

OFFICIAL STATEMENT

Moody’s Investors Service: “A1”
Fitch Ratings: “AA” Stable Outlook
S&P Global Ratings: “AA-” Negative Outlook

NEW ISSUE

SERIAL BONDS

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

The Bonds will not be designated as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.

\$10,800,000



COUNTY of ONEIDA, NEW YORK
GENERAL OBLIGATIONS

\$10,800,000 Public Improvement (Serial) Bonds, 2021
(the “Bonds”)

CUSIP BASE: 682455

Dated and Delivered: May 18, 2021

Due: May 15, 2022-2035

MATURITIES*

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2022	\$ 945,000				2029	\$ 620,000			
2023	1,020,000				2030**	620,000			
2024	1,030,000				2031**	635,000			
2025	1,050,000				2032**	640,000			
2026	1,060,000				2033**	650,000			
2027	600,000				2034**	660,000			
2028	610,000				2035**	660,000			

* Principal amounts are subject to change pursuant to the accompanying Notice of Bond Sale in order to achieve substantially level or declining annual debt service.

** The Bonds maturing in the years 2030-2035 are subject to redemption prior to maturity. See “DESCRIPTION OF THE BONDS - Optional Redemption” herein.

The Bonds are general obligations of the County of Oneida, New York (the "County") all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limitations. See “TAX INFORMATION - Tax Levy Limitation Law” section herein.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds. Individual purchases will be in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable semi-annually on May 15 and November 15 in each year until maturity commencing May 15, 2022. Principal and interest will be paid by the County to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Proposals shall be for not less than \$10,800,000 and accrued interest, if any, on the total principal amount of the Bonds. Proposals shall be accompanied by a good faith deposit in the form of a certified or cashier’s check or wire transfer payable to the order of the County of Oneida, New York, in the amount of \$216,000.

The Bonds are offered when, as and if issued and received by the Purchaser and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in Jersey City, New Jersey or as agreed upon with the Purchaser on or about May 18, 2021.

ELECTRONIC BIDS for the Bonds must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on May 4, 2021 until 11:00 A.M., Eastern Time, pursuant to the Notice of Bond Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the County, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms provided in the Notice of Bond Sale.

April 27, 2021

THE COUNTY DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (“THE RULE”), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF BOND SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE COUNTY WILL COVENANT IN AN UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE AS DEFINED IN THE RULE WITH RESPECT TO THE BONDS. SEE “APPENDIX – D, CONTINUING DISCLOSURE UNDERTAKING” HEREIN.

**COUNTY of ONEIDA, NEW YORK
of ONEIDA, NEW YORK**

www.ocgov.net



**BOARD OF
COUNTY LEGISLATORS**

GERALD J. FIORINI

Chairman

George E. Joseph (Majority Leader)
Philip M. Sacco (Minority Leader)
Keith Schiebel
Colin E. Idzi
Norman Leach
Cynthia Rogers-Witt
Michael B. Waterman
Steven R. Boucher

Richard A. Flisnik
Lori Washburn
Robert A. Koenig
Brenda McMonagle
Christopher L. Newton
Chad Davis
James M. D'Onofrio
Mary Austin Pratt

Jeffrey E. Daniels, Jr.
Timothy Julian
Evon M. Ervin
Rose Ann Convertino
Anthony C. Leone, Jr.
Stephen DiMaggio

* * * * *

ANTHONY J. PICENTE, Jr.

County Executive

SANDRA J. DEPERNO

County Clerk

PETER M. RAYHILL, ESQ.

County Attorney

JOSEPH J. TIMPANO

County Comptroller

SHERYL A. BROWN

Deputy County Comptroller

ANTHONY R. CARVELLI

County Commissioner of Finance



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisor



ORRICK, HERRINGTON & SUTCLIFFE LLP

Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

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**OFFICIAL STATEMENT
OF THE
COUNTY of ONEIDA, NEW YORK**

RELATING TO

\$10,800,000 Public Improvement (Serial) Bonds, 2021

This Official Statement, which includes the cover page and appendices, has been prepared by the County of Oneida, New York (the "County," and "State," respectively), in connection with the sale by the County of the principal amount of \$10,800,000 of Public Improvement (Serial) Bonds, 2021 (referred to herein as the "Bonds").

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

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

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the County management's beliefs as well as assumptions made by, and information currently available to, the County's management and staff. This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the County's overall economic situation and outlook (and all of the specific County-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. See "THE COUNTY-State Aid" and "MARKET AND RISK FACTORS" herein.

NATURE OF OBLIGATION

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

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

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

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

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

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

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the city’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean...So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted...While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

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

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

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

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

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

DESCRIPTION OF THE BONDS

The Bonds will be dated May 18, 2021 and will mature in the principal amounts and on the dates as set forth on the cover page. The Bonds are subject to redemption prior to maturity as described herein under the heading "DESCRIPTION OF THE BONDS - Optional Redemption." The “Record Date” of the Bonds will be the last business day of the calendar month preceding each such interest payment date.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof,. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable semi-annually on May 15 and November 15 in each year until maturity commencing May 15, 2022. Principal and interest will be paid by the County to

DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

Optional Redemption

The Bonds maturing on or before May 15, 2029 shall not be subject to redemption prior to maturity. The Bonds maturing on or after May 15, 2030 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed), at the option of the County on May 15, 2029 or on any date thereafter at par (100%), plus accrued interest to the date of redemption.

If less than all of the bonds of any maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by the County by lot in any customary manner of selection as determined by the County Comptroller. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law, or the County may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State to be named as the fiscal agent by the County. Interest on the Bonds will be payable semi-annually on May 15 and November 15 in each year until maturity commencing May 15, 2022. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the County Comptroller authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance

Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

PURPOSES OF ISSUE

The Bonds are issued pursuant to the Constitution and statutes of the State including among others, the Local Finance Law and various bond resolutions to provide funds for the following purposes and in the following amounts:

Project	Authorization Date	Amount	Amount To Be Issued
SUNY Marcy Parkway 2nd Series	2/12/2020	\$7,000,000	\$1,000,054
County-Wide Computerization Ph 3 CS-1-09 (17)	3/10/2021	1,307,266	1,307,266
Enterprise Content Mgmt. Project CS-1-13 (17)	3/10/2021	822,180	822,180
CS-Cybersecurity	3/10/2021	127,500	127,500
MVCC Academic Classrooms Renovation	3/10/2021	663,000	663,000
Consolidated County Road Ph 5	3/10/2021	5,500,000	5,500,000
County Highway Bridge Program Ph 5	3/10/2021	1,380,000	1,380,000
Total		\$16,799,946	\$10,800,000

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

THE COUNTY

General Information

The County is located in central upstate New York, in the area commonly known as the Mohawk Valley. It is situated on the New York State Thruway. The cities of Utica (county seat), Rome and Sherrill are located in the County. The City of Syracuse is located approximately 50 miles to the west of the County and the City of Albany is located approximately 90 miles to the east of the County.

The County has a land area of 1,227 square miles and has within its boundaries two urban centers; the Cities of Utica (2019 U.S. Census population estimate of 59,750) and Rome (2019 U.S. Census population estimate of 32,148). The estimated 2019 U.S. Census population for the County is 228,671.

Major highways serving the County are New York State Routes #5, #8, #12, #46, #49 and #69 as well as the New York State Thruway and US #20. Interstate Routes #81 and #87 provide limited access north-south connections via the Cities of Syracuse and Albany. CSX provides direct rail services to a variety of Northeastern markets. Amtrak provides rail passenger transportation service from Utica’s Union Station. Adirondack Scenic Railroad also uses Union Station for scenic touring of central New York.

Population Trends

U. S. Census 1960.....	264,401
U. S. Census 1970.....	273,070
U. S. Census 1980.....	253,466
U. S. Census 1990.....	250,836
U. S. Census 2000.....	235,469
U. S. Census 2010.....	234,878
U. S. Census 2019.....	228,671

Source: U.S. Census Bureau.

Major Employers

<u>Name</u>	<u>Business</u>	<u>Approx Number of Employees</u>
Oneida Indian Nation Enterprises	Resort and casino	4,750
Mohawk Valley Health System	Medical facilities	4,279
Bassett Healthcare ⁽¹⁾	Healthcare	4,267
Upstate Cerebral Palsy	Human services/educational	2,000
Utica City School District	Education	1,658
Metlife Inc.	Insurance/Finance	1,368
Rome City School District	Education	1,257
Resource Center for Independent Living	Human services	1,250
Air Force Research Lab	Research & Development	1,182
Utica National Insurance Group	Insurance/Finance	1,112
Wal-Mart	Distribution Center	1,011
Defense Finance and Accounting Service	Back office accounting	950
The Masonic Care Community of NY	Healthcare	900
BNY Mellon	Insurance/Finance	835
Rome Memorial Hospital, Inc.	Healthcare	711
Bank of America	Insurance/Finance	700+
ARC Oneida-Lewis Chapter	Social Services	700
Hamilton College	Education	695
The Hartford	Insurance/Finance	680
Indium Corporation	Manufacturing	650
Briggs & Stratton	Manufacturing	600
ConMed Corporation	Medical Equipment Manufacturer	509
Utica College	Education	428
Mohawk Valley Community College	Education	423
Giotto Enterprises	Manufacturing	420
Slocum-Dickson Medical Group	Healthcare	400
Family Dollar	Warehousing/Transportation	380
Herkimer ARC	Social Services	375
Excellus BCBS	Insurance/Finance	370
Presbyterian Home	Healthcare	355
Human Technologies Corp.	Social Services	330
Revere Copper	Manufacturing	325
SUNY Polytechnic Institute	Education	310
Valley Health Services	Healthcare	310
AmeriCU	Financial Services	305
Charles T. Sitrin Health Care Center	Healthcare	300
Tractor Supply Co.	Distribution	300

⁽¹⁾ Based in Otsego County with several offices in Herkimer & Oneida Counties.

In addition to the above, the Federal, State and County governments in the Utica-Rome MSA employ approximately 29,100 people.

Source: Mohawk Valley Economic Development Growth Enterprises Corporation (EDGE) and New York State Department of Labor Current Employment by Industry (December 2020).

Wealth and Income Indicators

Per capita income statistics are available for the County and State. Listed below are select figures from the 2000 Census Reports, the 2006-2010 and 2014-2018 American Community Survey 5 Year Estimates.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>
County of:						
Oneida	\$ 18,516	\$ 23,458	\$ 29,687	\$ 45,341	\$ 58,017	\$ 71,559
State of:						
New York	\$ 23,389	\$ 30,948	\$ 39,326	\$ 51,691	\$ 67,405	\$ 84,385

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2015-2019 American Community Survey data.

Note: 2016-2020 American Community Survey estimates are not available as of the date of this Official Statement.

Unemployment Rate Statistics

	<u>Annual Average</u>						
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Oneida County	7.4%	6.1%	5.3%	4.8%	5.1%	4.4%	4.3%
New York State	7.7%	6.3%	5.3%	4.9%	4.7%	4.1%	4.0%

	<u>Monthly Figures</u>											
	<u>2020</u>										<u>2021</u>	
	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>
Oneida County	16.4%	12.3%	10.9%	11.3%	8.6%	6.0%	5.5%	5.8%	6.4%	7.3%	7.5%	6.7%
New York State	16.2	15.7	14.8	14.8	11.6	9.9	8.3	8.3	8.5	9.4	9.6	8.5

Note: Unemployment rates for April 2021 are not available as of the date of this Official Statement. Due to the impact of the COVID-19 pandemic, unemployment rates for April 2020 through March 2021 were substantially higher than for previous periods and unemployment rate are expected to remain higher for the foreseeable future.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Economic Development

Griffiss Business and Technology Park

Griffiss Business and Technology Park (“Griffiss Park”) is a 1,600+/- acre multi-use business, technology and industrial park on the grounds of the former Griffiss Air Force Base in Rome. The Griffiss Park is host to nearly 80 employers with a total of nearly 6,000 employees. Major employers include the Air Force Research Laboratory, Defense Finance and Accounting Service, Eastern Air Defense Sector, Collins Aerospace, Assured Information Security, BAE Systems, Booz Allen Hamilton, Kris-Tech Wire, Family Dollar, Sovena USA and the Rome City School District.

More than \$800 million in public and private funding has been invested in the development of Griffiss Park since its closure as an Air Force base nearly 25 years ago. These capital projects included demolition of more than 2.5 million square feet of obsolete former military buildings and housing to make way for new development; construction of a new parkway and other roads to improve the transportation system; development of a walking trail and sculpture garden, construction of a new public high school; a project to consolidate and improve space occupied by the Air Force Research Lab; new manufacturing plants for UTC Aerospace, MGS Manufacturing, Sovena USA, and Kris-Tech Wire; construction of two major distribution centers; construction of new office buildings for various private sector uses; development of two new hotels to serve the Park’s many contractors and visitors; capital improvements to numerous facilities for industrial use and infrastructure improvements to make various parcels shovel ready for development.

- Griffiss Park employees commute from 30 different counties including Oneida County.
- The Innovare Advancement Center facilitates the cooperation of private industry, academia and government in developing solutions to critical cyber security problems. Innovare serves as a business incubator, a training resource for professionals and students, and the host of the Commercialization Academy and IDEA NY programs – each of

which enable entrepreneurship development through structured curricula and a business competition. These programs have led to the creation and growth of dozens of new companies in the area, and the commercialization of dozens of military technologies.

- Oneida County/Griffiss International Airport completed the rehabilitation of all of its five Nose Docks on grounds
- Griffiss International Airport recently completed its new \$7.1 million airport terminal which includes a Customs Inspection Building.
- Griffiss International Airport is one of seven test sites nationwide for FAA-approved testing on unmanned aerial systems (drones). This makes Griffiss one of the premier locations nationwide for drone testing and development. To date, more than 3,000 test flights have occurred at Griffiss.
- In his 2020 State of the State address, Governor Andrew Cuomo announced funding for the buildout of SkyDome, which will become the nation's largest indoor drone testing facility, which will be built out in a former hangar adjacent to the airfield of Griffiss International Airport.
- A new Class-A office building was constructed as the new headquarters of technology company NYSTEC, and will also lead to an expanded presence of Booz Allen Hamilton. Another 40,000 square foot office building is currently under construction.
- Orgill Inc. is preparing to open a new 775,000 square foot, \$70 million distribution center and has begun hiring for its eventual 200 total jobs.
- A partnership between the Air Force Research Lab, the Griffiss Institute, and SUNY Polytechnic Institute will create the new Innovare Advancement Center, which will allow for collaborative research space at Griffiss to be shared with Lab scientists, civilian contractors, and students.

Additional Local Economic Growth

The Oneida County Industrial Development Agency (OCIDA) is organized and operates to provide tax incentives for eligible projects and the Oneida County Local Development Corporation (OCLDC) is organized and operates to provide tax exempt bond financing. Each year, OCIDA authorizes PILOT agreements to promote economic development, private investment and job growth. Examples of recently approved projects include corporate expansions for Cree Inc, Orgill Inc., Indium Corporation, and Special Metals.

New York State and Mohawk Valley EDGE have invested more than \$60 million in the pre-permitting, engineering, marketing, and site development of Marcy Nanocenter at SUNY Polytechnic Institute, a 450-acre greenfield on the State University of New York Polytechnic Institute campus being marketed to the advanced manufacturing/semiconductor industry. Cree Inc. is currently constructing a new \$1.2 billion silicon carbide wafer fabrication plant at the Marcy Nanocenter. Construction is approaching completion in Spring of 2021, at which time the facility will start to have its tool lines installed. When the facility is completed in 2022, Cree will eventually ramp up to over 600 employees. The average pay of these jobs will be \$75,000. Since this project was announced, more interest in the Marcy Nanocenter site has been shown throughout the nanoelectronics industry.

The Quad-C building, on the adjacent campus of SUNY Polytechnic Institute in Marcy, is now home to the Danish company Danfoss Silicon Power. To date, more than 50 employees have been hired, with dozens more jobs currently being filled. The company is expected to employ up to 300 high-tech workers at full production.

Mohawk Valley EDGE continues to partner with Mohawk Valley Community College, Working Solutions, BOCES and other training providers to develop customized training programs for businesses.

Mohawk Valley EDGE continues to market the entire region to site selectors, developers and businesses around the globe who are seeking to expand their presence and invest in the northeast United States. Key development sites in the Mohawk Valley being aggressively marketed include the Marcy Nanocenter, Griffiss Business & Technology Park, Oneida County Business Park, Route 5S Industrial Park, Schuyler Business Park, West Frankfort Industrial Park, Dominick Assaro Business Park and Utica Business Park.

Mohawk Valley Health System (MVHS) is currently constructing its new \$550 million hospital campus located in downtown Utica, which will replace MVHS's two existing inpatient campuses, Faxton St. Luke's Healthcare (FSLH) and St. Elizabeth Medical Center (SEMC). This project is funded in part by a \$300 million grant from New York State Department of Health. Construction is expected to be completed in Spring 2023. This will bring over 1,000 MVHS employees to downtown Utica. The hospital project is already generating interest in developing proximal buildings and sites.

Since the beginning of the Regional Economic Development Council program in 2011, the Mohawk Valley region has won more than \$600 million in grant funding to advance economic development projects, creating total investments of over \$2 billion. This has led to the creation or retention of more than 7,000 jobs. In 2019, the region was named as one of the state's "Top Performers", which netted the region \$82.7 million in funding, over \$19 million for Oneida County. Within Oneida County, this \$19 million in funding will leverage more than \$169 million in total economic development investment.

Turning Stone Resort Casino

A premier four-season destination resort in Upstate New York, the Oneida Indian Nation's Turning Stone Resort Casino is conveniently located about 30 miles east of Syracuse and 20 miles west of Utica at NYS Thruway exit 33. Turning Stone was named "Most Excellent Golf Resort" in 2010 by Condé Nast Johansens. The Academy of Country Music named Turning Stone "Casino of the Year" in 2009. The resort offers world-class gaming, golf, entertainment, accommodations and spa facilities, and has earned AAA Four Diamond ratings for The Lodge, The Tower Hotel, and Wildflowers restaurant.

In June 2015, The Oneida Indian Nation opened its new, \$20 million Yellow Brick Road casino in Chittenango, which created more than 100 jobs. On March 1, 2018, the Oneida Indian Nation opened the Point Place Casino in Bridgeport, NY – in Madison County. This \$40 million investment has created approximately 200 jobs. In 2020, the Oneida Indian Nation opened The Lake House in Sylvan Beach with 100 slot machines, indoor and outdoor lakefront dining options, three bars, and an outdoor area for live entertainment, creating 60 jobs.

Oneida-Herkimer Solid Waste Management Authority

Solid waste management within the County is the responsibility of the Oneida-Herkimer Solid Waste Management Authority (the "Solid Waste Authority"), a public benefit corporation established September 1, 1988 pursuant to a special Act of the State Legislature (the "Act"). The Solid Waste Authority is authorized by the Act to provide solid waste management services and to develop appropriate solid waste management facilities for the benefit of the Counties of Oneida and Herkimer (the "Counties").

The powers of the Solid Waste Authority include the power to contract with the Counties and municipalities and other entities within the Counties for the purpose of collecting, receiving, treating and disposing of solid waste, and to market materials and energy recovered from solid waste. Currently, the Solid Waste Authority's solid waste management system includes two regional transfer stations, one local transfer station, a materials recovery facility, a household hazardous materials facility, a green waste compost facility, a new landfill facility, a tire collection facility, and a land clearing debris facility.

In 2006, the Authority issued revenue bonds through the Environmental Facilities Corporation (EFC) for a large portion of the cost of constructing a Regional Landfill. These bonds were refunded in 2015 to reduce the Authority's interest expense through 2026. Remaining principal on these outstanding bonds is \$12,642,593. The portion of construction costs that were not eligible for EFC financing were funded with revenue bonds issued in 2007. The 2007 bonds maturing in years 2018-2027 were defeased on April 1, 2017. The Solid Waste Authority issued \$10,725,000 of revenue bonds in April 2011 to finance the construction of a single stream recycling center and \$4,950,000 is outstanding. The Authority is on schedule to redeem the 2011 Series Revenue Bonds in April 2021.

The Solid Waste Authority has executed 575 waste commitment contracts with private haulers, local municipalities and industries. The aggregate amount of solid waste delivered to the Solid Waste Authority pursuant to these contracts comprises over 99% of the non-recyclable solid waste processed by the Solid Waste Authority. The initial contracts from 1996 were extended for an additional 10-year period and continue to be extended for 10 year periods. In addition, in 1999 the legislatures of both Counties enacted policies to include in all their contracts with outside agencies and vendors a requirement to deliver waste and recyclables to the Solid Waste Authority facilities.

Annual revenues received by the Solid Waste Authority from its operations since 1999 are as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1999	20,648,386	2010	25,797,943
2000	21,958,149	2011	25,530,588
2001	21,872,528	2012	25,093,408
2002	22,260,538	2013	28,025,092
2003	25,088,478	2014	25,303,168
2004	25,981,016	2015	24,437,501
2005	24,564,150	2016	24,751,012
2006	25,251,875	2017	26,502,921
2007	24,877,853	2018	27,286,907
2008	25,688,882	2019	30,090,692
2009	25,688,882	2020	29,458,900

Solid Waste Management Agreements

The Solid Waste Authority has entered into Solid Waste Management Agreements (the “Agreements”) with the Counties dated May 10, 1989 and December 28, 1989, respectively. The Agreements form part of the trust estate pledged in favor of bondholders pursuant to the Indenture relating to the Solid Waste Authority’s bonds. The Agreements call for the Counties to pay to the Solid Waste Authority, quarterly in arrears, a Service Fee, which is equal to the operating costs of the Solid Waste Authority plus debt service on its bonds or other obligations, less amounts received by the Solid Waste Authority from its operations. To date, no payments have been made by the Counties nor have any payments been requested by the Solid Waste Authority. The obligation of the Counties to pay the Service Fee is joint and several and continues as long as any bonds of the Solid Waste Authority remain outstanding, so long as the Solid Waste Authority continues to provide to the Counties a solid waste management program and/or to perform the study, which includes all study and planning activities of the Solid Waste Authority associated with addressing the system and the solid waste management needs of the Counties. The Counties do not, however, pledge their faith and credit and taxing power to the payment of the Service Fee pursuant to the Agreements. The Counties have committed to deliver all Solid Waste originated within their respective jurisdictions to such facilities or transfer stations as the Solid Waste Authority directs (whether or not the facility is actually operated by the Solid Waste Authority).

By the terms of the Agreements, the Counties agree to pay the Service Fee for so long as the bonds are outstanding. However, pursuant to the Solid Waste Authority’s enabling legislation, no contract between the Solid Waste Authority and the Counties or any municipality within the Solid Waste Authority’s area of operation can exceed a term of twenty-five years. The current Agreements were approved by the Oneida and Herkimer County Legislators on April 9, 2014 and extend 25 years from that date. To date, the revenues have been sufficient to pay principal and interest on outstanding bonds and all operating and maintenance expenses and to create a substantial cash reserve currently maintained by the Solid Waste Authority, without seeking payment from the Counties.

Pursuant to the Service Fee Allocation Agreement (the “Service Fee Allocation Agreement”) by and between the Counties, the Counties have agreed to apportion the Service Fee between them (i) in accordance with the ratio that the population of each County bears to the total population of the counties, or (ii) in certain circumstances set forth in the Service Fee Allocation Agreement, such that Oneida County pays 75 percent and Herkimer County pays 25 percent. The Counties expressly acknowledge in the Service Fee Allocation Agreement that their respective obligations to pay the Service Fee is nevertheless joint and several.

Pursuant to the Agreements, the Counties have pledged that they will not limit or impair the rights of the Authority under the Act to, among other things, (i) own or operate projects for which bonds have been issued, (ii) establish rates and collect fees and charges or (iii) fulfill the terms of agreements with holders of the Solid Waste Authority’s bonds or with persons relating to projects or impair the rights or remedies of holders of the Solid Waste Authority’s bonds.

Upper Mohawk Valley Regional Water Finance Authority/Water Board

On August 2, 1994, Title 10 of the Public Authorities Law was enacted creating the Upper Mohawk Valley Regional Water Finance Authority (the “Finance Authority”) and Title 10-A of said Law was enacted creating the Upper Mohawk Valley Regional Water Board (the “Water Authority”). The Finance Authority and the Water Authority are each public benefit corporations. In 1996, bonds were issued by the Finance Authority in the amount of \$25,575,000 to purchase the City of Utica’s water supply, filtration and distribution system. The City of Utica received \$9,000,000 in cash and a \$7,000,000 promissory note payable over a forty (40) year period. The Finance Authority has issued an additional \$50,080,020 in bonds. As of December 31, 2018, the Finance Authority’s total outstanding debt was \$53,143,820. As of December 31, 2019, the Finance Authority’s total outstanding debt was \$49,028,820. As of December 31, 2020, the Finance Authority’s total outstanding debt was \$60,378,820.

Upper Mohawk Valley Auditorium Authority

Chapter 130 of the New York State Laws of 1996 established the Upper Mohawk Valley Memorial Auditorium Authority (the “AUD”). The purpose of this authority was to assume ownership and operation of the auditorium from the City of Utica which commenced in 1996. The AUD has begun constructing the Nexus Center, a new \$40+ million sports and recreation complex. The AUD has been approved for State grants which will fund up to \$22 million of this project. The County has advanced \$11 million for the project pursuant to the reimbursement grant agreement with NYS Empire State Development. The AUD plans to issue \$22 million to fund the local share of the project costs. The County plans to guarantee payment of the debt service on these bonds. See “Lease Financing” and “HUEBER-BREUER LITIGATION” herein.

Form of County Government

Under the County Charter, the County is divided into 23 legislative districts with an elected legislator representing each district on the Board of County Legislators. The County Executive and County Comptroller are each elected by the voters at large to a four-year term. The County Executive is the Chief Executive of the County government while the County Comptroller is the Chief Fiscal Officer. The County Clerk, Sheriff, and the District Attorney are constitutional officials and are elected by the voters at large to four-year terms. The Commissioner of Finance, who is appointed by, and serves at the pleasure of the County Executive, is responsible for collection of taxes and other revenues and the custody of all public funds of the County.

Financial Organization

The County Board of Legislators meets at both regular and special meetings throughout the year. The County Board of Legislators reviews and adopts the annual County budget, levies taxes, reviews and approves any modifications to the budget, and authorizes the incurrence of all indebtedness of the County.

Budgetary Procedures

The Board of County Legislators adopts a budget each year, based on recommendations by the County Executive in October. After holding a public hearing, the budget is officially adopted by the Board of County Legislators in November. The Budget is not subject to referendum. Expenditures during the fiscal year may only be made pursuant to appropriations from the General Fund and other special purpose funds established by the County. However, the Board of County Legislators, on the recommendation of the County Executive, during the fiscal year may by resolution make additional appropriations from any unencumbered balance in appropriations, contingent funds or unanticipated revenues and, to a limited extent, by the issuance of budget notes. The fiscal year of the County is the calendar year.

Investment Policy

The objectives of the Investment Policy of the County are to minimize risk; to insure that investments mature when the cash is required to finance operations; and to insure a competitive rate of return. In accordance with this policy, the Commissioner of Finance or his/her authorized deputy is hereby authorized to invest all funds including proceeds of obligations and reserve funds in eligible forms of investment as authorized under §10 or §11 of the New York State General Municipal Law (GML), or as allowed pursuant to any other New York State statute, to include:

1. Certificates of Deposit issued by a bank or trust company authorized to do business in New York State;

2. Time Deposit Accounts in a bank or trust company authorized to do business in New York State;
3. Obligations of New York State;
4. Obligations of the United States Government;
5. Obligations guaranteed by agencies of the United States of America, where payment of principal and interest are guaranteed by the United States of America;
6. Repurchase Agreements involving the purchase and sale of direct obligations of the United States of America;
7. Reciprocal deposit programs for deposits and investments including Insured Cash Sweep (ICS) or Certificate of Deposit Registry (CDAR) deposit placement programs in one or more "banking institutions: as defined in Banking Law §9-r, pursuant with §10 and §11 of the GML;
8. With approval of the State Comptroller, obligations issued pursuant to section 24.00 or 25.00 of the local finance law by any municipality, school district or district corporation in the State of New York other than the County of Oneida;
9. Obligations of the county of Oneida, but only with reserve funds established pursuant to GML §6 as delineated in GML §11 (3)(a)(1).

The Commissioner of Finance shall be responsible for determining the term of investments in order to insure available cash to meet current financial obligations. All investments made pursuant to this investment policy shall comply with the following conditions:

All investments made by the Commissioner of Finance or his/her designee shall comply with the aspects of New York State statutes to insure legal authorization for the investment program.

The statutes include, but are not limited to:

Banking Law, Section 237 prohibits a savings bank from accepting a deposit from a local government. This also applies to Savings and Loan Associations.

1. GML §10(2)(a)(ii). "Banking institution" is defined for the purpose of a deposit placement program as any bank, trust company, savings bank, savings and loan association, or branch of a foreign corporation the deposits of which are insured by the Federal Deposit Insurance Corporation, which is incorporated, chartered, organized or licensed under the laws of this state or any other state or the United States (Banking Law § 9-r).
2. General Municipal Law Sections 10 and/or 11 provides that the governing body of any municipal corporation may authorize temporary investments of County monies which are not needed for immediate expenditures in special time deposit accounts or certificates of deposit issued by a bank or trust company located and authorized to do business in this State, the use of reciprocal deposit programs, or as otherwise permitted - see §11 (2)(a)(2), (2)(b), and (3)(a). It further provides that such deposit(s) or certificate(s) be secured by FDIC coverage and/or a pledge of eligible securities, surety bond, eligible letter of credit, or irrevocable letter of credit issued in favor of the County, as defined therein.

State Aid

The County receives financial assistance from the State. In its budget for the 2021 fiscal year, approximately 19% of the revenues of the County are estimated to be received in the form of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the County. No assurance can be given that present State aid levels will be maintained in the future. In view of the State's continuing budget problems, future State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the County requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also "MARKET AND RISK FACTORS").

There can be no assurance that the State appropriation for State aid to counties will be continued in future years, either pursuant to existing formulas or any form whatsoever. State aid appropriated and apportioned to the County can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

While the County has received State aid in recent years, both the determination of the amount of State aid and the apportionment of State aid are legislative acts and the State Legislature may amend or repeal the chapter relating to State aid and the formulas which determine the amount of State aid payable to the County. Future financial conditions in the State may affect the amount of State aid appropriated by the State Legislature.

Currently, due the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The

outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will experience budgetary restrictions which will require certain gap-closing actions. Such actions may include but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including municipalities and school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State, including the County.

Tobacco Settlement Securitization

The future revenue stream to which the County is entitled to as a result of a Master Settlement Agreement that was entered into by participating cigarette manufacturers, 46 states and six other U.S. jurisdictions in November 1998 in settlement of certain smoking-related litigation and the Consent Decree and Final Judgment related thereto was sold by the County to the Oneida Tobacco Asset Securitization Corporation (the "Corporation") in December 2000. The Corporation issued bonds (the "2000 Tobacco Bonds") to fund the purchase. Of the approximately \$51 million in proceeds the County received, \$40 million was set aside in an escrow fund to pay debt over a fourteen-year period. The remaining \$11 million was used to fund capital projects for 2001, which eliminated the need for any new borrowing by the County for that year.

In August 2005, the Corporation participated in a pooled tobacco securitization transaction through the New York Counties Tobacco Trust IV ("NYCTTIV") that defeased and restructured the 2000 Tobacco Bonds. The County realized approximately \$6.3 million from this transaction which were used to fund various capital projects. In November 2005, the Corporation participated in a subsequent pooled tobacco securitization transaction through the New York Counties Tobacco Trust V ("NYCTTV") that realized additional net proceeds of approximately \$14.3 million that was used for working capital purposes.

Employees

The County provides services to its residents through approximately 1,663 full and part-time employees. The County has approximately 180 full time non-union employees. The number of full time persons employed by the County, the collective bargaining agents, if any, which represent them and the dates of expiration of the collective bargaining agreements are as follows:

<u>No. of Employees</u>	<u>Union</u>	<u>Contract Expiration Date</u>
578	United Public Service Employees' Association Local 424 – White Collar	December 31, 2021
153	United Public Service Employees' Association Local 424 – Blue Collar	December 31, 2021
9	Civil Service Employees' Union	December 31, 2022
148	Deputy Sheriff's Police Benevolent Association	December 31, 2020
222	Oneida County Sheriff's Department Employee Local 1249	December 31, 2021

Pension Payments

Substantially all employees of the County are members of the New York State and Local Employees' Retirement System ("ERS"), and Police and Fire Employees' Retirement System ("PFRS"). The ERS and PFRS are generally also known as the "Retirement System". The Retirement System is a cost-sharing multiple employer retirement system. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 with less than 10 years of credited service must contribute 3% of gross annual salary toward the cost of retirement programs.

On December 12, 2009, the Governor signed a new Tier V into law. The law was effective for new ERS hires beginning on January 1, 2010. There is no provision for these contributions to cease after a certain period of service.

Key components of Tier V included:

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

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

The County's actual aggregate contributions to the Retirement Systems from 2010-2011 to 2020-2021 are as follows:

<u>Year</u>	<u>Amount</u>
2010-2011	\$ 7,898,203 ⁽¹⁾
2011-2012	10,467,245 ⁽²⁾
2012-2013	13,129,658 ⁽³⁾
2013-2014	13,830,024 ⁽⁴⁾
2014-2015	13,726,652 ⁽⁵⁾
2015-2016	13,377,068 ⁽⁶⁾
2016-2017	11,704,777 ⁽⁷⁾
2017-2018	11,958,595 ⁽⁸⁾
2018-2019	12,007,491 ⁽⁹⁾
2019-2020	12,294,531 ⁽¹⁰⁾
2020-2021	12,391,593 ⁽¹¹⁾

- (1) \$6,568,924 of this amount was paid on February 1, 2011. The remaining balance of \$1,329,279 was amortized through the NYS Employer Contribution Stabilization Program (the "Program").
- (2) \$7,394,032 of this amount was paid on February 1, 2012. The remaining balance of \$3,073,213 was amortized through the Program.
- (3) \$7,851,062 of this amount was paid on February 1, 2013. The remaining balance of \$5,278,596 was amortized through the Program.
- (4) \$8,413,968 of this amount was paid on February 1, 2014. The remaining balance of \$5,416,056 was amortized through the Program.
- (5) \$9,489,986 of this amount was paid on February 1, 2015. The remaining balance of \$4,236,756 was amortized through the Program and was subsequently paid in full on September 1, 2015.
- (6) \$10,762,851 of this amount was paid on February 1, 2016. The remaining balance of \$2,614,217 was amortized through the Program.
- (7) Amount paid in full on February 1, 2017.
- (8) Amount paid in full on February 1, 2018.
- (9) Amount paid in full on February 1, 2019.
- (10) Amount paid in full on February 1, 2020.
- (11) Amount paid in full on February 1, 2021.

The County fully prepaid the outstanding principal amounts amortized for 2010 and 2011 during 2013 of \$1,112,626 and \$2,814,260, respectively. The County also prepaid the full amount of the 2014 amortization on January 29, 2015 for \$5,416,056. The total outstanding amortized balance is currently \$2,594,226.

In 2020, 72 employees participated in an early retirement incentive at an estimated cost of \$1.6 million. Savings are expected to be between \$1-2 million annually.

Chapter 57 of the Laws of 2010, enacted August 11, 2010, established the Employer Contribution Stabilization Program. This legislation authorizes participating local government employers, if they so elect, to amortize the eligible portion of their annual required contributions to the Retirement Systems. The option to amortize the eligible portion begins with the annual contribution due February 1, 2011. The Program allows local government employers to amortize a portion of the annual required contribution based on a "graded" rate. Amortized contributions will be paid in equal annual installments over a ten-

year period but may be repaid at any time. Interest will be charged on the unpaid amortized portion at a rate which approximates a market rate of return on taxable fixed rate securities of a comparable duration. The interest rate is established annually for each of the amortized yearly amounts and applies to the ten years of the repayment cycle. The County amortized a portion of its pension costs as described above.

Stable Rate Pension Contribution Option: The Enacted 2013-14 State Budget includes a provision that provides local governments, including the County, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. For 2014 and 2015 the rate is 12.0% for ERS and 20% for PFRS; the rates applicable to 2016 and thereafter are subject to adjustment. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years. The County does not participate in the Stable Rate Pension Contribution Option.

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

A chart of average ERS and PFRS rates is shown below:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2017	15.5%	24.3%
2018	15.3	24.4
2019	14.9	23.5
2020	14.6	23.5
2021	14.6	24.4

The investment of that portion of the Retirement System monies covering the County’s employees and assumptions underlying the same is not subject to the direction of the County. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the County which could affect other budgetary matters. Concerned investors should contact the Retirement System’s administrative staff for further information on the latest actuarial valuations of the Retirement System.

Other Post-Employment Benefits

Healthcare Benefits. School districts and boards of cooperative educational services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

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

GASB 75. GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending December 31, 2018. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The County has contracted with Armory Associates, LLC to prepare its post-retirement benefits valuation for the fiscal years ending December 31, 2019 and December 31, 2020 in accordance with GASB 75. The following outlines the changes to the Total OPEB Liability during each fiscal year, by source.

<i>Fiscal Year Ending December 31:</i>	<u>2019</u>	<u>2020</u>
<i>Balance Beginning of Year:</i>	\$ 97,077,609	\$ 80,502,635
<u>Changes for the Year:</u>		
Service cost	\$ 4,571,862	\$ 3,337,013
Interest	3,454,684	3,398,734
Changes of Benefit Terms	0	0
Differences between expected and actual experience	(23,463,676)	0
Changes in assumptions or other inputs	1,307,396	12,514,023
Benefit payments	<u>(2,445,240)</u>	<u>(1,887,397)</u>
Net Changes	\$ (16,574,974)	<u>17,362,373</u>
<i>Balance End of Fiscal Year:</i>	<u>\$ 80,502,635</u>	<u>\$ 97,865,008</u>

Source: GASB 75 Actuarial Valuation of the County. The above tables are not audited.

Under GASB 75, an actuarial valuation will be required every two years for all plans; however, the alternative measurement method will continue to be available for plans with less than 100 members.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The County has reserved \$0 towards its OPEB liability. The County funds this liability on a pay-as-you-go basis.

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

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

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

Under the State Comptroller’s proposal, there were no restrictions on the amount a government can deposit into the trust. The proposal for an optional investment pool for OPEB liability was not adopted in the past State legislative sessions. It is not known if the legislation will be reintroduced and enacted into law this year.

Other Information

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

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

No principal or interest upon any obligation of this County is past due. On March 1, 2019, the County had an interest payment due for the \$10,495,000 Public Improvement (Serial) Bonds, 2017 Series A and \$3,635,000 Public Improvement Refunding (Serial) Bonds, 2017B (Federally Taxable). As a result of an oversight, the payment was not made until March 5, 2019. The County had funds on hand to make payment and the missed payment was not related to any cash flow issue. The County has no reason to believe that the oversight will occur again.

The fiscal year of the County is the calendar year.

Except for as shown under “STATUS OF INDEBTEDNESS - Estimated Overlapping Indebtedness”, this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the County.

Financial Statements

The financial accounts of the County are maintained in accordance with the New York State Uniform System of Accounts for counties. The County retains an outside independent auditor and is audited annually. The audited financial statement for the period ending December 31, 2019 is attached hereto as “APPENDIX – C.” The unaudited annual financial statement for the fiscal year ending December 31, 2020 is expected to be available on or about July 1, 2021. The audited financial statement for the fiscal year ending December 31, 2020 is expected to be available in summer 2021. Certain financial information of the County may be found attached hereto as Appendices to the Official Statement.

The County complies with the Uniform System of Accounts as prescribed by the State Comptroller for counties in New York State. This System differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants’ Industry Audit Guide, “Audits of State and Local Governmental Units”, and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with fiscal years ending December 31, 2001, the County issued its financial statements in accordance with GASB Statement No. 34. These statements include reporting of all county assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis.

Recent Financial Developments

The 2016 budget proposed by the County Executive included a 0% property tax increase and appropriated \$4.4 million of the General Fund balance. The budget was amended by the Board of Legislators to reduce expenditures by \$969,414, with an equivalent reduction to the property tax levy. The tax levy change equates to a decrease of 1.4%. This amended budget was adopted on November 12, 2015.

The County closed its books for 2016 with an operating surplus of \$15.3 million. Major factors contributing to the surplus were lower general fund expenditures which are less than both 2016 budgeted and 2015 actual amounts. These savings include lower costs compared to 2015 for retirement (\$8 million), health insurance (\$.6 million), utilities (\$.4 million), and various program related expenditures, particularly social services programs. In addition to the lower expenditures, the County received a one-time, unbudgeted payment of \$10 million for the sale of property to New York State for their Homeland Security Training Center. Revenues from the agreement with the Oneida Indian Nation for 2016 were \$17.85 million which was an increase over 2015 of \$1.33 million, and exceeded the modified budgeted amount of \$15.25 million. Sales tax receipts were \$95.1 million, which was \$2.45 million higher than 2015 receipts, but fell short of the budgeted \$98 million. The 2016 surplus increased the total fund balance to approximately \$40.2 million.

The 2017 adopted budget included a 0% property tax increase and appropriated \$6.9 million of the fund balance. Supplemental appropriations approved during 2017 for severe flood mitigation increased the fund balance appropriation to \$10.8 million, however, the County only used \$3.4 million at the fiscal year end 2017. General fund expenditures overall were \$12.7 million less than the adopted budget. Of that variance, payroll costs were \$4.3 million less than budget, and employee health insurance was \$1.7 million below budget. By program, the largest positive budget variance pertains to Social Services functions which generated approximately \$4.5 million budget surplus. On the revenue side, sales tax receipts were \$98 million, which exceeded the budgeted \$96.1 million, and the 2016 actual receipts of \$95.1 million.

The 2018 adopted budget included a 0% property tax increase and appropriated \$9.3 million of the fund balance. Due to higher than budgeted sales tax and Oneida Indian Gaming revenues coupled with lower than budgeted expenses the actual operating surplus was \$420,065.

The 2019 adopted budget again included a 0% property tax increase and appropriated \$9.3 million of the fund balance. Although the tax levy remained flat, the County exceeded the tax cap in 2019 because the County apportioned the sponsorship share of Mohawk Valley Community College by including proportionate charges on the Town warrants and the City abstract. The County closed out 2019 with a \$3 million operating surplus, which increased the total fund balance to \$40.2 million. Similar to 2018, sales tax and Oneida Indian Gaming revenues surpassed budgeted amounts. On a comparative basis, 2019 revenue in these two categories exceeded 2018 totals by \$4.5 million. While total general fund revenue in 2019 saw a 3.5% growth over the prior year, expenses increased year over year by only 2.8%.

The 2020 adopted budget again included a 0% property tax increase and appropriated \$9.3 million of the fund balance. The County is in the final stages of closing the books for 2020. Sales tax revenues for the first two months of 2020 were trending significantly higher than the same period in 2019, but then severely declined through the 2nd quarter due to effects of the Covid Pandemic. The final total sales tax revenue for the year, net of amounts diverted by the state for AIM, was \$105,424,694, which was less than the budgeted \$107,400,000. Gaming revenues from the Oneida Indian Nation were also impacted by the Covid restrictions. The actual receipts were \$17,254,942 compared to the budgeted amount of \$20,000,000. In June of 2020, the County amended its expense budgets to transfer \$8.2 million from operating accounts into a restricted budget contingency account, and severely limited spending. A hiring freeze, along with an early retirement program approved by the County legislature, were implemented, which resulted in general fund salaries ending the year below 2019 actual salaries. In addition, large operating expenses such as health insurance and utilities were also significantly below 2019 costs. Net Medicaid expenses finished the year \$5.7M less than the 2019 appropriation due to the increased Federal Share from the CARES Act. These expenditure savings will largely mitigate the effect of the revenue losses. Pre-audit numbers show an operating deficit of \$4.1M with a budget surplus of \$5.2M

The 2021 adopted budget included a 0% property tax increase and appropriated \$7.5 million of the fund balance. The General Fund adopted budget is \$7,327,556 less than the 2020 adopted total.

The American Rescue Plan provides for a Coronavirus State and Local Fiscal Recovery Fund and the County’s approximate allocation is \$44,695,947. The County is awaiting further clarification from the US Treasury before determining how these funds will be utilized.

New York State Comptroller Report of Examination

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

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

The reports of the State Comptroller for the past five years for the County are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2019	No Designation	38.8
2018	No Designation	41.7
2017	No Designation	38.8
2016	No Designation	28.8
2015	Susceptible to Fiscal Stress	51.3

Additional details regarding FSMS can be found at the website of the State Comptroller.

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

Note: The State Comptroller’s assessment of the District for fiscal year ending December 31, 2020 is not available as of the date of this Official Statement. Reference to website implies no warranty of accuracy of information therein, and is not incorporated herein by reference.

New York State Comptroller Report of Examination

The NYS Comptroller's office released an audit report of the County on April 20, 2018. The audit presents findings for the County, one of six local governments audited in the Statewide report entitled Emergency Service Communication Surcharges. The Comptroller's Office examined the County's process for enhanced emergency communication (E911) revenue collection and the expenditure of such revenues for the period January 1, 2014 through June 30, 2016.

Summary of Findings:

County officials could improve controls over E911 revenues. Officials expended all E911 surcharges to improve communication networks and surcharges received from landline and Voice over Internet protocol were used for E911 center expenditures. The NYS Comptroller's office commended County officials for improving its E911 systems and operations, using real property tax, grants and surcharges.

Officials were unable to determine whether the County received all E911 surcharges from its communication suppliers because no resource exists to identify all the communication suppliers operating within the County. In addition, County officials accepted in good faith that supplier remittances included all applicable revenue and withheld the appropriate amount of administrative fees. As a result, officials cannot be sure that the County received all the surcharges to which it was entitled and whether the administrative fees withheld and amounts suppliers remitted to the County were accurate or appropriate.

The NYS Comptroller's office released an audit report of the County on February 1, 2019. The audit presents findings for the County, one of six local governments audited in the Statewide report entitled Emergency Service Communication Surcharges.

Summary of Findings:

County officials did not provide written documentation or verbal assertions during the NYS Comptroller's office fieldwork to demonstrate that the County entered into utility contracts without first evaluating the contracts or comparing prices to other potential procurement options or potential benchmark rates. Between January 1, 2016 and May 31, 2017, the County spent \$2.4 million for electricity and natural gas and paid electricity rates that were 71 percent higher than benchmark rates the NYS Comptroller identified for comparisons. Without an effective evaluation process, there is an increased risk that the County spent more than necessary for electricity and natural gas. Comparing the benchmark costs to the County's energy costs, the County paid approximately \$863,000 (71 percent) more for electricity than the potential benchmark the NYS Comptroller's office identified. Generally, the County utilized the Office of General Services variable natural gas contract and spent approximately \$97,000 (22 percent) less for natural gas than another benchmark rate NYS Comptroller's office identified for comparison.

Officials did not obtain sufficient documentation of the Energy Service Companies' awarded complete contract terms to ensure that terms they ultimately agreed upon were consistent with all of the awarded terms. As a result, the County and the NYS Comptroller's office were unable to assess whether the utility rates paid by the County are accurate and appropriate. Therefore, there is an increased risk that the County may be paying more than necessary for its utilities. Finally, the County extended its electricity contracts with the ESCO beyond the available contract terms, which may not be in the County's best interests.

Copies of the complete reports and responses can be found via the website of the Office of the New York State Comptroller.

There are no State Comptrollers audits of the County that are currently in progress or pending release.

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

Note: Reference to website implies no warranty of accuracy of information therein, and is not incorporated herein by reference.

TAX INFORMATION

Assessment Roll

<u>Years Ending December 31:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total Taxable					
Assessed Valuation	\$ 7,268,287,164	\$ 7,275,152,705	\$ 7,309,437,009	\$ 7,326,218,259	\$ 7,344,713,645
New York State					
Equalization Rate ⁽¹⁾	67.83%	66.59%	65.01%	61.56%	59.73%
Total Taxable					
Full Valuation ⁽²⁾⁽³⁾	\$ 10,714,951,183	\$ 10,925,588,424	\$ 11,242,756,100	\$ 11,900,896,234	\$ 12,296,872,189

⁽¹⁾ Rounded.

⁽²⁾ Full Valuation figures are calculated using the NYS Equalization Rates of each Town within the County.

⁽³⁾ Full Valuation of Real Estate Taxable for County purposes.

Tax Rate Per \$1,000

Years Ending December 31:

<u>Towns/Cities</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Annsville	\$ 11.66	\$ 11.69	\$ 12.00	\$ 11.99	\$ 11.89	\$ 11.67	\$ 11.31
Augusta	10.09	10.49	11.23	11.05	10.87	11.32	10.80
Ava	7.07	6.72	6.60	6.55	6.48	6.48	6.49
Boonville	10.44	10.04	10.43	10.65	10.59	10.08	9.97
Bridgewater	8.12	8.43	8.33	7.84	8.02	7.41	7.15
Camden	298.65	290.78	289.43	287.09	294.98	284.56	274.43
Deerfield	42.26	40.72	42.77	42.19	43.82	44.79	47.02
Florence	36.73	37.69	39.95	39.49	37.52	36.53	36.07
Floyd	7.17	6.91	7.23	7.29	7.81	8.04	7.85
Forestport	7.42	7.16	7.06	6.96	7.03	6.69	6.47
Kirkland	10.84	10.44	10.11	10.42	10.95	10.84	10.55
Lee	214.32	205.86	204.02	204.80	222.20	212.43	203.74
Marcy	8.61	8.19	8.50	8.56	8.47	8.78	8.86
Marshall	10.21	10.02	10.43	10.25	10.27	9.71	9.99
New Hartford	7.91	7.78	7.83	7.83	8.21	7.89	8.12
Paris	7.06	6.90	6.78	7.21	7.47	7.57	7.55
Remsen	12.06	11.76	12.78	12.68	12.48	12.14	11.79
Rome	9.34	9.06	9.15	9.34	9.98	10.13	10.03
Sangerfield	10.78	10.88	11.37	11.04	11.05	11.14	11.64
Sherrill ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Steuben	6.93	6.58	6.54	6.78	6.95	7.10	6.72
Trenton	9.73	9.65	10.23	10.17	10.27	10.32	10.44
Utica	10.14	10.49	10.24	11.15	12.02	12.27	12.68
Vernon	9.47	9.59	9.29	9.21	9.42	9.75	9.63
Verona	9.07	9.18	9.20	9.29	9.24	9.84	9.64
Vienna	11.23	10.59	11.00	10.88	11.40	10.84	10.96
Western	11.89	11.43	12.04	12.06	12.09	11.67	11.32
Westmoreland	10.69	11.00	10.57	10.77	10.90	11.05	10.74
Whitestown	10.00	9.54	9.48	9.84	10.24	10.44	10.75

⁽¹⁾ The Town of Vernon incorporated the City of Sherrill in its tax rate beginning in 2012.

Tax Collection Record

<u>Years Ending December 31:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total Taxes & Other						
Returned Items on Warrant	\$ 79,566,320	\$ 80,195,030	\$ 81,899,447	\$ 85,229,003	\$ 85,819,320	\$ 87,371,002
County Tax Warrant	\$ 71,333,703	\$ 72,029,037	\$ 73,650,353	77,066,510	77,343,380	78,049,164
Uncollected End of Year	4,499,974	4,601,320	4,802,718	4,516,579	5,050,461	N/A
% Uncollected ⁽¹⁾	5.66%	5.74%	5.87%	5.30%	5.89%	N/A

⁽¹⁾ Uncollected balance is less than 1% by the time foreclosure proceedings are completed.

Tax Collection Procedure

Real Property is assessed for taxation by local assessors in each Town and the Cities of Utica and Rome and is placed on the respective tax rolls. The City of Sherrill is included as part of the Town of Vernon. There is no County Board of Assessors.

Each town tax receiver is required to pay to the respective town the full amount levied for town and town special district purposes. The balance of collected taxes is remitted to the County Commissioner of Finance. After March 31, uncollected County taxes of the cities and uncollected town taxes become the responsibility of the Commissioner of Finance.

From January through March the following penalties accrue with respect to delinquent taxes: no penalty if paid within the first 30 days, 1% penalty if paid during the next 30 days and 1-1/2%, if paid during the next 30 days. After the return of the tax rolls to the County Commissioner of Finance on April 1, delinquent taxes are assessed a flat penalty of 5% and accumulate interest of 10% per annum. The County holds its annual tax sale in December for the current year's taxes.

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 Utica and Rome. Uncollected outside-city school district and village taxes are assumed by the County for enforcement. Any such taxes remaining unpaid at year-end are relieved as County taxes on December 31st.

County Sales Tax

On July 14, 1999, the Board of County Legislators extended a resolution dated October 27, 1982 imposing a County-wide sales tax of 3%.

The current distribution of sales tax revenues is as follows:

- (1) The Cities of Utica and Rome (the "Cities") receive 1-1/2% of the collections within their city boundaries and the County keeps the remaining 1-1/2%.
- (2) The County shares the 3% collected outside the cities with the towns and villages in the County and the City of Sherrill based upon equalized assessed valuation; 1-1/2% is distributed to said Towns and Villages and City of Sherrill and 1-1/2% is retained by the County.

The County also imposed, on September 1, 1992 an increase to the sales tax by 1%. 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, originally passed in 1992. This tax is due to expire on November 30, 2023. The County anticipates this tax will be renewed.

The distribution of the additional 1% is as follows:

- (1) The cities of Utica and Rome receive 1/2% of the collections within their city boundaries and the County keeps the remaining 1/2%.
- (2) The County shares the 1% collected outside the cities with the towns and villages in the County by the following:

The County dedicates the first \$1,500,000 to the Towns and Villages after the County receives in the aggregate \$18,500,000 from the additional 1% sales tax. The City of Sherrill also receives a portion based on population.

In 2004, the Board of County Legislators adopted a resolution of necessity and the New York State Legislature passed legislation (with the Governor signing into law) authorizing the County to impose an additional increase to the sales tax of 1.5%. The tax began March 1, 2005. This tax was reduced to 1% effective September 1, 2006 and further reduced in December 1, 2007 to ¾% until November 30, 2013. This additional ¾% tax rate has been extended by the State Legislature every two years and currently expires on November 30, 2023. All of this ¾% tax is retained by the County. The County plans to request the State to extend this tax going forward.

As part of the State’s 2019-2020 budget an internet sales tax was authorized. In addition, Aid and Incentives to Municipalities (“AIM”) which was originally scheduled to be cut by approximately \$60 million was restored by requiring counties to remit to towns and villages a portion of the new internet sales tax. The AIM restoration to municipalities cost the County \$958,808 in 2020.

Sales Tax Revenue

The following table summarizes the County’s sales tax proceeds including monies realized from this legislation.

Year	Base Sales Tax (4%)	Additional Sales Tax Revenues ⁽¹⁾	Total
2000	\$ 50,088,045	\$ 0	\$ 50,088,045
2001	50,772,786	0	50,772,786
2002	54,509,737	0	54,509,737
2003	57,029,332	0	57,029,332
2004	58,000,065	0	58,000,065
2005	58,906,951	31,787,383	90,694,334
2006	59,412,841	35,315,157	94,727,998
2007	61,740,593	26,630,442	88,371,035
2008	61,476,376	20,829,999	82,306,375
2009	61,932,702	20,482,106	82,414,808
2010	64,900,121	21,502,968	86,403,089
2011	66,960,191	22,186,751	89,146,942
2012	69,277,655	22,930,048	92,207,703
2013	70,752,040	23,390,507	94,142,547
2014	71,299,418	23,572,497	94,871,915
2015	69,597,724	23,039,522	92,637,246
2016 ⁽²⁾	71,461,281	23,625,625	95,086,906
2017 ⁽²⁾	73,658,562	24,330,578	97,989,140
2018 ⁽²⁾	77,675,177	25,675,280	103,350,457
2019 ⁽²⁾	80,441,341	26,547,604	106,988,945
2020 ⁽²⁾	79,204,268	26,220,425	105,424,694

⁽¹⁾ The additional tax rate from March 1, 2005 through December 31, 2005 was 1.5%.

The tax rate from January 1, 2006 through August 31, 2006 was 1.5% and from September 1, 2006 through December 31, 2006 it decreased to 1%. The tax rate decreased to .75% beginning December 1, 2007.

⁽²⁾ The 2016 budget estimate is \$98,080,000. The 2017 budget estimate is \$96,095,602. The 2018 budget estimate is \$99,525,000.

The 2019 budget estimate is \$104,994,231. The 2020 budget estimate is \$107,400,000. The 2021 budget estimate is \$105,400,000.

Note: The State imposed sales tax rate is 4.0% and the total sales tax rate is 8.75%.

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Constitutional Tax Margin

Computation of Constitutional Tax Margin for fiscal years ending December 31, 2016 through 2021:

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Five-Year Average Full Valuation	<u>\$10,327,488,198</u>	<u>\$10,397,956,854</u>	<u>\$10,545,432,706</u>
Tax Limit - 1.5%	154,912,323	155,969,353	158,181,491
Add: Exclusions From Limit	<u>19,821,015</u>	<u>20,916,813</u>	<u>23,277,518</u>
Total Taxing Power	<u>174,733,338</u>	<u>176,886,166</u>	<u>181,459,009</u>
Less Total Levy	<u>71,333,503</u>	<u>72,029,037</u>	<u>73,650,353</u>
Tax Margin	<u>\$ 103,399,835</u>	<u>\$ 104,857,129</u>	<u>\$ 107,808,656</u>
	<u>2019</u>	<u>2020</u>	<u>2021</u>
Five-Year Average Full Valuation	<u>\$10,747,670,912</u>	<u>\$ 11,065,093</u>	<u>\$11,416,212,826</u>
Tax Limit - 1.5%	161,215,064	165,976,390	171,243,192
Add: Exclusions From Limit	<u>24,416,033</u>	<u>26,326,376</u>	<u>25,233,974</u>
Total Taxing Power	<u>185,631,097</u>	<u>192,302,766</u>	<u>196,477,166</u>
Less Total Levy	<u>77,066,510</u>	<u>77,343,380</u>	<u>78,049,164</u>
Tax Margin	<u>\$ 108,564,587</u>	<u>\$ 114,959,386</u>	<u>\$ 118,428,002</u>

Larger Taxpayers – 2021 Assessment Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
National Grid (formerly Niagara Mohawk Power Corporation)	Utility	\$ 297,000,189
Sangertown Square LLC	Real Estate/Commercial	47,855,900
Wal-Mart	Commercial	41,842,100
Iroquois Gas Transmission	Utility	33,427,610
Erie Blvd Hydropower	Utility	27,832,216
Riverside Enterprises LLC	Real Estate/Commercial	27,729,887
BG New Hartford LLC	Real Estate/Commercial	26,421,200
Applewood Community, Inc.	Manufactured Housing Park	20,361,358
Verizon	Utility	18,742,360
Lowes	Commercial	12,944,065

The ten taxpayers, listed above, have a total estimated assessed value of \$554,156,885 which represents 7.5% of the County's 2021 taxable assessed valuation of \$7,344,713,645. See also "LITIGATION" and "INDIAN LAND CLAIMS" herein.

Additional Tax Information

Real property subject to County taxes is assessed by the component towns and cities. Veterans' and senior citizens' exemptions are offered to those who qualify.

Typically more than 75% of the total assessed valuation of the County consists of residential, commercial, and public service properties.

The residential median arm's length sale price of a home in the County is approximately \$118,000. Equalization rates are established by New York State yearly and vary by municipality.

TAX LEVY LIMITATION LAW

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

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

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

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

COUNTY INDEBTEDNESS

Constitutional Requirements

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

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

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

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

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

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

Statutory Procedure

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

Pursuant to the Local Finance Law, the County authorizes the issuance of bonds by the adoption of a bond resolution approved by at least two-thirds of the members of the County Legislature, the finance board of the County. Customarily, the County Legislature has delegated to the County Comptroller, as chief fiscal officer of the County, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

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

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

or, (3) Such obligations are authorized in violation of the provisions of the Constitution.

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

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

The County Legislature, as the finance board of the County, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may, and generally does, delegate the power to sell the obligations to the County Comptroller, the chief fiscal officer of the County, pursuant to the Local Finance Law.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the County with power to issue certain other short-term general obligation indebtedness including revenue tax, deficiency and bond anticipation notes and budget notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending December 31:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Bonds	\$ 166,527,509	\$171,126,884	\$ 222,504,936	\$ 220,296,802	\$ 339,773,645	\$ 394,095,509
Bond Anticipation Notes	6,082,504	7,281,610	8,937,129	1,182,129	0	0
Revenue Anticipation Notes	0	0	0	0	0	0
EFC Short-Term Financing	<u>4,872,621</u>	<u>9,848,085</u>	<u>19,336,925</u>	<u>79,689,570</u>	<u>29,801,988</u>	<u>4,051,347</u>
Total Debt Outstanding	<u>\$ 177,482,634</u>	<u>\$188,256,579</u>	<u>\$250,778,990</u>	<u>\$301,168,501</u>	<u>\$369,575,634</u>	<u>\$ 398,146,856</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the County evidenced by bonds and notes as of April 22, 2021:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount Outstanding</u>
<u>Bonds</u>	2021-2050	\$ 377,852,464
<u>Bond Anticipation Notes</u>		
Environmental Facilities Corporation – Short Term Financing		<u>7,053,769</u> ⁽¹⁾
Total Indebtedness		<u>\$ 384,906,233</u>

⁽¹⁾ To be converted to long-term financing through the Environmental Facilities Corporation

Debt Statement Summary

Statement of indebtedness, debt limit, and net debt-contracting margin evidenced by bonds and notes as of April 22, 2021:

Five-Year Average Full Valuation	\$11,416,212,826
Debt Limit - 7% thereof.....	799,134,898

Inclusions:

Bonds.....	\$ 377,852,464
Bond Anticipation Notes.....	0
EFC Short-Term Financing.....	<u>7,053,769</u>
Total Inclusions.....	<u>\$ 384,906,233</u>

Exclusions:

Appropriations.....	\$ 11,582,124
Sewer Indebtedness - Bonds ⁽¹⁾	225,516,720
Sewer Indebtedness – EFC Short-Term ⁽¹⁾	<u>7,053,769</u>
Total Exclusions.....	<u>\$ 244,152,613</u>

Total Net Indebtedness	<u>\$ 140,753,620</u>
Net Debt-Contracting Margin.....	<u>\$ 658,381,278</u>
Percent of Debt Contracting Power Exhausted.....	17.61%

⁽¹⁾ Pursuant to Section 124.10 of the Local Finance Law. The County has been granted sewer debt exclusions by the New York State Office of the State Comptroller.

Estimate of Obligations to be Issued

The County typically issues about \$20 million general obligations each year to fund its capital program which approximates the amount of principal being retired each year.

The County is considering a project for a new hospital parking garage of approximately \$30-35 million. The County is considering other funding sources to offset debt service for this project.

In addition, the County also finances improvements to the part-County Sewer District in order to comply with a consent order issued by the Department of Environmental Conservation. See "Consent Order" herein. To date, the County has authorized \$340.8 million for such improvements, and approximately \$171.8 million has been bonded through the revolving loan program administered by the New York State Environmental Facilities Corporation (EFC). State grants have been awarded to the current project for a total \$25M of which \$10.1 million has been received.

As of June 13, 2019, EFC has authorized \$60 million under the program (Project No. C6-6070-08-05). It is anticipated that the County will be awarded \$160 million additional funding for future bonding which will be issued over the next five years and will be eligible for 50% interest subsidy. The County is strongly pursuing grants-in-aid and/or additional principal forgiveness to defray the local cost.

All debt issued for sewer improvements is repaid entirely by the part-county sewer district rate payers, not by the County. Over the next decade it is projected that a typical single family household in the sewer district would incur an increase in sewer tax of \$350, from approximately \$350 to \$700 annually.

Lease Financing

On July 24, 2019, the County entered into a capital lease financing agreement with ROC Leasing LLC in the principal amount of \$15,512,000 for the acquisition and installation of energy savings equipment at the Griffiss International Airport. Annual payments approximate \$1,407,458. The County is currently considering refinancing this lease to reduce the annual payment.

The County has financed improvements to its Emergency Communications System. The County entered into a seven year lease purchase contract for approximately \$4.4 million to finance a contract with Motorola, a primary vendor for the project. Annual payments approximate \$628,571.

The County has entered into a new operating lease with Enterprise to provide sheriff cars for road patrol. The lease term is three years and the cars will be returned to the vendor. Annual payments approximate \$279,000.

The County may enter into a lease financing arrangement with the Upper Mohawk Auditorium Authority, the "AUD", to guarantee debt service on a \$22 million revenue bond that the AUD plans to issue to pay the local share of a \$40 million Nexis. Facility. See "Upper Mohawk Auditorium Authority" and HUEBER BREWER LITIGATION" herein.

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Capital Planning and Budgeting

Pursuant to Section 99-g of the General Municipal Law, the County has undertaken the planning and execution of a capital program. The adoption of such program is not, in the case of the County, subject to referendum. At any time after the adoption thereof the Board of County Legislators, by the affirmative vote of two-thirds of its total membership, may amend such program by adding, modifying or abandoning the projects, or by modifying the methods of financing.

The following sets forth a summary of the County Capital Program. It is noted that each planned project must be duly authorized before being undertaken, and that such programs may be modified by application of State and/or Federal aid.

<u>Function</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
General Govt. Support	\$ 2,256,946	\$ 1,527,500	\$ 1,527,500	\$ 1,527,500	\$ 0	\$ 0
Education	1,726,000	10,839,040	22,292,000	1,800,000	1,800,000	8,000,000
Public Safety	0	0	0	0	0	0
Transportation	6,880,000	7,975,000	8,261,000	8,557,000	0	0
Water Pollution & Control	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	<u>\$ 10,862,946</u>	<u>\$ 20,341,540</u>	<u>\$ 32,080,500</u>	<u>\$ 11,884,500</u>	<u>1,800,000</u>	<u>\$ 8,000,000</u>

<u>Funding Sources</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Direct Approp.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0
Reserve Fund		0	0	0	0	
Bonds	9,799,946	14,165,500	20,709,500	10,834,500	750,000	3,000,000
State Aid	863,000	4,744,520	10,921,000	900,000	900,000	4,000,000
Other	200,000	1,431,520	450,000	150,000	150,000	1,000,000
Federal Aid	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	<u>\$ 10,862,946</u>	<u>\$ 20,341,540</u>	<u>\$ 32,080,500</u>	<u>\$ 11,884,500</u>	<u>\$ 1,800,000</u>	<u>\$ 8,000,000</u>

Estimated Overlapping Indebtedness

In addition to the County, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the County. Bonded indebtedness, including bond anticipation notes, is estimated of the respective municipalities, adjusted to include subsequent bond issues, if any.

	<u>Estimated Indebtedness</u>	<u>Estimated Exclusions</u> ⁽¹⁾	<u>Estimated Net Indebtedness</u>
3 Cities	\$ 146,384,907	\$ 75,653,796	\$ 70,731,111
26 Towns	44,139,421	26,932,238	17,207,184
17 Villages	27,331,427	19,822,393	7,509,034
15 School Districts	459,148,350	423,042,026 ⁽²⁾	36,106,324
19 Fire Districts	5,001,603	1,073,124	<u>3,928,480</u>
		Total	<u>\$ 135,482,133</u>

⁽¹⁾ Pursuant to applicable constitutional and statutory provisions, this indebtedness is deductible from gross indebtedness for debt limit purposes.

⁽²⁾ Estimated State building aid.

Source: State Comptroller's reports for fiscal year ending 2019 for towns, city and fire districts and fiscal year ending 2020 for school districts and villages.

Debt Ratios

The following table sets forth certain ratios relating to the County's indebtedness, giving effect to this financing, as of April 22, 2021:

	<u>Amount of</u> <u>Indebtedness</u>	<u>Per</u> <u>Capita (a)</u>	<u>Percentage</u> <u>of Full</u> <u>Valuation (b)</u>
Gross Direct Indebtedness (c)	\$ 384,906,233	\$1,683.23	3.13%
Net Direct Indebtedness (c)	140,753,620	615.53	1.14%
Gross Direct Plus Net Overlapping Indebtedness (d)	520,388,366	2,275.71	4.23%
Net Direct Plus Net Overlapping Indebtedness (d)	276,235,753	1,208.01	2.25%

Note: (a) The County's 2019 estimated population is 228,671. (See "Population Trends" herein.)

(b) The County's full valuation of taxable real estate for 2021 is \$12,296,872,189. (See "Valuations, Rates and Tax Levies" herein.)

(c) See "Debt Statement Summary" herein.

(d) The County's estimated applicable share of net overlapping indebtedness is \$135,482,133. (See "COUNTY INDEBTEDNESS - Estimated Overlapping Indebtedness" herein).

Bonded Debt Service

A schedule of Bonded Debt Service may be found in APPENDIX - B attached to this Official Statement.

CONSENT ORDER – WATER QUALITY SANITARY SEWER OVERFLOWS

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 (NYSDEC) 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 required the payment of a fine of One Hundred Fifty Thousand Dollars (\$150,000) \$120,000.00 of which was paid on July 13, 2007 and the remaining \$30,000.00 was applied by the County to an Environmental Benefit Project for the Sauquoit Creek Basin. The Consent Order contains a compliance schedule which called for the completion of a study of the system within three years and the implementation of any repairs called for in the study by October 31, 2014.

On July 7, 2010, the County submitted the Plan of Study called for in the Consent Order. The Plan of Study proposed a project completion date of December 31, 2020.

During 2011, the County negotiated a new consent order that includes an extended compliance schedule with NYSDEC to replace the consent order that was issued in 2007. The new order was approved by the Oneida County Board of Legislators on November 30, 2011, signed by the County Executive on December 7, 2011 and issued by NYSDEC on December 12, 2011. The new order reflected the results of the Plan of Study conducted in 2010 and it extended the completion date of the order, which includes a compliance schedule, to December 31, 2021. The County is in compliance with the deadlines in the new compliance schedule. As a result of the improvements constructed at the waste water treatment plant, the County has proposed and the NYSDEC has accepted a revision to the compliance schedule eliminating the need for construction of certain interim measures at the waste water treatment plant.

Bonds have been authorized aggregating \$340.8 million of which \$171.8 million has been financed to date with EFC bonds. See "COUNTY INDEBTEDNESS - Estimate of Obligations to be Issued" herein.

CONSENT ORDER – WATER QUALITY SLUDGE INCINERATOR TITLE V VIOLATION - 2018

Oneida County's wastewater treatment plant utilizes fluidized bed incinerators which are subject to a permit issued under Title V of the Clean Air Act. The permit requires annual testing to ensure that emissions are compliant with applicable regulations. Emissions testing performed in July of 2016 on incinerator #3 and April of 2017 on incinerator #1 revealed exceedances of some regulated emissions from both incinerators. On May 24, 2018, New York State, through the Department of Environmental Conservation and the County entered into a Consent Order requiring the submission of an approvable plan to correct the violative emissions and the payment of a \$25,500.00 penalty; \$3,825.00 of which has been paid and \$21,675 is being applied to an Environmental Benefit Project. The County submitted the required compliance plan on August 23, 2018.

CONSENT ORDER – WATER QUALITY SLUDGE INCINERATOR TITLE V VIOLATION - 2019

Following up on the issuance of the Notice of Violation related to the incinerators in 2018, testing was performed in June of 2019. The testing revealed that the prior emission violations had been successfully corrected, but a different contaminant was detected. Upon receipt of those follow up test results, the County shut the incinerators down. The State of New York issued a Notice of Violation relative to the follow up test results and has forwarded to the County a draft Consent Order for this second air quality violation. This Consent Order contains a proposed fine of \$25,000.00. The County is finalizing the language of the Compliance Schedule.

ONEIDA INDIAN NATION LITIGATION AND SETTLEMENT

From 1970 until March 2014, the County was involved in extensive litigation against the Oneida Indians. This included two land claims brought by three Oneida tribes which have been resolved, the smaller case by payment of \$8,360 plus interest made with State funds and the larger one by judgment in the County's favor in 2011. Additionally, in the years 2005-2008, three more suits were commenced between the County and the Oneida Indian Nation of New York (the "Nation"). This litigation included a dispute over taxability of Nation-owned real property, the assessments of those parcels, and the US government's decision to accept some Nation-owned parcels into trust. Settlement of all pending litigation was reached between the County, Madison County, the Nation and New York State in 2013, and became effective upon approval of Federal District Court Judge Kahn on March 4, 2014. There remains no pending litigation between the County and the Nation. The settlement exempts Nation-owned parcels from property taxes, but, on balance, is expected to provide significant financial benefit to the County. Specifically, its terms are summarized as follows:

Tribal Revenue Sharing with State and Local Governments and Gaming Exclusivity. Under the agreement, the Oneida Nation will receive exclusive rights to casino gaming in a ten county region of Central New York. In exchange, the Nation will devote 25% of its net gaming revenue from its slot machines to the State of New York. Based on current Oneida gaming revenues, that would be approximately \$50 million annually to the State. From the State share there would be distributed to the County, as the host county, 25% of the State's payment annually and, in addition, the County will receive \$2.5 million annually for nineteen and one-quarter (19.25) years from the State share to settle back property tax claims. 2015 payments totaled \$16,513,746 and \$17,853,110 was received in 2016.

Settling Land into Trust. Under the settlement, the Oneida Nation will agree to a permanent cap of approximately 25,000 acres of land which may be taken into trust by the Department of Interior as Nation land. New York State, Oneida County and Madison County withdrew their case challenging land into trust. The Nation expressly waives its rights of sovereignty over any land over the cap amount.

Ending Unfair Competition. The settlement requires the Oneida Nation to impose a Nation sales tax that equals or exceeds the State's and counties' sales, use and occupancy taxes. Under the agreement:

The Nation sales tax would apply to all cigarettes, motor fuel, and all other sales by retailers on Nation land to non-Indians.

The Nation must adhere to minimum pricing standards for cigarette products.

The Nation must use sales tax revenues only for the same types of governmental programs to which the State and Counties devote their tax revenues.

HUEBER-BREUER LITIGATION

The Upper Mohawk Valley Memorial Auditorium Authority entered into a contract with Hueber-Breuer for the construction known as the NEXUS project (see page 12). In response to the suspension of this construction project Hueber-Breuer has commenced an action in the Oneida County Supreme Court against the County of Oneida alleging two (2) separate causes of action:

1. Fraud in the Inducement – alleging that Oneida County fraudulently induced Hueber-Breuer to enter into the construction contract with the Mohawk Valley Auditorium Authority and;
2. Breach of Contract – alleging that Hueber-Breuer was a 3rd party beneficiary of a contract between the County and the Mohawk Valley Auditorium Authority.

Hueber-Breuer seeks damages of approximately \$10 million.

The County has been successful in defending the action through a pre-answer motion to dismiss that resulted in Heuber-Breuer's voluntary dismissal and subsequent filing of new and amended complaints.

However, following a second pre-answer motion to dismiss, the Supreme Court recently determined that Hueber-Breuer claims survived dismissal, thereby allowing them to proceed. A Notice of Appeal has been filed in response, and the County is currently weighing whether to perfect the appeal. In the meantime, the County will answer Hueber-Breuer's complaint and vigorously defend these allegations as we believe they lack merit.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

The rights of the owners of Bonds to receive interest and principal from the County could be adversely affected by the restructuring of the County's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the County (including the Bonds) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the County

under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

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

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

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

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

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in the county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such "additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder." Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a "material change in circumstances" the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict , subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The County has not requested FRB assistance nor does it reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

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

decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

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

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

No Past Due Debt. No principal of or interest on County indebtedness is past due. On March 1, 2019, the County had an interest payment due for the \$10,495,000 Public Improvement (Serial) Bonds, 2017 Series A and \$3,635,000 Public Improvement Refunding (Serial) Bonds, 2017B (Federally Taxable). As a result of an oversight, the payment was not made until March 5, 2019. The County had funds on hand to make payment and the missed payment was not related to any cash flow issue. The County has no reason to believe that the oversight will occur again.

CONTINUING DISCLOSURE

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

HISTORICAL CONTINUING DISCLOSURE COMPLIANCE

The County is in compliance with all prior undertakings pursuant to the Rule for the past five years, however, the County on occasion did not file in a timely manner certain material event notices relating to rating changes of the various insurers of certain outstanding bonds of the County. The underlying rating of the County was not affected by such bond insurer rating changes.

The County failed to file audited annual financial statements within 180 days of the end of the fiscal year as required by the continuing disclosure undertaking for the serial bonds issued through the Municipal Bond Bank Agency in 2010. It should be noted the County does not complete its audited financial statements within 180 days of the end of the fiscal year because of the complexities in recording accrued revenue and expenses due to the New York State year end closing of March 31st and therefore the County could not file such documents within the timeframe stated. The County completes its audited financial statements annually each fall and submits to EMMA within sixty day of receipt as required by its existing continuing disclosure agreements. A notice of failure to file was submitted to EMMA on May 9, 2017 relating to the County’s annual information and audited annual financial statements which were not filed in a timely manner for the fiscal years ending December 31, 2011 through December 31, 2015. A notice of failure to file was submitted to EMMA on April 24, 2018 relating to the County’s audited annual financial statements which were not filed in a timely manner for the fiscal year ending December 31, 2016. A notice of failure to file was submitted to EMMA on July 13, 2018 relating to the County’s audited annual financial statements which were not filed in a timely manner for the fiscal year ending December 31, 2017. A notice of failure to file was submitted to EMMA on July 12, 2019 relating to the County’s audited annual financial statements which were not filed in a timely manner for the fiscal year ending December 31, 2018. A notice of failure to file was submitted to EMMA on July 10, 2020 relating to the County’s audited annual financial statements which were not filed in a timely manner for the fiscal year ending December 31, 2019.

The County’s audited annual financial statements and annual financial information and operating data (“AFIOD”) for the fiscal years ending December 31, 2015 through and including December 31, 2019 were not linked to the specific Committee on Uniform Security Identification Procedures (“CUSIP”) identification numbers for the serial bonds issued through the Municipal Bond Bank Agency in 2010. On March 7, 2021, the County linked the audited annual financial statements and AFIOD filings for the fiscal years ending December 31, 2015 through and including December 31, 2019 to the specific CUSIP identification numbers for the abovementioned bonds.

A material event notice and failure to provide event filing information has been submitted to EMMA on July 29, 2019 relating to the incurrence of financial obligations which were not filed within 10 business days as required by the County's outstanding undertaking agreements. On June 13, 2019, the County entered into a Project Finance Agreement with the New York State Environmental Facilities Corporation in the principal amount of \$15,000,000 and \$60,000,000.

MARKET AND RISK FACTORS

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

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

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

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

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

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

COVID -19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the County's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19. These steps have had a material impact on public gatherings and the operations of schools, non-essential businesses and other entities. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the County's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be

taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the County. The County is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See “State Aid” herein).

Cybersecurity

The County, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the County will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

LITIGATION

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the County, threatened against or affecting the County to restrain or enjoin sale or delivery of the Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the County taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the County. See also “INDIAN LITIGATION AND SETTLEMENT” herein.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX – E”.

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

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

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

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals have been made in recent years that would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

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

BOND RATING

S&P Global Ratings ("S&P") has assigned a rating of "AA-" with a negative outlook to the Bonds, Moody's Investors Service ("Moody's") has assigned a rating of "A1" to the Bonds and Fitch Ratings has assigned a rating of "AA" with a stable outlook to the Bonds.

No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Any desired explanation of the significance of such ratings should be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (877) 772-5436, Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Phone: (212) 553-1653 and Fitch Ratings, Inc., 33 Whitehall Street, New York, New York 10004, Phone (212) 908-0800.

There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of such rating could have an adverse effect on the market price of the outstanding bonds. A securities rating is not a recommendation to buy, sell, or hold securities and may be subject to revision or withdrawal at any time.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the County on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the County and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the County or the information set forth in this Official Statement or any other information available to the County with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the County to the Municipal Advisor are partially contingent on the successful closing of the Bonds.

CUSIP IDENTIFICATION NUMBERS

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

MISCELLANEOUS

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

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the County management's beliefs as well as assumptions made by, and information currently available to, the County's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the County's files with the repositories. When used in County documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

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

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

Concurrently with the delivery of the Bonds, the County will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the County.

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

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

The County will act as Paying Agent for the Bonds.

The County's contact information is as follows: Mr. Joseph J. Timpano, County Comptroller, County Office Building, 800 Park Avenue – 5th Floor, Utica, New York 13501, Phone: (315) 798-5780, Telefax: (315) 798-6415, Email: jtimpano@ocgov.net.

This Official Statement has been duly executed and delivered by the County Comptroller of the County of Oneida.

COUNTY OF ONEIDA

Dated: April 27, 2021

/s/ Joseph J. Timpano
County Comptroller and Chief Fiscal Officer

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
ASSETS					
Cash and Cash Equivalents	\$ 15,481,167	\$ 30,573,426	\$ 18,862,067	\$ 14,792,815	\$ 12,767,812
Investments	-	-	-	-	-
Net Taxes Receivable	21,109,390	19,821,998	20,406,231	20,348,415	20,030,748
Due from Other Funds	191,215	247,015	312,279	633,296	4,804,791
State and Federal Receivables	94,893,588	94,432,044	98,522,191	104,801,186	117,179,324
Due From Other Governments	-	-	-	-	-
Other Receivables	5,518,631	5,598,068	5,566,881	6,440,077	6,758,360
Prepaid Expenses	-	-	-	11,957	-
Other Assets	-	-	-	-	-
TOTAL ASSETS	<u>\$ 137,193,991</u>	<u>\$ 150,672,551</u>	<u>\$ 143,669,649</u>	<u>\$ 147,027,746</u>	<u>\$ 161,541,035</u>
LIABILITIES, DEFERRED REVENUES AND FUND BALANCE					
Accounts Payable	\$ 9,822,432	\$ 9,603,759	\$ 8,135,222	\$ 11,675,295	\$ 24,013,669
Accrued Liabilities	27,099,296	17,174,110	20,631,006	18,445,180	21,158,686
Notes and Loans Payable	-	-	-	-	-
Due to Other Funds	1,731,006	3,329,476	988,683	3,406,705	8,548,508
Due to Other Governments	19,110,630	27,961,308	26,771,187	28,362,302	22,530,020
Other Liabilities	263,766	-	-	-	-
Overpayments and Collections in Advance	-	-	-	-	-
Bank Overdrafts	-	-	-	-	-
TOTAL LIABILITIES	<u>58,027,130</u>	<u>58,068,653</u>	<u>56,526,098</u>	<u>61,889,482</u>	<u>76,250,883</u>
DEFERRED REVENUE	\$ 54,231,810	\$ 52,386,371	\$ 50,415,739	\$ 47,990,389	\$ 45,078,593
FUND EQUITY					
Nonspendable	\$ -	\$ -	\$ -	\$ 11,957	\$ -
Restricted	8,062	30,115	31,398	15,606	31,465
Committed	17,050,000	17,050,000	16,300,000	16,150,000	16,150,000
Assigned	7,774,904	10,189,659	12,820,465	12,758,161	11,891,357
Unassigned	102,085	12,947,753	7,575,949	8,212,151	12,138,737
TOTAL FUND EQUITY	<u>\$ 24,935,051</u>	<u>\$ 40,217,527</u>	<u>\$ 36,727,812</u>	<u>\$ 37,147,875</u>	<u>\$ 40,211,559</u>
TOTAL LIABILITIES, DEFERRED REVENUES AND FUND EQUITY	<u>\$ 137,193,991</u>	<u>\$ 150,672,551</u>	<u>\$ 143,669,649</u>	<u>\$ 147,027,746</u>	<u>\$ 161,541,035</u>

Source: Audited financial reports of the County.

This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
REVENUES					
Real Property Taxes	\$ 68,228,277	\$ 69,273,587	\$ 67,739,368	\$ 65,999,293	\$ 67,656,593
Real Property Tax Items	4,901,189	4,168,473	4,480,155	4,186,785	4,166,725
Non-Property Tax Items	132,946,678 ⁽¹⁾	130,148,468 ⁽²⁾	133,274,996 ⁽³⁾	137,302,869 ⁽⁴⁾	145,068,528 ⁽⁵⁾
Departmental Income	12,479,877	12,243,727	10,899,080	10,762,032	14,522,933
Intergovernmental Charges	17,435,880	16,371,640	17,185,799	18,599,183	22,333,261
Use of Money & Property	1,965,766	1,727,880	1,563,360	1,231,915	1,299,622
Licenses and Permits	58,332	57,725	66,736	81,770	77,170
Fines and Forfeitures	586,163	545,596	469,343	475,495	376,018
Sale of Property and Compensation for Loss	403,137	646,296	10,474,270	530,030	999,963
Miscellaneous	1,981,916	1,407,424	1,215,938	1,812,211	1,291,500
Interfund Revenues	58,789	56,576	32,399	57,892	1,056
Revenues from State Sources	59,196,868	57,697,765	67,626,868	64,703,240	66,810,874
Revenues from Federal Sources	53,513,151	54,175,224	49,363,069	49,990,438	47,626,343
Total Revenues	<u>\$ 353,756,023</u>	<u>\$ 348,520,381</u>	<u>\$ 364,391,381</u>	<u>\$ 355,733,153</u>	<u>\$ 372,230,586</u>
EXPENDITURES					
General Government Support	67,781,803 ⁽¹⁾	70,331,152 ⁽²⁾	70,557,297 ⁽³⁾	\$ 73,791,854 ⁽⁴⁾	\$ 77,874,408 ⁽⁵⁾
Education	18,597,200	18,211,823	19,751,914	21,026,880	22,305,890
Public Safety	45,977,114	51,235,490	48,853,193	47,742,326	50,386,470
Health	18,854,620	19,621,082	18,545,928	19,006,969	20,378,056
Transportation	4,388,357	5,666,013	5,775,691	5,982,953	8,679,464
Economic Assistance and Opportunity	163,063,594	159,694,010	155,395,096	158,567,651	157,734,413
Culture and Recreation	1,019,126	1,226,218	1,219,845	1,221,391	1,423,610
Home and Community Services	3,025,812	7,276,854	3,921,714	3,320,512	2,967,813
Employee Benefits	-	-	-	-	-
Debt Service	-	-	-	-	-
Total Expenditures	<u>\$ 322,707,626</u>	<u>\$ 333,262,642</u>	<u>\$ 324,020,678</u>	<u>\$ 330,660,536</u>	<u>\$ 341,750,124</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 31,048,397</u>	<u>\$ 15,257,739</u>	<u>\$ 40,370,703</u>	<u>\$ 25,072,617</u>	<u>\$ 30,480,462</u>
Other Financing Sources (Uses):					
Proceeds of Obligations	-	-	-	-	-
Tobacco Restructuring Proceeds	-	-	-	-	-
Operating Transfers In	-	-	20,000	20,000	50,000
Operating Transfers Out	(25,971,887)	(30,795,414)	(25,108,227)	(28,582,332)	(30,110,399)
Total Other Financing	<u>(25,971,887)</u>	<u>(30,795,414)</u>	<u>(25,088,227)</u>	<u>(28,562,332)</u>	<u>(30,060,399)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>5,076,510</u>	<u>(15,537,675)</u>	<u>15,282,476</u>	<u>(3,489,715)</u>	<u>420,063</u>
FUND BALANCE					
Fund Balance - Beginning of Year	35,396,216	40,472,726	24,935,051	40,217,527	36,727,812
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 40,472,726</u>	<u>\$ 24,935,051</u>	<u>\$ 40,217,527</u>	<u>\$ 36,727,812</u>	<u>\$ 37,147,875</u>

⁽¹⁾ Includes \$37,517,609 Sales Tax distributed to the municipal units within the County.

⁽²⁾ Includes \$36,878,946 Sales Tax distributed to the municipal units within the County.

⁽³⁾ Includes \$37,579,666 Sales Tax distributed to the municipal units within the County.

⁽⁴⁾ Includes \$38,826,877 Sales Tax distributed to the municipal units within the County.

⁽⁵⁾ Includes \$40,660,068 Sales Tax distributed to the municipal units within the County.

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending December 31:

	2019			2020	2021
	Adopted Budget	Final	Audited	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 66,215,834	\$ 66,215,834	\$ 67,685,391	\$66,215,834	\$66,215,834
Real Property Tax Items	4,265,000	4,265,000	4,272,244	4,290,000	4,290,000
Non-Property Tax Items	106,079,471	148,265,474	150,283,607	108,431,191	106,451,710
Departmental Income	15,386,423	15,605,929	13,601,320	14,709,520	14,861,014
Intergovernmental Charges	24,500,800	24,541,208	22,643,467	26,582,665	27,606,781
Use of Money & Property	1,724,184	1,724,184	1,513,121	3,199,093	2,901,843
Licenses and Permits	58,600	58,600	74,115	60,700	63,725
Fines and Forfeitures	614,515	614,515	402,097	560,731	1,085,000
Sale of Property and Compensation for Loss	477,239	880,730	831,129	375,335	200,335
Miscellaneous	1,302,744	1,302,744	1,186,569	1,364,038	607,075
Interfund Revenues	30,189	30,189	1,162	30,189	-
Revenue from State Sources	71,898,714	73,389,421	72,926,893	75,899,160	75,996,923
Revenues from Federal Sources	48,595,814	48,750,041	51,341,165	48,888,613	44,550,451
Total Revenues	<u>\$ 341,149,527</u>	<u>\$ 385,643,869</u>	<u>\$ 386,762,281</u>	<u>\$ 350,607,069</u>	<u>\$ 344,830,691</u>
EXPENDITURES					
General Government Support	\$ 44,496,928	\$ 84,739,222	\$ 82,934,177	\$43,464,365	\$45,485,641
Education	23,812,961	23,521,440	23,378,259	25,584,979	24,959,753
Public Safety	53,662,753	53,730,103	51,976,547	55,293,856	54,714,992
Health	20,045,395	22,480,756	20,903,257	20,892,340	22,459,644
Transportation	7,351,059	7,961,426	6,009,439	7,603,369	7,231,086
Economic Assistance and Opportunity	167,701,104	168,634,753	163,992,509	171,161,438	165,981,060
Culture and Recreation	1,401,261	1,406,094	1,377,159	1,292,041	888,100
Home and Community Services	4,041,896	5,189,929	4,492,091	4,307,314	3,675,664
Employee Benefits	-	-	-	-	-
Debt Service	-	-	-	-	-
Total Expenditures	<u>\$ 322,513,357</u>	<u>\$ 367,663,723</u>	<u>\$ 355,063,438</u>	<u>\$ 329,599,702</u>	<u>\$ 325,395,940</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 18,636,170</u>	<u>\$ 17,980,146</u>	<u>\$ 31,698,843</u>	<u>\$ 21,007,367</u>	<u>\$ 19,434,751</u>
Other Financing Sources (Uses):					
Proceeds of Obligations	-	-	-	-	-
County Savings Plan	-	-	-	-	-
Operating Transfers In	-	-	-	20,000	-
Operating Transfers Out	(28,635,159)	(31,186,404)	(28,635,159)	(30,341,531)	(26,980,043)
Total Other Financing	<u>(28,635,159)</u>	<u>(31,186,404)</u>	<u>(28,635,159)</u>	<u>(30,321,531)</u>	<u>(26,980,043)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(9,998,989)</u>	<u>(13,206,258)</u>	<u>3,063,684</u>	<u>(9,314,164)</u>	<u>(7,545,292)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	37,147,875	37,147,875	37,147,875	9,314,164	7,545,292
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 27,148,886</u>	<u>\$ 23,941,617</u>	<u>\$ 40,211,559</u>	<u>\$ -</u>	<u>\$ -</u>

Source: 2019 (unaudited) Annual Update Document and budgets of the County.

This Appendix is not itself audited.

CHANGES IN FUND EQUITY

Fiscal Years Ending December 31:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>COMBINED ROAD FUND</u> ⁽¹⁾					
Fund Equity - Beginning of Year	\$ 540,410	\$ 363,297	\$ 1,273,815	\$ 1,969,568	\$ 1,333,972
Revenues & Other Sources	18,312,701	18,244,505	19,939,006	19,207,919	25,636,039
Expenditures & Other Uses	18,489,813	17,333,987	19,243,253	19,843,515	25,745,034
Fund Equity - End of Year	\$ 363,297	\$ 1,273,815	\$ 1,969,568	\$ 1,333,972	\$ 1,224,977
<u>DEBT SERVICE FUND</u>					
Fund Equity - Beginning of Year	\$ 965,784	\$ 766,985	\$ 99 ⁽²⁾	\$ 105,024	\$ 312,087
Revenues & Other Sources	18,779,345	22,465,895	34,705,008	33,145,896	43,219,474
Expenditures & Other Uses	18,978,144	23,220,244	34,600,083	32,938,833	41,890,717
Fund Equity - End of Year	\$ 766,985	\$ 12,636	\$ 105,024	\$ 312,087	\$ 1,640,844
<u>SEWER FUND</u>					
Fund Equity - Beginning of Year	\$ 13,788,393	\$ 16,751,497	\$ 18,428,329 ⁽²⁾	\$ 20,893,253	\$ 22,200,684
Revenues and Other Sources	13,756,807	13,819,414	13,776,295	15,017,884	16,869,869
Expenditures & Other Uses	10,793,703	12,182,323	11,311,371	13,710,453	14,925,901
Fund Equity - End of Year	\$ 16,751,497	\$ 18,388,588	\$ 20,893,253	\$ 22,200,684	\$ 24,144,652

⁽¹⁾ Includes County Road Fund and Road Machinery Fund.

⁽²⁾ Restated.

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

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Excluding the Bonds to be Issued			Principal of the Bonds	Total Principal All Bonds
	Principal	Interest	Total		
2021	\$ 27,369,503	\$ 8,335,483	\$ 35,704,986	\$ 0	\$ 27,369,503
2022	26,370,048	7,626,634	33,996,682	945,000	27,315,048
2023	24,514,237	6,911,236	31,425,473	1,020,000	25,534,237
2024	22,922,820	6,210,105	29,132,925	1,030,000	23,952,820
2025	21,046,994	5,614,272	26,661,266	1,050,000	22,096,994
2026	19,341,208	5,135,997	24,477,205	1,060,000	20,401,208
2027	18,850,407	4,694,901	23,545,308	600,000	19,450,407
2028	17,514,596	4,287,562	21,802,158	610,000	18,124,596
2029	16,908,795	3,929,909	20,838,704	620,000	17,528,795
2030	16,002,993	3,595,070	19,598,063	620,000	16,622,993
2031	14,587,182	3,283,499	17,870,681	635,000	15,222,182
2032	13,156,381	3,001,798	16,158,179	640,000	13,796,381
2033	12,265,580	2,745,336	15,010,916	650,000	12,915,580
2034	11,004,769	2,516,096	13,520,865	660,000	11,664,769
2035	9,528,968	2,323,996	11,852,964	660,000	10,188,968
2036	8,573,157	2,161,015	10,734,172	-	8,573,157
2037	8,717,355	2,003,263	10,720,618	-	8,717,355
2038	8,891,554	1,838,372	10,729,926	-	8,891,554
2039	9,040,743	1,666,581	10,707,324	-	9,040,743
2040	8,584,942	1,500,944	10,085,886	-	8,584,942
2041	8,734,141	1,340,065	10,074,206	-	8,734,141
2042	8,608,330	1,177,441	9,785,771	-	8,608,330
2043	8,762,529	1,015,186	9,777,715	-	8,762,529
2044	8,921,727	849,200	9,770,927	-	8,921,727
2045	9,090,916	678,617	9,769,533	-	9,090,916
2046	8,695,115	511,984	9,207,099	-	8,695,115
2047	8,854,314	349,327	9,203,641	-	8,854,314
2048	6,958,503	209,082	7,167,585	-	6,958,503
2049	7,077,702	86,617	7,164,319	-	7,077,702
2050	2,265,000	13,789	2,278,789	-	2,265,000
TOTALS	\$ 393,160,509	\$ 85,613,374	\$ 478,773,883	\$ 10,800,000	\$ 403,960,509

COUNTY OF ONEIDA, NEW YORK

AUDITED FINANCIAL REPORT

December 31, 2019

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

CONTINUING DISCLOSURE UNDERTAKING

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

- (i) to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Final Official Statement dated May 4, 2021 of the County relating to the Bonds under the headings “The County”, “Tax Information”, “County Indebtedness”, “Litigation” and all Appendices (other than any related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2020, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2020; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the County of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the County of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;
- (ii) within 10 business days after the occurrence of such event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:
 - (a) principal and interest payment delinquencies
 - (b) non-payment related defaults; if material
 - (c) unscheduled draws on debt service reserves reflecting financial difficulties
 - (d) unscheduled draws on credit enhancements reflecting financial difficulties
 - (e) substitution of credit or liquidity providers, or their failure to perform
 - (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - (g) modifications to rights of Bondholders; if material
 - (h) bond calls, if material, and tender offers
 - (i) defeasances
 - (j) release, substitution, or sale of property securing repayment of the Bonds; if material
 - (k) rating changes
 - (l) bankruptcy, insolvency, receivership or similar event of the County;
 - (m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
 - (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.
 - (o) incurrence of a “financial obligation” (as defined in the Rule) of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the

County, any of which affect Bondholders, if material; and

- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

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

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

For the purposes of the event identified in (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

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

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

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

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

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

FORM OF BOND COUNSEL'S OPINION

May 18, 2021

County of Oneida,
State of New York

Re: County of Oneida, New York
\$10,800,000 Public Improvement (Serial) Bonds, 2021

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$10,800,000 Public Improvement (Serial) Bonds, 2021 (the "Obligations"), of the County of Oneida, State of New York (the "Obligor"), dated May 18, 2021, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of ____ hundredths per centum (____%) per annum as to bonds maturing in ____, payable on May 15, 2022, November 15, 2022 and semi-annually thereafter on May 15 and November 15, and maturing in the amount of \$_____ on May 15, 2022, \$_____ on May 15, 2023, \$_____ on May 15, 2024, \$_____ on May 15, 2025, \$_____ on May 15, 2026, \$_____ on May 15, 2027, \$_____ on May 15, 2028, \$_____ on May 15, 2029, \$_____ on May 15, 2030, \$_____ on May 15, 2031, \$_____ on May 15, 2032 \$_____ on May 15, 2033, \$_____ on May 15, 2034 and \$_____ on May 15, 2035.

The Obligations maturing on or before May 15, 2029 shall not be subject to redemption prior to maturity. The Obligations maturing on or after May 15, 2030 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the County on May 15, 2029 or on any date thereafter at par, plus accrued interest to the date of redemption.

We have examined:

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

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

In our opinion:

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

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

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

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual

information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

Orrick, Herrington & Sutcliffe LLP