

COUNTY OF ONEIDA,  
NEW YORK

MANAGEMENT'S  
DISCUSSION AND  
ANALYSIS AND BASIC  
FINANCIAL STATEMENTS

For the Year Ended  
December 31, 2008

**COUNTY OF ONEIDA, NEW YORK**

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## Independent Auditor's Report

Chairman and Members of the County Legislature  
County of Oneida, New York

We have audited the accompanying financial statements of the governmental activities, the business-type activities, certain aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Oneida, New York, as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Oneida, New York's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Oneida-Herkimer Solid Waste Management Authority which represent 52%, 33%, and 46%, respectively, of the assets, net assets, and revenues of the discretely presented component units. We also did not audit the financial statements of The Oneida Tobacco Asset Securitization Corporation, which represent 27%, 30%, and 20%, respectively of the assets, net assets, and revenues of the other governmental funds. 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 Oneida-Herkimer Solid Waste Management Authority and Oneida Tobacco Asset Securitization Corporation, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Oneida, New York, as of December 31, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3-12 and 60-61, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Oneida, New York's basic financial statements. The combining statements of other governmental funds, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*D'Arcangelo + Co., LLP*

July 22, 2009

Utica, New York

Our discussion and analysis of the County of Oneida, New York's financial performance provides an overview of the County's financial activities for the year ended December 31, 2008 with comparative information for the year ended December 31, 2007. This document should be read in conjunction with the County's financial statements which follow this narrative.

## **1. FINANCIAL HIGHLIGHTS**

(These items will be explained in more detail in subsequent sections of the narrative.)

### ***Governmental Activities***

- The assets of Oneida County's Governmental Activities exceeded its liabilities at December 31, 2008, by \$89,795,437, which is illustrated in the statements as "net assets" (pages 13 and 14).
- The total net assets attributable to Governmental Activities increased by \$4,401,322.
- At December 31, 2008, Oneida County's governmental funds reported combined ending fund balances of \$62,091,014, a decrease of \$41,413 from the prior year (pages 15 and 16).
- The modified 2008 budget anticipated a reduction in the General Fund balance of \$11,111,103; however, the actual operating deficit was \$9,901,797, resulting in a budget surplus of \$1,209,308 (page 60).
- At the end of 2008, the unreserved fund balance for the General Fund was \$28,616,095. Of this total, \$10,000,000 was designated for Fiscal Stability, \$6,853,552 was appropriated for the 2009 budget, \$700,000 was designated for pending tax certiorari, \$780,000 was designated for Economic and Community Development, \$1,000,000 for GASB 45 OPEB costs, \$459,892 for "Pay-As-You-Go" Capital Projects and \$517,855 was designated for the joint activity fund (page 15).
- In 2008, the County's credit ratings remained in the "A" category and have been assigned a stable or neutral outlook by all three credit rating agencies.
- In 2007, the County adopted GASB 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" (OPEB). As a result, the County has included a liability of \$6.8 million included in long term debt.

### ***Business-Type Activities***

- The assets of Oneida County's Business-Type Activities exceeded its liabilities at December 31, 2008, by \$13,101,730 which is illustrated in the statements as "net assets" (pages 18 and 19).
- The total net assets attributable to Business-Type activities increased by \$390,805.

## **2. OVERVIEW OF THE FINANCIAL STATEMENTS**

Management's discussion and analysis is intended to serve as an introduction to Oneida County's basic financial statements. These statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. Each view will be explained in more detail to follow in this narrative. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Oneida County.

## **3. GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole, and can be found on pages 13 and 14.

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, economic assistance and opportunity, and general government support. Property taxes, sales tax, and State and Federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include sewer and workers' compensation services offered by Oneida County. The final category is the component units. The County includes the Oneida Herkimer Solid Waste Authority and Mohawk Valley Community College in this report. Although legally separate, these "component units" are included as required by GASB Statement No. 39. Separately issued financial statements are available for the component units. See notes to basic financial statements.

**COUNTY OF ONEIDA, NEW YORK**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2008

**4. GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Table 1 – Oneida County's  
Net Assets (In Millions)

|   | Governmental Activities |              | Business-Type Activities |             |
|---|-------------------------|--------------|--------------------------|-------------|
|   | 2008                    | 2007         | 2008                     | 2007        |
| Current and Other Assets                          | 129.3                   | 142.3        | 19.6                     | 25.4        |
| Capital Assets, (Net of Accumulated Depreciation) | 211.0                   | 188.0        | 27.2                     | 25.6        |
| Total Assets                                      | <u>340.3</u>            | <u>330.3</u> | <u>46.8</u>              | <u>51.0</u> |
| Other Liabilities                                 | 51.0                    | 66.2         | 19.3                     | 25.1        |
| Long-Term Debt Outstanding                        | 199.5                   | 178.7        | 14.4                     | 13.2        |
| Total Liabilities                                 | <u>250.5</u>            | <u>244.9</u> | <u>33.7</u>              | <u>38.3</u> |
| Net Assets  |                         |              |                          |             |
| Invested in Capital Assets, (Net of Related Debt) | 24.8                    | 19.9         | 11.2                     | 12.6        |
| Unrestricted                                      | <u>65.0</u>             | <u>65.5</u>  | <u>1.9</u>               | <u>.1</u>   |
| Total Net Assets                                  | <u>89.8</u>             | <u>85.4</u>  | <u>13.1</u>              | <u>12.7</u> |

Table 2 – Oneida County's  
Changes in Net Assets (In Millions)

|  | Governmental Activities |              | Business-Type Activities |             |
|--|-------------------------|--------------|--------------------------|-------------|
|  | 2008                    | 2007         | 2008                     | 2007        |
| <b>Revenues</b>                          |                         |              |                          |             |
| Program Revenues                         |                         |              |                          |             |
| Charges for Services                     | 42.5                    | 40.3         | 13.2                     | 13.2        |
| Operating Grants and Contributions       | 103.8                   | 105.3        | 0.0                      | 0.0         |
| Capital Grants and Contributions         | 5.7                     | 9.4          | 0.0                      | 0.0         |
| General Revenues                         |                         |              |                          |             |
| Real Property Taxes                      | 59.7                    | 56.7         | 0.0                      | 0.0         |
| Other Taxes and Items                    | <u>125.0</u>            | <u>131.0</u> | <u>0.0</u>               | <u>0.0</u>  |
| Total Revenues                           | <u>336.7</u>            | <u>342.7</u> | <u>13.2</u>              | <u>13.2</u> |
| <b>Program Expenses</b>                  |                         |              |                          |             |
| General Government Support               | 56.3                    | 60.8         | 0.0                      | 0.0         |
| Education                                | 20.0                    | 19.1         | 0.0                      | 0.0         |
| Public Safety                            | 38.1                    | 38.6         | 0.0                      | 0.0         |
| Public Health                            | 18.5                    | 18.5         | 0.0                      | 0.0         |
| Transportation                           | 34.3                    | 34.0         | 0.0                      | 0.0         |
| Economic Assistance and Opportunity      | 142.1                   | 145.9        | 0.0                      | 0.0         |
| Culture and Recreation                   | 2.5                     | 4.4          | 0.0                      | 0.0         |
| Home and Community Services              | 3.4                     | 2.6          | 12.8                     | 13.1        |
| Interest on Long-Term Debt               | 10.5                    | 11.0         | 0.0                      | 0.0         |
| Unallocated Depreciation                 | <u>6.6</u>              | <u>6.1</u>   | <u>0.0</u>               | <u>.6</u>   |
| Total Program Expenses                   | <u>332.3</u>            | <u>341.0</u> | <u>12.8</u>              | <u>13.7</u> |
| <b>Increase (Decrease) in Net Assets</b> | <u>4.4</u>              | <u>1.7</u>   | <u>.4</u>                | <u>(.5)</u> |



**COUNTY OF ONEIDA, NEW YORK**

## Management's Discussion and Analysis

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Net assets may serve over time as one useful indicator of a government's financial condition. The assets of Oneida County's Governmental Activities exceeded its liabilities at December 31, 2008, by \$89.8 million. This reflects a \$4.4 million increase over the 2007 net assets amount, due to continued investment in capital assets in excess of depreciation and outstanding debt in excess of the modest operating deficit achieved in the County's General and Other Governmental Funds (see discussion of Fund Financial Statements).

Table 3 presents the cost of each of the County's four largest governmental programs: public health, public safety, transportation, and economic assistance and opportunity, as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions. The General Government Support program expenditures in 2008 include the gross sales tax paid to the towns and villages in the amount of \$32,173,213. This same amount is included in the "General Revenues" category under Non Property Tax Items. General government support is not a true program, and therefore we have not included it in Table 3.

Table 3 - Governmental Activities (In Millions)

|                                     | 2008                   |                      | 2007                   |                      |
|-------------------------------------|------------------------|----------------------|------------------------|----------------------|
|                                     | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
| Public Health                       | 18.5                   | 1.4                  | 18.5                   | 2.1                  |
| Public Safety                       | 38.1                   | 29.5                 | 38.6                   | 29.5                 |
| Transportation                      | 34.3                   | 13.1                 | 34.0                   | 10.7                 |
| Economic Assistance and Opportunity | 142.1                  | 63.9                 | 145.9                  | 64.0                 |
| Totals                              | <u>233.0</u>           | <u>107.9</u>         | <u>237.0</u>           | <u>106.3</u>         |

The County's Proprietary Funds consist of the Sewer Fund and the Workers' Compensation Fund. The basic financial statements for the funds are included in this report. Because the focus on business-type funds is a cost of service measurement or capital maintenance, we have included these funds in Table 4, which demonstrates assets, net assets, and changes in net assets.

Table 4 - Business-Type (In Millions)

|                       | 2008  |      | 2007  |      |
|-----------------------|-------|------|-------|------|
|                       | Sewer | WCF  | Sewer | WCF  |
| Total Assets          | 33.0  | 13.8 | 34.7  | 16.3 |
| Net Assets            | 13.1  | 0.0  | 12.7  | 0.0  |
| Changes in Net Assets | .4    | 0.0  | (.5)  | 0.0  |

## **5. FUND FINANCIAL STATEMENTS**

Our analysis of the County's major funds begins on Page 15 and provides detailed information about the most significant funds – not the County as a whole. Some funds are required to be established by State law; however, the County Legislature may establish other funds to help it control and manage money for particular purposes. The County's two types of funds - Governmental and Proprietary – use different accounting approaches.

*Governmental Funds* – Most of the County's basic services are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental Fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (of differences) between governmental activities (reported in the statement of net assets and the statement of activities) and Governmental Funds in a reconciliation on page 17.

*Proprietary Funds* – When the County charges customers for the services it provides - whether to outside customers or to other units of the County – these services are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way that all activities are reported in the statement of net assets and the statement of activities. In fact, the County's Enterprise Funds (a component of Proprietary Funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for Proprietary Funds. These statements begin on page 18.

*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 statement because the resources of those funds are not available to support the County's own programs. The basic fiduciary fund financial statements can be found on page 21 of this report.

## **6. FUND FINANCIAL ANALYSIS**

As the County completed the year, its governmental funds (as presented in the balance sheet on page 15) reported a combined fund balance of \$62.1 million which was a decrease of \$41,413 from last year's total. The modified General Fund Budget included a \$11.1 million projected operating deficit, however, actual results showed an operating deficit of \$9.9 million. Salaries, including fringe benefits, ended the year with a \$2 million favorable budget variance, while sales tax receipts were less than budgeted by \$.5 million.

**COUNTY OF ONEIDA, NEW YORK**

## Management's Discussion and Analysis

For the Year Ended December 31, 2008

The other Governmental Funds operating surplus for 2008 was \$9.4 million, which includes a Capital Fund surplus of \$10.8 million and an OTASC deficit of \$1.7 million. The remaining \$.3 million surplus is attributed to the County Road and Road Machinery Funds. The Capital surplus is due to timing differences between recognition of bond revenues in 2008 and the subsequent project expenditures in 2009. The OTASC deficit is due to debt service expenses exceeding the Tobacco revenues received.

A comparative overview of the Governmental Funds results for 2008 and 2007 follows. This includes more detailed information about sources and uses of funds in each year.

Table 5 - Oneida County Governmental FundsSummary of Revenues and Expenditures2008 and 2007 (In Millions)

|                         | <u>2008</u>         | <u>2008</u>       | <u>2007</u>         | <u>2007</u>       |
|-------------------------|---------------------|-------------------|---------------------|-------------------|
|                         | <u>Revenues</u>     | <u>% of Total</u> | <u>Revenues</u>     | <u>% of Total</u> |
| Sales Tax and Other     |                     |                   |                     |                   |
| Nonproperty Items       | \$ 117.7            | 31.1%             | \$ 123.7            | 32.8%             |
| Real Property Taxes     | 60.2                | 15.9%             | 57.8                | 15.3%             |
| Departmental Income,    |                     |                   |                     |                   |
| Fees, and Interest      | 37.0                | 9.8%              | 34.9                | 9.3%              |
| State and Federal Aid   | 109.4               | 28.9%             | 114.7               | 30.4%             |
| All Other Sources       | 53.7                | 14.3%             | 45.6                | 12.2%             |
| Total Revenues          | <u>\$ 378.0</u>     | <u>100.0%</u>     | <u>\$ 376.7</u>     | <u>100.0%</u>     |
|                         |                     |                   |                     |                   |
|                         | <u>2008</u>         | <u>2008</u>       | <u>2007</u>         | <u>2007</u>       |
|                         | <u>Expenditures</u> | <u>% of Total</u> | <u>Expenditures</u> | <u>% of Total</u> |
| General Governmental    |                     |                   |                     |                   |
| Support                 | \$ 63.0             | 16.7%             | \$ 63.2             | 16.8%             |
| Education               | 21.8                | 5.8%              | 20.3                | 5.4%              |
| Public Safety           | 39.7                | 10.5%             | 39.6                | 10.5%             |
| Public Health           | 19.9                | 5.3%              | 19.4                | 5.2%              |
| Transportation          | 37.3                | 9.9%              | 36.8                | 9.8%              |
| Economic Assistance and |                     |                   |                     |                   |
| Opportunity             | 154.0               | 40.7%             | 153.4               | 40.9%             |
| Culture and Recreation  | 2.8                 | .7%               | 4.8                 | 1.3%              |
| Home and Community      |                     |                   |                     |                   |
| Services                | 3.6                 | 1.0%              | 2.7                 | 0.7%              |
| Debt Service            | 18.2                | 4.8%              | 18.1                | 4.8%              |
| Other                   | 17.7                | 4.7%              | 17.1                | 4.6%              |
| Total Expenditures      | <u>\$ 378.0</u>     | <u>100.0%</u>     | <u>\$ 375.4</u>     | <u>100.0%</u>     |

**COUNTY OF ONEIDA, NEW YORK**  
 Management's Discussion and Analysis  
 For the Year Ended December 31, 2008

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**7. GENERAL FUND BUDGET HIGHLIGHTS**

The statement on page 60 shows both adopted and final modified budget totals compared with actual results for the General Fund in 2008. The significant variances between the adopted and the final budget for 2008 were as follows:

|  |                       |
|--|-----------------------|
| Original Budget  | \$ 286,767,755        |
| 2008 Additional Appropriations                         |                       |
| Encumbrance Carryovers                                 | 493,012               |
| Supplemental Appropriations from<br>Additional Revenue | 9,591,855             |
| Supplemental Budget for<br>Gross Sales Tax Adjustment  | <u>32,173,213</u>     |
| Final Budget   | \$ <u>329,025,835</u> |

**8. CAPITAL ASSET AND DEBT ADMINISTRATION**

*Capital Assets*

At December 31, 2008 and 2007, the County had \$237.6 million and \$213.6 million, respectively, invested in a broad range of capital assets including equipment, a jail, buildings, roads, bridges, and sewer lines and plant (see pages 44 and 45).

Table 6 – Capital Assets at Year End  
 (Net of Depreciation, In Millions)

|                         | <u>2008</u>         |                      |                 |
|-------------------------|---------------------|----------------------|-----------------|
|                         | <u>Governmental</u> | <u>Business-Type</u> |                 |
|                         | <u>Activities</u>   | <u>Activities</u>    | <u>Totals</u>   |
| Land                    | \$ 11.8             | \$ 0.0               | \$ 11.8         |
| Land Improvements       | 2.8                 | 0.0                  | 2.8             |
| Construction            | 133.3               | 22.9                 | 155.9           |
| Licensed Vehicles       | 2.8                 | .1                   | 2.9             |
| Machinery and Equipment | 8.9                 | .2                   | 9.1             |
| Infrastructure          | <u>51.4</u>         | <u>4.0</u>           | <u>55.4</u>     |
| Totals                  | <u>\$ 211.0</u>     | <u>\$ 27.2</u>       | <u>\$ 237.9</u> |

**COUNTY OF ONEIDA, NEW YORK**

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Table 6 – Capital Assets at Year End  
(Net of Depreciation, In Millions)

|                         | 2007                       |                             |                 |
|-------------------------|----------------------------|-----------------------------|-----------------|
|                         | Governmental<br>Activities | Business-Type<br>Activities | Totals          |
| Land                    | \$ 11.8                    | \$ 0.0                      | \$ 11.8         |
| Land Improvements       | 3.2                        | 0.0                         | 3.2             |
| Construction            | 114.7                      | 21.3                        | 136.0           |
| Licensed Vehicles       | 3.0                        | .1                          | 3.1             |
| Machinery and Equipment | 6.7                        | .1                          | 6.8             |
| Infrastructure          | 48.6                       | 4.1                         | 52.7            |
| Totals                  | <u>\$ 188.0</u>            | <u>\$ 25.6</u>              | <u>\$ 213.6</u> |

The County's 2009 capital budget anticipates a spending level of \$41.3 million for capital projects, to be funded by \$18.9 million in bonding and \$22.4 million in State and Federal Aid.

***Bonds***

At year end, the County had \$198.9 million in bonds outstanding (see Note 13 on page 54 for additional detail).

Table 7 - Outstanding Bonds at Year End  
(In Millions)

|   | (In Millions)              |                             |                 |
|---|----------------------------|-----------------------------|-----------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Totals          |
| General Obligation Bonds<br>(Backed by the County)                | \$ 185.0                   | \$ 0.0                      | \$ 185.00       |
| General Obligation Revenue Bonds<br>(Backed by Specific Revenues) | 0.0                        | 13.9                        | 13.9            |
| Totals  | <u>\$ 185.0</u>            | <u>\$ 13.9</u>              | <u>\$ 198.9</u> |

**9. 2008 ECONOMIC FACTORS AND BUDGET**

The County's elected and appointed officials considered many factors when setting the fiscal year 2009 budget, tax levy, and fees that will be charged for the business-type activities. One of these factors is the economy. Unemployment in the County at the end of May 2009 stood at 7.2% versus 5.0% a year ago. This compares with the May 2009 State unemployment rate of 8.0%, and the national rate of 9.1% (these percentages are not seasonally adjusted).

For the period May 2008 through May 2009, the national average CPI decreased 1.3% for all items. The core CPI (which excludes food and energy costs) increased 1.8%.

## COUNTY OF ONEIDA, NEW YORK

### Management's Discussion and Analysis

For the Year Ended December 31, 2008

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Sales tax is budgeted for 2009 at \$88,232,500. In 2005, the County Board of Legislators adopted a resolution of necessity and the NYS Legislature passed legislation (with the Governor signing into law) authorizing the County to impose an additional increase to the sales tax of 1.5%. This tax began March 1, 2005, with an expiration date of November 30, 2007. This tax was reduced to 1% effective September 1, 2006.

In July 2007, the New York State Legislature (with the Governor signing into law) approved the extension of the additional sales tax imposed in 2005 at the amended rate of three quarters of one percent (3/4%) effective December 1, 2007 until November 30, 2009. All of the proceeds of this additional sales tax are retained by the County, which aggregated \$20,830,000 in 2008. Legislation is in process (in July 2009) to further extend this additional rate through November 30, 2011.

The 2009 sales tax budget of \$88.2 million was a \$6 million increase over the 2008 budgeted amount. This increase was based primarily on the projected effect of the December 1, 2008 elimination of the County's sales tax cap on gas. At the time the 2009 budget was adopted, gasoline prices exceeded \$4 per gallon. Since that time, however, fuel prices have fallen dramatically which will have a negative impact on the County's sales tax revenues for 2009. This, along with the general decrease in consumer spending due to the current economic recession, makes it highly unlikely that the County will meet its sales tax revenue budget for 2009.

Medicaid continues to be a major expenditure for County Government. In 2005, New York State approved legislation mandating the State takeover the Medicaid program in 2008. The plan limited local Medicaid payments at the 2005 calendar year level, effective January 1, 2006, and adjusted by a growth rate of 3.5%, or actual costs, whichever is less. Under this plan, the annual inflation factor was lowered to 3.3% in 2007 and 3.0% for 2008 and years thereafter. In 2008, the State assumed all local Medicaid costs into the State budget, but counties are still required to provide an annual payment to the State which, at the County's option, is based on either: 1) The capped local contribution methodology (base payment increase by 3.0% annually) or, 2) A fixed percentage of local sales tax revenue to be intercepted from the County sales tax payments on a monthly basis. The County has opted to continue the capped local contribution method. The 2009 budgeted Medicaid expense is \$51.5 million.

The County is projected to receive \$19-26 million in enhanced Federal Medical Assistance Percentage (FMAP) funding over 27 months starting in early 2009. For fiscal year 2009 the County will receive at least \$8.9 million, which is expected to increase as New York State is currently withholding 20% of the estimated allocation until they complete their Medicaid cap reconciliation later in the year. This unanticipated revenue will help offset the expected shortfall in 2009 sales tax receipts.

Because of the unstable economic conditions, County officials are closely monitoring expenditures and purchases in an attempt to reduce spending. In January 2009 the County Board of Legislators approved a resolution that mandates that any funded positions vacated in 2009 be abolished. As of July 2009 the total budgeted savings resulting from these deleted positions have accumulated to \$1.2 million, which has been transferred into a contingency account that can only be accessed with approval of the Board of Legislators.

Oneida County's non-management employees are represented by four labor unions under five contracts. All five labor contracts are current as of July 2009.

The 2009 budget anticipates an operating deficit of \$6.9 million, which is to be funded with the remaining 2005 tobacco securitization proceeds and unrestricted, undesignated fund balance. County officials are closely monitoring the 2009 activity in conjunction with the preparation of the 2010 budget.

#### **10. GASB 45 UPDATE**

In 2007, the County contracted with the BPA – Harbridge Consulting Group for actuary services mandated by GASB 45. The actuaries have completed their review and analysis of the County's Other Post Employment Benefits (OPEB). It should be noted that, at December 31, 2008, the County has designated \$1,000,000 of their unreserved fund balance to begin funding for their OPEB liability. The County has accrued \$7,068,132 in these 2008 audited statements. See Note 12 to the financial statements (Page 49) for further details.

#### **11. CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Joseph J. Timpano, County Comptroller, 800 Park Avenue, Utica, New York, 13501.

**COUNTY OF ONEIDA, NEW YORK**

**STATEMENT OF NET ASSETS**

**December 31, 2008**

|   | <u>Governmental<br/>Activities</u> | <u>Business<br/>Type</u> | <u>Primary<br/>Government<br/>Total</u> | <u>Component<br/>Units</u> |
|---|------------------------------------|--------------------------|---|----------------------------|
| <b>Assets</b>                                     |                                    |                          |   |                            |
| Cash and Cash Equivalents                         | \$ 26,316,375                      | \$ 6,634,194             | \$ 32,950,569                           | \$ 26,435,586              |
| Deposits With Trustees                            | 5,033,128                          |                          | 5,033,128                               | 17,935,079                 |
| Investments                                       |                                    |                          |   | 3,456,467                  |
| Receivables                                       |                                    |                          |   |                            |
| Taxes Receivable                                  | 25,495,553                         |                          | 25,495,553                              |                            |
| Student Tuition, Loans, and Fees Receivable (Net) |                                    |                          |   | 2,197,739                  |
| Other Receivables                                 | 4,515,088                          | 3,413,767                | 7,928,855                               | 2,440,277                  |
| Due From  |                                    |                          |   |                            |
| State and Federal Governments                     | 55,188,704                         |                          | 55,188,704                              |                            |
| Other Governments                                 | 899,776                            | 8,521,081                | 9,420,857                               | 5,762,402                  |
| Governmental Funds                                |                                    | 1,001,930                | 1,001,930                               |                            |
| Business-Type Activities                          | 5,693,380                          |                          | 5,693,380                               |                            |
| Inventory   |                                    |                          |   | 442,184                    |
| Other Assets                                      | 6,223,311                          |                          | 6,223,311                               | 1,757,525                  |
| Capital Assets (Net of Accumulated Depreciation)  | <u>210,956,996</u>                 | <u>27,216,724</u>        | <u>238,173,720</u>                      | <u>76,962,393</u>          |
| Total Assets                                      | <u>\$ 340,322,311</u>              | <u>\$ 46,787,696</u>     | <u>\$ 387,110,007</u>                   | <u>\$ 137,389,652</u>      |
| <b>Liabilities</b>                                |                                    |                          |   |                            |
| Accounts Payable                                  | \$ 11,030,874                      | \$ 378,990               | \$ 11,409,864                           | \$ 5,424,488               |
| Accrued Liabilities                               | 27,310,069                         | 13,231,574               | 40,541,643                              |                            |
| Due To  |                                    |                          |   |                            |
| Other Governments                                 | 10,145,169                         |                          | 10,145,169                              |                            |
| Governmental Funds                                |                                    | 5,693,380                | 5,693,380                               |                            |
| Business-Type Activities                          | 1,001,930                          |                          | 1,001,930                               |                            |
| Overpayments and Collections in Advance           | 15,949                             |                          | 15,949                                  |                            |
| Accrued Closure Costs                             |                                    |                          |   | 1,642,036                  |
| Other Liabilities                                 |                                    |                          |   | 1,687,601                  |
| Deferred Revenue                                  | 1,536,387                          |                          | 1,536,387                               | 4,445,222                  |
| Bond Anticipation Note                            |                                    |                          |   | 708,359                    |
| Noncurrent Liabilities                            |                                    |                          |   |                            |
| Due Within One Year                               | 42,556,332                         | 2,950,033                | 45,506,365                              | 6,454,669                  |
| Due in More Than One Year                         | <u>156,930,164</u>                 | <u>11,431,989</u>        | <u>168,362,153</u>                      | <u>86,197,778</u>          |
| Total Liabilities                                 | <u>250,526,874</u>                 | <u>33,685,966</u>        | <u>284,212,840</u>                      | <u>106,560,153</u>         |
| <b>Net Assets</b>                                 |                                    |                          |   |                            |
| Invested in Capital Assets (Net of Related Debt)  | 24,845,741                         | 11,203,501               | 36,049,242                              | (8,028,766)                |
| Restricted  |                                    |                          |   |                            |
| Nonexpendable                                     |                                    |                          |   | 627,890                    |
| Expendable  |                                    |                          |   | 21,312,468                 |
| Unrestricted                                      | <u>64,949,696</u>                  | <u>1,898,229</u>         | <u>66,847,925</u>                       | <u>16,917,907</u>          |
| Total Net Assets                                  | <u>89,795,437</u>                  | <u>13,101,730</u>        | <u>102,897,167</u>                      | <u>30,829,499</u>          |
| <b>Total Liabilities and Net Assets</b>           | <u>\$ 340,322,311</u>              | <u>\$ 46,787,696</u>     | <u>\$ 387,110,007</u>                   | <u>\$ 137,389,652</u>      |

The Accompanying Notes are an Integral Part of These Financial Statements.



**COUNTY OF ONEIDA, NEW YORK**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2008**

|  | Program Revenues      |                      |                          | Net (Expense) Revenue and Changes in Net Assets |                          |                       |                      |
|--|-----------------------|----------------------|--------------------------|---|--------------------------|-----------------------|----------------------|
|  | Expenses              | Operating            |                          | Governmental Activities                         | Primary Government       |                       | Component Units      |
|  |                       | Charges for Services | Grants and Contributions |   | Business-Type Activities | Total                 |                      |
| <b>Primary Government</b>  |                       |                      |                          |   |                          |                       |                      |
| Governmental Activities  |                       |                      |                          |   |                          |                       |                      |
| General Government Support   | \$ 56,314,136         | \$ 11,263,371        | \$ 4,307,784             | \$ 488,875                                      | \$ (40,254,106)          | \$ (40,254,106)       | \$                   |
| Education  | 19,992,087            | 2,149,343            | 6,291,033                |   | (11,551,711)             | (11,551,711)          |                      |
| Public Safety  | 38,103,266            | 6,708,052            | 1,385,516                | 554,944   | (29,454,754)             | (29,454,754)          |                      |
| Public Health  | 18,457,835            | 1,851,017            | 15,171,454               |   | (1,435,364)              | (1,435,364)           |                      |
| Transportation   | 34,311,126            | 12,113,651           | 4,508,186                | 4,611,115                                       | (13,078,174)             | (13,078,174)          |                      |
| Economic Assistance and Opportunity  | 142,114,160           | 7,944,789            | 70,260,646               |   | (63,908,725)             | (63,908,725)          |                      |
| Culture and Recreation   | 2,535,730             | 68,220               | 346,234                  |   | (2,121,276)              | (2,121,276)           |                      |
| Home and Community Services  | 3,387,610             | 431,820              | 1,545,341                |   | (1,410,449)              | (1,410,449)           |                      |
| Interest on Long-Term Debt (Excludes Direct Expenses of the Various Programs)            | 10,451,213            |                      |                          |   | (10,451,213)             | (10,451,213)          |                      |
| Unallocated Depreciation (Excludes Direct Depreciation Expenses of the Various Programs) | 6,604,911             |                      |                          |   | (6,604,911)              | (6,604,911)           |                      |
| <b>Total Governmental Activities</b>   | <b>332,272,074</b>    | <b>42,530,263</b>    | <b>103,816,194</b>       | <b>5,654,934</b>                                | <b>(180,270,683)</b>     | <b>(180,270,683)</b>  |                      |
| <b>Business-Type Activities</b>  |                       |                      |                          |   |                          |                       |                      |
| Sewer Fund   | 9,166,430             | 9,557,235            |                          |   | 390,805                  | 390,805               |                      |
| Internal Service Fund  | 3,614,691             | 3,614,691            |                          |   |                          |                       |                      |
| <b>Total Primary Government</b>  | <b>\$ 345,053,195</b> | <b>\$ 55,702,189</b> | <b>\$ 103,816,194</b>    | <b>\$ 5,654,934</b>                             | <b>(180,270,683)</b>     | <b>(179,879,878)</b>  |                      |
| <b>Component Units</b>   |                       |                      |                          |   |                          |                       |                      |
| Solid Waste Authority  | \$ 20,181,134         | \$ 25,622,125        | \$ 65,577                |   |                          |                       | 5,506,568            |
| Community College  | 56,890,989            | 17,879,295           | 35,815,493               | 1,358,553                                       |                          |                       | (1,837,648)          |
| <b>Total Component Units</b>   | <b>\$ 77,072,123</b>  | <b>\$ 43,501,420</b> | <b>\$ 35,881,070</b>     | <b>\$ 1,358,553</b>                             |                          |                       | <b>3,668,920</b>     |
| <b>General Revenues</b>  |                       |                      |                          |   |                          |                       |                      |
| Real Property Taxes, Levied for General Purposes   |                       |                      |                          |   | 59,675,706               | 59,675,706            |                      |
| Real Property Tax Items  |                       |                      |                          |   | 2,718,315                | 2,718,315             |                      |
| Nonproperty Tax Items (Sales Tax and PILOTs)   |                       |                      |                          |   | 117,659,617              | 117,659,617           |                      |
| Tobacco Revenues and Interest  |                       |                      |                          |   | 4,618,367                | 4,618,367             |                      |
| <b>Total General Revenues</b>  |                       |                      |                          |   | <b>184,672,005</b>       | <b>184,672,005</b>    |                      |
| Change in Net Assets   |                       |                      |                          |   | 4,401,322                | 4,792,127             | 3,668,920            |
| <b>Net Assets, Beginning of Year</b>   |                       |                      |                          |   | <b>12,710,925</b>        | <b>98,105,040</b>     | <b>27,160,579</b>    |
| <b>Net Assets, End of Year</b>   |                       |                      |                          |   | <b>\$ 13,101,730</b>     | <b>\$ 102,897,167</b> | <b>\$ 30,829,499</b> |

The Accompanying Notes are an Integral Part of These Financial Statements.

**COUNTY OF ONEIDA, NEW YORK**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**(INCLUDING THE RECONCILIATION OF TOTAL GOVERNMENTAL**  
**FUND BALANCE TO NET ASSETS OF GOVERNMENTAL ACTIVITIES)**  
**December 31, 2008**

|  | General               | Debt Service        | Other<br>Governmental<br>Funds | Totals               |
|--|-----------------------|---------------------|--------------------------------|----------------------|
| <b>Assets</b>  |                       |                     |                                |                      |
| Cash and Cash Equivalents  | \$ 7,245,042          | \$                  | \$ 19,071,333                  | \$ 26,316,375        |
| Deposits with Trustees   |                       | 152,250             | 4,880,878                      | 5,033,128            |
| Taxes Receivable   | 98,736,402            |                     |                                | 98,736,402           |
| Other Receivables  | 3,217,235             | 959,298             | 338,556                        | 4,515,089            |
| Due From   |                       |                     |                                |                      |
| State and Federal Governments  | 54,810,654            |                     | 378,049                        | 55,188,703           |
| Other Governments  | 899,775               |                     |                                | 899,775              |
| Other Funds  | 1,607,246             | 4,672,279           | 6,865,767                      | 13,145,292           |
| Other Assets   | 1,455,990             |                     | 4,767,321                      | 6,223,311            |
| Total Assets   | \$ 167,972,344        | \$ 5,783,827        | \$ 36,301,904                  | \$ 210,058,075       |
| <b>Liabilities and Fund Equity</b>   |                       |                     |                                |                      |
| Accounts Payable   | \$ 7,667,072          | \$ 2,260,806        | \$ 1,102,997                   | \$ 11,030,875        |
| Accrued Liabilities  | 25,842,586            |                     | 1,467,483                      | 27,310,069           |
| Due To   |                       |                     |                                |                      |
| Other Governments  | 10,074,769            |                     | 70,399                         | 10,145,168           |
| Other Funds  | 4,206,413             | 2,091,420           | 2,156,009                      | 8,453,842            |
| Overpayments and Collections in Advance  | 15,949                |                     |                                | 15,949               |
| Deferred Revenue   | 90,157,928            | 300,241             | 552,989                        | 91,011,158           |
| Total Liabilities  | 137,964,717           | 4,652,467           | 5,349,877                      | 147,967,061          |
| Fund Equity  |                       |                     |                                |                      |
| Fund Equity - Reserved   |                       |                     |                                |                      |
| Special Reserves   | 898,520               |                     |                                | 898,520              |
| Reserve for Encumbrances   | 493,012               |                     | 26,669,621                     | 27,162,633           |
| Fund Equity - Unreserved   |                       |                     |                                |                      |
| Designated for Subsequent Year's Expenditures  | 6,853,552             | 500,000             |                                | 7,353,552            |
| Designated for Fiscal Stability  | 10,000,000            | 181,681             |                                | 10,181,681           |
| Designated for Tax Certiorari  | 700,000               |                     |                                | 700,000              |
| Designated for Economic and Community Development  | 780,000               |                     |                                | 780,000              |
| Designated for Post Employment Benefits  | 1,000,000             |                     |                                | 1,000,000            |
| Designated for Capital Projects  | 459,892               |                     |                                | 459,892              |
| Designated for Joint Activity  | 517,855               |                     |                                | 517,855              |
| Undesignated - Major Funds   |                       | 449,679             |                                | 449,679              |
| Undesignated - Non Major Funds   | 8,304,796             |                     |                                | 8,304,796            |
| Special Grant  |                       |                     | 166,271                        | 166,271              |
| County Road  |                       |                     | 331,429                        | 331,429              |
| Capital  |                       |                     | (5,968,151)                    | (5,968,151)          |
| OTASC  |                       |                     | 9,353,462                      | 9,353,462            |
| Road Machinery   |                       |                     | 399,395                        | 399,395              |
| Total Fund Equity  | 30,007,627            | 1,131,360           | 30,952,027                     | 62,091,014           |
| <b>Total Liabilities and Fund Equity</b>   | <b>\$ 167,972,344</b> | <b>\$ 5,783,827</b> | <b>\$ 36,301,904</b>           |                      |
| Amounts reported for governmental activities in the statement of net assets are different due to the following:                            |                       |                     |                                |                      |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.                    |                       |                     |                                | 210,956,996          |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.                   |                       |                     |                                | 16,233,923           |
| Long-term liabilities, including bonds payable, are not due and payable in the current-period and therefore are not reported in the funds. |                       |                     |                                | (199,486,496)        |
| <b>Net Assets of Governmental Activities</b>   |                       |                     |                                | <b>\$ 89,795,437</b> |

The Accompanying Notes are an Integral Part of These Financial Statements.

**COUNTY OF ONEIDA, NEW YORK**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES - GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

|   | General              | Debt Service        | Other<br>Governmental<br>Funds | Total                |
|---|----------------------|---------------------|--------------------------------|----------------------|
| <b>Revenues</b>   |                      |                     |                                |                      |
| Real Property Taxes   | \$ 57,462,830        | \$                  | \$                             | \$ 57,462,830        |
| Other Real Property Tax Items   | 2,718,315            |                     |                                | 2,718,315            |
| Nonproperty Tax Items   | 117,659,617          |                     |                                | 117,659,617          |
| Departmental Income   | 17,266,587           |                     | 80,806                         | 17,347,393           |
| Intergovernmental Charges   | 11,465,458           | 690,816             | 3,157,295                      | 15,313,569           |
| Use of Money and Property   | 2,202,873            | 758,993             | 336,833                        | 3,298,699            |
| Licenses and Permits  | 15,390               |                     | 6,470                          | 21,860               |
| Fines and Forfeitures   | 918,289              |                     |                                | 918,289              |
| Sale of Property and Compensation for Loss  | 429,466              |                     | 67,172                         | 496,638              |
| Miscellaneous Local Sources   | 1,455,279            |                     | 86,442                         | 1,541,721            |
| Interfund Revenues  | 93,180               |                     | 3,866,553                      | 3,959,733            |
| State and Federal Aid   | 98,041,719           |                     | 11,377,565                     | 109,419,284          |
| Tobacco Revenues  |                      |                     | 4,302,575                      | 4,302,575            |
| Total Revenues  | <u>309,729,003</u>   | <u>1,449,809</u>    | <u>23,281,711</u>              | <u>334,460,523</u>   |
| <b>Other Financing Sources</b>  |                      |                     |                                |                      |
| Transfers from Other Funds  |                      | 11,760,274          | 5,952,094                      | 17,712,368           |
| Proceeds of Obligations - Serial Bonds  |                      |                     | 25,802,084                     | 25,802,084           |
| Total Revenues and Other Financing Sources  | <u>309,729,003</u>   | <u>13,210,083</u>   | <u>55,035,889</u>              | <u>377,974,975</u>   |
| <b>Expenditures</b>   |                      |                     |                                |                      |
| General Governmental Support  | 58,011,210           | (330)               | 4,943,918                      | 62,954,798           |
| Education   | 21,065,715           | 764,471             |                                | 21,830,186           |
| Public Safety   | 37,897,337           |                     | 1,783,788                      | 39,681,125           |
| Public Health   | 19,867,884           |                     | 25,000                         | 19,892,884           |
| Transportation  | 7,962,260            |                     | 29,337,208                     | 37,299,468           |
| Economic Assistance and Opportunity   | 151,062,454          |                     | 2,947,284                      | 154,009,738          |
| Culture and Recreation  | 2,433,792            |                     | 326,867                        | 2,760,659            |
| Home and Community Services   | 3,617,780            |                     |                                | 3,617,780            |
| Debt Service  |                      |                     |                                |                      |
| Principal   |                      | 8,272,940           | 740,000                        | 9,012,940            |
| Interest  |                      | 3,665,711           | 5,578,731                      | 9,244,442            |
| Total Expenditures  | <u>301,918,432</u>   | <u>12,702,792</u>   | <u>45,682,796</u>              | <u>360,304,020</u>   |
| <b>Other Financing (Uses)</b>   |                      |                     |                                |                      |
| Transfers to Other Funds  | <u>(17,712,368)</u>  |                     |                                | <u>(17,712,368)</u>  |
| Total Expenditures and Other Financing Uses   | <u>319,630,800</u>   | <u>12,702,792</u>   | <u>45,682,796</u>              | <u>378,016,388</u>   |
| <b>Excess (Deficit) Revenues and Other Financing Sources<br/>Over Expenditures and Other Financing Uses</b> |                      |                     |                                |                      |
|   | (9,901,797)          | 507,291             | 9,353,093                      | (41,413)             |
| <b>Fund Balance, Beginning of Year</b>  | <u>39,909,424</u>    | <u>624,069</u>      | <u>21,598,934</u>              | <u>62,132,427</u>    |
| <b>Fund Balance, End of Year</b>  | <u>\$ 30,007,627</u> | <u>\$ 1,131,360</u> | <u>\$ 30,952,027</u>           | <u>\$ 62,091,014</u> |

The Accompanying Notes are an Integral Part of These Financial Statements.

**COUNTY OF ONEIDA, NEW YORK**  
**RECONCILIATION OF THE STATEMENT OF REVENUES AND**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2008**

Net Changes in Fund Balance - Total Governmental Funds \$ (41,413)

Capital Outlays to purchase or build capital assets are reported in Governmental Funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their useful lives as depreciation expense in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.

|  |                      |                     |            |
|--|----------------------|---------------------|------------|
|  | Depreciation Expense | 9,534,745           |            |
|  | Capital Outlays      | <u>(32,769,764)</u> | 23,235,019 |

Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayments of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.

|  |                          |                    |              |
|--|--------------------------|--------------------|--------------|
|  | Bond Proceeds, Net       | 25,802,084         |              |
|  | Repayment Bond Principal | <u>(9,012,940)</u> | (16,789,144) |

Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.

|  |                               |                    |             |
|--|-------------------------------|--------------------|-------------|
|  | Accrued Interest              | (121,613)          |             |
|  | Postemployment Benefits       | (3,392,748)        |             |
|  | Compensated Absences          | (339,209)          |             |
|  | Accrued Worker's Compensation | 759,584            |             |
|  | Judgments and Claims          | 208,750            |             |
|  | Bond Refunding                | 134,760            |             |
|  | Accreted Interest             | <u>(1,219,918)</u> | (3,970,394) |

Revenues in statement of activities that do not provide current financial resources and are not reported as revenue in the funds. 2,212,873

In the statement of activities, only the loss on the disposal of certain assets is reported, whereas in the governmental funds, the loss is not recorded as a decrease in financial resources. (245,619)

Change in Net Assets Governmental Activities \$ 4,401,322

**COUNTY OF ONEIDA, NEW YORK**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
**December 31, 2008**

|  | Enterprise<br>Sewer Fund | Workers'<br>Compensation<br>Fund | Total                |
|--|--------------------------|----------------------------------|----------------------|
| <b>Assets</b>                                    |                          |                                  |                      |
| Cash and Cash Equivalents                        | \$ 1,472,271             | \$ 5,161,923                     | \$ 6,634,194         |
| Other Receivables                                | 3,335,464                | 78,303                           | 3,413,767            |
| Due From   |                          |                                  |                      |
| Other Governments                                | 94                       | 8,520,987                        | 8,521,081            |
| Governmental funds                               | 1,001,930                |                                  | 1,001,930            |
| Fiduciary Funds                                  |                          |                                  |                      |
| Capital Assets (Net of Accumulated Depreciation) | <u>27,216,724</u>        |                                  | <u>27,216,724</u>    |
| <b>Total Assets</b>                              | <u>\$ 33,026,483</u>     | <u>\$ 13,761,213</u>             | <u>\$ 46,787,696</u> |
| <b>Liabilities and Net Assets</b>                |                          |                                  |                      |
| <b>Liabilities</b>                               |                          |                                  |                      |
| Accounts Payable                                 | \$ 229,048               | \$ 149,942                       | \$ 378,990           |
| Accrued Liabilities                              | 161,521                  | 13,070,053                       | 13,231,574           |
| Due to Other Funds                               | 5,152,162                | 541,218                          | 5,693,380            |
| Due Within One Year                              | 2,950,033                |                                  | 2,950,033            |
| Due in More Than One Year                        | <u>11,431,989</u>        |                                  | <u>11,431,989</u>    |
| <b>Total Liabilities</b>                         | <u>19,924,753</u>        | <u>13,761,213</u>                | <u>33,685,966</u>    |
| <b>Net Assets</b>                                |                          |                                  |                      |
| Invested in Capital Assets (Net of Related Debt) | 11,203,501               |                                  | 11,203,501           |
| Unrestricted                                     | <u>1,898,229</u>         |                                  | <u>1,898,229</u>     |
| <b>Total Net Assets</b>                          | <u>13,101,730</u>        |                                  | <u>13,101,730</u>    |
| <b>Total Liabilities and Net Assets</b>          | <u>\$ 33,026,483</u>     | <u>\$ 13,761,213</u>             | <u>\$ 46,787,696</u> |

The Accompanying Notes are an Integral Part of These Financial Statements.

**COUNTY OF ONEIDA, NEW YORK**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2008**

|  | Enterprise<br>Sewer Fund | Workers'<br>Compensation<br>Fund | Total                |
|--|--------------------------|----------------------------------|----------------------|
| <b>Operating Revenues</b>                  |                          |                                  |                      |
| Departmental Income                        | \$ 9,524,092             | \$                               | \$ 9,524,092         |
| Sale of Property and Compensation for Loss | 358                      |                                  | 358                  |
| Miscellaneous Local Sources                | 10,732                   |                                  | 10,732               |
| Intergovernmental Charges                  |                          | 3,463,010                        | 3,463,010            |
| Miscellaneous                              |                          | 75,014                           | 75,014               |
| Total Operating Revenues                   | <u>9,535,182</u>         | <u>3,538,024</u>                 | <u>13,073,206</u>    |
| <b>Operating Expenses</b>                  |                          |                                  |                      |
| Personnel Services                         | 2,403,267                | 286,570                          | 2,689,837            |
| Employee Benefits                          | 861,938                  |                                  | 861,938              |
| Contractual Expenses                       | 5,216,746                | 3,328,121                        | 8,544,867            |
| Depreciation                               | 684,479                  |                                  | 684,479              |
| Total Operating Expenses                   | <u>9,166,430</u>         | <u>3,614,691</u>                 | <u>12,781,121</u>    |
| <b>Net Operating Income (Loss)</b>         | <u>368,752</u>           | <u>(76,667)</u>                  | <u>292,085</u>       |
| <b>Nonoperating Revenue</b>                |                          |                                  |                      |
| Use of Money and Property                  | <u>22,053</u>            | <u>76,667</u>                    | <u>98,720</u>        |
| Total Nonoperating Revenue                 | <u>22,053</u>            | <u>76,667</u>                    | <u>98,720</u>        |
| <b>Net Income</b>                          | 390,805                  |                                  | 390,805              |
| <b>Net Assets, Beginning of Year</b>       | <u>12,710,925</u>        |                                  | <u>12,710,925</u>    |
| <b>Net Assets, End of Year</b>             | <u>\$ 13,101,730</u>     | <u>\$ 0</u>                      | <u>\$ 13,101,730</u> |

The Accompanying Notes are an Integral Part of These Financial Statements.

**COUNTY OF ONEIDA, NEW YORK**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2008**

|   | Enterprise<br>Sewer Fund | Workers'<br>Compensation<br>Fund | Total               |
|---|--------------------------|----------------------------------|---------------------|
| Cash Flows from (Used by) Operating Activities  |                          |                                  |                     |
| Cash Flows from Providing Services  | \$ 14,036,031            | \$ 5,222,816                     | \$ 19,258,847       |
| Cash Payments Contractual Expenses  | (8,379,766)              | (11,112,478)                     | (19,492,244)        |
| Cash Payments Personal Services and Benefits  | (3,330,044)              | 4,970,204                        | 1,640,160           |
| Other Operating Revenues  | <u>11,090</u>            | <u>75,014</u>                    | <u>86,104</u>       |
| Net Cash Flows from (Used by) Operating Activities  | <u>2,337,311</u>         | <u>(844,444)</u>                 | <u>1,492,867</u>    |
| Cash Flows from (Used by) Capital and Related Financing Activities                              |                          |                                  |                     |
| Principal Payments on Debt  | (791,589)                |                                  | (791,589)           |
| Proceeds from Debt  | 1,891,667                |                                  | 1,891,667           |
| Interest Expense  | (523,165)                |                                  | (523,165)           |
| Payments to Contractors   | <u>(1,678,111)</u>       |                                  | <u>(1,678,111)</u>  |
| Net Cash (Used by) Capital and Related Financing Activities                                     | <u>(1,101,198)</u>       |                                  | <u>(1,101,198)</u>  |
| Cash Flows from Investing Activities  |                          |                                  |                     |
| Interest Income   | <u>22,053</u>            | <u>76,667</u>                    | <u>98,720</u>       |
| Net Cash Flows from Investing Activities  | <u>22,053</u>            | <u>76,667</u>                    | <u>98,720</u>       |
| Net Increase (Decrease) in Cash and Cash Equivalents  | 1,258,166                | (767,777)                        | 490,389             |
| <u>Cash and Cash Equivalents, Beginning of Year</u>   | <u>214,105</u>           | <u>5,929,700</u>                 | <u>6,143,805</u>    |
| <u>Cash and Cash Equivalents, End of Year</u>   | <u>\$ 1,472,271</u>      | <u>\$ 5,161,923</u>              | <u>\$ 6,634,194</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Flows from (Used by) Operating Activities |                          |                                  |                     |
| Operating Income (Loss)   | \$ 368,752               | \$ (76,667)                      | \$ 292,085          |
| Adjustment to Reconcile Operating Income to Net Cash  |                          |                                  |                     |
| Flows from Operating Activities   |                          |                                  |                     |
| Depreciation  | 684,479                  |                                  | 684,479             |
| (Increase) Decrease in Assets Other Than Cash   |                          |                                  |                     |
| Receivables   | (288,743)                | (6,970)                          | (295,713)           |
| Due From Other Governments  |                          | 1,766,776                        | 1,766,776           |
| Due From Other Funds  | 4,800,682                |                                  | 4,800,682           |
| Increase (Decrease) in Liabilities  |                          |                                  |                     |
| Accounts Payable and Accrued Expenses   | (4,085,414)              | (2,623,954)                      | (6,709,368)         |
| Deferred Revenue  |                          |                                  |                     |
| Due Other Funds   | <u>857,555</u>           | <u>96,371</u>                    | <u>953,926</u>      |
| Net Cash Flows from (Used by) Operating Activities  | <u>\$ 2,337,311</u>      | <u>\$ (844,444)</u>              | <u>\$ 1,492,867</u> |

The Accompanying Notes are an Integral Part of These Financial Statements.

**COUNTY OF ONEIDA, NEW YORK**  
**STATEMENT OF NET ASSETS - FIDUCIARY FUNDS**  
**December 31, 2008**

|                            | <u>Deferred<br/>Compensation</u> | <u>Agency</u>        |
|----------------------------|----------------------------------|----------------------|
| <b>Assets</b>              |                                  |                      |
| Cash and Cash Equivalents  | \$                               | \$ 59,528,357        |
| Investments                | <u>18,893,541</u>                |                      |
| <b>Total Assets</b>        | <u>\$ 18,893,541</u>             | <u>\$ 59,528,357</u> |
| <b>Liabilities</b>         |                                  |                      |
| Accrued Liabilities        | \$                               | \$ 59,528,357        |
| Deferred Compensation Plan | <u>18,893,541</u>                |                      |
| <b>Total Liabilities</b>   | <u>18,893,541</u>                | <u>59,528,357</u>    |
| <b>Total Net Assets</b>    | <u>\$ 0</u>                      | <u>\$ 0</u>          |

The Accompanying Notes are an Integral Part of These Financial Statements.



**COUNTY OF ONEIDA, NEW YORK**  
**STATEMENT OF NET ASSETS-DISCRETELY**  
**PRESENTED COMPONENT UNITS**  
**December 31, 2008**

|  | Community<br>College        | Solid Waste<br>Authority    | Total                        |
|--|-----------------------------|-----------------------------|------------------------------|
| <b>Assets</b>                                    |                             |                             |                              |
| Cash and Cash Equivalents                        | \$ 17,099,615               | \$ 9,335,971                | \$ 26,435,586                |
| Deposits With Trustees                           | 1,615,291                   | 16,319,788                  | 17,935,079                   |
| Investments                                      | 3,456,467                   |                             | 3,456,467                    |
| Receivables                                      |                             |                             |                              |
| Student Tuition and Fees Receivable, Net         | 917,182                     |                             | 917,182                      |
| Student Loans Receivable, Net                    | 1,280,557                   |                             | 1,280,557                    |
| Other Receivables                                | 291,455                     | 2,148,822                   | 2,440,277                    |
| Due From   |                             |                             |                              |
| Other Governments                                | 5,762,402                   |                             | 5,762,402                    |
| Inventory  | 442,184                     |                             | 442,184                      |
| Other Assets                                     | 267,006                     | 1,490,519                   | 1,757,525                    |
| Capital Assets (Net of Accumulated Depreciation) | <u>34,799,706</u>           | <u>42,162,687</u>           | <u>76,962,393</u>            |
| <b>Total Assets</b>                              | <b><u>\$ 65,931,865</u></b> | <b><u>\$ 71,457,787</u></b> | <b><u>\$ 137,389,652</u></b> |
| <b>Liabilities</b>                               |                             |                             |                              |
| Accounts Payable and Accrued Liabilities         | \$ 3,484,201                | \$ 1,940,287                | \$ 5,424,488                 |
| Accrued Closure Costs                            |                             | 1,642,036                   | 1,642,036                    |
| Other Liabilities                                | 1,040,111                   | 647,490                     | 1,687,601                    |
| Deferred Revenue                                 | 4,445,222                   |                             | 4,445,222                    |
| Bond Anticipation Note                           | 708,359                     |                             | 708,359                      |
| Noncurrent Liabilities                           |                             |                             |                              |
| Due Within One Year                              | 1,779,332                   | 4,675,337                   | 6,454,669                    |
| Due in More Than One Year                        | <u>33,804,617</u>           | <u>52,393,161</u>           | <u>86,197,778</u>            |
| <b>Total Liabilities</b>                         | <b><u>45,261,842</u></b>    | <b><u>61,298,311</u></b>    | <b><u>106,560,153</u></b>    |
| <b>Net Assets</b>                                |                             |                             |                              |
| Invested in Capital Assets (Net of Related Debt) | 6,877,045                   | (14,905,811)                | (8,028,766)                  |
| Restricted - Nonexpendable                       | 627,890                     |                             | 627,890                      |
| Restricted - Expendable                          | 4,992,680                   | 16,319,788                  | 21,312,468                   |
| Unrestricted                                     | <u>8,172,408</u>            | <u>8,745,499</u>            | <u>16,917,907</u>            |
| <b>Total Net Assets</b>                          | <b><u>20,670,023</u></b>    | <b><u>10,159,476</u></b>    | <b><u>30,829,499</u></b>     |
| <b>Total Liabilities and Net Assets</b>          | <b><u>\$ 65,931,865</u></b> | <b><u>\$ 71,457,787</u></b> | <b><u>\$ 137,389,652</u></b> |

The Accompanying Notes are an Integral Part of These Financial Statements.

**COUNTY OF ONEIDA, NEW YORK**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**For the Year Ended December 31, 2008**

|   | Community<br>College | Solid Waste<br>Authority | Total         |
|---|----------------------|--------------------------|---------------|
| <b>Operating Revenues</b>                           |                      |                          |               |
| Student Tuition and Fees (Net)                      | \$ 12,312,212        | \$                       | \$ 12,312,212 |
| Federal Grants and Contracts                        | 7,504,903            |                          | 7,504,903     |
| State and Local Grants and Contracts                | 5,196,732            |                          | 5,196,732     |
| Nongovernmental Grants and Contracts                | 821,117              |                          | 821,117       |
| Auxiliary Enterprises                               |                      |                          |               |
| Residential Life                                    | 2,196,400            |                          | 2,196,400     |
| Bookstore (Net of Cost of Goods Sold)               | 794,535              |                          | 794,535       |
| Auxillary Services Corporation Service Fees         | 94,130               |                          | 94,130        |
| Tipping Fees  |                      | 17,569,651               | 17,569,651    |
| Solid Waste Service Charge                          |                      | 2,116,381                | 2,116,381     |
| Blue Bag Sales                                      |                      | 2,043,343                | 2,043,343     |
| Recyclable Sales                                    |                      | 2,750,041                | 2,750,041     |
| Other Operating Revenues                            | 711,449              | 413,372                  | 1,124,821     |
| Total Operating Revenues                            | 29,631,478           | 24,892,788               | 54,524,266    |
| <b>Operating Expenses</b>                           |                      |                          |               |
| Educational and General Expenditures                | 41,547,167           |                          | 41,547,167    |
| Scholarships and Donations                          | 7,774,077            |                          | 7,774,077     |
| Dormitory Operations                                | 1,954,706            |                          | 1,954,706     |
| Auxillary Services Enterprises                      | 860,282              |                          | 860,282       |
| College Promotion and Development                   | 602,532              |                          | 602,532       |
| Loan Cancellations and Allowance for Doubtful Loans | 660,371              |                          | 660,371       |
| Personal Services                                   |                      | 4,725,306                | 4,725,306     |
| Contractual Services                                |                      | 5,424,900                | 5,424,900     |
| Other Deductions                                    | 4,938                | 3,812,786                | 3,817,724     |
| Depreciation  | 2,422,288            | 3,765,033                | 6,187,321     |
| Total Operating Expenses                            | 55,826,361           | 17,728,025               | 73,554,386    |
| <b>Operating Income (Loss)</b>                      | (26,194,883)         | 7,164,763                | (19,030,120)  |
| <b>Nonoperating Revenues (Expenses)</b>             |                      |                          |               |
| State Operating Aid                                 | 12,117,908           |                          | 12,117,908    |
| County Chargebacks                                  | 2,482,018            |                          | 2,482,018     |
| Local Appropriations                                | 7,068,059            |                          | 7,068,059     |
| Investment Income                                   | 510,836              |                          | 510,836       |
| Interest on Loans Receivable                        | 273,384              |                          | 273,384       |
| Interest Income                                     |                      | 729,337                  | 729,337       |
| Interest Expense                                    |                      | (2,226,387)              | (2,226,387)   |
| Capital Contribution to Retire Debt                 | 847,717              |                          | 847,717       |
| Interest on Capital Asset-Related Debt              | (1,064,628)          |                          | (1,064,628)   |
| Other Nonoperating Revenues                         | 2,121,941            | 65,577                   | 2,187,518     |
| Other Nonoperating Expenses                         |                      | (226,722)                | (226,722)     |
| Net Nonoperating Revenues (Expenses)                | 24,357,235           | (1,658,195)              | 22,699,040    |
| <b>Net Increase (Decrease) in Net Assets</b>        | (1,837,648)          | 5,506,568                | 3,668,920     |
| <b>Net Assets, Beginning of Year</b>                | 22,507,671           | 4,652,908                | 27,160,579    |
| <b>Net Assets, End of Year</b>                      | \$ 20,670,023        | \$ 10,159,476            | \$ 30,829,499 |

The Accompanying Notes are an Integral Part of These Financial Statements.

# COUNTY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *Background*

The County of Oneida, New York, (the County) is governed by the Charter of the County of Oneida, the County Law, other general laws of the State of New York, and various local laws and ordinances. The present County Charter provides for a County Executive form of government.

The County Legislature, which is the legislative body responsible for the overall operation of the County, consists of 29 legislators, one from each of the County's legislative districts. The County Executive is the Chief Executive of the County. The County Comptroller is the Chief Fiscal Accounting and Auditing Officer of the County. The County Executive and County Comptroller are elected for a four-year term.

The County provides the following basic services: maintenance of County roads, economic assistance, police and law enforcement, health and nursing services, waste water management facilities, and education through Mohawk Valley Community College.

### *Financial Reporting Entity*

The accompanying basic financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the primary standard-setting body for establishing governmental accounting and financial reporting principles.

The basic financial statements have been prepared primarily from accounts maintained by the County. Additional data has been derived from reports prescribed by the County Comptroller and prepared by component units based on independent or subsidiary accounting systems maintained by them.

The County's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for State and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the County has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the County has chosen not to do so. The more significant accounting policies established in U.S. GAAP and used by the County are discussed below.

## COUNTY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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### ***(a) Reporting Entity***

The financial reporting entity consists of the County (primary government) and organizations for which the primary government is financially accountable and the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Based on the application of these criteria, the following is a brief review of certain entities considered in determining the County's reporting entity as a whole. These activities are included as discretely presented component units and blended component units of the primary government.

### ***(b) Discretely Presented Component Units***

Based on the foregoing criteria and the significant factors presented below, the following organizations are includable in the reporting entity:

*Mohawk Valley Community College (Community College)* – The Community College was founded in 1946 with the County of Oneida as the local sponsor under provisions of Article 126 of the New York State Education Law. The College is administered by a Board of Trustees consisting of ten voting members. Five are appointed by the County Executive and confirmed by the Legislature, four by the Governor, and one student is elected by the student body. The College budget is subject to the approval of the County Executive and the County Legislature, with the County providing substantial funding for the operation of the College.

The Community College accounts for resources received and used in its own financial system which is independent of the County's centralized financial system. A fiscal year ending August 31 is mandated by State law for the Community College. For this reason, and also because of differences between accounting principles generally accepted in the United States of America for colleges and those of counties, the basic financial statements of the Community College are presented in a separate column in the basic financial statements of the County. The Community College's current unrestricted and restricted loan funds and plant funds are included. All of the financial data for the Community College has been derived from the independently audited financial statements. Certain amounts have been reclassified to conform with the County's presentation.

## COUNTY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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The Community College maintains a dormitory corporation known as the Mohawk Valley Community College Dormitory Corporation (Dormitory Corporation). The purpose of the Dormitory Corporation is to provide student resident facilities on the campus of the Community College. Although the Dormitory Corporation is a separate, legal entity, it shares the same Board of Trustees with the Community College and carries out operations which are integrally related to the Community College and is, therefore, blended in the financial reporting entity of the Community College pursuant to GASB Statement Number 39. The Dormitory Corporation uses a fiscal year end of July 31. All of the financial data for the Dormitory Corporation was derived from the Mohawk Valley Community College Dormitory Corporation independently audited financial statements for its fiscal year ended July 31, 2008.

The Community College maintains an auxiliary service corporation known as the Auxiliary Services Corporation of Mohawk Valley Community College (Auxiliary Corporation). This Auxiliary Corporation is a campus-based not-for-profit corporation which, as an independent contractor, operates, manages, and promotes educationally related services for the benefit of the campus community. Although the Auxiliary Corporation is a separate legal entity, it carries out operations which are integrally related to the Community College and is, therefore, blended in the financial reporting entity of the Community College. The Auxiliary Corporation uses a fiscal year end of June 30. All of the financial data for the Auxiliary Corporation was derived from the Auxiliary Services Corporation independently audited financial statements for its fiscal year ended June 30, 2008.

The Community College maintains a foundation known as the Mohawk Valley Community College Foundation. The Foundation is a not-for-profit educational corporation and nongovernmental legal entity which operates to further support the educational objectives of the College. A majority of the operating funds of the Foundation, which are raised through independent sources, are used to provide scholarships and grants to students of MVCC. Although the Foundation is a separate legal entity, it carries out operations which are integrally related to the Community College and is therefore blended in the financial reporting entity of the Community College. All of the financial data for this corporation was derived from the Foundation's independently audited financial statements for its fiscal year ended August 31, 2008.

Although each of these entities are separate and distinct legal entities, they carry out operations that are integrally related to the Community College and are, therefore, blended in the financial reporting entity of the Community College.

## COUNTY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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Financial statements of the Community College and related entities can be obtained from the Vice President for Administrative Service at MVCC's campus located at 1101 Sherman Drive, Utica, New York 13502.

*Oneida-Herkimer Solid Waste Management Authority* - The Oneida-Herkimer Solid Waste Management Authority (the Authority) was established in 1988 as a public benefit corporation under New York State law to provide solid waste management services and to plan and implement a modern integrated solid waste management system for the benefit of Oneida and Herkimer Counties (the Counties). The Authority's initial capitalization for the facilities as well as short-term funding of administrative and operating costs were provided from the issuance of approximately \$50 million of Solid Waste System Revenue Bonds. The Authority currently owns nine operational solid waste management facilities and one closed facility. These facilities are as follows: an administration facility, a recycling center, three solid waste transfer stations, a green waste composting facility, a land clearing debris facility, a household hazardous waste facility; a regional landfill, and a closed ash landfill.

As part of its operating plans, the Authority has generated net losses during its initial years of operation. These losses resulted primarily from interest on long-term debt and landfill siting costs incurred prior to 1995. These costs were funded from bond proceeds. The Authority generated net income during 2008. The Authority continues to cover all operating cash requirements from its operations and cash reserves. In addition, the Authority's ability to meet its cash flow needs is supported by a Solid Waste Management Agreement between the Authority and the Counties which calls for a service fee to be paid to the Authority under certain circumstances.

The Authority's ten-member board, which consists of four members appointed by the County Executive and confirmed by the County Legislature, three members by the County Legislature, and three by Herkimer County, has complete responsibility for its management and financial operations. County officials do not exercise oversight responsibility for the Authority operations, and the County does not provide assistance to the Authority. However, the County is obligated to finance deficits, if necessary, and the County is a joint guarantor with Herkimer County on the revenue bonds disclosed in Note 13.

Based upon the financial obligation the County assumes and because the County appoints the voting majority to the Authority's board, the Authority is included as a discretely presented component unit within the County's basic financial statements. All of the financial data for the Authority was derived from the independently audited financial statements. Certain amounts have been reclassified to conform with the County's presentation.

## COUNTY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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The financial statements of the Authority can be obtained at its administrative offices located at 1600 Genesee Street, Utica, New York 13502.

### **(c) *Blended Component Unit***

The following blended component unit is reported as an other governmental fund:

*Oneida Tobacco Asset Securitization Corporation* - Oneida Tobacco Asset Securitization Corporation (OTASC) is a not-for-profit corporation formed exclusively for the purpose of acquiring from the County of Oneida, New York (County) all or any of the rights, titles, and interest of the County under the Master Settlement Agreement with respect to tobacco related litigation among various settling states and participating manufacturers. OTASC is an instrumentality of, but separate and apart from the County.

In lieu of receiving the Tobacco Settlement Rights (TSR), OTASC, in conjunction with the New York Counties Tobacco Trust I, Trust IV, and Trust V, issued Tobacco Settlement Pass-Through Bonds. The bonds have been issued to the Trust pursuant to an indenture between OTASC and Manufacturers and Traders Trust Company (the Trustee).

OTASC is primarily dependent on the future proceeds from the TSR to meet future obligations under the indenture agreement.

The OTASC is considered a component unit (blended presentation) of the County based on the guidance provided in GASB Statement No. 14 and Technical Bulletin No. 2004-1 and is included as part of the County's financial reporting entity as of December 31, 2008.

The financial statements of OTASC can be obtained at the Comptroller's Office of the County located at 800 Park Avenue, Utica, New York 13501.

### **(d) *Basic Financial Statements - Government-Wide Statements***

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The County's police, maintenance of County roads, public works, health and nursing services, educational activities, and general administrative services are classified as governmental activities. The County's Sewer Fund and Workers' Compensation Fund are classified as business-type activities.

## COUNTY OF ONEIDA, NEW YORK

### Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The County first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. All direct expenses incurred are charged to the corresponding function. Capital asset additions that cannot be identified to a specific function are allocated based on total expenses by program.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net assets resulting from the current year's activities.

#### ***(e) Basic Financial Statements - Fund Financial Statements***

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on a major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.



## COUNTY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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The following fund types are used by the County:

*Governmental Funds* - Governmental fund types are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental fund types. The measurement focus of the governmental fund types is upon determination of financial position and changes in financial position, rather than upon the flow of economic resources. The following are the County's major governmental fund types:

- General Fund - includes the general (operating) account and the joint venture account (Herkimer-Oneida Comprehensive Planning Program). The joint venture fund was established in 1963 whereas Oneida and Herkimer County participate jointly. The Oneida County Board of Legislators adopts the budget of the joint venture; the Oneida County Executive appoints the Board's Commissioner; and, the Oneida County Comptroller serves as the joint venture's fiscal officer and performs all necessary accounting services. The joint venture is not authorized to issue its own debt and both counties have an ongoing financial responsibility to the joint venture as its existence depends upon the funding from each county as well as State and Federal grants. The General Fund is presented as a major fund and is used to account for all operations not required to be recorded in other funds.
- Debt Service Fund - used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs (except those presented in the discretely presented component units).

In addition to OTASC, the County reports the following as other governmental funds:

- Special Grant Fund - to account for the use of Federal monies received under the Workforce Investment Act.
- County Road Fund - to account for the repairs and maintenance of County roads in accordance with New York State laws.
- Road Machinery Fund - to account for the purchase of highway machinery and equipment in accordance with New York State laws.
- Capital Fund - used to account for the acquisition, construction, and/or reconstruction of major capital assets.

## COUNTY OF ONEIDA, NEW YORK

### Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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*Proprietary Funds* – The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Operating and nonoperating revenues are defined based on how individual transactions are categorized for purposes of preparing a statement of cash flows using GASB No. 9. Transactions for which cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities normally would not be reported as components of operating income. The following is a description of the proprietary funds of the County:

- Enterprise Sewer Fund – used to account for the operations of the Sewer District. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity; (a) is financed with debt that is solely secured by a pledge of the net revenues; (b) has third-party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or; (c) establishes fees and charges based on a pricing policy designed to recover similar costs.
- Workers' Compensation Fund - accounts for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The Internal Service Fund is used to account for the operations of the workers' compensation self-insurance program.

*Fiduciary Funds* – Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore, are not available to support County programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34, sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

The County's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, deferred compensation participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

## COUNTY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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### *(f) Measurement Focus and Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Government-wide financial statements and the proprietary fund financial statements are reported using the economic resources, measurement focus, and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred regardless of the timing of the cash flow. In addition, the Community College, Oneida Tobacco Asset Securitization Corporation, and the Oneida-Herkimer Solid Waste Management Authority are accounted for on the accrual basis of accounting.

The cost of the land and certain buildings and improvements used by the Community College was borne by the County (who also holds title to the assets) and the State University of New York. As such, any related debt obligations have been included in the Community College's financial statements. Although the Community College is not obligated under any debt service arrangements related to these assets, certain tuition revenues of the Community College have been pledged as collateral. The cost of the assets utilized by the Community College (including the Dormitory Corporation) are recognized as capital assets on the financial statements of the Community College.

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, as well as expenditures related to compensated absences are recorded when the payment is due.

*Accrual Basis* – Proprietary and fiduciary fund types and discretely presented component units are accounted for using the accrual basis of accounting. Under this method, revenues including unbilled amounts are recognized when earned and expenses are recorded when the liabilities are incurred, regardless of the timing of related cash inflows and outflows. Capital assets, the related outstanding debt and other long-term liabilities related to activities of the proprietary and fiduciary fund types, and the discretely presented component units, are recorded within these fund types.

## COUNTY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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Operating revenues and expenses generally result from the proprietary funds' principal operations, providing services and producing and delivering goods. Non-operating revenues and expenses are reported as capital and related financing activities, non-capital financing activities, or investing activities which normally would not be reported as components of operating income.

Enterprise funds apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedures. The County has elected not to adopt the option as allowed by paragraph 7 of GASB No. 20 to adopt all FASB pronouncements issued after November 30, 1989.

### ***(g) Discretely Presented Component Units***

The Community College is considered to be a major component unit due to its significance relative to other component units and the nature and significance of its relationship to the primary government as described by GASB No. 39. As part of its 2008 annual budget, the Community College received \$7,068,059 in operating contributions from the County.

### ***(h) Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

### ***(i) Cash, Cash Equivalents, and Investments***

State statutes require that collateral be pledged at 100 percent of all deposits not covered by Federal Deposit Insurance Corporation insurance for demand deposits, time deposits, repurchase agreements, and certificates of deposit. Obligations of the United States Treasury and its agencies as well as obligations of the State and its municipalities and school districts may be pledged. The County has established a pooled cash account in which interest earned is allocated to participating funds based on their pro-rata shares of the pool.

**COUNTY OF ONEIDA, NEW YORK**  
Notes to Basic Financial Statements  
For the Year Ended December 31, 2008

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Investments in equity securities with readily determinable fair values and all investments in debt securities are to be reported at fair market values with gains and losses included in the Statement of Activities.

For purposes of the Statements of Cash Flows, the County considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents include all unrestricted as well as restricted assets with the exception of those held by trustees.

***(j) Receivables***

Receivables are recorded at cost net of allowance for uncollectible accounts.

***(k) Inventories - Community College***

The College's inventory is comprised primarily of merchandise of the Auxiliary Corporation and is stated at the lower of cost or market value determined by the average cost method of accounting. Purchases of inventorable items in the other funds are recorded as expenditures at the time of purchase, and year-end balances are not maintained.

***(l) Interfund Transactions***

The operations of the County give rise to certain transactions between funds, including transfers of expenditures and transfers of revenues to provide services and to construct assets. Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation in the government-wide financial statements. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

***(m) Fund Balance Reserves***

Portions of fund equity are segregated for future use and are, therefore, not available for appropriation or expenditure. Designation of unreserved fund balances in governmental funds indicates the use of these resources in the ensuing year's budget or tentative plans for future use. (See Note 15 for further detail.)

**COUNTY OF ONEIDA, NEW YORK**

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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***(n) Capital Assets/Property, Plant, And Equipment***

*Primary Government* – Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

|                         |             |
|-------------------------|-------------|
| Infrastructure          | 10-65 Years |
| Licensed Vehicles       | 8 Years     |
| Machinery and Equipment | 5-25 Years  |
| Land Improvements       | 20 Years    |
| Construction            | 15-50 Years |

*Component Units* – Property, plant, and equipment of the Community College and the Authority are recorded at cost and are depreciated over their estimated useful lives using the straight-line method.

For the Authority, estimated useful lives are as follows (in years): 20 for building, 3-20 for equipment and machinery, 5 for motor vehicles, 15 for land improvements, and 8-50 for regional landfill.

For the Community College, estimated useful lives are as follows (in years): 15-50 for buildings and improvements, and 5-20 for motor vehicles, equipment, and library books.

***(o) Deferred Revenue***

Deferred revenue arises when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the County has legal claim to the resources, the liability for deferred revenues is removed and revenues are recognized.

Statute provides the authority for the County to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year, rather than when measurable and available.

## COUNTY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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### *(p) Compensated Absences*

Under terms of personnel policies and union contracts, County employees, other than elected officials, are granted sick, personal, and vacation credits (compensated absences) and may accumulate these credits as follows:

Sick Leave - Employees are granted sick leave credits of one day per month, and they are allowed to accumulate up to 200 days of sick leave credits depending on contract coverage. Sick leave must be used prior to leaving County employment or it is forfeited if the employee has earned less than 160 days upon termination. If an employee earns more than 160 hours upon termination, they will be paid for the difference of the time earned and the maximum accumulation of unused sick leave.

Personal Leave - Employees are granted up to four days personal leave each year depending on their contracts, coverage, and hiring date. At December 31 of each year, all unused personal leave is converted to sick leave not to exceed the maximum of 180 working days. Employees are not paid for the value of their unused personal leave credits upon termination.

Vacation Leave - Employees are granted vacation leave credits of 5 to 20 days per year depending on their contract and years of service. Up to three weeks of such leave can be carried over to the next year. Upon resignation or retirement, employees are paid for all unused vacation leave.

It is the County's policy to accrue all costs associated with earned, but not yet paid, compensated absences of all employees involved in the operations of the County's reporting entity. The total accrued liability for compensated absences relating to the governmental and proprietary funds at December 31, 2008, are \$2,577,950 and \$85,982, respectively.

Employees of the Community College accrue vacation leave in varying amounts and are subject to various maximum accruals based on contract group. The recorded liability for vacation leave, including the Community College's share of fringe benefits, is \$793,375. The recorded liability for vacation leave for ASC and MVCCDC amounted to \$28,886. Employees also earn sick leave each month subject to a maximum of 225 or 180 days, depending on contract group. Only Association of Mohawk Valley College Administrators (AMVA) members and excluded administrators are entitled to receive a benefit for sick leave accumulated upon retirement. The accumulated sick leave for these employees is used to pay for postretirement health insurance costs. A liability of \$7,486,774 has been recognized representing the present value of these payments at August 31, 2008.

***(q) Retirement Plans***

The County provides retirement benefits for substantially all of its regular, full-time employees through contributions to the New York State Employees' Retirement System. The system provides various plans and options, some of which require employee contributions. The retirement system computes the cost of retirement benefits based on its fiscal year, April 1 to March 31.

MVCC also participates in the Employees' Retirement System, the New York Teachers' Retirement System, and the Teachers' Insurance and Annuity Association/College Retirement Equities Fund.

The Authority participates in the New York State and Local Employees' Retirement System (System). This is a cost-sharing multiple-employer retirement system. The System 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).

***(r) Accrued Liabilities and Long-term Obligations***

Payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

***(s) Revenues***

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as nonoperating revenue based on GASB No. 33. In applying GASB No. 33, to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.



## COUNTY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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### **(t) Expenditures**

Expenditures are recognized when the related fund liability is incurred.

### **(u) Medicaid Claims**

Physicians, hospitals, pharmacists, and others who provide services to public assistance recipients and other individuals enrolled in the Medical Assistance Program are entitled to reimbursement of the defined cost of such services through the Federal, State, and locally funded Medicaid programs. The County participates in a State-wide system to process and pay such claims. At any point in time, unpaid claims for services rendered by providers are either being processed by the system or are still to be reported by the providers. Under this law, Medicaid liabilities paid subsequent to December 31, 2008 will be paid from expendable and available resources of 2009. Thus, no 2008 accrual for Medicaid claims is required.

### **(v) Insurance**

The County maintains insurance against liability for most risks, excluding workers' compensation and unemployment claims. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated and is in excess of the County's insured liability limits.

### **(w) Public Entity Risk Pool**

The County's Workers' Compensation Fund was created pursuant to Article 5 of Workers' Compensation Law and is recognized by the State of New York as a public entity risk pool. The Workers' Compensation Fund consists of a cooperative group of county-wide cities, towns, and villages as well as the County itself participating in the fund to finance the cost of providing workers' compensation benefits for employees of its participating members. The County is considered the predominant participant in this fund.

### **(x) Accrued and Post-Closure Monitoring Closure Costs**

The Authority maintains an ash landfill which has reached full capacity. In accordance with New York State Department of Environmental Conservation (NYSDEC) Regulations, the Authority has implemented certain landfill closure and post-closure requirements. At December 31, 2008, management has accrued \$1,642,036 for estimated post-closure costs. Due to changes in technology, or changes in regulations, actual costs may be different from the current accrual. Based on NYSDEC requirements, \$1,789,892 of cash, certificates of deposit, and U.S. obligations has been restricted for this purpose at December 31, 2008, in the Authority's financial statements.

**COUNTY OF ONEIDA, NEW YORK**

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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***(y) Restricted Resources***

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the County's policy concerning which to apply first varies with the intended use, and with associated legal requirements.

***(z) Other Significant Accounting Policies***

Other significant accounting policies are set forth in the following notes.

**2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

***(a) Total Fund Balances Of Governmental Funds Compared To Net Assets Of Governmental Activities***

Total fund balances of the County's governmental funds differs from "net assets" of governmental activities reported in the Statement of Net Assets. This difference primarily results from the additional long-term economic focus of the Statement of Net Assets versus the solely current financial resources focus of the governmental fund Balance Sheets.

***(b) Statement of Revenues, Expenditures, and Changes In Fund Balance Compared To Statement of Activities***

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of four broad categories.

*Long-Term Revenue and Expense Differences* - Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

## COUNTY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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*Capital Related Differences* - Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

*Long-Term Debt Transaction Differences* - Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Assets.

### 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### (a) *Budgetary Data*

*Budget Policies* – budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. The budget is amended by the Legislature for increased grants or State Aid received during the year.

No later than October 5, the County Executive submits a tentative budget to the County Legislature for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing them.

Public hearings are conducted to obtain taxpayer comments.

The budget is legally enacted through passage of legislative resolution or by provisions in the County Charter no later than the date of the second Board of Legislator's meeting in November.

The County Executive is authorized to transfer budgeted amounts within departments and/or individual funds. However, revisions in excess of \$5,000 must be approved by the County Legislature.

*Legally Adopted Budgets* – The General, Special Revenue and Debt Service Funds have legally adopted budgets. Appropriations for all budgets lapse at fiscal year-end. The General Fund's budget is adopted on a departmental and object level of expenditure basis in which expenditures may not legally exceed appropriations on a departmental and object of expenditure level. The Debt Service Fund's budget consists primarily of transfers from the General and the Special Revenue Fund budgets for its debt service requirements under related County debt obligations.

## COUNTY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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Individual governmental fund comparisons of budget and actual data at the legal level of control established by the adopted budget (i.e., minimally at the department and object level) are not presented in this report for those funds with annual adopted budgets due to the excessive detail involved. However, a separate budgetary comparison report is available which contains this information.

### *(b) Encumbrances*

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year end are presented as reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

## **4. CUSTODIAL AND CONCENTRATION OF CREDIT RISK**

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. While the County does not have a specific policy for custodial credit risk, New York State statutes govern the County's investment policies, as discussed previously in these notes.

As of December 31, 2008, \$34,176,595 of the County's total bank balances of \$46,147,954 were exposed to custodial credit risk. Deposits totaling \$20,831,929 were collateralized by the financial institution in the name of the County and \$13,344,666 of the County's bank balances were collateralized by the financial institution, but not in the name of the County.

As of August 31, 2008, \$12,466,879 of the Community College's total bank balances of \$12,999,885 were exposed to custodial credit risk. Deposits totaling \$5,310,866 were collateralized by the financial institution in the name of the College, and \$7,156,013 of the College's bank balances were collateralized by the financial institution, but not in the name of the College.

The carrying amount of cash and cash equivalents for the Authority at December 31, 2008, is comprised entirely of cash deposits in banks and short-term investments. The corresponding bank balances for the unrestricted and restricted cash were entirely covered by Federal Deposit Insurance Corporation insurance, collateral held in the pledging banks' trust department in the Authority's name, or U.S. Government and/or Federal agency securities held by the Trustee.

## **COUNTY OF ONEIDA, NEW YORK**

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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### **5. PROPERTY TAXES AND COLLECTION**

County real property taxes are levied annually no later than December 31 and become a lien on January 1. Collection of real property taxes starts January 1 and continues until tax sale. Taxes for County purposes apportioned to the areas of the County outside the Cities of Utica and Rome are levied together with taxes for town and special district purposes as a single bill. The towns and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all taxes levied in the towns and special districts and for unpaid County taxes in the Cities of Rome and Utica.

The recognition of revenue from real property taxes is considered available to finance current operations if collected within 60 days after the end of the year. The net receivables collected during 2008 and within the first sixty days of 2009 are recognized as revenues in 2008. Net receivables estimated to be collectible subsequent to the first 60 days of 2009 are reflected as deferred revenues.

The County is permitted in accordance with Section 10 of Article VIII of the New York State Constitution to levy taxes: (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 (budgetary appropriations for objects or purpose for which a period of probable usefulness is provided by Section 11.00 of local finance law). At December 31, 2008, the County utilized approximately 20% of its constitutional tax limit.

Uncollected school district and village taxes assumed by the County for enforcement through December 31, 2008, were \$9,546,581 and \$503,149, respectively. Such amounts will be paid to the school districts and villages by April 1, 2009, and are included in the amounts due to other governments in the accompanying basic financial statements. Any such taxes remaining unpaid at year end are relieved as County taxes on December 31.

Taxes receivable at December 31, 2008 are recorded net of an estimated allowance for uncollectible accounts of \$160,176.

### **6. SALES TAX**

Prior to September 1, 1992, the County imposed a 3% sales tax with one-half of the sales tax collections within the cities of Utica and Rome and one-third of the collections within the city of Sherrill remitted directly to those cities by the State. Also, the County shares one-half of the sales tax collections in areas outside of the cities with the towns and villages in such areas and an additional one-fourth of the sales tax collected within the city of Sherrill with that city.

## COUNTY OF ONEIDA, NEW YORK

### Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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Effective September 1, 1992, the County imposed a 4% sales tax. The sharing formula for the first 3% of the sales tax remains the same as described above. For the additional 1% of sales tax the County shares half of the collections within the cities of Utica, Rome, and Sherrill with the cities. If in the period from September 1, 1994, to August 31, 1995, and continuing for any subsequent extension of the additional 1% sales tax, the gross collections related to the additional 1% sales tax shall be distributed to various towns and villages for each of the four quarters of this or any subsequent extension in an amount which shall be the greater of the following: (a) one dollar for every resident of the County residing within a town or an incorporated village located within a town according to the last decennial Federal census; or (b) in the event that the total collections within the County for the first four quarters of this period or for any subsequent four-quarter period shall exceed the sum of \$17.7 million, then a sum equivalent to one-half of the County's net share received after collection of such \$17.7 million; or (c) any such amount as shall otherwise be provided for by any statute of the State of New York. In the event of any extensions of the 1% sales tax for four consecutive quarters after August 31, 1995, and in the event that should the County's local share of Medicaid costs exceed \$30 million for such extended four consecutive quarter periods, then and in that event, the distribution as aforesaid to the towns shall be no greater than the previous four consecutive quarters. The additional 1% sales tax expired on November 30, 2005, but was extended to November 30, 2007.

Effective March 1, 2005, the County imposed an additional 1.5% sales tax, with all proceeds to be retained by the County. The rate was reduced to 1% on September 1, 2006, and was scheduled to expire completely in November 2007. In July 2007, the New York State Legislature (with the Governor signing into Law) authorized the extension of the County's 1% additional sales tax rate, originally passed in 1992, until November 30, 2009. The proceeds from this additional sales tax are to be collected and distributed as previously described above. In the same legislation, the New York State Legislature approved the extension of the additional sales tax imposed in 2005 at the amended rate of three quarters of one percent (3/4%) until November 30, 2009. As of July 2009, the New York State Legislature has approved the extension of both the 1% and 3/4% through November 30, 2011.

Sales tax revenues are recorded on an accrual basis to the extent that such accrued amounts were received by New York State (the intermediary government) from vendors through December 31. The County also accrues its portion of such revenue attributable to the current year but remitted to the State (and ultimately the County) in the subsequent year.

#### **7. STUDENT LOANS AND FEES RECEIVABLE**

Receivables for the Community College are presented on the statement of net assets net of an allowance for uncollectible accounts. The following is a summary of the receivables and their respective allowances:

**COUNTY OF ONEIDA, NEW YORK**

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

| <u>Account</u>              | <u>Gross<br/>Receivable</u> | <u>Allowance</u> | <u>Receivable</u> |
|-----------------------------|-----------------------------|------------------|-------------------|
| Tuition and Fees Receivable | \$ 1,141,182                | \$ (224,000)     | \$ 917,182        |
| Student Loans Receivable    | \$ 1,617,131                | \$ (336,574)     | \$ 1,280,557      |

**8. CAPITAL ASSETS**

Capital asset activity of the Primary Government for the year ended December 31, 2008, was as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Increases</u>     | <u>Decreases</u>  | <u>Ending<br/>Balance</u> |
|---|------------------------------|----------------------|-------------------|---------------------------|
| <b>Capital Assets Not Being Depreciated</b> |                              |                      |                   |                           |
| Land  | \$ 11,783,969                | \$ _____             | \$ _____          | \$ 11,783,969             |
| <b>Capital Assets Being Depreciated</b>     |                              |                      |                   |                           |
| Land Improvements                           | 8,647,922                    |                      |                   | 8,647,922                 |
| Construction                                | 148,087,132                  | 21,809,641           |                   | 169,896,773               |
| Infrastructure                              | 86,208,132                   | 6,879,137            |                   | 93,087,269                |
| Machinery and Equipment                     | 15,562,345                   | 3,552,265            | 569,670           | 18,544,940                |
| Licensed Vehicles                           | <u>7,531,198</u>             | <u>528,721</u>       | <u>360,582</u>    | <u>7,699,336</u>          |
| Subtotal                                    | <u>266,036,729</u>           | <u>32,769,764</u>    | <u>930,252</u>    | <u>297,876,240</u>        |
| <b>Accumulated Depreciation</b>             |                              |                      |                   |                           |
| Land Improvements                           | 5,467,233                    | 428,290              |                   | 5,895,523                 |
| Construction                                | 33,355,654                   | 3,164,309            |                   | 36,519,963                |
| Infrastructure                              | 37,613,045                   | 4,109,846            |                   | 41,722,890                |
| Machinery and Equipment                     | 8,865,809                    | 1,133,256            | 339,253           | 9,659,812                 |
| Licensed Vehicles                           | <u>4,551,360</u>             | <u>699,045</u>       | <u>345,380</u>    | <u>4,905,025</u>          |
| Subtotal                                    | <u>89,853,100</u>            | <u>9,534,745</u>     | <u>684,633</u>    | <u>98,703,213</u>         |
| Net Capital Assets                          | \$ <u>187,967,598</u>        | \$ <u>23,235,018</u> | \$ <u>245,619</u> | \$ <u>210,956,996</u>     |

Depreciation expense was charged to functions as follows:

|  |                            |
|--|----------------------------|
| <b>Governmental Activities</b>               |                            |
| General Government Support                   | \$ 430,823                 |
| Public Safety                                | 1,121,464                  |
| Public Health                                | 26,121                     |
| Transportation                               | 1,274,500                  |
| Economic Assistance and Opportunity          | 72,309                     |
| Home and Community Service                   | 4,617                      |
| Unallocated Depreciation                     | <u>6,604,911</u>           |
| <b>Total Governmental Activities Expense</b> | <b>\$ <u>9,534,745</u></b> |

**COUNTY OF ONEIDA, NEW YORK**  
Notes to Basic Financial Statements  
For the Year Ended December 31, 2008

Capital Asset activity of the Business-Type Activities for the year ended December 31, 2008, is as follows:

|   | Beginning<br>Balance | Increases           | Decreases    | Ending<br>Balance    |
|---|----------------------|---------------------|--------------|----------------------|
| <b>Capital Assets Being Depreciated</b> |                      |                     |              |                      |
| Land Improvements                       | \$ 53,682            | \$                  | \$           | \$ 53,682            |
| Construction                            | 33,761,079           | 2,069,956           |              | 35,831,035           |
| Infrastructure                          | 9,659,254            |                     |              | 9,659,254            |
| Machinery and Equipment                 | 47,065,123           | 147,590             | 2,308        | 47,210,405           |
| Licensed Vehicles                       | 296,792              | 93,079              |              | 389,870              |
| Subtotal                                | <u>90,835,930</u>    | <u>2,310,625</u>    | <u>2,309</u> | <u>93,144,246</u>    |
| <b>Accumulated Depreciation</b>         |                      |                     |              |                      |
| Land Improvements                       | 53,682               |                     |              | 53,682               |
| Construction                            | 12,477,523           | 419,140             |              | 12,896,663           |
| Infrastructure                          | 5,493,586            | 148,604             |              | 5,642,190            |
| Machinery and Equipment                 | 46,985,749           | 24,163              | 2,308        | 47,007,604           |
| Licensed Vehicles                       | 234,811              | 92,572              |              | 327,383              |
| Subtotal                                | <u>65,245,351</u>    | <u>684,479</u>      | <u>2,308</u> | <u>65,927,522</u>    |
| Net Capital Assets                      | <u>\$25,590,579</u>  | <u>\$ 1,626,146</u> | <u>\$ 0</u>  | <u>\$ 27,216,724</u> |

Depreciation expense was charged to functions as follows:

|                       |                   |
|-----------------------|-------------------|
| Enterprise Sewer Fund | \$ <u>684,479</u> |
|-----------------------|-------------------|

A summary of the book value of property, plant, and equipment of the Component Units at December 31, 2008, is as follows:

|  |                      |
|--|----------------------|
| Land and Land Improvements                     | \$ 33,368,509        |
| Buildings and Building Improvements            | 112,401,581          |
| Equipment, Machinery, and Library Books        | 19,878,511           |
| Motor Vehicles                                 | <u>5,678,760</u>     |
|  | 171,327,361          |
| Less Accumulated Depreciation and Amortization | <u>94,364,968</u>    |
| Property, Plant, and Equipment, Net            | <u>\$ 76,962,393</u> |

**9. RESTRICTED ASSETS HELD BY TRUSTEE**

**(a) Authority**

In accordance with the terms of bond indentures and NYSDEC, the use of certain assets is restricted for specific purposes. These assets, principally cash and cash equivalents are administered by a trustee on behalf of the Authority and at December 31, 2008, include the following accounts:



**COUNTY OF ONEIDA, NEW YORK**

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

|  |                      |
|--|----------------------|
| Debt Service Reserve Fund - contingency fund to be utilized in case of default   | \$ 9,939,015         |
| Construction Projects Fund and Bond Redemption and Improvement Fund - for any additional capital expenditures which may be incurred by the Authority | 1,757,415            |
| Debt Service and Sinking Fund – to fund semi-annual debt service obligations   | 2,669,989            |
| Accrued interest on restricted assets  | 103,027              |
| Rebate Fund – interest earned required to be paid to the United States   | 9,343                |
| Restricted Assets for Landfill Planning Design and Construction  | 51,107               |
| Restricted Assets for Post-Closure Monitoring Costs  | <u>1,789,892</u>     |
| Total  | <u>\$ 16,319,788</u> |

**(b) Community College**

Bond proceeds not yet expended for new construction and used to establish debt service funds and related accumulated investment income are held on deposit with trustees. The Community College has entered into various financing agreements to finance construction projects and has deposited funds with trustees for such projects. Bond proceeds, including interest income in excess of construction costs, are restricted for future projects or debt service. Additionally, under the financing agreements with DASNY, deposits with trustees represent required reserves for debt service and building replacement, together with earnings on such funds. In accordance with Governmental Accounting Standards Series Statement No. 3, the College has categorized its investments by investment type.

A detail of the College's and component unit's investments with trustees is as follows:

|                           | <u>DASNY</u>                            | <u>Other</u>       | <u>Total</u>    |
|---------------------------|---|--------------------|-----------------|
| Cash and Cash Equivalents | \$ 136,415                              | \$ _____           | \$ 136,415      |
|                           | <u>Investment Maturities (in Years)</u> |                    |                 |
| <u>Investment Type</u>    | <u>Fair Value</u>                       | <u>Less Than 1</u> | <u>1 – 5</u>    |
| U.S. Treasury Note/Bond   | \$ 115,014                              | \$ 109,583         | \$ 5,431        |
| U.S. Treasury Bill        | <u>386,568</u>                          | <u>386,568</u>     | <u>0</u>        |
| Total                     | <u>\$ 501,582</u>                       | <u>\$ 496,151</u>  | <u>\$ 5,431</u> |

**COUNTY OF ONEIDA, NEW YORK**

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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MVCCDC has entered into a financing agreement to finance construction projects and has deposited funds with a trustee for such projects. Bond proceeds, including interest income in excess of construction costs and annual operating transfers are reserved for future debt service obligations. Additionally, under the financing agreement, deposits with trustees represent required reserves for debt service combined with earnings on such funds.

Deposits with trustees at July 31, 2008 are comprised of uninvested cash and short-term U.S Treasury Bills and Notes/Bonds.

**(c) Oneida Tobacco Asset Securitization Corporation**

Under the terms of the bond indenture agreement, certain accounts were to be maintained by a Trust Company to provide for various functions of the bond repayments. The Liquidity Reserve Account, established with proceeds from the bond sales is required to maintain on deposit \$4,574,750. This is adequate to service one year's required debt service. Other accounts serve to act as a conduit for debt service repayment and collection of TSR's.

**10. INVESTMENTS**

Investments at August 31, 2008, for the component units are as follows:

|  | <u>Market</u>       | <u>Cost</u>         |
|--|---------------------|---------------------|
| U.S. Government and Agency Debt Securities | \$ 579,238          | \$ 568,281          |
| Corporate Debt Securities                  | 249,763             | 265,759             |
| Corporate Equity Securities                | 1,182,503           | 1,092,406           |
| Mutual Funds                               | <u>1,340,901</u>    | <u>1,350,492</u>    |
| Total Marketable Securities                | <u>\$ 3,352,405</u> | <u>\$ 3,276,938</u> |

In addition, there is \$104,062 in short-term investments that are comprised of cash and cash equivalents where fair market value approximates costs.

**11. PENSION PLAN**

The County participates in the New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS). These systems are cost-sharing, multiple-employer public employee retirement systems. Both systems offer retirement and disability benefits, annual cost of living increases, and death benefits to plan members and beneficiaries. The employees of Mohawk Valley County Community College are also offered the optional Teachers' Insurance and Annuity College Retirement Equities Fund (TIAA/CREF) retirement plan.

**COUNTY OF ONEIDA, NEW YORK**

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

The New York State Teachers' Retirement Board administers NYSTRS. The System provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

NYSERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and benefits to employees. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Governor Alfred E. Smith State Office Building, Albany, New York 12244.

The Systems are noncontributory, except for employees who joined the Systems after July 27, 1976, who contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute. For NYSERS, the Comptroller certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The County is required to contribute at an actuarially determined rate. The County contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

|                                  | <u>2008</u>         | <u>2007</u>         | <u>2006</u>         |
|----------------------------------|---------------------|---------------------|---------------------|
| <b><u>ERS</u></b>                |                     |                     |                     |
| <b><u>County</u></b>             |                     |                     |                     |
| Contribution Rate                | <u>8.0-16.3%</u>    | <u>8.9-17.8%</u>    | <u>9.8-15.8%</u>    |
| Contributions                    | <u>\$ 5,634,452</u> | <u>\$ 6,733,116</u> | <u>\$ 6,209,935</u> |
| <b><u>Authority</u></b>          |                     |                     |                     |
| Contribution Rate                | <u>8.0-9.9%</u>     | <u>8.9-11.1%</u>    | <u>9.8-15.8%</u>    |
| Contributions                    | <u>\$ 297,422</u>   | <u>\$ 272,226</u>   | <u>\$ 251,357</u>   |
| <b><u>Community College</u></b>  |                     |                     |                     |
| Contribution Rate                | <u>7.9-10.7%</u>    | <u>9.0-13.3%</u>    | <u>9.9-19.0%</u>    |
| Contributions                    | <u>\$ 555,497</u>   | <u>\$ 526,889</u>   | <u>\$ 534,912</u>   |
| <b><u>TRS (College Only)</u></b> |                     |                     |                     |
| Contribution Rate                | <u>8.73%</u>        | <u>8.60%</u>        | <u>7.97%</u>        |
| Contributions                    | <u>\$ 212,392</u>   | <u>\$ 195,886</u>   | <u>\$ 183,357</u>   |

## COUNTY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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The 2008 contributions include group term life insurance, which the State of New York consolidates with the pension contributions.

TIAA/CREF is a defined contribution retirement plan which provides benefits through annuity contracts and provides retirement and death benefits to those employees that elected to participate in the optional retirement program. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service. TIAA/CREF is noncontributory except for employees who joined after July 27, 1976, who contribute 3.00% to 3.75% of their salary. Employer contributions range from 5% to 15% depending upon when the employee was hired. Employee contributions are deducted from their salaries and are sent on a current basis to TIAA/CREF. Financial reports of the plan may be obtained by writing to: TIAA/CREF, 730 Third Avenue, New York, New York 10017. The College's pension contributions to TIAA/CREF for fiscal years 2008, 2007, and 2006, were \$1,323,835, \$1,278,726, and \$1,239,231, respectively.

### 12. POSTRETIREMENT HEALTH CARE BENEFITS

#### (a) *The County*

Plan Description: The County sponsors and administers a single employer defined benefit plan to all employees who retire from the County at age 55 with 5 years of service in accordance with Article 2, Section 75-g, Article 14, and Article 15 of the New York State Retirement and Social Security Law. Employees are covered under a choice of four plans (RMSCO, Excellus Hosp, Blue Point 2, and MVP POS). Substantially all employees may become eligible for these benefits if they reach normal retirement age while working for the County. Benefit provisions are established and may be amended by the County Legislators. The County does not issue a publicly available report.

Funding Policy: The County's contributions towards participant premiums are subject to the following contribution schedule:

| Retirement Group       | Employer Contributions |        |                  |
|------------------------|------------------------|--------|------------------|
|                        | Retiree                | Spouse | Surviving Spouse |
| Pre 1/1/1994           | 50%                    | 35%    | 0%               |
| Post 1/1/1994 Retirees | 50%                    | 0%     | 0%               |
| 2005 Incentive         | 80%                    | 0%     | 0%               |

For the year ended December 31, 2008, the County contributed \$1,730,918 toward the cost of insurance, while the plan members contributed \$1,779,795.

# COUNTY OF ONEIDA, NEW YORK

## Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of future events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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 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

Effective January 1, 2007, the County's annual other post employment benefit (OPEB) cost for all employee health insurance benefits is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 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 obligation:

|   | For the<br>Year Ended<br><u>December 31, 2008</u> |
|---|---|
| <b>Annual OPEB Cost and Net OPEB Obligation</b> |   |
| Annual Required Contribution                    | \$ 5,598,153                                      |
| Interest on Net OPEB Obligation                 | 167,128   |
| Adjustment to Annual Required Contribution      | <u>(223,663)</u>                                  |
| Annual OPEB Cost                                | 5,541,618   |
| Contributions Made                              | <u>(2,036,230)</u>                                |
| Increase in Net OPEB Obligation                 | 3,505,388   |
| Net OPEB Obligation – Beginning of Year         | <u>3,562,744</u>                                  |
| Net OPEB Obligation – End of Year               | <u>\$ 7,068,132</u>                               |
| <br>  |   |
| Annual OPEB Cost                                | \$ 5,541,618                                      |
| Percentage of Annual OPEB Cost Contributed      | 36.74%  |
| Net OPEB Obligation at End of Year              | \$ 7,068,132                                      |

**COUNTY OF ONEIDA, NEW YORK**

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

|  | For the<br>Year Ended<br><u>December 31, 2008</u> |
|--|---|
| <b>Funded Status</b>   |   |
| Actuarial Accrued Liability (AAL)  | \$ 56,705,155                                     |
| Actuarial Value of Assets  | 0   |
| Unfunded Actuarial Accrued Liability (UAAL)  | \$ 56,705,155                                     |
| Funded Ratio (Assets as a Percentage of AAL)   | 0.00%   |
| Annual Covered Payroll   | \$ 68,245,551                                     |
| UAAL as a Percentage of Covered Payroll  | 83.09%  |
| <b>Actuarial Methods and Assumptions</b>   |   |
| Investment Rate of Return  | 4.691%  |
| Expected Return on Plan Assets   | N/A   |
| Expected Return on Employer's Assets   | 4.691%  |
| Rate of Compensation Increase  | N/A   |
| Inflation Rate   | 3.00%   |
| <b>Assumed Pre-65 Medical Trend Rates at December 31</b>                             |   |
| Health Care Cost Trend Rate Assumed for Next Fiscal Year                             | 9.50%   |
| Rate to Which the Cost Trend Rate is Assumed to Decline<br>(the Ultimate Trend Rate) | 5.00%   |
| Fiscal Year that the Rate Reaches the Ultimate Trend Rate                            | 2016  |
| <b>Assumed Post-65 Medical Trend Rates at December 31</b>                            |   |
| Health Care Cost Trend Rate Assumed for Next Fiscal Year                             | 7.50%   |
| Rate to Which the Cost Trend Rate is Assumed to Decline<br>(the Ultimate Trend Rate) | 5.00%   |
| Fiscal Year that the Rate Reaches the Ultimate Trend Rate                            | 2016  |
| <b>Assumed Prescription Drug Trend Rates at December 31</b>                          |   |
| Health Care Cost Trend Rate Assumed for Next Fiscal Year                             | 11.00%  |
| Rate to Which the Cost Trend Rate is Assumed to Decline<br>(the Ultimate Trend Rate) | 5.00%   |
| Fiscal Year that the Rate Reaches the Ultimate Trend Rate                            | 2016  |
| <b>Additional Information</b>  |   |
| Actuarial Cost Method  | Projected Unit Credit                             |
| Amortization Method  | Level Dollar                                      |
| Amortization Period  | Single Amortization Period                        |
| Amortization Period (in Years)   | 30.00   |
| Amortization Period Status   | Open  |
| Method Used to Determine Actuarial Value of Assets                                   | N/A   |

**COUNTY OF ONEIDA, NEW YORK**

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined results are subject to continual revision as actual results are compared to past expectations and new estimates are made in the future. The actuarial methods and assumptions used are designed to reduce short-term volatility in reported amounts and reflect a long-term perspective.

**(b) Community College**

**Plan Description:** The College sponsors and administers an employer defined benefit plan (Blue Cross/Blue/Shield Traditional) for Professional Association, Administrators' Association and Exempt Employees which provides postemployment health insurance coverage to its retired employees meeting certain qualifications (i.e. Age 55 with 5 years of full-time continuous service). Employees belonging to UPSEU are covered under a choice of three plans (REMSCO PPO, REMSCO Traditional, and REMSCO MVP) administered by Oneida County. Substantially all employees may become eligible for these benefits if they reach normal retirement age while working for the College. Benefit provisions are established and may be amended by the College's Board of Trustees. The College does not issue a publicly available report.

|   | For the<br>Year Ended<br><u>August 31, 2008</u> |
|---|---|
| <b>Annual OPEB Cost and Net OPEB Obligation</b> |   |
| Annual Required Contribution                    | \$ 2,421,556                                    |
| Interest on Net OPEB Obligation                 | 0   |
| Adjustment to Annual Required Contribution      | <u>0</u>  |
| Annual OPEB Cost                                | 2,421,556                                       |
| Contributions Made                              | <u>(787,545)</u>                                |
| Increase in Net OPEB Obligation                 | 1,634,011                                       |
| Net OPEB Obligation – Beginning of Year         | <u>5,852,763</u>                                |
| Net OPEB Obligation – End of Year               | <u>\$ 7,486,774</u>                             |
| Annual OPEB Cost                                | \$ 2,421,556                                    |
| Percentage of Annual OPEB Cost Contributed      | 32.52%  |
| Net OPEB Obligation at End of Year              | \$ 7,486,774                                    |
| <b>Funded Status</b>                            |   |
| Actuarial Accrued Liability (AAL)               | \$ 22,587,502                                   |
| Actuarial Value of Assets                       | 0   |
| Unfunded Actuarial Accrued Liability (UAAL)     | \$ 22,587,502                                   |
| Funded Ratio (Assets as a Percentage of AAL)    | 0.00%   |
| Annual Covered Payroll                          | Not Available                                   |
| UAAL as a Percentage of Covered Payroll         | Not Available                                   |

**COUNTY OF ONEIDA, NEW YORK**

## Notes to Basic Financial Statements

For the Year Ended December 31, 2008

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined results are subject to continual revision as actual results are compared to past expectations and new estimates are made in the future. The actuarial methods and assumptions used are designed to reduce short-term volatility in reported amounts and reflect a long-term perspective.

**13. NONCURRENT LIABILITIES**

Noncurrent liability balances and activity are as follows:

|                                 | Beginning<br>Balance  | Increases            | Decreases              | Ending<br>Balance     | Due Within<br>One Year |
|---------------------------------|-----------------------|----------------------|------------------------|-----------------------|------------------------|
| <b>Governmental Activities</b>  |                       |                      |                        |                       |                        |
| Bonds                           | \$ 167,139,440        | \$ 26,887,242        | \$ (9,012,940)         | \$ 185,013,742        | \$ 37,462,648          |
| Accrued Interest                | 975,900               | 1,097,513            | (975,900)              | 1,097,513             | 1,097,513              |
| Postemployment Benefits         | 3,447,995             | 3,392,748            |                        | 6,840,743             |                        |
| Compensated Absences            | 2,238,741             | 5,834,135            | (5,494,926)            | 2,577,950             | 2,577,950              |
| Accrued Workers' Compensation   | 4,548,132             | 663,579              | (1,423,163)            | 3,788,548             | 1,250,221              |
| Judgments and Claims            | 376,750               |                      | (208,750)              | 168,000               | 168,000                |
| Total Governmental Activities   | <u>\$ 178,726,958</u> | <u>\$ 37,875,217</u> | <u>\$ (17,115,679)</u> | <u>\$ 199,486,496</u> | <u>\$ 42,556,332</u>   |
| <b>Business Type Activities</b> |                       |                      |                        |                       |                        |
| Bonds                           | \$ 12,843,189         | \$ 1,891,667         | \$ (791,589)           | \$ 13,943,267         | \$ 2,738,667           |
| Accrued Interest                | 121,688               | 125,384              | (121,688)              | 125,384               | 125,384                |
| Postemployment Benefits         | 114,749               | 112,640              |                        | 227,389               |                        |
| Compensated Absences            | 92,967                | 187,368              | (194,353)              | 85,982                | 85,982                 |
| Total Business Type Activities  | <u>\$ 13,172,596</u>  | <u>\$ 2,317,059</u>  | <u>\$ (1,107,630)</u>  | <u>\$ 14,382,022</u>  | <u>\$ 2,950,033</u>    |
| <b>Component Units</b>          |                       |                      |                        |                       |                        |
| Bonds                           | \$ 89,840,248         | \$ 961,868           | \$ (6,784,474)         | \$ 84,017,643         | \$ 6,101,525           |
| Premium on Bonds                | 240,485               |                      | (68,662)               | 171,823               | 68,662                 |
| Leases                          | 231,953               |                      | (78,007)               | 153,946               | 84,482                 |
| Compensated Absences            | 817,594               | 4,667                |                        | 822,261               | 200,000                |
| Postemployment Benefits         | 5,852,763             | 1,634,011            |                        | 7,486,774             |                        |
| Total Component Units           | <u>\$ 96,983,043</u>  | <u>\$ 2,600,546</u>  | <u>\$ (6,931,143)</u>  | <u>\$ 92,652,447</u>  | <u>\$ 6,454,669</u>    |

Accrued Interest – represents interest accrued, yet unpaid, at December 31, 2008, which is included in the Government-Wide and Enterprise Sewer Fund statement of net assets.

The County borrows funds on a long-term basis for the purpose of financing acquisitions of land and equipment and construction of buildings and improvements. 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. These long-term liabilities for governmental funds are maintained separately and represents a reconciling item between the fund and government-wide statements except for those amounts which relate to and are, therefore, accounted for in the proprietary fund types and discretely presented component units. Interest associated with long-term debt is recorded as an expenditure when such amounts are due. Interest expense for governmental and business type activities for the year ended December 31, 2008, was \$9,244,442 and \$523,165, respectively.



**COUNTY OF ONEIDA, NEW YORK**

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

Business type activities interest expense was directly related to the Sewer Fund and has been included as a direct function expense.

Details relating to general obligation (serial) bonds of the County outstanding at December 31, 2008, are summarized as follows:

| Description of Issue            | Final<br>Maturity | Interest<br>Rate | Balance                     |
|---------------------------------|-------------------|------------------|-----------------------------|
| <b>Governmental Activities</b>  |                   |                  |                             |
| Improvement, 1990               | 2009              | 7.10             | \$ 71,000                   |
| Improvement, 1995               | 2010              | 4.70-5.00        | 974,493                     |
| Improvement, 1996               | 2014              | 5.30-5.40        | 3,385,000                   |
| Advance Refunding, 1998         | 2012              | 4.00-5.50        | 3,951,000                   |
| Improvement, 1999               | 2015              | 4.50-4.75        | 854,454                     |
| Improvement, 2000               | 2019              | 5.00-5.375       | 2,710,605                   |
| Improvement, 2001               | 2020              | 4.25-5.00        | 6,412,879                   |
| Improvement, 2002               | 2022              | 4.25-4.75        | 5,737,000                   |
| Improvement, 2003               | 2018              | 3.50-3.55        | 6,014,000                   |
| Pension, 2004                   | 2009              | 2.54-3.76        | 900,000                     |
| Improvement, 2005               | 2020              | 3.50-4.10        | 11,000,000                  |
| Improvement, 2006               | 2021              | 4.00-4.25        | 7,585,000                   |
| Improvement, 2008               | 2022              | 3.00-5.70        | 18,583,200                  |
| Improvement, 2008               | 2009              | 2.25-2.99        | 25,802,084                  |
| Current Refunding, 2008         | 2014              | 3.50-5.00        | 9,783,132                   |
| Tobacco Settlement Bonds        | 2040              | 5.25-6.63        | 81,249,895                  |
|                                 |                   |                  | <u>185,013,742</u>          |
| <b>Business-Type Activities</b> |                   |                  |                             |
| Improvement, 1998               | 2014              | 4.00-5.50        | 60,000                      |
| Sewer District EFC, 1999        | 2018              | 4.313            | 535,000                     |
| Improvement, 2000               | 2019              | 5.00-5.375       | 141,600                     |
| Sewer District EFC, 2001        | 2015              | 3.43-4.83        | 510,000                     |
| Improvement, 2006               | 2021              | 4.00-4.25        | 9,205,000                   |
| Improvement, 2008               | 2022              | 3.00-4.00        | 1,600,000                   |
| Improvement, 2008               | 2009              | 2.25-2.88        | 1,891,667                   |
|                                 |                   |                  | <u>13,943,267</u>           |
| <b>Community College:</b>       |                   |                  |                             |
| Bonds Issued by DASNY           | 2014-2028         | 4.00-6.13        | 12,807,439                  |
| Improvement, 2005               | 2036              | 3.00             | 8,310,000                   |
| Serial Bonds – County           | 2002-2019         | 4.00-8.75        | 6,003,529                   |
|                                 |                   |                  | <u>27,120,968</u>           |
| <b>Authority:</b>               |                   |                  |                             |
| Refunding Bonds                 | 2015              | 4.10-6.75        | 20,410,000                  |
| Revenue Bonds 2007              | 2027              | 4.125-4.20       | 5,565,000                   |
| Note Payable-EFC                | 2007              | 0                | 30,921,675                  |
|                                 |                   |                  | <u>56,896,675</u>           |
| <b>Total Reporting Entity</b>   |                   |                  | <b><u>\$282,974,652</u></b> |

**COUNTY OF ONEIDA, NEW YORK**

## Notes to Basic Financial Statements

For the Year Ended December 31, 2008

Principal and interest payments due on serial bonds outstanding at December 31, 2008, for the Primary Government and component units are as follows:

|           | Primary Government    |                       | Business-Type        |                     | Component Units      |                      |
|-----------|-----------------------|-----------------------|----------------------|---------------------|----------------------|----------------------|
|           | Principal             | Interest              | Principal            | Interest            | Principal            | Interest             |
| 2009      | \$ 37,462,648         | \$ 7,616,598          | \$ 2,738,667         | \$ 526,441          | \$ 6,101,525         | \$ 3,777,336         |
| 2010      | 10,093,594            | 6,422,717             | 857,000              | 449,451             | 6,403,948            | 4,103,518            |
| 2011      | 9,783,900             | 5,896,443             | 857,000              | 414,571             | 7,206,271            | 3,444,235            |
| 2012      | 9,941,029             | 5,418,053             | 873,200              | 379,226             | 7,792,402            | 2,746,932            |
| 2013      | 9,390,228             | 4,934,710             | 888,195              | 343,170             | 6,763,342            | 2,368,751            |
| 2014-2018 | 39,817,751            | 18,682,401            | 4,751,005            | 1,129,221           | 17,116,549           | 9,098,613            |
| 2019-2023 | 35,569,696            | 7,908,920             | 2,978,200            | 198,361             | 14,733,414           | 5,461,761            |
| 2024-2028 | 15,837,481            | 3,815,700             |                      |                     | 14,227,731           | 1,895,477            |
| 2029-2033 | 7,138,806             | 26,107,049            |                      |                     | 2,261,961            | 418,629              |
| 2034-2038 | 4,284,896             | 31,202,888            |                      |                     | 1,410,500            | 87,365               |
| 2039-2040 | 5,693,713             | 30,557,216            |                      |                     |                      |                      |
| Total     | <u>\$ 185,013,742</u> | <u>\$ 148,562,696</u> | <u>\$ 13,943,267</u> | <u>\$ 3,440,441</u> | <u>\$ 84,017,643</u> | <u>\$ 33,402,617</u> |

With the exception of the Revenue Bonds issued by the Authority, the debt service is anticipated to be financed through real property taxes, use charges, special assessments, State and Federal aid, or existing available resources for the retirement of debt.

***Capital Leases***

The College has also entered into several capital lease agreements for copier equipment. The College will make 60 monthly payments, ranging from \$140 to \$3,014, including interest at approximately 8% per annum through 2011. Certain renewal options exist in accordance with each agreement.

The following is a schedule of future minimum lease payments required under the above agreements and the present value of the net minimum lease payments at August 31, 2008:

|       | Principal         | Interest         | Total             |
|-------|-------------------|------------------|-------------------|
| 2009  | \$ 84,482         | \$ 9,263         | \$ 93,745         |
| 2010  | 50,916            | 3,055            | 53,971            |
| 2011  | 18,548            | 624              | 19,172            |
| Total | <u>\$ 153,946</u> | <u>\$ 12,942</u> | <u>\$ 166,888</u> |

Lease payments made for the fiscal year ended August 31, 2008 amounted to \$78,007 principal and \$15,737 in interest.

## COUNTY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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### *Participation In The County's Debt Service*

Centro has a capital financing agreement with the County which covers County bonding on behalf of Centro for Buses. The amount due from the Authority under this agreement is \$300,241 at December 31, 2008, and is also included as a receivable and deferred revenue in the Debt Service Fund.

### *DASNY Financing Arrangements*

The College has entered into financing agreements with DASNY to finance most of its educational facilities. The DASNY bonds for these facilities, which have a maximum 30 year life, will be repaid from the appropriations received from the State of New York. Final maturity dates for the College's DASNY debt issues range from 2009 to 2031. Interest rates on the DASNY bonds range from 3.10% to 5.50%.

### *Advance Refunding*

At December 31, 2008, the County had approximately \$13,480,549 in United States government securities deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on \$13,010,000 of outstanding serial bonds that were previously defeased. Since the serial bonds are considered to be defeased, the liability for those bonds has been removed from the County's financial statements.

### *Debt Limit*

At December 31, 2008, the County had exhausted approximately 20% of its constitutional debt limit.

## **14. INTERFUND TRANSACTIONS**

| <u>Fund</u>              | <u>Interfund</u>     |                      | <u>Interfund</u>     |                      |
|--------------------------|----------------------|----------------------|----------------------|----------------------|
|                          | <u>Receivable</u>    | <u>Payable</u>       | <u>Revenues</u>      | <u>Expenditures</u>  |
| General                  | \$ 1,607,246         | \$ 4,206,413         | \$                   | \$ 17,712,368        |
| Debt Service             | 4,672,279            | 2,091,420            | 11,760,274           |                      |
| Other Governmental Funds | 6,865,767            | 2,156,009            | 5,952,094            |                      |
| Business Type            | <u>1,001,930</u>     | <u>5,693,380</u>     |                      |                      |
| Total Activities         | <u>\$ 14,147,222</u> | <u>\$ 14,147,222</u> | <u>\$ 17,712,368</u> | <u>\$ 17,712,368</u> |

- Transfers of \$5,890,903 from the General Fund to the County Road and Road Machinery Funds were for capital improvements on County roadways, infrastructure, and buildings.
- Transfers of \$61,191 to the Special Grant Fund (other governmental funds) provide local support for the Work Force Investment Program.
- Transfers of \$11,760,274 from the General Fund to the Debt Service Fund were for payment of the County's annual debt service requirements.

**COUNTY OF ONEIDA, NEW YORK**

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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**15. FUND BALANCE – SPECIAL RESERVES**

State statutes require the County to reserve excess revenues over expenditures under the STOP DWI Program for use in the program in the following fiscal year. The amount of excess STOP DWI Program funds reserved in the General Fund at December 31, 2008, was \$893,572.

The remaining General Fund special reserves balance represents handicapped parking fees of \$4,948.

**16. OBLIGATIONS UNDER LEASES**

The County and discretely presented component units have also entered into numerous operating lease agreements which, in the opinion of management, are not considered material.

**17. SIGNIFICANT CLAIMS AND CONTINGENT LIABILITIES**

*Judgments and Claims*

The reporting entity of the County is subject to various claims and legal actions in the ordinary conduct of its affairs. Such claims and legal actions, in the opinion of management, are not expected to have a material effect on the financial condition of any of the components of the County's reporting entity. However, at December 31, 2008, the County recorded a liability of \$168,000 for potential losses.

*Federal and State Funded Programs*

The County participates in a number of Federal and New York State grant and assistance 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. Expenditures disallowed by completed audits have generally been immaterial in nature and, accordingly, have been reflected as adjustments to revenues in the year the expenditure was determined to be unallowable.

*Grants*

Amounts received or receivable from grantor agencies are subject to audit and adjustment principally by State and local governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable program. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

**COUNTY OF ONEIDA, NEW YORK**

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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**18. RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. One such risk is associated with its workers' compensation program. The County's program is self-insured and is accounted for in the Internal Service Fund. The program provides for the participation of other municipalities within the County and is administered by the County's Workers' Compensation Board.

All funds of the County participate in the program and make payments to the Internal Service Fund. Payments from other funds and component units are determined by two methods. The first method reimburses the risk management fund by assessment against County organizations based upon actual claims history for the preceding five years (a rolling average). The second method results in charges to County organizations based upon pro-rata taxable base value.

The estimated accrued claims of \$13,070,053 reported in the fund at December 31, 2008, are based upon the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicated 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. A receivable has been recorded for amounts due from other municipalities that participate in the program. All liabilities are recorded at their value as of December 31, 2008. Changes in the fund's accrued claims liabilities for the year ended December 31, 2008, are as follows:

| <u>Beginning of<br/>Year Liability</u> | <u>Current-Year<br/>Claims and<br/>Changes in<br/>Estimates</u> | <u>Claims<br/>Payments</u> | <u>Balance at<br/>Year End</u> |
|--|---|----------------------------|--------------------------------|
| \$ 14,080,268                          | \$ 2,819,113  | \$ 3,829,328               | \$ 13,070,053                  |

Included in the year-end liability are amounts payable for workers' compensation claims reported and those incurred but not yet reported. The County utilizes a third-party administrator who is responsible for processing claims and estimating liabilities under this coverage. Estimated liabilities include specific, incremental claim adjustment expenditures.

In addition to its workers' compensation program, the County is self-insured for the Major Medical portion of its health insurance. Under this program, the County accounts in the General Fund for claims in the General Fund with maximum exposure of \$100,000 per person per year and \$1,000,000 per person per lifetime. The County has \$640,512 accrued at December 31, 2008, in the General Fund for claims reported and those incurred but not yet reported and is included in accounts payable. Remaining health insurance and dental coverage is provided through commercial insurance.

## **COUNTY OF ONEIDA, NEW YORK**

Notes to Basic Financial Statements

For the Year Ended December 31, 2008

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County employees are entitled to coverage under the New York State Unemployment Insurance Law. The County has elected to discharge its liability to the New York State Unemployment Insurance Fund (the fund) by the benefit reimbursement method, a dollar-to-dollar reimbursement to the fund for benefits paid from the fund to former County employees and charged to the County's account.

The County purchases commercial insurance for all other risks of loss. Coverage includes policies for general liability, automobile, and police protection which has a maximum annual exposure limit of \$365,000. Other miscellaneous policies provide coverage with varying immaterial deductibles per individual claims.

### **19. SEWER DISTRICT CONSENT ORDER**

The County, as the permit holder for the part-County Sewer District, was served with a Complaint by the New York State Department of Environmental Conservation on February 26, 2007, alleging violations of environmental statutes and regulations stemming from wet weather overflows at the Sauquoit Creek Pump Station. The County served an Answer to the Complaint on April 25, 2007. On July 11, 2007, the County and the State executed a Consent Order resolving the issues raised in the Complaint. The Consent Order contains a compliance schedule which calls for the completion of a study of the system by July 11, 2010 and the implementation of any repairs called for in the study by October 31, 2014. The purpose of the ongoing study is to determine what portions of the system require repair. The part-County Sewer District and the various towns and villages who participate in it, each own various components of the system, and will each be responsible for the costs to repair their portion. Until the study is complete there is no way to accurately estimate the total or the allocated costs to each municipality, therefore, no liability has been recognized by the County in these statements.

**COUNTY OF ONEIDA, NEW YORK**  
**COMBINED STATEMENT OF REVENUES AND OTHER FINANCING SOURCES**  
**AND EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended December 31, 2008**

|  | General            |                    |                       | Variance<br>Favorable<br>(Unfavorable) |
|--|--------------------|--------------------|-----------------------|--|
|  | Original<br>Budget | Final<br>Budget    | Actual                |  |
| <b>Revenues</b>                              |                    |                    |                       |  |
| Real Property Taxes                          | \$ 57,750,104      | \$ 57,750,104      | \$ 57,462,830         | \$ (287,274)                           |
| Real Property Tax Items                      | 2,487,114          | 2,487,114          | 2,718,315             | 231,201                                |
| Nonproperty Tax Items                        | 85,622,558         | 117,795,771        | 117,659,617           | (136,154)                              |
| Departmental Income                          | 15,913,612         | 18,039,447         | 17,266,587            | (772,860)                              |
| Intergovernmental Charges                    | 11,326,214         | 11,597,104         | 11,465,458            | (131,646)                              |
| Use of Money and Property                    | 2,539,101          | 2,539,101          | 2,202,873             | (336,228)                              |
| Licenses and Permits                         | 15,100             | 15,100             | 15,390                | 290                                    |
| Fines and Forfeitures                        | 891,877            | 933,679            | 918,289               | (15,390)                               |
| Sale of Property and Compensation for Loss   | 349,887            | 358,412            | 429,466               | 71,054                                 |
| Miscellaneous Local Sources                  | 912,127            | 1,129,233          | 1,455,279             | 326,046                                |
| Interfund Revenues                           | 64,763             | 64,763             | 93,180                | 28,417                                 |
| State and Federal Aid                        | 98,564,208         | 105,204,904        | 98,041,719            | (7,163,185)                            |
| Total Revenues                               | <u>276,436,665</u> | <u>317,914,732</u> | <u>309,729,003</u>    | <u>(8,185,729)</u>                     |
| <b>Expenditures</b>                          |                    |                    |                       |  |
| General Governmental Support                 | 26,037,034         | 58,874,023         | 58,011,210            | 862,813                                |
| Education                                    | 20,970,903         | 21,075,412         | 21,065,715            | 9,697                                  |
| Public Safety                                | 38,858,076         | 39,451,376         | 37,897,337            | 1,554,039                              |
| Public Health                                | 20,087,825         | 21,525,373         | 19,867,884            | 1,657,489                              |
| Transportation                               | 7,244,366          | 9,103,304          | 7,962,260             | 1,141,044                              |
| Economic Assistance and Opportunity          | 150,400,026        | 154,815,612        | 151,062,454           | 3,753,158                              |
| Culture and Recreation                       | 2,165,959          | 2,517,237          | 2,433,792             | 83,445                                 |
| Home and Community Services                  | 3,166,401          | 3,744,333          | 3,617,780             | 126,553                                |
| Total Expenditures                           | <u>268,930,590</u> | <u>311,106,670</u> | <u>301,918,432</u>    | <u>9,188,238</u>                       |
| <b>Surplus Revenues Over Expenditures</b>    |                    |                    |                       |  |
| Before Other Financing Sources (Uses)        | <u>7,506,075</u>   | <u>6,808,062</u>   | <u>7,810,571</u>      | <u>1,002,509</u>                       |
| <b>Other Financing Sources (Uses)</b>        |                    |                    |                       |  |
| Appropriation of Prior Year's Fund Balance   | 10,331,090         | 11,111,103         |                       | (11,111,103)                           |
| Transfers to Other Funds                     | (17,837,165)       | (17,919,165)       | (17,712,368)          | 206,797                                |
| Total Other Financing (Uses)                 | <u>(7,506,075)</u> | <u>(6,808,062)</u> | <u>(17,712,368)</u>   | <u>(10,904,306)</u>                    |
| <b>Revenues and Other Financing Sources</b>  |                    |                    |                       |  |
| Over Expenditures and Other Financing (Uses) | <u>\$ 0</u>        | <u>\$ 0</u>        | <u>\$ (9,901,797)</u> | <u>\$ (9,901,797)</u>                  |

**COUNTY OF ONEIDA, NEW YORK**  
**COMBINED STATEMENT OF REVENUES AND OTHER FINANCING SOURCES**  
**AND EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - DEBT SERVICE FUND**  
**For the Year Ended December 31, 2008**

|  | Debt Service Fund   |                     |                     | Variance<br>Favorable<br>(Unfavorable) |
|--|---------------------|---------------------|---------------------|--|
|  | Original<br>Budget  | Final<br>Budget     | Actual              |  |
| <b>Revenues</b>                              |                     |                     |                     |  |
| Intergovernmental Charges                    | \$ 647,105          | \$ 647,105          | \$ 690,816          | \$ 43,711                              |
| Use of Money and Property                    | 300,000             | 300,000             | 758,993             | 458,993                                |
| Miscellaneous Local Sources                  |                     |                     | 330                 | 330                                    |
| Total Revenues                               | <u>947,105</u>      | <u>947,105</u>      | <u>1,450,139</u>    | <u>503,034</u>                         |
| <b>Expenditures</b>                          |                     |                     |                     |  |
| General Governmental Support                 | 12,000              | 12,000              |                     | 12,000                                 |
| Education                                    | 764,471             | 764,471             | 764,471             |  |
| Debt Service                                 |                     |                     |                     |  |
| Principal                                    | 8,272,940           | 8,415,197           | 8,272,940           | 142,257                                |
| Interest                                     | <u>3,807,968</u>    | <u>3,665,711</u>    | <u>3,665,711</u>    |  |
| Total Expenditures                           | <u>12,857,379</u>   | <u>12,857,379</u>   | <u>12,703,122</u>   | <u>154,257</u>                         |
| <b>Surplus Revenues Over Expenditures</b>    |                     |                     |                     |  |
| Before Other Financing Sources               | <u>(11,910,274)</u> | <u>(11,910,274)</u> | <u>(11,252,983)</u> | <u>657,291</u>                         |
| <b>Other Financing Sources</b>               |                     |                     |                     |  |
| Appropriation of Prior Year's Fund Balance   | 150,000             | 150,000             |                     | (150,000)                              |
| Transfers from Other Funds                   | <u>11,760,274</u>   | <u>11,760,274</u>   | <u>11,760,274</u>   | <u>0</u>                               |
| Total Other Financing Sources                | <u>11,910,274</u>   | <u>11,910,274</u>   | <u>11,760,274</u>   | <u>(150,000)</u>                       |
| <b>Revenues and Other Financing Sources</b>  |                     |                     |                     |  |
| Over Expenditures and Other Financing (Uses) | <u>\$ 0</u>         | <u>\$ 0</u>         | <u>\$ 507,291</u>   | <u>\$ 507,291</u>                      |



**COUNTY OF ONEIDA, NEW YORK**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2008

|                               | <u>Special Grant</u> | <u>County Road</u>  | <u>Road Machinery</u> | <u>Capital</u>       | <u>OTASC</u>        | <u>Total Current Year</u> |
|-------------------------------|----------------------|---------------------|-----------------------|----------------------|---------------------|---------------------------|
| <b>Assets</b>                 |                      |                     |                       |                      |                     |                           |
| Cash and Cash Equivalents     | \$                   | 25,476              | \$ 33,508             | \$ 18,976,665        | \$ 35,684           | \$ 19,071,333             |
| Deposits with Trustees        |                      |                     |                       |                      | 4,880,878           | 4,880,878                 |
| Other Receivables             | 338,221              | 128                 | 207                   |                      |                     | 338,556                   |
| Due From                      |                      |                     |                       |                      |                     |                           |
| State and Federal Governments |                      |                     | 260,820               | 117,229              |                     | 378,049                   |
| Other Funds                   |                      | 2,910,469           | 1,126,666             | 2,828,632            |                     | 6,865,767                 |
| Other Assets                  |                      |                     |                       |                      | 4,767,321           | 4,767,321                 |
| <b>Total Assets</b>           | <u>\$ 338,221</u>    | <u>\$ 2,936,073</u> | <u>\$ 1,421,201</u>   | <u>\$ 21,922,526</u> | <u>\$ 9,683,883</u> | <u>\$ 36,301,904</u>      |

**Liabilities and Fund Equity**

|  |                   |                     |                     |                      |                     |                      |
|--|-------------------|---------------------|---------------------|----------------------|---------------------|----------------------|
| <b>Liabilities</b>                       |                   |                     |                     |                      |                     |                      |
| Accounts Payable                         | \$ 138,827        | \$ 742,342          | \$ 126,971          | \$ 87,857            | \$ 7,000            | \$ 1,102,997         |
| Accrued Liabilities                      | 27,763            | 208,968             |                     | 907,331              | 323,421             | 1,467,483            |
| Deferred Revenue                         |                   | 552,989             |                     |                      |                     | 552,989              |
| Due to Other Governments                 |                   | 195                 |                     | 70,204               |                     | 70,399               |
| Due to Other Funds                       |                   | 1,026,668           | 846,598             | 282,743              |                     | 2,156,009            |
| Total Liabilities                        | <u>166,590</u>    | <u>2,531,162</u>    | <u>973,569</u>      | <u>1,348,135</u>     | <u>330,421</u>      | <u>5,349,877</u>     |
| <b>Fund Equity</b>                       |                   |                     |                     |                      |                     |                      |
| Fund Balance - Reserved                  |                   |                     |                     |                      |                     | 26,669,621           |
| Reserve for Encumbrances                 | 5,360             | 73,482              | 48,237              | 26,542,542           |                     |                      |
| Fund Balance - Unreserved                | 166,271           | 331,429             | 399,395             | (5,968,151)          | 9,353,462           | 4,282,406            |
| Undesignated                             | 171,631           | 404,911             | 447,632             | 20,574,391           | 9,353,462           | 30,952,027           |
| Total Fund Equity                        |                   |                     |                     |                      |                     |                      |
| <b>Total Liabilities and Fund Equity</b> | <u>\$ 338,221</u> | <u>\$ 2,936,073</u> | <u>\$ 1,421,201</u> | <u>\$ 21,922,526</u> | <u>\$ 9,683,883</u> | <u>\$ 36,301,904</u> |

**COUNTY OF ONEIDA, NEW YORK**  
**COMBINING STATEMENT OF REVENUES AND OTHER FINANCING SOURCES, EXPENDITURES**  
**AND OTHER FINANCING USES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

|  | Special<br>Grant  | County<br>Road    | Road<br>Machinery | Capital              | OTASC               | Total<br>Current Year |
|--|-------------------|-------------------|-------------------|----------------------|---------------------|-----------------------|
| <b>Revenues</b>  |                   |                   |                   |                      |                     |                       |
| Departmental Income  | \$                | \$ 80,806         | \$                | \$                   | \$                  | \$ 80,806             |
| Intergovernmental Charges  |                   | 3,157,295         |                   |                      |                     | 3,157,295             |
| Use of Money and Property  |                   |                   | 21,040            |                      | 315,792             | 336,832               |
| Licenses and Permits   |                   | 6,470             |                   |                      |                     | 6,470                 |
| Sale of Property and Compensation for Loss                                 |                   | 1,059             | 66,113            |                      |                     | 67,172                |
| Miscellaneous Local Sources  | 51,158            | 6,032             |                   | 29,252               |                     | 86,442                |
| Interfund Revenues   | 720,774           | 753,330           | 2,392,449         |                      |                     | 3,866,553             |
| State and Federal Aid  | 2,114,161         | 3,399,494         | 260,820           | 5,603,090            |                     | 11,377,565            |
| Tobacco Revenues   |                   |                   |                   |                      | 4,302,575           | 4,302,575             |
| <b>Total Revenues</b>  | <u>2,886,093</u>  | <u>7,404,486</u>  | <u>2,740,422</u>  | <u>5,632,342</u>     | <u>4,618,367</u>    | <u>23,281,710</u>     |
| <b>Other Financing Sources</b>   |                   |                   |                   |                      |                     |                       |
| Transfers from Other Funds   | 61,191            | 5,840,903         | 50,000            |                      |                     | 5,952,094             |
| Proceeds of Obligations  |                   |                   |                   | 25,802,084           |                     | 25,802,084            |
| <b>Total Revenues and Other Financing Sources</b>                          | <u>2,947,284</u>  | <u>13,245,389</u> | <u>2,790,422</u>  | <u>31,434,426</u>    | <u>4,618,367</u>    | <u>55,035,888</u>     |
| <b>Expenditures</b>  |                   |                   |                   |                      |                     |                       |
| General Government Support   |                   |                   |                   | 4,896,583            | 47,334              | 4,943,917             |
| Education  |                   |                   |                   |                      |                     |                       |
| Public Safety  |                   |                   |                   | 1,783,788            |                     | 1,783,788             |
| Public Health  |                   |                   |                   | 25,000               |                     | 25,000                |
| Transportation   |                   | 13,211,803        | 2,513,284         | 13,612,121           |                     | 29,337,208            |
| Economic Assistance and Opportunity  | 2,947,284         |                   |                   |                      |                     | 2,947,284             |
| Culture and Recreation   |                   |                   |                   | 326,867              |                     | 326,867               |
| Payment of Principal   |                   |                   |                   |                      | 740,000             | 740,000               |
| Interest Expense   |                   |                   |                   |                      | 5,578,731           | 5,578,731             |
| <b>Total Expenditures</b>  | <u>2,947,284</u>  | <u>13,211,803</u> | <u>2,513,284</u>  | <u>20,644,359</u>    | <u>6,366,065</u>    | <u>45,682,795</u>     |
| Excess (Deficit) Revenues and Other Financing Sources<br>Over Expenditures |                   | 33,586            | 277,138           | 10,790,067           | (1,747,698)         | 9,353,093             |
| <b>Fund Balance, Beginning of Year</b>                                     | <u>171,631</u>    | <u>371,325</u>    | <u>170,494</u>    | <u>9,784,324</u>     | <u>11,101,160</u>   | <u>21,598,934</u>     |
| <b>Fund Balance, End of Year</b>   | <u>\$ 171,631</u> | <u>\$ 404,911</u> | <u>\$ 447,632</u> | <u>\$ 20,574,391</u> | <u>\$ 9,353,462</u> | <u>\$ 30,952,027</u>  |