312,649	348,043	176,700	(171,343)
Health	232,500	381,724	230,414	(151,310)
Culture and recreation	146,087	(16,421)	708,531	724,952
Home and community services	350,000	1,029,744	354,229	(675,515)
Total departmental	1,115,134	1,791,169	1,391,000	(400,169)
Service for Other Governments				
Public safety	492,000	528,014	203,362	(324,652)
Health	-	318,383	28,083	(290,300)
Other economic assistance	25,000	25,000	25,000	-
Total service for other governments	517,000	871,397	256,445	(614,952)

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Grants Fund**  
**Year Ended December 31, 2013**

*continued*

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
			<u>Amounts</u>	<u>(Unfavorable)</u>
Interest on Investments	-	49,000	-	(49,000)
Miscellaneous	2,811,292	3,814,173	2,958,048	(856,125)
Transfers from other funds	2,037,042	5,533,643	5,296,092	(237,551)
Amounts available for appropriations	<u>31,557,588</u>	<u>78,062,289</u>	<u>39,431,415</u>	<u>(38,630,874)</u>
<b>Charges to appropriations (outflows):</b>				
<b>General Government Support</b>				
Board of elections	250,000	672,464	18,598	653,866
County clerk	73,898	225,714	96,734	128,980
County legislature	1,002,207	1,016,013	8,182	1,007,831
District attorney	1,449,028	2,224,173	1,377,305	846,868
Finance, management and budget	-	257,434	40,072	217,362
Medical examiner	-	665,151	149,421	515,730
Personnel	-	71,735	-	71,735
Purchasing department	-	51,282	3,713	47,569
Total general government support	<u>2,775,133</u>	<u>5,183,966</u>	<u>1,694,025</u>	<u>3,489,941</u>
<b>Public Safety</b>				
Corrections	240,000	504,498	343,351	161,147
Emergency communications- E911	-	286,384	97,457	188,927
Emergency management	438,500	12,271,065	2,414,852	9,856,213
Probation	580,113	2,795,003	661,900	2,133,103
Sheriff	2,444,110	5,451,982	1,784,328	3,667,654
Special traffic programs	-	68,051	9,090	58,961
Total public safety	<u>3,702,723</u>	<u>21,376,983</u>	<u>5,310,978</u>	<u>16,066,005</u>
<b>Health</b>				
Health	10,322,536	18,782,732	9,553,597	9,229,135
Mental health	2,075,000	3,372,282	2,077,242	1,295,040
Total health	<u>12,397,536</u>	<u>22,155,014</u>	<u>11,630,839</u>	<u>10,524,175</u>
Transportation	-	1,487,296	(250)	1,487,546

*continued*

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Grants Fund**  
**Year Ended December 31, 2013**

*continued*

	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Economic Assistance and Opportunity				
Aging and youth	5,817,712	8,042,595	5,147,115	2,895,480
Economic development	58,400	3,770,607	607,046	3,163,561
Social services	6,560,837	9,457,934	6,840,129	2,617,805
Total economic assistance and opportunity	<u>12,436,949</u>	<u>21,271,136</u>	<u>12,594,290</u>	<u>8,676,846</u>
Culture and Recreation	<u>245,247</u>	<u>1,746,950</u>	<u>615,576</u>	<u>1,131,374</u>
Home and Community Services				
Planning agency	-	6,365,836	2,335,467	4,030,369
Water environment protection	-	1,603,948	330,424	1,273,524
Total home and community service	<u>-</u>	<u>7,969,784</u>	<u>2,665,891</u>	<u>5,303,893</u>
Total charges to appropriations	<u>31,557,588</u>	<u>81,191,129</u>	<u>34,511,349</u>	<u>46,679,780</u>
Budgetary fund balance, December 31	<u>\$ -</u>	<u>\$ (3,128,840)</u>	4,920,066	<u>\$ 8,048,906</u>
Unused project balances treated as revenues for financial reporting purposes			3	
Unused project balances treated as expenditures for financial reporting purposes			<u>(2)</u>	
Net change in fund balance-GAAP basis			<u>\$ 4,920,067</u>	

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**ONCENTER Fund**  
**Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		Non-GAAP	Variance
	<u>Original</u>	<u>Final</u>	Actual Amounts	Favorable (Unfavorable)
Budgetary fund balance, January 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Sales tax and use tax	1,750,000	2,463,402	2,623,093	159,691
Departmental	-	426,611	426,611	-
Miscellaneous	-	5,715,590	5,715,590	-
Amounts available for appropriations	<u>1,750,000</u>	<u>8,605,603</u>	<u>8,765,294</u>	<u>159,691</u>
Charges to appropriations (outflows):				
Transportation	<u>1,750,000</u>	<u>9,141,304</u>	<u>9,141,304</u>	<u>-</u>
Total charges to appropriations	<u>1,750,000</u>	<u>9,141,304</u>	<u>9,141,304</u>	<u>-</u>
Other Financing Sources				
Special item (ONCENTER transfer)	-	535,701	535,701	-
Total financing sources and uses	<u>-</u>	<u>535,701</u>	<u>535,701</u>	<u>-</u>
Budgetary fund balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,691</u>	<u>\$ 159,691</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**County Road Fund**  
**Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		Non-GAAP	Variance
	<u>Original</u>	<u>Final</u>	Actual	Favorable (Unfavorable)
Budgetary fund balance, January 1	\$ -	\$ 795,250	\$ 515,916	\$ (279,334)
Resources (inflows):				
Sales tax and use tax	<u>2,736,170</u>	<u>2,736,170</u>	<u>2,666,573</u>	<u>(69,597)</u>
State Aid				
Transportation	<u>4,774,872</u>	<u>5,640,759</u>	<u>5,640,760</u>	<u>1</u>
Total state aid	<u>4,774,872</u>	<u>5,640,759</u>	<u>5,640,760</u>	<u>1</u>
Departmental	3,370,620	3,370,620	3,369,682	(938)
Services for Other Governments	1,760,192	1,908,607	1,908,608	1
Miscellaneous	33,699	33,699	36,485	2,786
Transfers from other funds	<u>24,667,992</u>	<u>23,872,742</u>	<u>23,872,742</u>	<u>-</u>
Amounts available for appropriations	<u>37,343,545</u>	<u>38,357,847</u>	<u>38,010,766</u>	<u>(347,081)</u>
Charges to appropriations (outflows):				
Transportation	<u>25,989,798</u>	<u>26,147,815</u>	<u>25,791,132</u>	<u>356,683</u>
Total charges to appropriations	<u>25,989,798</u>	<u>26,147,815</u>	<u>25,791,132</u>	<u>356,683</u>
Other Financing Uses				
Transfer to other funds	<u>11,353,747</u>	<u>12,219,634</u>	<u>12,219,634</u>	<u>-</u>
Total financing sources and uses	<u>11,353,747</u>	<u>12,219,634</u>	<u>12,219,634</u>	<u>-</u>
Budgetary fund balance, December 31	<u>\$ -</u>	<u>\$ (9,602)</u>	-	<u>\$ 9,602</u>
Budgetary fund balance is not a current year revenue for budgetary purposes			<u>(515,916)</u>	
Net change in fund balance-GAAP basis			<u>\$ (515,916)</u>	

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Road Machinery Fund**  
**Year Ended December 31, 2013**

	Budgeted Amounts		Non-GAAP Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
Budgetary fund balance, January 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Departmental	5,980,098	5,980,098	5,649,480	(330,618)
Miscellaneous	528,307	543,408	445,427	(97,981)
Transfers from other funds	1,110,029	1,997,279	1,997,279	-
Amounts available for appropriations	<u>7,618,434</u>	<u>8,520,785</u>	<u>8,092,186</u>	<u>(428,599)</u>
Charges to appropriations (outflows):				
Transportation	7,618,434	8,644,529	6,954,390	1,690,139
Total charges to appropriations	<u>7,618,434</u>	<u>8,644,529</u>	<u>6,954,390</u>	<u>1,690,139</u>
Budgetary fund balance, December 31	<u>\$ -</u>	<u>\$ (123,744)</u>	<u>\$ 1,137,796</u>	<u>\$ 1,261,540</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Water Fund**  
**Year Ended December 31, 2013**

	Budgeted Amounts		Non-GAAP	Variance
	Original	Final	Actual	Favorable (Unfavorable)
Budgetary fund balance, January 1	\$ -	\$ 186,000	\$ -	\$ (186,000)
Resources (inflows):				
Departmental	8,808,933	8,808,933	9,321,842	512,909
Service for Other Governments	50,000	50,000	50,000	-
Interest on Investments	-	-	10,730	10,730
Miscellaneous	-	-	15,022	15,022
Amounts available for appropriation	8,858,933	9,044,933	9,397,594	352,661
Charges to appropriations (outflows):				
Home and Community Services	7,653,380	8,317,576	6,653,932	1,663,644
Nondepartmental:				
Transfer to other funds	1,205,553	1,205,553	1,205,552	1
Total charges to appropriations	8,858,933	9,523,129	7,859,484	1,663,645
Budgetary fund balance, December 31	\$ -	\$ (478,196)	\$ 1,538,110	\$ 2,016,306

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Van Duyn Extended Care Fund**  
**Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
			<u>Amounts</u>	<u>(Unfavorable)</u>
Budgetary fund balance, January 1	\$ 9,372,195	\$ 11,372,195	\$ 11,372,195	\$ -
Resources (inflows):				
Departmental				
General government support	14,000	14,000	10,794	(3,206)
Health	<u>16,410,232</u>	<u>16,410,232</u>	<u>12,853,409</u>	<u>(3,556,823)</u>
Total departmental	<u>16,424,232</u>	<u>16,424,232</u>	<u>12,864,203</u>	<u>(3,560,029)</u>
Service for Other Governments				
Health	<u>23,955,876</u>	<u>23,955,876</u>	<u>16,777,266</u>	<u>(7,178,610)</u>
Interest on Investments	<u>-</u>	<u>-</u>	<u>29,357</u>	<u>29,357</u>
Miscellaneous	<u>57,203</u>	<u>57,203</u>	<u>67,235</u>	<u>10,032</u>
Amounts available for appropriation	<u>49,809,506</u>	<u>51,809,506</u>	<u>41,110,256</u>	<u>(10,699,250)</u>
Charges to appropriations (outflows):				
Health	49,140,390	51,536,117	47,906,051	3,630,066
Nondepartmental:				
Transfer to other funds	<u>669,116</u>	<u>669,293</u>	<u>669,293</u>	<u>-</u>
Total charges to appropriations	<u>49,809,506</u>	<u>52,205,410</u>	<u>48,575,344</u>	<u>3,630,066</u>
Budgetary fund balance, December 31	<u>\$ -</u>	<u>\$ (395,904)</u>	<u>(7,465,088)</u>	<u>\$ (7,069,184)</u>
Budgetary fund balance is not a current year revenue for budgetary purposes			(11,372,195)	
Special item			<u>(609,372)</u>	
Net change in fund balance-GAAP basis			<u>\$ (19,446,655)</u>	

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Library Fund**  
**Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
			<u>Amounts</u>	<u>(Unfavorable)</u>
Budgetary fund balance, January 1	\$ 244,008	\$ 244,008	\$ -	\$ (244,008)
Resources (inflows):				
State Aid	1,031,105	1,075,875	1,075,272	(603)
Departmental	1,445,628	1,445,628	1,535,783	90,155
Service for Other Governments	6,537,360	6,537,360	6,564,142	26,782
Miscellaneous	251,831	251,831	204,474	(47,357)
Transfers from other funds	5,277,461	5,277,461	5,277,461	-
Amounts available for appropriation	<u>14,787,393</u>	<u>14,832,163</u>	<u>14,657,132</u>	<u>(175,031)</u>
Charges to appropriations (outflows):				
Culture and Recreation	<u>14,517,393</u>	<u>14,627,999</u>	<u>14,236,866</u>	<u>391,133</u>
Total charges to appropriations	<u>14,517,393</u>	<u>14,627,999</u>	<u>14,236,866</u>	<u>391,133</u>
Other Financing Uses				
Transfer to other funds	<u>270,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total financing sources and uses	<u>270,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Budgetary fund balance, December 31	<u>\$ -</u>	<u>\$ (95,836)</u>	<u>\$ 120,266</u>	<u>\$ 216,102</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Library Grants Fund**  
**Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, January 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Federal Aid	6,700	196,700	192,346	(4,354)
State Aid	426,497	667,824	396,259	(271,565)
Miscellaneous	23,000	23,000	10,635	(12,365)
Amounts available for appropriation	<u>456,197</u>	<u>887,524</u>	<u>599,240</u>	<u>(288,284)</u>
Charges to appropriations (outflows):				
Culture and Recreation	<u>456,197</u>	<u>894,504</u>	<u>496,904</u>	<u>397,600</u>
Total charges to appropriations	<u>456,197</u>	<u>894,504</u>	<u>496,904</u>	<u>397,600</u>
Budgetary fund balance, December 31	<u>\$ -</u>	<u>\$ (6,980)</u>	<u>\$ 102,336</u>	<u>\$ 109,316</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Community Development Fund**  
**Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
			<u>Amounts</u>	<u>(Unfavorable)</u>
Budgetary fund balance, January 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Federal Aid				
Health	-	4,168,043	1,791,490	(2,376,553)
Home and community services	<u>2,528,455</u>	<u>9,999,286</u>	<u>2,960,196</u>	<u>(7,039,090)</u>
Total federal aid	2,528,455	14,167,329	4,751,686	(9,415,643)
State Aid				
Home and community services	1,500,000	2,516,282	961,191	(1,555,091)
Departmental	-	(196,500)	156,152	352,652
Miscellaneous	-	1,572	2,424	852
Transfers from other funds	<u>752,797</u>	<u>2,007,086</u>	-	<u>(2,007,086)</u>
Amounts available for appropriation	<u>4,781,252</u>	<u>18,495,769</u>	<u>5,871,453</u>	<u>(12,624,316)</u>
Charges to appropriations (outflows):				
Home and Community Services	<u>4,781,252</u>	<u>18,508,478</u>	<u>5,777,874</u>	<u>12,730,604</u>
Total charges to appropriations	<u>4,781,252</u>	<u>18,508,478</u>	<u>5,777,874</u>	<u>12,730,604</u>
Budgetary fund balance, December 31	<u>\$ -</u>	<u>\$ (12,709)</u>	<u>\$ 93,579</u>	<u>\$ 106,288</u>

**COUNTY OF ONONDAGA, NEW YORK**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Debt Service Fund**  
**Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
			<u>Amounts</u>	<u>(Unfavorable)</u>
Budgetary fund balance, January 1	\$ 9,192,898	\$ 9,192,898	\$ 9,080,579	\$ (112,319)
Resources (inflows):				
Transfers from other funds	38,094,866	38,094,866	37,577,968	(516,898)
Amounts available for appropriation	47,287,764	47,287,764	46,658,547	(629,217)
Charges to appropriations (outflows):				
General government support	7,624,711	7,624,711	7,623,743	968
Education	2,938,695	2,938,695	2,938,695	-
Public safety	6,258,974	6,258,974	6,258,974	-
Health	554,025	554,025	554,025	-
Transportation	8,327,426	8,327,426	8,327,426	-
Culture and recreation	1,995,673	1,995,673	1,995,673	-
Home and community services:				
Bear trap/Ley creek	15,718	15,718	15,718	-
Bloody brook	102,001	102,001	102,001	-
Central sanitary districts	18,168,129	18,168,129	17,539,880	628,249
Harbor brook	153,300	153,300	153,300	-
Meadow brook	533,560	533,560	533,560	-
Water fund	615,552	615,552	615,552	-
Total home and community services	19,588,260	19,588,260	18,960,011	628,249
Total charges to appropriations	47,287,764	47,287,764	46,658,547	629,217
Budgetary fund balance, December 31	\$ -	\$ -	-	\$ -
Interest revenue not considered for budgetary purposes			179,519	
Other financing sources not considered for budgetary purposes:				
Budgetary fund balance is not a current year revenue for budgetary purposes			(9,080,579)	
Bond premium			8,451,437	
Unused project balances treated as revenue for financial reporting purposes			15,579	
Participation in debt service external sources			656,747	
Net change in fund balance- GAAP basis			\$ 222,703	

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**STATISTICAL SECTION**

**(UNAUDITED)**

**County of Onondaga, New York**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**Schedule 1**

	Fiscal Year			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Governmental activities</b>				
Net invested in capital assets	\$ 700,264,987	\$ 746,413,156	\$ 816,829,338	\$ 811,788,098
Restricted	34,648,679	34,221,507	16,657,808	17,043,588
Unrestricted	8,287,249	(18,747,419)	3,693,628	(16,671,873)
<b>Total governmental activities net position</b>	<u>\$ 743,200,915</u>	<u>\$ 761,887,244</u>	<u>\$ 837,180,774</u>	<u>\$ 812,159,813</u>
<b>Business-type activities</b>				
Net invested in capital assets	\$ 11,975,368	\$ 11,073,722	\$ 10,115,911	\$ 9,583,811
Unrestricted	3,123,440	(3,449,148)	(3,930,483)	(7,503,241)
<b>Total business-type activities net position</b>	<u>\$ 15,098,808</u>	<u>\$ 7,624,574</u>	<u>\$ 6,185,428</u>	<u>\$ 2,080,570</u>
<b>Primary government</b>				
Net invested in capital assets	\$ 712,240,355	\$ 757,486,878	\$ 826,945,249	\$ 821,371,909
Restricted	34,648,679	34,221,507	16,657,808	17,043,588
Unrestricted	11,410,689	(22,196,567)	(236,855)	(24,175,114)
<b>Total primary government net position</b>	<u>\$ 758,299,723</u>	<u>\$ 769,511,818</u>	<u>\$ 843,366,202</u>	<u>\$ 814,240,383</u>

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

**Fiscal Year**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	852,007,509	\$ 836,275,910	\$ 842,791,377	\$ 776,806,016	\$ 943,407,659	\$ 934,565,871
	19,823,048	22,730,632	24,359,185	24,805,553	24,925,639	29,882,211
	(93,367,529)	(128,645,326)	(165,018,646)	(120,866,799)	(291,587,619)	(375,254,568)
\$	<u>778,463,028</u>	<u>\$ 730,361,216</u>	<u>\$ 702,131,916</u>	<u>\$ 680,744,770</u>	<u>\$ 676,745,679</u>	<u>\$ 589,193,514</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
\$	<u>-</u>	<u>\$ -</u>				
\$	852,007,509	\$ 836,275,910	\$ 842,791,377	\$ 776,806,016	\$ 943,407,659	\$ 934,565,871
	19,823,048	22,730,632	24,359,185	24,805,553	24,925,639	29,882,211
	(93,367,529)	(128,645,326)	(165,018,646)	(120,866,799)	(291,587,619)	(375,254,568)
\$	<u>778,463,028</u>	<u>\$ 730,361,216</u>	<u>\$ 702,131,916</u>	<u>\$ 680,744,770</u>	<u>\$ 676,745,679</u>	<u>\$ 589,193,514</u>

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

	Fiscal Year			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Expenses</b>				
<b>Governmental activities:</b>				
General government support	\$ 55,124,689	\$ 53,209,794	\$ 198,049,372	\$ 258,077,035
Education	45,882,384	55,538,478	52,893,841	59,975,854
Public safety	100,069,769	104,806,261	102,098,062	120,830,256
Health	48,966,452	47,092,053	47,862,668	50,465,103
Transportation	42,822,711	48,375,886	40,492,055	40,683,043
Economic assistance and opportunity	262,894,485	245,813,867	251,375,443	249,502,570
Culture and recreation	19,536,764	29,754,915	32,317,242	33,395,710
Home and community services	68,966,456	74,894,347	40,866,396	72,756,451
Interest on long-term debt	13,236,295	13,980,373	17,135,664	18,020,424
Total governmental activities expenses	<u>657,500,005</u>	<u>673,465,974</u>	<u>783,090,743</u>	<u>903,706,446</u>
<b>Business-type activities:</b>				
Long term care	40,033,404	40,414,138	40,835,455	45,739,288
Total business-type activities expenses	<u>40,033,404</u>	<u>40,414,138</u>	<u>40,835,455</u>	<u>45,739,288</u>
Total primary government expenses	<u>\$ 697,533,409</u>	<u>\$ 713,880,112</u>	<u>\$ 823,926,198</u>	<u>\$ 949,445,734</u>
<b>Program Revenues</b>				
<b>Governmental activities:</b>				
Charges for services	\$ 138,961,942	\$ 125,788,836	\$ 131,892,315	\$ 146,275,075
Operating grants and contributions	200,501,906	198,907,888	201,629,887	196,985,978
Capital grants and contributions	55,674,881	32,626,718	25,946,323	32,851,548
Total governmental activities program revenues	<u>395,138,729</u>	<u>357,323,442</u>	<u>359,468,525</u>	<u>376,112,601</u>
<b>Business-type activities:</b>				
Charges for services	33,445,229	32,515,528	36,136,604	36,115,472
Operating grants and contributions	-	-	710,941	335,771
Capital grants and contributions	3,434	6,705	300	-
Total business-type activities program revenues	<u>33,448,663</u>	<u>32,522,233</u>	<u>36,847,845</u>	<u>36,451,243</u>
Total primary government program revenues	<u>\$ 428,587,392</u>	<u>\$ 389,845,675</u>	<u>\$ 396,316,370</u>	<u>\$ 412,563,844</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$(262,361,276)	\$(316,142,532)	\$(423,622,218)	\$(527,593,845)
Business-type activities	(6,584,741)	(7,891,905)	(3,987,610)	(9,288,045)
Total primary government net expense	<u>\$(268,946,017)</u>	<u>\$(324,034,437)</u>	<u>\$(427,609,828)</u>	<u>\$(536,881,890)</u>
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental activities:</b>				
Real property taxes	\$ 182,136,568	\$ 187,830,049	\$ 190,835,482	\$ 193,684,291
Sales tax and use tax	97,649,876	131,500,537	291,775,749	293,999,988
Investment earnings	3,891,986	7,282,751	10,821,336	11,901,336
Tobacco settlement proceeds	7,797,964	7,908,009	7,243,015	7,529,850
Participation in debt service-external sources	20,000	307,515	128,186	457,419
Sale of receivables	-	-	-	-
Special item (ONCENTER and Van Duyn transfer)	-	-	-	-
Transfers and County contributions	-	-	(1,888,020)	(5,000,000)
Total governmental activities	<u>291,496,394</u>	<u>334,828,861</u>	<u>498,915,748</u>	<u>502,572,884</u>
<b>Business-type activities:</b>				
Investment earnings	135,093	131,648	97,762	11,761
Other revenue	158,963	288,472	562,682	171,426
Transfers and County contributions	-	-	1,888,020	5,000,000
Total business-type activities	<u>294,056</u>	<u>420,120</u>	<u>2,548,464</u>	<u>5,183,187</u>
Total primary government	<u>\$ 291,790,450</u>	<u>\$ 335,248,981</u>	<u>\$ 501,464,212</u>	<u>\$ 507,756,071</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 29,135,118	\$ 18,686,329	\$ 75,293,530	\$ (25,020,961)
Business-type activities	(6,290,685)	(7,471,785)	(1,439,146)	(4,104,858)
Total primary government	<u>\$ 22,844,433</u>	<u>\$ 11,214,544</u>	<u>\$ 73,854,384</u>	<u>\$ (29,125,819)</u>

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

Fiscal Year					
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 218,159,741	\$ 218,932,637	\$ 230,998,064	\$ 168,264,794	\$ 167,937,434	\$ 163,070,675
56,115,210	57,018,115	65,147,736	67,898,863	51,230,463	58,500,840
131,896,522	127,630,857	139,640,552	141,546,415	151,420,062	160,050,080
105,762,977	101,141,630	100,695,505	109,899,660	123,164,947	122,005,552
42,074,051	38,522,292	35,937,447	41,477,441	44,554,903	52,391,343
262,786,203	255,717,572	258,479,081	283,357,681	304,096,029	304,315,508
47,748,717	35,388,697	35,214,223	35,394,512	38,422,777	46,524,048
75,444,171	90,521,110	60,919,353	85,755,517	85,256,094	88,411,166
18,174,279	18,694,633	19,072,029	22,144,792	21,816,079	21,967,688
<u>958,161,871</u>	<u>943,567,543</u>	<u>946,103,990</u>	<u>955,739,675</u>	<u>987,898,788</u>	<u>1,017,236,900</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 958,161,871</u>	<u>\$ 943,567,543</u>	<u>\$ 946,103,990</u>	<u>\$ 955,739,675</u>	<u>\$ 987,898,788</u>	<u>\$ 1,017,236,900</u>
\$ 197,066,748	\$ 180,621,469	\$ 179,931,127	\$ 200,299,414	\$ 211,473,766	\$ 196,227,634
199,017,801	215,666,695	213,038,907	213,197,032	214,295,520	217,515,933
19,934,877	11,398,419	17,979,648	30,235,526	55,211,478	26,009,155
<u>416,019,426</u>	<u>407,686,583</u>	<u>410,949,682</u>	<u>443,731,972</u>	<u>480,980,764</u>	<u>439,752,722</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 416,019,426</u>	<u>\$ 407,686,583</u>	<u>\$ 410,949,682</u>	<u>\$ 443,731,972</u>	<u>\$ 480,980,764</u>	<u>\$ 439,752,722</u>
\$(542,142,445)	\$(535,880,960)	\$(535,154,308)	\$(512,007,703)	\$(506,918,024)	\$ (577,484,178)
-	-	-	-	-	-
<u>\$(542,142,445)</u>	<u>\$(535,880,960)</u>	<u>\$(535,154,308)</u>	<u>\$(512,007,703)</u>	<u>\$(506,918,024)</u>	<u>\$ (577,484,178)</u>
\$ 189,794,554	\$ 178,297,034	\$ 192,525,831	\$ 164,188,059	\$ 161,254,615	\$ 150,423,597
300,164,040	284,918,896	304,589,655	316,703,720	332,217,015	339,658,462
7,859,241	3,385,671	2,349,606	2,146,754	1,757,948	1,553,584
8,358,345	7,806,998	7,055,112	6,688,826	6,821,381	6,817,145
188,910	284,461	404,804	893,198	666,894	656,747
-	13,086,088	-	-	-	-
-	-	-	-	201,080	(7,046,875)
-	-	-	-	-	-
<u>506,365,090</u>	<u>487,779,148</u>	<u>506,925,008</u>	<u>490,620,557</u>	<u>502,918,933</u>	<u>492,062,660</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 506,365,090</u>	<u>\$ 487,779,148</u>	<u>\$ 506,925,008</u>	<u>\$ 490,620,557</u>	<u>\$ 502,918,933</u>	<u>\$ 492,062,660</u>
\$ (35,777,355)	\$ (48,101,812)	\$ (28,229,300)	\$ (21,387,146)	\$ (3,999,091)	\$ (85,421,518)
-	-	-	-	-	-
<u>\$(35,777,355)</u>	<u>\$(48,101,812)</u>	<u>\$(28,229,300)</u>	<u>\$(21,387,146)</u>	<u>\$(3,999,091)</u>	<u>\$(85,421,518)</u>

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

	Fiscal Year			
	2004	2005	2006	2007
General Fund				
Reserved	\$ 6,166,145	\$ 5,445,826	\$ 6,015,265	\$ 6,086,167
Unreserved	45,691,399	60,027,419	78,340,121	74,262,985
Nonspendable	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 51,857,544</u>	<u>\$ 65,473,245</u>	<u>\$ 84,355,386</u>	<u>\$ 80,349,152</u>
Water Environment Protection Fund				
Reserved	\$ 2,716,507	\$ 2,838,910	\$ 2,761,504	\$ 2,486,295
Unreserved	38,298,915	39,122,352	40,619,873	40,982,235
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Total water environment protection fund	<u>\$ 41,015,422</u>	<u>\$ 41,961,262</u>	<u>\$ 43,381,377</u>	<u>\$ 43,468,530</u>
Debt Service Fund				
Reserved	\$ 30,965,495	\$ 29,970,705	\$ 31,225,328	\$ 33,510,895
Restricted	-	-	-	-
Assigned	-	-	-	-
Total debt service fund	<u>\$ 30,965,495</u>	<u>\$ 29,970,705</u>	<u>\$ 31,225,328</u>	<u>\$ 33,510,895</u>
Capital Projects Fund				
Reserved	\$ 76,336,401	\$ 102,343,879	\$ 57,862,062	\$ 41,885,429
Unreserved	(52,160,014)	(62,115,042)	(36,866,958)	(1,075,381)
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total capital projects fund	<u>\$ 24,176,387</u>	<u>\$ 40,228,837</u>	<u>\$ 20,995,104</u>	<u>\$ 40,810,048</u>
All Other Governmental Funds				
Reserved	\$ 14,454,429	\$ 15,447,379	\$ 15,304,947	\$ 16,369,235
Unreserved, reported in:				
Special revenue funds	5,486,117	5,380,328	3,187,362	4,517,444
Debt service funds	70,832	69,421	77,680	77,680
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 20,011,378</u>	<u>\$ 20,897,128</u>	<u>\$ 18,569,989</u>	<u>\$ 20,964,359</u>

**Fiscal Year**

<u>2008</u>		<u>2009</u>		<u>2010</u>		<u>2011</u>		<u>2012</u>		<u>2013</u>	
\$	4,838,089	\$	5,292,050	\$	7,808,464	\$	-	\$	-	\$	-
	65,874,512		69,373,888		76,719,455		-		-		-
	-		-		-		5,286,175		7,434,194		7,942,774
	-		-		-		-		-		5,000,000
	-		-		-		28,919,636		25,068,778		16,326,067
	-		-		-		64,988,261		67,287,910		67,682,890
\$	<u>70,712,601</u>	\$	<u>74,665,938</u>	\$	<u>84,527,919</u>	\$	<u>99,194,072</u>	\$	<u>99,790,882</u>	\$	<u>96,951,731</u>
\$	2,101,093	\$	1,771,573	\$	1,503,554	\$	-	\$	-	\$	-
	38,338,151		37,444,904		35,307,697		-		-		-
	-		-		-		638,350		920,616		1,002,740
	-		-		-		34,737,761		36,693,395		40,631,949
\$	<u>40,439,244</u>	\$	<u>39,216,477</u>	\$	<u>36,811,251</u>	\$	<u>35,376,111</u>	\$	<u>37,614,011</u>	\$	<u>41,634,689</u>
\$	36,108,118	\$	41,723,821	\$	42,165,109	\$	-	\$	-	\$	-
	-		-		-		40,817,343		14,073,346		18,740,055
	-		-		-		-		22,728,788		18,284,782
\$	<u>36,108,118</u>	\$	<u>41,723,821</u>	\$	<u>42,165,109</u>	\$	<u>40,817,343</u>	\$	<u>36,802,134</u>	\$	<u>37,024,837</u>
\$	36,932,658	\$	42,216,680	\$	60,284,561	\$	-	\$	-	\$	-
	(36,619,459)		(25,744,491)		(35,138,763)		-		-		-
	-		-		-		-		2,807		-
	-		-		-		7,436,576		2,222,194		2,517,575
	-		-		-		-		(26,333,991)		(27,033,703)
\$	<u>313,199</u>	\$	<u>16,472,189</u>	\$	<u>25,145,798</u>	\$	<u>7,436,576</u>	\$	<u>(24,108,990)</u>	\$	<u>(24,516,128)</u>
\$	18,401,521	\$	14,243,221	\$	15,213,437	\$	-	\$	-	\$	-
	17,007,295		12,210,553		5,587,796		-		-		-
	83,409		90,558		103,728		-		2,064,580		1,019,785
	-		-		-		1,430,751		8,630,099		8,624,581
	-		-		-		-		26,012,076		-
	-		-		-		26,301,155		(202,727)		15,338,688
	-		-		-		-		-		(368,538)
\$	<u>35,492,225</u>	\$	<u>26,544,332</u>	\$	<u>20,904,961</u>	\$	<u>27,731,906</u>	\$	<u>36,504,028</u>	\$	<u>24,614,516</u>

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

	Fiscal Year			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Revenues</b>				
Real property taxes and tax items	\$ 181,500,811	\$ 187,399,916	\$ 192,479,527	\$ 193,113,915
Sales tax and use tax	97,649,876	131,500,537	291,775,749	293,999,988
Federal aid	107,883,672	103,029,145	105,419,994	97,933,889
State aid	148,293,115	128,505,461	122,156,216	131,903,637
Departmental	85,623,412	85,193,745	89,680,125	94,014,080
Services for other governments	27,518,666	26,927,638	28,046,479	28,552,339
Tobacco settlement proceeds	7,797,964	7,908,009	7,243,015	7,529,850
Interest on investments	3,772,237	7,056,003	10,538,549	11,435,825
Miscellaneous	17,591,642	7,329,185	7,812,217	9,790,569
Sale of receivables	-	-	-	-
Total revenues	<u>677,631,395</u>	<u>684,849,639</u>	<u>855,151,871</u>	<u>868,274,092</u>
<b>Expenditures</b>				
General government	38,991,724	42,658,045	190,675,941	193,104,467
Education	43,609,654	43,533,866	44,514,055	48,253,633
Public safety	97,717,297	104,074,314	107,715,803	108,693,796
Health	49,532,695	47,082,258	48,097,289	50,496,551
Transportation	22,493,795	22,687,412	23,275,885	25,849,968
Economic assistance and opportunity	260,357,398	245,747,262	251,385,306	247,184,758
Culture and recreation	26,223,679	27,277,029	28,470,612	29,028,545
Home and community services	57,214,807	62,181,444	63,843,619	66,133,298
Capital outlay	69,071,826	92,462,293	113,674,114	98,433,440
Debt service:				
Principal	16,989,705	18,412,632	21,543,166	21,888,221
Interest	13,145,112	13,690,254	14,687,096	15,338,992
Total expenditures	<u>695,347,692</u>	<u>719,806,809</u>	<u>907,882,886</u>	<u>904,405,669</u>
Excess of revenues over (under) expenditures	<u>(17,716,297)</u>	<u>(34,957,170)</u>	<u>(52,731,015)</u>	<u>(36,131,577)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	52,639,067	90,243,708	74,681,596	79,297,472
Transfers out	(52,639,067)	(90,243,708)	(76,569,616)	(84,297,472)
Proceeds of long-term borrowings	18,000,000	728,630,000	35,000,000	25,600,000
Refunding bond	-	-	-	-
Payments to refund bond escrow agent	-	(18,990,501)	-	-
Participation in debt service-external sources	(4,813,904)	25,597,355	19,568,179	35,431,293
Debt issuance costs	-	(836,558)	-	-
Bond discount	-	(669,227,856)	-	-
Bond premium	33,770	289,681	38,665	684,282
Special item (ONCENTER and Van Duyn transfer)	-	-	-	-
Total other financing sources (uses)	<u>13,219,866</u>	<u>65,462,121</u>	<u>52,718,824</u>	<u>56,715,575</u>
Net change in fund balance	<u>\$ (4,496,431)</u>	<u>\$ 30,504,951</u>	<u>\$ (12,191)</u>	<u>\$ 20,583,998</u>

Debt service as a percentage of noncapital expenditures

4.8%                      5.1%                      4.6%                      4.6%

**Fiscal Year**

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 185,570,483	\$ 185,104,195	\$ 185,255,928	\$ 159,906,576	\$ 157,356,977	\$ 152,822,237
300,164,040	284,918,896	304,589,655	316,703,720	332,217,015	339,658,462
83,694,221	105,752,832	114,096,923	118,766,975	127,052,967	126,443,049
135,258,457	121,312,282	116,921,632	124,665,583	142,454,031	117,082,039
110,230,846	110,692,394	109,832,564	119,803,507	124,833,575	123,236,938
73,261,416	51,729,312	48,435,161	67,633,604	70,159,905	44,563,260
8,358,345	7,806,998	7,055,112	6,688,826	6,821,381	6,817,145
7,450,197	3,242,129	2,273,276	2,075,438	1,699,737	1,514,778
9,907,113	10,240,104	9,769,465	14,213,726	13,388,065	17,336,148
-	13,086,088	-	-	-	-
<u>913,895,118</u>	<u>893,885,230</u>	<u>898,229,716</u>	<u>930,457,955</u>	<u>975,983,653</u>	<u>929,474,056</u>
198,408,248	197,846,093	195,855,982	150,645,016	143,436,270	134,856,773
51,383,514	51,636,672	51,284,124	47,952,884	39,572,323	44,611,060
114,988,343	112,475,714	123,386,485	122,444,760	131,927,650	134,371,600
94,432,295	95,871,458	87,784,835	99,230,390	114,665,022	108,522,081
26,363,171	24,967,034	24,364,447	26,982,740	25,696,539	28,688,474
255,156,067	249,041,562	250,929,288	276,596,788	296,129,276	295,591,563
29,944,767	29,676,868	29,252,876	29,150,063	30,352,729	37,241,630
68,102,328	70,027,487	67,870,619	70,676,114	66,608,800	69,678,033
87,598,359	72,366,843	91,379,812	104,939,126	167,688,051	152,184,373
25,138,438	28,284,206	24,080,873	27,381,800	33,136,216	33,069,102
16,155,774	16,305,652	17,846,002	19,857,818	19,206,417	20,384,574
<u>967,671,304</u>	<u>948,499,589</u>	<u>964,035,343</u>	<u>975,857,499</u>	<u>1,068,419,293</u>	<u>1,059,199,263</u>
<u>(53,776,186)</u>	<u>(54,614,359)</u>	<u>(65,805,627)</u>	<u>(45,399,544)</u>	<u>(92,435,640)</u>	<u>(129,725,207)</u>
89,026,390	73,635,007	66,137,762	73,898,633	84,253,948	89,343,668
(89,026,390)	(73,635,007)	(66,137,762)	(73,898,633)	(84,253,948)	(89,343,668)
-	61,725,000	53,625,000	33,755,000	51,425,000	67,870,000
-	33,345,000	-	-	20,615,000	-
-	(36,558,388)	-	-	(22,680,624)	-
13,374,962	4,498,508	19,087,111	9,987,427	13,301,703	42,585,021
-	-	-	-	-	-
-	-	-	-	-	-
-	7,161,609	4,025,795	2,658,087	5,619,538	8,451,437
-	-	-	-	201,080	(73,671)
<u>13,374,962</u>	<u>70,171,729</u>	<u>76,737,906</u>	<u>46,400,514</u>	<u>68,481,697</u>	<u>118,832,787</u>
<u>\$ (40,401,224)</u>	<u>\$ 15,557,370</u>	<u>\$ 10,932,279</u>	<u>\$ 1,000,970</u>	<u>\$ (23,953,943)</u>	<u>\$ (10,892,420)</u>

4.7%

5.1%

4.8%

5.4%

5.8%

5.9%

**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</u> <u>Year</u> <u>Ended</u>	<u>REAL PROPERTY</u>		<u>EXEMPTIONS</u>		<u>TAXABLE</u>		<u>Taxable</u> <u>Assessed Value</u> <u>To Full Value</u>	<u>Per \$1,000</u> <u>Full</u> <u>Value</u> <u>Tax</u> <u>Rate</u>
	<u>Assessed</u> <u>Value</u>	<u>Full</u> <u>Value</u>	<u>Assessed</u> <u>Value</u>	<u>Full</u> <u>Value</u>	<u>Assessed</u> <u>Value</u>	<u>Full</u> <u>Value</u>		
2004	21,304,036	25,815,758	6,154,750	6,810,315	15,149,286	19,005,443	79.71%	9.06
2005	22,024,988	26,705,334	6,252,097	6,973,119	15,772,891	19,732,215	79.93%	8.86
2006	23,689,104	28,626,155	6,474,734	7,171,432	17,214,370	21,454,723	80.24%	8.52
2007	24,454,054	30,020,864	6,600,481	7,341,042	17,853,573	22,679,822	78.72%	7.91
2008	25,152,667	31,140,839	6,685,505	7,494,265	18,467,162	23,646,574	78.10%	7.28
2009	25,720,169	31,816,504	6,171,957	7,039,201	19,548,212	24,777,303	78.90%	7.02
2010	25,954,729	31,971,757	6,228,214	7,084,921	19,726,515	24,886,836	79.26%	7.04
2011	28,510,192	32,283,535	6,507,879	7,244,642	22,002,313	25,038,893	87.87%	5.82
2012	28,839,884	32,727,383	7,302,159	7,302,159	21,537,725	25,425,224	84.71%	5.56
2013	28,913,376	34,461,789	7,328,614	8,678,972	21,584,762	25,782,817	83.72%	5.46

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

<b>TAXPAYER</b>	<b>2013</b>			<b>2004</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage Of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage Of Total Taxable Assessed Value</b>
National Grid / Niagara Mohawk	\$ 745,722,401	1	2.77%	\$ 644,478,781	1	3.21%
VERIZON / NY Telephone Co.	174,032,166	2	0.65%	139,893,189	2	0.70%
HUB Properties Trust	66,513,505	3	0.25%	-	-	-
Wegmans Food Markets	55,481,600	4	0.21%	36,356,800	5	0.18%
Shoppingtown Mall LP	53,345,000	5	0.20%	52,521,000	3	0.26%
Bristol Myers Squibb	39,468,800	6	0.15%	42,907,600	4	0.21%
Great Northern Holdings	38,489,400	7	0.14%	-	-	-
Syracuse Mob LLC	23,217,401	8	0.09%	-	-	-
Nob Hill of Syracuse Apartments	22,205,976	9	0.08%	18,208,900	10	0.09%
Aldi Inc.	21,215,000	10	0.08%	-	-	-
Carrier Corporation	-	-	-	22,319,400	6	0.11%
New Process Gear, Inc.	-	-	-	22,000,000	7	0.11%
Crucible Materials	-	-	-	20,215,000	8	0.10%
Home Properties	-	-	-	18,274,700	9	0.09%
<b>Total</b>	<b>\$ 1,239,691,249</b>		<b>4.61%</b>	<b>\$ 1,017,175,370</b>		<b>5.06%</b>

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

<b><u>Fiscal Year Ended</u></b>	<b><u>Taxes Levied for the Fiscal Year</u></b>	<b><u>Collected within the Fiscal Year of the Levy</u></b>			<b><u>Total Collections to Date</u></b>	
		<b><u>Amount</u></b>	<b><u>Percentage of Levy</u></b>	<b><u>Collections in Subsequent Years</u></b>	<b><u>Amount</u></b>	<b><u>Percentage of Levy</u></b>
2004	297,421,392	287,764,386	96.75%	8,063,869	295,828,255	99.46%
2005	300,860,868	291,355,908	96.84%	8,062,595	299,418,503	99.52%
2006	311,639,215	301,888,439	96.87%	8,405,862	310,294,301	99.57%
2007	327,022,143	316,589,528	96.81%	8,088,247	324,677,775	99.28%
2008	334,648,785	321,878,456	96.18%	10,015,336	331,893,792	99.18%
2009	341,497,443	334,543,258	97.96%	3,512,366	338,055,624	98.99%
2010	353,325,744	337,992,603	95.66%	9,068,969	347,061,572	98.23%
2011	377,756,416	362,859,235	96.06%	8,343,546	371,202,781	98.27%
2012	387,239,302	372,065,190	96.08%	4,987,148	377,052,338	97.37%
2013	386,275,561	372,123,350	96.34%	-	372,123,350	96.34%

**COUNTY OF ONONDAGA, NEW YORK**  
**Overlapping and Underlying Governmental Activities Debt**  
**As of December 31, 2013**  
*(dollars in thousands)*  
**Schedule 8**

<u>GOVERNMENTAL UNIT</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>
County of Onondaga	\$ 457,145	29.90%
Total Overlapping Debt	<u>\$ 457,145</u>	<u>29.90%</u>
<b>Political subdivisions within Onondaga County:</b>		
Towns (as of 12/31/2012)	\$ 63,296	4.14%
Villages (as of 5/31/2013)	44,824	2.93%
School districts (as of 6/30/2013)	519,481	33.98%
City of Syracuse and city schools (as of 5/16/2013)	423,640	27.71%
Fire districts (as of 12/31/2012)	20,383	1.33%
Total Underlying Debt	<u>\$ 1,071,624</u>	<u>70.10%</u>
<b>Total Overlapping and Underlying Debt</b>	<b>\$ 1,528,769</b>	<b>100.00%</b>

**COUNTY OF ONONDAGA, NEW YORK**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
*(dollars in thousands)*  
**Schedule 9**

	<b>Fiscal Year</b>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$1,160,205	\$1,187,041	\$ 1,229,383	\$1,283,825	\$1,331,236	\$1,523,511	\$1,632,193	\$1,701,089	\$1,747,508	\$1,776,162
Total net debt applicable to limit	131,326	122,381	138,124	146,085	119,427	159,798	184,570	192,911	218,412	237,955
Legal debt margin	<u>\$1,028,879</u>	<u>\$1,064,660</u>	<u>\$ 1,091,259</u>	<u>\$1,137,740</u>	<u>\$1,211,809</u>	<u>\$1,363,713</u>	<u>\$1,447,623</u>	<u>\$1,508,178</u>	<u>\$1,529,096</u>	<u>\$1,538,207</u>
Total net debt applicable to the limit as a percentage of debt limit	11.32%	10.31%	11.24%	11.38%	8.97%	10.49%	11.31%	11.34%	12.50%	13.40%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed value - 5 year average	<u>\$25,373,740</u>
<b>Legal debt margin:</b>	
Debt limit (7% of total assessed value)	1,776,162
Debt applicable to limit:	
General obligation bonds	534,599
Less: Excludable debt	(275,492)
Amount set aside for repayment of general obligation debt	<u>(21,152)</u>
Total net debt applicable to limit	<u>237,955</u>
Legal debt margin	<u><u>\$1,538,207</u></u>

**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>
2004	155,385	23,299	0.94%	387
2005	150,167	26,153	0.89%	383
2006	169,840	14,750	0.86%	400
2007	181,058	-	0.80%	393
2008	164,447	7,723	0.73%	371
2009	208,836	10,907	0.89%	472
2010	247,195	-	0.99%	529
2011	262,222	-	1.05%	561
2012	289,604	-	1.14%	620
2013	333,656	-	1.29%	712

**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</b>	
						<b>Income</b>	<b>Per Capita</b>
2004	106,865	720	71,832	179,417	358,101	1.10%	776
2005	136,667	630	94,520	231,817	408,137	1.19%	886
2006	134,877	6,540	124,295	265,712	450,302	1.25%	977
2007	132,977	-	145,538	278,515	459,573	1.20%	996
2008	137,608	-	148,745	286,353	458,523	1.15%	989
2009	133,898	-	145,573	279,471	499,214	1.26%	1,072
2010	134,349	-	163,294	297,643	544,838	1.34%	1,167
2011	135,228	-	164,892	300,120	562,342	1.31%	1,203
2012	136,056	-	171,444	307,500	597,104	1.34%	1,278
2013	136,963	-	200,943	337,906	671,562	1.50%	1,434

**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>
2004	461,412	32,652	73,055	5.1%
2005	460,910	34,197	73,367	4.5%
2006	460,925	36,053	71,871	4.4%
2007	461,287	38,338	72,564	4.1%
2008	463,472	39,999	71,375	5.2%
2009	465,633	39,724	70,768	7.7%
2010	467,026	40,721	69,891	8.2%
2011	467,525	42,943	70,650	7.8%
2012	467,038	44,700	67,881	8.1%
2013	468,387	N/A	66,884	7.2%

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

<u>Employer</u>	<u>2013</u>			<u>2004</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	9,337	1	4.42%	6,250	1	2.75%
Syracuse University	4,692	2	2.22%	4,750	2	2.09%
Roman Catholic Diocese of Syracuse	4,500	3	2.13%	-	-	-
St. Joseph's Hospital Health Center	4,100	4	1.94%	3,250	5	1.43%
Wegmans Food Markets	3,800	5	1.80%	3,750	3	1.65%
Crouse Hospital	2,700	6	1.28%	2,100	9	0.92%
Loretto	2,476	7	1.17%	2,000	10	0.88%
Lockheed Martin Corporation	2,250	8	1.07%	2,250	7	0.99%
National Grid/Niagara Mohawk	2,000	9	0.95%	2,200	8	0.97%
Raymour and Flannigan	1,900	10	0.90%	-	-	-
Magna Drivetrain-New Process Gear Inc	-	-	-	3,600	4	1.58%
P & C Food Markets	-	-	-	2,500	6	1.10%
<b>Total</b>	<u>37,755</u>		<u>17.88%</u>	<u>32,650</u>		<u>14.36%</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>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
County clerk	38	38	38	36	39
County comptroller	38	36	35	36	36
County executive	11	11	10	11	9
County legislature	26	26	26	26	27
District attorney	99	94	95	95	100
Elections board	16	16	17	17	17
Facilities management	108	115	112	115	107
Finance, management and budget	34	30	32	32	31
Information technology	74	73	72	74	76
Law department	44	43	42	42	38
Personnel department	26	29	25	26	25
Purchasing department	18	15	14	14	12
<b>General Government Support</b>	<b>532</b>	<b>526</b>	<b>518</b>	<b>524</b>	<b>517</b>
Corrections	196	187	188	188	189
Emergency communications	137	139	141	144	145
Emergency management	6	7	7	7	7
Probation	137	134	135	136	140
Sheriff civil	331	321	326	327	285
Sheriff custody	282	278	274	279	276
STOP DWI	1	1	0	0	0
<b>Public Safety</b>	<b>1,090</b>	<b>1,067</b>	<b>1,071</b>	<b>1,081</b>	<b>1,042</b>
Health	383	370	363	355	364
LTC community services	12	13	11	11	14
LTC Van Dуйn	570	545	545	531	559
Mental health department	92	85	86	85	80
<b>Health</b>	<b>1,057</b>	<b>1,013</b>	<b>1,005</b>	<b>982</b>	<b>1,017</b>
Transportation	204	199	190	189	197
<b>Transportation</b>	<b>204</b>	<b>199</b>	<b>190</b>	<b>189</b>	<b>197</b>
Economic development	3	6	6	6	7
Job training administration	8	8	7	7	6
Social services department	749	728	730	727	733
Veterans service agency	3	2	2	3	2
<b>Economic Assistance</b>	<b>763</b>	<b>744</b>	<b>745</b>	<b>743</b>	<b>748</b>
Aging and youth	18	18	17	17	18
Onondaga public libraries	60	58	59	59	56
Syracuse branch libraries	60	59	61	57	54
Parks and recreation	116	111	117	117	119
<b>Culture &amp; Recreation</b>	<b>254</b>	<b>246</b>	<b>254</b>	<b>250</b>	<b>247</b>
Community development	12	13	13	12	13
Human rights commission	4	4	4	4	4
Office of the environment	1	1	1	1	1
Onondaga planning agency	17	16	15	16	16
Water board	36	38	38	38	35
Water environment protection	371	383	387	386	387
<b>Home &amp; Community Services</b>	<b>441</b>	<b>455</b>	<b>458</b>	<b>457</b>	<b>456</b>
<b>Total</b>	<b>4,341</b>	<b>4,250</b>	<b>4,241</b>	<b>4,226</b>	<b>4,224</b>

Source: Management and Budget

**COUNTY OF ONONDAGA, NEW YORK**  
**Full-time Equivalent County Government Employees by Function/Program**  
**Last Ten Fiscal Years**  
**Schedule 13**

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

<b>Function/Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
County clerk	38	37	35	35	34
County comptroller	37	33	31	31	31
County executive	13	10	11	11	12
County legislature	26	27	24	24	23
District attorney	97	94	93	93	93
Elections board	20	15	16	16	15
Facilities management	103	92	103	103	107
Finance, management and budget	29	28	27	27	27
Information technology	75	74	74	74	73
Law department	40	40	38	38	37
Personnel department	26	21	27	27	23
Purchasing department	15	13	16	16	17
<b>General Government Support</b>	<b>519</b>	<b>484</b>	<b>495</b>	<b>495</b>	<b>492</b>
Corrections	192	192	180	180	179
Emergency communications	149	148	137	137	140
Emergency management	7	5	6	6	7
Probation	145	119	87	107	108
Sheriff civil	300	294	263	263	252
Sheriff custody	278	284	277	277	281
STOP DWI	0	0	0	0	0
<b>Public Safety</b>	<b>1,071</b>	<b>1,042</b>	<b>950</b>	<b>970</b>	<b>967</b>
Health	371	359	297	297	280
LTC community services	16	15	0	0	0
LTC Van Duyn	525	525	504	504	495
Mental health department	80	80	53	53	51
<b>Health</b>	<b>992</b>	<b>979</b>	<b>854</b>	<b>854</b>	<b>826</b>
Transportation	195	177	163	163	169
<b>Transportation</b>	<b>195</b>	<b>177</b>	<b>163</b>	<b>163</b>	<b>169</b>
Economic development	7	5	6	6	7
Job training administration	6	4	2	2	2
Social services department	727	683	690	690	690
Veterans service agency	3	3	3	3	2
<b>Economic Assistance</b>	<b>743</b>	<b>695</b>	<b>701</b>	<b>701</b>	<b>701</b>
Aging and youth	19	17	18	18	17
Onondaga public libraries	57	57	55	55	53
Syracuse branch libraries	60	59	53	53	53
Parks and recreation	117	103	86	86	93
<b>Culture &amp; Recreation</b>	<b>253</b>	<b>236</b>	<b>212</b>	<b>212</b>	<b>216</b>
Community development	13	16	17	17	17
Human rights commission	4	0	0	0	0
Office of the environment	1	1	1	1	1
Onondaga planning agency	17	16	14	14	14
Water board	36	37	25	25	23
Water environment protection	387	377	370	370	369
<b>Home &amp; Community Services</b>	<b>458</b>	<b>447</b>	<b>427</b>	<b>427</b>	<b>424</b>
<b>Total</b>	<b>4,231</b>	<b>4,060</b>	<b>3,802</b>	<b>3,822</b>	<b>3,795</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>Fiscal Year</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Police protection</b>										
Number of police personnel and officers	585	585	540	530	538	537	516	502	499	498
Number of police vehicles	174	199	199	199	206	206	209	208	210	211
Number of stations	8	8	7	7	8	8	8	7	7	7
<b>Highways</b>										
Miles of streets maintained	802	802	857	857	792	792	792	793	793	793
Road signs installed	794	854	957	1,025	853	1,105	923	1,168	1,180	1,180
Signal lights	89	90	93	93	98	100	101	102	102	104
<b>Parks and recreation</b>										
Athletic fields	14	14	14	14	14	14	14	14	14	14
Miles of hiking trails	56	56	56	56	56	56	56	56	56	56
Park acreage	6,580	6,580	6,580	6,580	6,580	6,580	6,580	6,580	6,580	6,580
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)	112,000	112,000	117,000	116,200	116,200	119,700	119,700	119,700	119,700	119,700
Miles of sanitary sewers	3,028	3,028	3,037	3,047	3,060	3,065	3,065	3,067	3,072	3,076
Number of pumping stations	120	120	140	150	148	149	149	151	153	157
Number of sewer units	181,248	181,248	181,500	180,901	180,938	181,425	181,269	179,863	180,967	180,326
Number of wastewater treatment facilities	6	6	6	6	6	6	6	6	6	6
<b>Water operations</b>										
Maximum daily capacity of plants in gallons (in thousands)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Miles of water mains	81	81	81	92	92	92	92	92	92	92
Number of service connections	48	48	48	51	51	51	51	51	47	47

**FORM OF BOND COUNSEL'S OPINION**  
\$34,800,000 General Obligation (Serial) Bonds, 2014

June 27, 2014

County of Onondaga,  
State of New York

Re: County of Onondaga, New York  
\$34,800,000 General Obligation (Serial) Bonds, 2014

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$34,800,000 General Obligation (Serial) Bonds, 2014 (the "Obligations"), of the County of Onondaga, State of New York (the "Obligor"), dated June 27, 2014, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds, in such amounts as hereinafter set forth, bearing interest at the rate of \_\_\_\_\_ per centum (\_\_\_\_\_% ) per annum, payable on May 1, 2014, November 1, 2014 and semi-annually thereafter on May 1 and November 1, and maturing in the amount of \$2,600,000 on May 1, 2016, \$2,700,000 on May 1, 2017, \$2,900,000 on May 1, 2018, \$2,850,000 on May 1, 2019, \$2,350,000 on May 1, 2020, \$2,400,000 on May 1, 2021, \$2,475,000 on May 1, 2022, \$2,200,000 on May 1, 2023, \$2,175,000 on May 1, 2024, \$1,550,000 on May 1, 2025, \$1,575,000 on May 1, 2026, \$1,575,000 on May 1, 2027, \$1,325,000 on May 1, 2028, \$950,000 on May 1, 2029, \$1,000,000 on May 1, 2030, \$1,025,000 on May 1, 2031, \$1,050,000 on May 1, 2032, \$1,050,000 on May 1, 2033 and \$1,050,000 on May 1, 2034.

The Bonds maturing on or before May 1, 2022 shall not be subject to redemption prior to maturity. The Bonds maturing on or after May 1, 2023 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 May 1, 2022 or on any date thereafter at par, plus accrued interest to the date of redemption.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although it is included in adjusted current earnings in calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the fifth paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations, the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

Orrick, Herrington & Sutcliffe LLP