

COUNTY OF ONEIDA, NEW YORK

Financial Statements and  
Independent Auditors' Report

December 31, 2010

COUNTY OF ONEIDA, NEW YORK

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, certain aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Oneida, New York (the County), as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Oneida-Herkimer Solid Waste Management Authority which represent 51%, 54%, and 40%, respectively, of the assets, net assets, and revenue of the discretely presented component units. We also did not audit the financial statements of the Mohawk Valley Community College which represent 49%, 46% and 60%, respectively, of the assets, net assets and revenue of the discretely presented component units. We also did not audit the financial statements of the Oneida Tobacco Asset Securitization Corporation, which represent 22%, 28%, and 17%, respectively, of the assets, fund balance, and revenues of the other governmental funds. Those financial statements were audited by other auditors whose reports, thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Oneida-Herkimer Solid Waste Management Authority, Mohawk Valley Community College and Oneida Tobacco Asset Securitization Corporation, is based on the reports of the other auditors.

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 2, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 60 through 61 presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The combining statements of nonmajor governmental funds, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. The combining statements of nonmajor governmental funds is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Toski, Schaefer & Co., P.C.*

Williamsville, New York  
August 2, 2011

COUNTY OF ONEIDA, NEW YORK  
Management's Discussion and Analysis  
December 31, 2010

Our discussion and analysis of the County of Oneida, New York's (the County) financial performance provides an overview of the County's financial activities for the year ended December 31, 2010 with comparative information for the year ended December 31, 2009. This document should be read in conjunction with the County's financial statements which follow this narrative.

**Financial Highlights**

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

**Governmental Activities:**

- The assets of Oneida County's governmental activities exceeded its liabilities at December 31, 2010 by \$82,885,629 which is illustrated in the statements as "net assets" (pages 13 and 14).
- The total net assets attributable to governmental activities decreased by \$2,219,038.
- At December 31, 2010, Oneida County's governmental funds reported combined ending fund balances of \$38,148,103, a decrease of \$9,582,334 from the prior year (pages 15 and 17).
- The modified 2010 budget anticipated a reduction in the General Fund balance of \$5,835,513; however, the actual operating deficit was \$4,824,493, resulting in a budget surplus of \$1,011,020 (page 60).
- At the end of 2010, the unreserved fund balance for the General Fund was \$18,383,436. Of this total, \$10,000,000 was designated for fiscal stability, \$5,198,753 was appropriated for the 2011 budget, \$700,000 was designated for pending tax certiorari, \$780,000 was designated for economic and community development, \$1,000,000 for Government Accounting Standards Board (GASB) Statement No. 45 - Other Postemployment Benefits (OPEB) costs, \$264,392 for "Pay-As-You-Go" capital projects and \$334,985 was designated for the joint activity fund (page 15).
- In 2010, the County's credit ratings remained in the "A" category and have been assigned a stable or neutral outlook by all three credit rating agencies.
- In 2007, the County adopted GASB Statement No. 45 - "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions." As a result, the County has included a liability of \$12.7 million included in long-term debt.

**Business-Type Activities:**

- The assets of Oneida County's business-type activities exceeded its liabilities at December 31, 2010 by \$17,914,602, which is illustrated in the statements as "net assets" (pages 19 and 20).
- The total net assets attributable to business-type activities increased by \$3,226,751.

COUNTY OF ONEIDA, NEW YORK  
Management's Discussion and Analysis, Continued

**Overview of the Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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

COUNTY OF ONEIDA, NEW YORK  
Management's Discussion and Analysis, Continued

**Government-Wide Financial Analysis**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 119.6	123.3	22.5	21.9
Capital assets, (net of accumulated depreciation)	<u>238.9</u>	<u>226.4</u>	<u>29.0</u>	<u>28.6</u>
Total assets	\$ <u>358.5</u>	<u>349.7</u>	<u>51.5</u>	<u>50.5</u>
Other liabilities	58.7	54.0	17.0	18.4
Long-term debt outstanding	<u>216.9</u>	<u>210.6</u>	<u>16.6</u>	<u>17.4</u>
Total liabilities	<u>275.6</u>	<u>264.6</u>	<u>33.6</u>	<u>35.8</u>
Net assets:				
Invested in capital assets (net of related debt)	43.2	33.7	13.0	11.7
Unrestricted	<u>39.7</u>	<u>51.4</u>	<u>4.9</u>	<u>3.0</u>
Total net assets	\$ <u>82.9</u>	<u>85.1</u>	<u>17.9</u>	<u>14.7</u>

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:				
Program revenues:				
Charges for services	\$ 40.5	36.7	17.8	15.6
Operating grants and contributions	114.6	117.6	-	-
Capital grants and contributions	7.0	16.7	-	-
General revenues:				
Real property taxes	64.1	62.4	-	-
Other taxes and items	<u>131.6</u>	<u>126.2</u>	-	-
Total revenues	<u>357.8</u>	<u>359.6</u>	<u>17.8</u>	<u>15.6</u>
Program expenses:				
General government support	65.2	63.7	-	-
Education	21.9	22.6	-	-
Public safety	41.8	40.1	-	-
Public health	19.5	19.7	-	-
Transportation	33.7	23.7	-	-
Economic assistance and opportunity	154.8	160.5	-	-
Culture and recreation	2.2	2.1	-	-
Home and community services	2.4	2.9	13.9	13.4
Interest on long-term debt	11.2	11.4	0.7	0.5
Unallocated depreciation	<u>7.3</u>	<u>7.0</u>	-	-
Total program expenses	<u>360.0</u>	<u>353.7</u>	<u>14.6</u>	<u>13.9</u>
Increase (decrease) in net assets	\$ <u>(2.2)</u>	<u>5.9</u>	<u>3.2</u>	<u>1.7</u>



COUNTY OF ONEIDA, NEW YORK  
Management's Discussion and Analysis, Continued

Net assets may serve over time as one useful indicator of a government's financial condition. The assets of Oneida County's governmental activities exceeded its liabilities at December 31, 2010 by \$82.9 million. Despite the operating deficit of \$9.6 million, net assets reflect only a \$2.2 million decrease from 2009 due to investments in capital assets exceeding depreciation and outstanding debt.

Table 3 presents the cost of each of the County's four primary governmental programs: public health, public safety, transportation, and economic assistance and opportunity, as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions. The general government support program expenditures in 2010 include the gross sales tax paid to the towns and villages in the amount of \$34,622,784. This same amount is included in the "general revenues" category under non-property tax items. General government support is not a true program, and therefore we have not included it in Table 3.

Table 3 - Governmental Activities (In Millions)

	<u>2010</u>		<u>2009</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Public health	\$ 19.5	2.9	19.7	3.3
Public safety	41.8	33.2	40.1	31.7
Transportation	33.7	15.0	23.7	(3.9)
Economic assistance and opportunity	154.8	64.4	160.5	68.4
Totals	\$ <u>249.8</u>	<u>115.5</u>	<u>244.0</u>	<u>99.5</u>

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

Table 4 - Business-Type Activities (In Millions)

	<u>2010</u>		<u>2009</u>	
	<u>Sewer</u>	<u>WCF</u>	<u>Sewer</u>	<u>WCF</u>
Total assets	\$ 35.6	15.9	35.9	14.6
Net assets	17.9	-	14.7	-
Changes in net assets	3.2	-	1.7	-

COUNTY OF ONEIDA, NEW YORK  
Management's Discussion and Analysis, Continued

**Fund Financial Statements**

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

**Governmental Funds** - Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (of differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds in reconciliations on pages 16 and 18.

**Proprietary Funds** - When the County charges customers for the services it provides - whether to outside customers or to other units of the County - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net assets and the statement of activities. In fact, the County's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows. These statements begin on page 19.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The basic fiduciary fund financial statements can be found on page 22 of this report.

**Fund Financial Analysis**

As the County completed the year, its governmental funds (as presented in the balance sheet on page 15) reported a combined fund balance of \$38.1 million which was a decrease of \$9,582,334 from last year's total. The modified General Fund budget included a \$5.8 million projected operating deficit, however, actual results showed an operating deficit of \$4.8 million. This favorable budget result is primarily due to increased sales tax receipts and an unbudgeted increase in Federal Medical Assistance Percentage (FMAP) funding.

COUNTY OF ONEIDA, NEW YORK  
Management's Discussion and Analysis, Continued

The other governmental funds operating deficit for 2010 was \$5.3 million, which includes a Capital Fund deficit of \$4.9 million. The remaining \$0.4 million deficit is attributed to the Oneida Tobacco Asset Securitization Corporation (OTASC), County Road and Road Machinery Funds. The Capital Fund deficit is due to timing differences between project expenditures and the subsequent receipt of federal and state reimbursements.

A comparative overview of the governmental funds' results for 2010 and 2009 follows. This includes more detailed information about sources and uses of funds in each year.

Table 5 - Oneida County Governmental Funds

Summary of Revenue and Expenditures 2010 and 2009 (In Millions)				
	2010		2009	
	Revenues	% of Total	Revenues	% of Total
Sales tax and other nonproperty items	\$ 122.0	31.2%	118.6	30.1%
Real property taxes	67.7	17.3%	62.6	15.9%
Departmental income, fees, and interest	34.1	8.7%	31.3	8.0%
State and federal aid	122.4	31.3%	134.4	34.1%
All other sources	<u>44.7</u>	<u>11.5%</u>	<u>46.8</u>	<u>11.9%</u>
Total revenue	\$ <u>390.9</u>	<u>100.0%</u>	<u>393.7</u>	<u>100.0%</u>
	2010		2009	
	Expenditures	% of Total	Expenditures	% of Total
General governmental support	\$ 67.7	16.9%	63.0	15.6%
Education	23.2	5.8%	22.8	5.6%
Public safety	42.9	10.7%	40.3	10.0%
Public health	20.4	5.1%	19.9	5.0%
Transportation	35.3	8.8%	52.5	13.0%
Economic assistance and opportunity	162.7	40.6%	161.2	39.9%
Culture and recreation	2.3	0.6%	2.1	.5%
Home and community services	3.6	0.9%	3.5	.9%
Debt service	20.4	5.1%	18.1	4.5%
Other	<u>22.0</u>	<u>5.5%</u>	<u>20.2</u>	<u>5.0%</u>
Total expenditures	\$ <u>400.5</u>	<u>100.0%</u>	<u>403.6</u>	<u>100.0%</u>

COUNTY OF ONEIDA, NEW YORK  
Management's Discussion and Analysis, Continued

**General Fund Budget Highlights**

The statement on page 60 shows both adopted and final modified budget totals compared with actual results for the General Fund in 2010. The significant variances between the adopted and the final budget for 2010 were as follows:

Original budget	\$ 308,678,601
2010 additional appropriations from:	
Encumbrance carryovers	356,414
Supplemental appropriations from additional revenue	5,222,070
Supplemental budget for gross sales tax adjustment	<u>34,622,784</u>
Final budget	\$ <u>348,879,869</u>

**Capital Asset and Debt Administration**

Capital Assets

At December 31, 2010 and 2009, the County had \$267.9 million and \$255.0 million, respectively, invested in a broad range of capital assets including equipment, a jail, buildings, roads, bridges, and sewer lines and plant (see pages 43 and 44).

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

	2010		<u>Totals</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Land	\$ 11.8	-	11.8
Land improvements	1.9	-	1.9
Buildings and improvements	62.1	7.2	69.3
Construction in progress	91.6	17.6	109.2
Licensed vehicles	4.0	.1	4.1
Machinery and equipment	9.9	.3	10.2
Infrastructure	<u>57.6</u>	<u>3.8</u>	<u>61.4</u>
Totals	\$ <u>238.9</u>	<u>29.0</u>	<u>267.9</u>
	2009		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Land	\$ 11.8	-	11.8
Land improvements	2.3	-	2.3
Buildings and improvements	45.7	7.7	53.4
Construction in progress	98.0	16.6	114.6
Licensed vehicles	3.1	.1	3.2
Machinery and equipment	9.3	.3	9.6
Infrastructure	<u>56.2</u>	<u>3.9</u>	<u>60.1</u>
Totals	\$ <u>226.4</u>	<u>28.6</u>	<u>255.0</u>

COUNTY OF ONEIDA, NEW YORK  
Management's Discussion and Analysis, Continued

The County's 2011 capital budget anticipates a spending level of \$22.5 million for capital projects, to be funded by \$7.6 million in bonding and \$14.9 million in State and Federal Aid.

Bonds

At year end, the County had \$211.8 million in bonds outstanding (see note 13 on page 53 for additional details).

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
General obligation bonds (backed by the County)	\$ 195.8	-	195.8
General obligation revenue bonds (backed by specific revenues)	<u>-</u>	<u>16.0</u>	<u>16.0</u>
Totals	\$ <u>195.8</u>	<u>16.0</u>	<u>211.8</u>

**2011 Economic Factors and Budget**

The County's elected and appointed officials considered many factors when setting the fiscal year 2011 budget, tax levy, and fees that will be charged for the business-type activities. One of these factors is the economy. Unemployment in the County at the end of June 2011 stood at 7.7% versus 7.5% a year ago. This compares with the June 2011 State unemployment rate of 8.0%, and the national rate of 9.3% (these percentages are not seasonally adjusted).

For the period June 2010 through June 2011, the national average CPI increased 3.6% for all items. The core CPI (which excludes food and energy costs) increased 1.6% (these percentages are not seasonally adjusted).

The 2011 sales tax budget of \$87.0 million was a \$1.8 million increase compared to the 2010 budgeted amount. This projection was based on the fact that 2010 actual sales tax receipts were \$1.2 million above budget and \$4.0 million more than the 2009 total. The reasons for the increase were higher retail gas prices and collection of sales tax on food and beverage sales at the Oneida Indian Nation Turning Stone Casino Complex through a third party lease agreement. The County anticipates that the actual sales tax receipts for 2011 will meet its budgeted total.

COUNTY OF ONEIDA, NEW YORK  
Management's Discussion and Analysis, Continued

Medicaid continues to be a major expenditure for County government. In 2005, New York State approved legislation mandating the State takeover the Medicaid program in 2009. The plan limited local Medicaid payments at the 2005 calendar year level, effective January 1, 2006, and adjusted that amount by a growth rate of 3.5%, or actual costs, whichever is less. Under this plan, the annual inflation factor was lowered to 3.0% in 2008 and years thereafter. In 2009, the State assumed all local Medicaid costs into the State budget, but counties are still required to provide payment to the State which, at the County's option, is based on either: 1) the capped local contribution methodology (base payment increased by 3.0% annually) or, 2) a fixed percentage of local sales tax revenue to be intercepted from the County sales tax payments on a monthly basis. The County has opted to continue the capped local contribution method. The 2011 budgeted Medicaid expense is \$54.7 million.

The County did receive \$20.5 million in enhanced Federal Medical Assistance Percentage (FMAP) funding in 2009 and 2010 combined. For fiscal year 2011, the County has received \$2.8 million, which is expected to increase as New York State is currently withholding 20% of the estimated allocation until they complete their Medicaid cap reconciliation later in the year.

Oneida County's non-management employees are represented by four labor unions under five contracts. Only one contract is current as of August 2011. The remaining four expired on December 31, 2010, however all are currently in negotiation.

The County's 2011 budget anticipates a \$5.2 million operating deficit. County officials are closely monitoring expenditures in an attempt to reduce spending and provide some financial resources for use in preparing the 2012 budget. Oneida County will begin the 2012 budget process with a \$17 million structural deficit. The County is currently considering a number of alternatives to close this gap. One alternative is additional employee layoffs. The County reduced its workforce by 70 people in 2011.

COUNTY OF ONEIDA, NEW YORK  
Management's Discussion and Analysis, Continued

**GASB 45 Update**

In 2007, the County contracted with the BPA - Harbridge Consulting Group for actuarial services mandated by GASB Statement No. 45. The actuaries have completed their review and analysis of the County's OPEB. It should be noted that, at December 31, 2010, the County had designated \$1,000,000 of its unreserved fund balance to begin funding for its OPEB liability. The County has accrued \$12,713,778 in these 2010 audited statements. See note 12 to the financial statements (page 49) for further details.

**Contacting the County's Financial Management**

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

COUNTY OF ONEIDA, NEW YORK  
Statement of Net Assets  
December 31, 2010

	Primary Government			Component Units
	Governmental activities	Business-type activities	Total	
Assets:				
Cash and equivalents	\$ 22,496,423	8,797,944	31,294,367	29,470,670
Deposits with trustees	4,751,282	-	4,751,282	6,929,206
Investments	-	-	-	3,198,843
Receivables:				
Taxes	32,806,953	-	32,806,953	-
Student tuition, loans and fees, net	-	-	-	2,905,401
Other	3,369,642	4,238,999	7,608,641	2,216,316
Due from:				
State and federal governments	52,195,089	-	52,195,089	-
Other governments	1,303,112	9,468,776	10,771,888	4,437,873
Governmental funds	-	30,879	30,879	-
Business-type activities	472,680	-	472,680	-
Fiduciary funds	1,259	-	1,259	-
Inventory	-	-	-	471,182
Restricted assets	-	-	-	17,300,725
Other assets	2,119,889	-	2,119,889	1,213,884
Capital assets (net of accumulated depreciation)	238,936,908	28,988,649	267,925,557	74,507,234
Total assets	\$ 358,453,237	51,525,247	409,978,484	142,651,334
Liabilities:				
Current portion of long-term debt	22,323,760	1,175,333	23,499,093	6,608,436
Accounts payable	13,797,200	458,888	14,256,088	4,841,515
Accrued liabilities	29,560,960	15,942,590	45,503,550	-
Due to:				
Other governments	10,992,540	-	10,992,540	-
Business-type activities	30,879	-	30,879	-
Governmental funds	-	472,680	472,680	-
Fiduciary funds	2,966,123	96,395	3,062,518	-
Overpayments and collections in advance	11,455	-	11,455	-
Accrued closure costs	-	-	-	2,552,521
Other liabilities	-	-	-	4,147,735
Deferred revenue	1,343,721	-	1,343,721	2,226,640
Long-term debt, net of current portion	194,540,970	15,464,759	210,005,729	85,884,972
Total liabilities	275,567,608	33,610,645	309,178,253	106,261,819
Net assets:				
Investments in capital assets, net of related debt	43,181,610	13,020,778	56,202,388	(593,202)
Restricted:				
Nonexpendable	-	-	-	594,799
Expendable	-	-	-	22,462,495
Unrestricted	39,704,019	4,893,824	44,597,843	13,925,423
Total net assets	82,885,629	17,914,602	100,800,231	36,389,515
Total liabilities and net assets	\$ 358,453,237	51,525,247	409,978,484	142,651,334

See accompanying notes to financial statements.



COUNTY OF ONEIDA, NEW YORK  
Statement of Activities  
Year ended December 31, 2010

Functions/programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total	
Primary government								
Governmental activities:								
General government support	\$ 65,149,065	12,343,182	4,413,031	39,443	(48,353,409)	-	(48,353,409)	-
Education	21,933,699	1,771,699	7,039,947	-	(13,122,053)	-	(13,122,053)	-
Public safety	41,824,974	6,849,707	1,380,149	405,548	(33,189,570)	-	(33,189,570)	-
Public health	19,454,997	1,963,669	14,621,947	-	(2,869,381)	-	(2,869,381)	-
Transportation	33,661,315	8,293,561	4,396,715	5,935,188	(15,035,851)	-	(15,035,851)	-
Economic development and opportunity	154,845,930	8,132,190	82,353,096	-	(64,360,644)	-	(64,360,644)	-
Culture and recreation	2,222,522	109,057	414,108	-	(1,699,357)	-	(1,699,357)	-
Home and community service	2,444,763	1,054,775	-	662,849	(727,139)	-	(727,139)	-
Interest on long-term debt	11,203,586	-	-	-	(11,203,586)	-	(11,203,586)	-
Unallocated depreciation	7,269,905	-	-	-	(7,269,905)	-	(7,269,905)	-
Total government activities	360,010,756	40,517,840	114,618,993	7,043,028	(197,830,895)	-	(197,830,895)	-
Business-type activities:								
Sewer fund	8,924,546	12,151,297	-	-	-	3,226,751	3,226,751	-
Internal service fund	5,601,230	5,601,230	-	-	-	-	-	-
Total primary government	\$ 374,536,532	58,270,367	114,618,993	7,043,028	(197,830,895)	3,226,751	(194,604,144)	-
Component units:								
Oneida-Herkimer Solid Waste Management Authority	20,643,601	25,731,125	66,818	-	-	-	-	5,154,342
Mohawk Valley Community College	65,152,481	21,690,513	39,413,405	2,357,939	-	-	-	(1,690,624)
Total component units	\$ 85,796,082	47,421,638	39,480,223	2,357,939	-	-	-	3,463,718
General revenues:								
Real property taxes, levied for general purposes					64,140,094	-	64,140,094	-
Real property tax items					3,265,204	-	3,265,204	-
Non-property tax items (sales tax and PILOTs)					124,222,864	-	124,222,864	-
Tobacco revenues and interest					3,983,695	-	3,983,695	-
Total general revenues					195,611,857	-	195,611,857	-
Change in net assets					(2,219,038)	3,226,751	1,007,713	3,463,718
Net assets at beginning of year, as previously reported					85,104,667	14,687,851	99,792,518	34,307,980
Prior period adjustment					-	-	-	(1,382,183)
Net assets at beginning of year, as restated					85,104,667	14,687,851	99,792,518	32,925,797
Net assets at end of year					\$ 82,885,629	17,914,602	100,800,231	36,389,515

See accompanying notes to financial statements.

COUNTY OF ONEIDA, NEW YORK  
Balance Sheet - Governmental Funds  
December 31, 2010

<u>Assets</u>	<u>General</u>	<u>Debt service</u>	<u>Other governmental funds</u>	<u>Total governmental funds</u>
Cash and equivalents	\$ 10,867,789	1,459,765	10,168,869	22,496,423
Deposits with trustees	-	106,523	4,644,759	4,751,282
Taxes receivable	150,445,266	-	-	150,445,266
Other receivables	2,354,113	467,208	548,321	3,369,642
Due from:				
State and federal governments	52,195,089	-	-	52,195,089
Other governments	1,303,112	-	-	1,303,112
Other funds	653,134	130,481	6,280,558	7,064,173
Other assets	37,786	-	-	37,786
Total assets	<u>\$ 217,856,289</u>	<u>2,163,977</u>	<u>21,642,507</u>	<u>241,662,773</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	12,532,589	-	1,264,612	13,797,201
Accrued liabilities	27,607,926	-	1,639,309	29,247,235
Due to:				
Other governments	10,969,727	-	22,813	10,992,540
Other funds	8,505,292	30,879	1,051,064	9,587,235
Overpayments and collections in advance	11,455	-	-	11,455
Deferred revenue	138,931,633	187,668	759,703	139,879,004
Total liabilities	<u>198,558,622</u>	<u>218,547</u>	<u>4,737,501</u>	<u>203,514,670</u>
Fund balances:				
Reserved:				
Special	733,922	-	-	733,922
Encumbrances	180,309	-	19,575,450	19,755,759
Unreserved, designated for:				
Subsequent year's expenditures	5,198,753	1,550,000	-	6,748,753
Fiscal stability	10,000,000	191,021	-	10,191,021
Tax Certiorari	700,000	-	-	700,000
Economic and community development	780,000	-	-	780,000
Postemployment benefits	1,000,000	-	-	1,000,000
Capital projects	264,392	-	-	264,392
Joint activity	334,985	-	-	334,985
Undesignated major funds	105,306	204,409	-	309,715
Special grant	-	-	167,978	167,978
County Road	-	-	7,950	7,950
Road Machinery	-	-	143,732	143,732
Capital	-	-	(7,710,799)	(7,710,799)
OTASC	-	-	4,720,695	4,720,695
Total fund balances	<u>19,297,667</u>	<u>1,945,430</u>	<u>16,905,006</u>	<u>38,148,103</u>
Total liabilities and fund balances	<u>\$ 217,856,289</u>	<u>2,163,977</u>	<u>21,642,507</u>	<u>241,662,773</u>

See accompanying notes to financial statements.

COUNTY OF ONEIDA, NEW YORK  
Reconciliation of Governmental Funds Balance Sheet  
to the Government - Wide Statement of Net Assets  
December 31, 2010

Fund balances - total governmental funds	\$ 38,148,103
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	238,936,908
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	22,665,348
Long-term liabilities including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(216,864,730)</u>
Total net assets at end of year	<u>\$ 82,885,629</u>

See accompanying notes to financial statements.

COUNTY OF ONEIDA, NEW YORK  
Statement of Revenue, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Year ended December 31, 2010

	General <u>fund</u>	Debt <u>service</u>	Other governmental <u>funds</u>	Total governmental <u>funds</u>
Revenue:				
Real property taxes	\$ 62,146,756	-	-	62,146,756
Other tax items	5,535,372	-	-	5,535,372
Non-property tax items	121,952,694	-	-	121,952,694
Departmental income	15,158,236	-	900,022	16,058,258
Intergovernmental charges	11,400,787	707,320	2,471,385	14,579,492
Use of money and property	1,930,660	644,004	12,717	2,587,381
Licenses and permits	20,426	-	7,070	27,496
Fines and forfeitures	799,597	-	-	799,597
Sale of property and compensation for loss	754,550	-	61,896	816,446
Miscellaneous local sources	1,329,742	-	188,490	1,518,232
Interfund revenues	92,682	-	3,311,713	3,404,395
State and federal aid	109,457,254	219,385	12,713,149	122,389,788
Tobacco revenues	-	-	3,948,540	3,948,540
Total revenue	<u>330,578,756</u>	<u>1,570,709</u>	<u>23,614,982</u>	<u>355,764,447</u>
Expenditures:				
General government support	60,778,145	8,042	6,934,726	67,720,913
Education	22,419,678	749,094	-	23,168,772
Public safety	40,866,407	-	2,039,435	42,905,842
Public health	20,377,555	-	50,494	20,428,049
Transportation	5,005,645	-	30,296,682	35,302,327
Economic assistance and opportunity	159,645,368	-	3,048,607	162,693,975
Culture and recreation	2,158,588	-	180,779	2,339,367
Home and community services	2,931,628	-	662,849	3,594,477
Debt service:				
Principal	-	11,334,239	175,000	11,509,239
Interest	-	5,176,520	3,737,300	8,913,820
Total expenditures	<u>314,183,014</u>	<u>17,267,895</u>	<u>47,125,872</u>	<u>378,576,781</u>
Excess (deficiency) of revenue over expenditures	<u>16,395,742</u>	<u>(15,697,186)</u>	<u>(23,510,890)</u>	<u>(22,812,334)</u>
Other Financing Sources (uses):				
Proceeds of obligations - serial bonds	-	-	13,230,000	13,230,000
Transfers from other funds	-	16,235,757	5,687,428	21,923,185
Transfers to other funds	<u>(21,220,235)</u>	-	<u>(702,950)</u>	<u>(21,923,185)</u>
Total other financing sources (uses)	<u>(21,220,235)</u>	<u>16,235,757</u>	<u>18,214,478</u>	<u>13,230,000</u>
Net change in fund balances	(4,824,493)	538,571	(5,296,412)	(9,582,334)
Fund balances at beginning of year	<u>24,122,160</u>	<u>1,406,859</u>	<u>22,201,418</u>	<u>47,730,437</u>
Fund balances at end of year	<u>\$ 19,297,667</u>	<u>1,945,430</u>	<u>16,905,006</u>	<u>38,148,103</u>

See accompanying notes to financial statements.

COUNTY OF ONEIDA, NEW YORK  
 Reconciliation of Governmental Funds Statement of Revenue, Expenditures, and  
 Changes in Fund Balances to the Government-Wide Statement of Activities  
 Year ended December 31, 2010

Net change in fund balances - total governmental funds \$ (9,582,334)

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

Capital outlay expenditures	\$ 23,118,069	
Depreciation expense	<u>(10,542,808)</u>	12,575,261

In the statement of activities, only the loss on the disposal of certain assets is reported, whereas in the governmental funds, the loss is not recorded as a decrease in financial resources. (28,950)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,993,338

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

Principal paid on bonds	11,509,239	
Bonds issued	(13,230,000)	
OTASC interest accretion	<u>(1,380,818)</u>	(3,101,579)

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

Accrued interest	125,840	
Postemployment benefits	(2,837,657)	
Compensated absences	161,710	
Accrued workers' compensation	(449,818)	
Judgments and claims	(74,000)	
Amortization of bond issuance and original issuance discount	<u>(1,000,849)</u>	<u>(4,074,774)</u>

Change in net assets of governmental activities \$ (2,219,038)

See accompanying notes to financial statements.

COUNTY OF ONEIDA, NEW YORK  
Statement of Net Assets - Proprietary Funds  
December 31, 2010

<u>Assets</u>	<u>Enterprise Sewer Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
Current assets:			
Cash and equivalents	\$ 2,560,943	6,237,001	8,797,944
Other receivable	4,016,502	222,497	4,238,999
Due from governmental funds	30,879	-	30,879
Due from other governments	-	9,468,776	9,468,776
Capital assets, net of accumulated depreciation	<u>28,988,649</u>	<u>-</u>	<u>28,988,649</u>
Total assets	<u>\$ 35,596,973</u>	<u>15,928,274</u>	<u>51,525,247</u>
<u>Liabilities</u>			
Current liabilities:			
Current portion of long-term debt	1,175,333	-	1,175,333
Accounts payable	269,100	189,788	458,888
Accrued liabilities	204,764	15,737,826	15,942,590
Due to other funds	568,415	660	569,075
Long-term debt, net of current portion	<u>15,464,759</u>	<u>-</u>	<u>15,464,759</u>
Total liabilities	<u>17,682,371</u>	<u>15,928,274</u>	<u>33,610,645</u>
Net assets:			
Investment in capital assets, net of related debt	13,020,778	-	13,020,778
Unrestricted net assets	<u>4,893,824</u>	<u>-</u>	<u>4,893,824</u>
Total net assets	<u>17,914,602</u>	<u>-</u>	<u>17,914,602</u>
Total liabilities and net assets	<u>\$ 35,596,973</u>	<u>15,928,274</u>	<u>51,525,247</u>

See accompanying notes to financial statements.

COUNTY OF ONEIDA, NEW YORK  
Statement of Revenue, Expenses, and Changes in Net Assets  
Proprietary Funds  
Year ended December 31, 2010

	Enterprise Sewer Fund	Workers' Compensation Fund	Total
Operating revenue:			
Departmental income	\$ 12,077,965	-	12,077,965
Intergovernmental charges	-	5,500,945	5,500,945
Miscellaneous	-	81,877	81,877
Total operating revenue	<u>12,077,965</u>	<u>5,582,822</u>	<u>17,660,787</u>
Operating expenses:			
Personnel services	2,917,486	316,667	3,234,153
Employee benefits	959,370	-	959,370
Contractual expenses	3,733,135	5,284,563	9,017,698
Depreciation	622,751	-	622,751
Total operating expenses	<u>8,232,742</u>	<u>5,601,230</u>	<u>13,833,972</u>
Income (loss) from operations	<u>3,845,223</u>	<u>(18,408)</u>	<u>3,826,815</u>
Non-operating revenue (expenses):			
Use of money and property	73,332	18,408	91,740
Interest expense	(691,804)	-	(691,804)
Total non-operating revenues (expenses)	<u>(618,472)</u>	<u>18,408</u>	<u>(600,064)</u>
Net income	<u>3,226,751</u>	<u>-</u>	<u>3,226,751</u>
Net assets at beginning of year	<u>14,687,851</u>	<u>-</u>	<u>14,687,851</u>
Net assets at end of year	<u>\$ 17,914,602</u>	<u>-</u>	<u>17,914,602</u>

See accompanying notes to financial statements.

COUNTY OF ONEIDA, NEW YORK  
Statement of Cash Flows - Proprietary Funds  
Year ended December 31, 2010

	Enterprise <u>Sewer Fund</u>	Workers' Compensation <u>Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from charges for services	\$ 9,319,218	5,401,488	14,720,706
Cash payments contractual expenses	(4,106,039)	(3,916,944)	(8,022,983)
Cash payments personal services and benefits	(3,787,882)	(316,667)	(4,104,549)
Other operating revenue	<u>-</u>	<u>81,877</u>	<u>81,877</u>
Net cash provided by operating activities	<u>1,425,297</u>	<u>1,249,754</u>	<u>2,675,051</u>
Cash flows from investing activities:			
Principal payments on long-term debt	(1,236,672)	-	(1,236,672)
Proceeds from issuance of long-term debt	364,940	-	364,940
Interest expense	(698,797)	-	(698,797)
Payments for capital assets	<u>(1,047,444)</u>	<u>-</u>	<u>(1,047,444)</u>
Net cash used in investing activities	<u>(2,617,973)</u>	<u>-</u>	<u>(2,617,973)</u>
Cash flows from non-capital financing activities -			
interest income	<u>73,332</u>	<u>18,408</u>	<u>91,740</u>
Net increase (decrease) in cash and equivalents	(1,119,344)	1,268,162	148,818
Cash and equivalents at beginning of year	<u>3,680,287</u>	<u>4,968,839</u>	<u>8,649,126</u>
Cash and equivalents at end of year	<u>\$ 2,560,943</u>	<u>6,237,001</u>	<u>8,797,944</u>
Reconciliation of income (loss) from operations to net			
cash provided by operating activities:			
Income (loss) from operations	3,845,223	(18,408)	3,826,815
Adjustments to reconcile income (loss) from operations			
to net cash provided by operating activities:			
Depreciation and amortization	622,751	-	622,751
Changes in assets and liabilities:			
Accounts receivable	(285,106)	590,054	304,948
Due from other governments	-	(689,618)	(689,618)
Due to/from other funds	(2,473,641)	107	(2,473,534)
Compensated absences	694	-	694
Other postemployment liability	88,280	-	88,280
Accounts payable and accrued expenses	<u>(372,904)</u>	<u>1,367,619</u>	<u>994,715</u>
Net cash provided by operating activities	<u>\$ 1,425,297</u>	<u>1,249,754</u>	<u>2,675,051</u>

See accompanying notes to financial statements.



COUNTY OF ONEIDA, NEW YORK  
Statement of Net Assets - Fiduciary Funds  
December 31, 2010

<u>Assets</u>	<u>Deferred Compensation</u>	<u>Agency</u>
Cash and equivalents	\$ -	6,637,789
Investments	24,973,709	-
Due from other funds	<u>-</u>	<u>3,062,518</u>
Total assets	<u>\$ 24,973,709</u>	<u>9,700,307</u>
<u>Liabilities</u>		
Agency liabilities	-	9,699,048
Due to other funds	-	1,259
Deferred compensation	<u>24,973,709</u>	<u>-</u>
Total liabilities	<u>\$ 24,973,709</u>	<u>9,700,307</u>

See accompanying notes to financial statements.

COUNTY OF ONEIDA, NEW YORK  
Statement of Net Assets - Discretely  
Presented Component Units  
December 31, 2010

	Mohawk Valley Community College	Oneida- Herkimer Solid Waste Management Authority	Total
Assets:			
Cash and equivalents	\$ 18,659,359	10,811,311	29,470,670
Deposits with trustees	6,929,206	-	6,929,206
Investments	3,198,843	-	3,198,843
Receivables:			
Student tuition and fees receivable, net	1,418,678	-	1,418,678
Student loans receivable, net	1,486,723	-	1,486,723
Other receivables	316,934	1,899,382	2,216,316
Due from other governments	4,437,873	-	4,437,873
Inventory	471,182	-	471,182
Restricted assets	-	17,300,725	17,300,725
Other assets	265,721	948,163	1,213,884
Capital assets, net of accumulated depreciation	<u>32,783,857</u>	<u>41,723,377</u>	<u>74,507,234</u>
Total assets	<u>\$ 69,968,376</u>	<u>72,682,958</u>	<u>142,651,334</u>
Liabilities:			
Current portion of long-term debt	1,578,436	5,030,000	6,608,436
Accounts payable and accrued liabilities	2,821,848	2,019,667	4,841,515
Accrued closure costs	-	2,552,521	2,552,521
Other liabilities	3,511,232	636,503	4,147,735
Deferred revenue	2,226,640	-	2,226,640
Long-term debt net of current portion	<u>43,083,096</u>	<u>42,801,876</u>	<u>85,884,972</u>
Total liabilities	<u>53,221,252</u>	<u>53,040,567</u>	<u>106,261,819</u>
Net assets:			
Invested in capital assets, net of related debt	5,225,350	(5,818,552)	(593,202)
Restricted:			
Nonexpendable	594,799	-	594,799
Expendable	5,161,770	17,300,725	22,462,495
Unrestricted	<u>5,765,205</u>	<u>8,160,218</u>	<u>13,925,423</u>
Total net assets	<u>16,747,124</u>	<u>19,642,391</u>	<u>36,389,515</u>
Total liabilities and net assets	<u>\$ 69,968,376</u>	<u>72,682,958</u>	<u>142,651,334</u>

See accompanying notes to financial statements.

COUNTY OF ONEIDA, NEW YORK  
Statement of Revenue, Expenses, and Changes in Net Assets  
Discretely Presented Component Units  
Year ended December 31, 2010

	Mohawk Valley Community College	Oneida- Herkimer Solid Waste Management Authority	<u>Total</u>
Operating revenues:			
Student tuition and fees, net	\$ 15,282,027	-	15,282,027
Federal grants and contracts	14,046,206	-	14,046,206
State and local grants and contracts	4,122,131	-	4,122,131
Nongovernmental grants and contracts	656,706	-	656,706
Auxiliary enterprises:			
Residential life	2,451,251	-	2,451,251
Bookstore (net of costs of goods sold)	1,029,711	-	1,029,711
Auxiliary services corporation service fees	102,800	-	102,800
Tipping fees	-	17,842,141	17,842,141
Solid waste service charge	-	2,040,682	2,040,682
Refuse bag sales	-	2,016,755	2,016,755
Recyclable sales	-	2,780,617	2,780,617
Other operating revenue	<u>434,449</u>	<u>576,024</u>	<u>1,010,473</u>
Total operating revenue	<u>38,125,281</u>	<u>25,256,219</u>	<u>63,381,500</u>
Operating expenses:			
Educational and general expenditures	45,787,050	-	45,787,050
Scholarships	12,221,435	-	12,221,435
Dormitory operations	2,127,860	-	2,127,860
Auxiliary services enterprises	794,145	-	794,145
College promotion and development	284,249	-	284,249
Loan cancellations and allowance for doubtful loans	106,969	-	106,969
Personal services	-	5,200,181	5,200,181
Contractual services	-	5,613,744	5,613,744
Other expenses	19,633	3,983,642	4,003,275
Depreciation	<u>2,603,617</u>	<u>3,848,425</u>	<u>6,452,042</u>
Total operating expenses	<u>63,944,958</u>	<u>18,645,992</u>	<u>82,590,950</u>
Income (loss) from operations	<u>(25,819,677)</u>	<u>6,610,227</u>	<u>(19,209,450)</u>
Nonoperating revenues (expenses):			
State operating aid	12,525,511	-	12,525,511
County chargebacks	2,824,724	-	2,824,724
Local appropriations	7,280,100	-	7,280,100
Investment income	774,084	-	774,084
Interest income	-	474,906	474,906
Interest expense	-	(1,821,502)	(1,821,502)
Contribution to retire debt	1,583,855	-	1,583,855
Interest on capital asset-related debt	(1,004,540)	-	(1,004,540)
Other nonoperating revenue	348,302	66,818	415,120
Other nonoperating expenses	<u>(202,983)</u>	<u>(176,107)</u>	<u>(379,090)</u>
Total nonoperating revenues (expenses)	<u>24,129,053</u>	<u>(1,455,885)</u>	<u>22,673,168</u>
Net increase (decrease) in net assets	(1,690,624)	5,154,342	3,463,718
Net assets at beginning of year, as previously reported	19,819,931	14,488,049	34,307,980
Prior period adjustment	<u>(1,382,183)</u>	<u>-</u>	<u>(1,382,183)</u>
Net assets at beginning of year (restated)	<u>18,437,748</u>	<u>14,488,049</u>	<u>32,925,797</u>
Net assets at end of year	<u>\$ 16,747,124</u>	<u>19,642,391</u>	<u>36,389,515</u>

See accompanying notes to financial statements.

COUNTY OF ONEIDA, NEW YORK

Notes to Financial Statements

December 31, 2010

(1) Summary of Significant Accounting Policies

Background

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

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

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

(a) Financial Reporting Entity

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

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

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

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(a) Financial Reporting Entity, Continued

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

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

(b) Discretely Presented Component Units

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

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

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

The Community College maintains a dormitory operation known as the Mohawk Valley Community College Dormitory Corporation (Dormitory Corporation). The purpose of the not-for-profit corporation is to provide student resident facilities on the campus of the Community College. Although the Dormitory Corporation is a separate legal entity, it shares the same Board of Trustees with the Community College and carries out operations which are integrally related to the Community College and is, therefore, blended in the financial reporting entity of the Community College pursuant to GASB Statement No. 39. The Dormitory Corporation uses a fiscal year end of July 31. All of the financial data for

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Discretely Presented Component Units, Continued

the Dormitory Corporation was derived from the Mohawk Valley Community College Dormitory Corporation independently audited financial statements for its fiscal year ended July 31, 2010.

The Community College maintains an auxiliary service corporation known as the Auxiliary Services Corporation of Mohawk Valley Community College, Inc. (Auxiliary Corporation). This Auxiliary Corporation is a campus-based not-for-profit corporation which, as an independent contractor, operates, manages, and promotes educationally related services for the benefit of the campus community. Although the Auxiliary Corporation is a separate legal entity, it carries out operations which are integrally related to the Community College and is, therefore, blended in the financial reporting entity of the Community College. The Auxiliary Corporation uses a fiscal year end of June 30. All of the financial data for the Auxiliary Corporation was derived from the Auxiliary Services Corporation independently audited financial statements for its fiscal year ended June 30, 2010.

The Community College maintains a foundation known as the Mohawk Valley Community College Foundation, Inc. (the Foundation). The Foundation is a not-for-profit educational corporation and nongovernmental legal entity which operates to further support the educational objectives of the Community College. A majority of the operating funds of the Foundation, which are raised through independent sources, are used to provide scholarships and grants to students of MVCC. Although the Foundation is a separate legal entity, it carries out operations which are integrally related to the Community College and is therefore blended in the financial reporting entity of the Community College. All of the financial data for this corporation was derived from the Foundation's independently audited financial statements for its fiscal year ended August 31, 2010.

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

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

Oneida-Herkimer Solid Waste Management Authority - The Oneida-Herkimer Solid Waste Management Authority (the Authority) was established in 1988 as a public benefit corporation under New York State Public Authorities Law to provide solid waste management services and to plan and implement a modern integrated solid waste management system for the benefit of Oneida and Herkimer Counties (the Counties). The Authority's initial capitalization for the facilities as well as short-term funding of administrative and operating costs were provided from the issuance of approximately \$50

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Discretely Presented Component Units, Continued

million of Solid Waste System Revenue Bonds. The Authority currently owns and operates nine operational solid waste management facilities and one closed facility. These facilities are as follows: an administration facility, a recycling center, three solid waste transfer stations, a green waste composting facility, a land clearing debris facility, a household hazardous waste facility; a regional landfill, and a closed ash landfill.

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

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

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

(c) Blended Component Units

The following blended component unit is reported as another governmental fund:

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

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

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

The OTASC is considered a component unit (blended presentation) of the County based on the guidance provided in GASB Statement No. 14 and Technical Bulletin No. 2004-1 and is included as part of the County's financial reporting entity as of December 31, 2010.

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Blended Component Units, Continued

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

The following blended component unit is included in the County's General Fund.

The Herkimer-Oneida Comprehensive Planning Program is a joint venture that was established in 1963 in which Oneida and Herkimer Counties participate. The Oneida County Board of Legislators adopts the budget of the joint venture; the Oneida County Executive appoints the Board's Commissioner; and, the Oneida County Comptroller serves as the joint venture's fiscal officer and performs all necessary accounting services. The joint venture is not authorized to issue its own debt and both counties have an ongoing financial responsibility to the joint venture as its existence depends upon the funding from each county as well as State and Federal grants.

The Herkimer-Oneida Comprehensive Planning Program is considered a component unit (blended presentation) of the County based on the guidance provided in GASB Statement No. 14 and Technical Bulletin No. 2004-1 and is included as part of the County's financial reporting entity as of December 31, 2010.

The financial statements of Herkimer-Oneida Comprehensive Planning Program can be obtained at the Comptroller's Office of the County located at 800 Park Avenue, Utica, New York 13501.

(d) Basic Financial Statements - Government-Wide Statements

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital



COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Basic Financial Statements - Government-Wide Statements, Continued

grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. All direct expenses incurred are charged to the corresponding function. Capital asset additions that cannot be identified to a specific function are allocated based on total expenses by program.

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

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

(e) Basic Financial Statements - Fund Financial Statements

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

The following fund types are used by the County:

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

General Fund - The General Fund is presented as a major fund and is the principal operating fund that is used to account for all operations not required to be recorded in other funds.

Debt Service Fund - used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs (except those presented in the discretely presented component units).

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

- Special Grant Fund - to account for the use of Federal monies received under the Workforce Investment Act.
- County Road Fund - to account for the repairs and maintenance of County roads in accordance with New York State laws.

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Basic Financial Statements - Fund Financial Statements, Continued

- Road Machinery Fund - to account for the purchase of highway machinery and equipment in accordance with New York State laws.
- Capital Fund - used to account for the acquisition, construction, and/or reconstruction of major capital assets.

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

Enterprise Sewer Fund - used to account for the operations of the sewer district. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity; (a) is financed with debt that is solely secured by a pledge of the net revenues; (b) has third-party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or; (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

Workers' Compensation Fund - accounts for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The Internal Service Fund is used to account for the operations of the workers' compensation self-insurance program.

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

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

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

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(f) Measurement Focus and Basis of Accounting

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

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

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

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Available means collectible within the current period or within 60 days after year end to be used to pay liabilities of the current period. Expenditures are generally recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

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

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

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(f) Measurement Focus and Basis of Accounting, Continued

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

(g) Discretely Presented Component Units

The Community College is considered to be a major component unit due to its significance relative to other component units and the nature and significance of its relationship to the primary government as described by GASB Statement No. 39. As part of its 2010 annual budget, the Community College received \$7,280,100 in operating contributions from the County.

(h) Estimates

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

(i) Cash, Cash Equivalents, and Investments

State statutes require that collateral be pledged at 105 percent of all deposits not covered by Federal Deposit Insurance Corporation insurance for demand deposits, time deposits, repurchase agreements, and certificates of deposit. Obligations of the United States Treasury and its agencies as well as obligations of the State and its municipalities and school districts may be pledged. The County has established a pooled cash account in which interest earned is allocated to participating funds based on their pro-rata shares of the pool.

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

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

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(j) Receivables

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

(k) Inventory

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

(l) Interfund Transactions

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

(m) Fund Balance Reserves

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

(n) Capital Assets/Property, Plant, and Equipment

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

Buildings and improvements	15-50 Years
Infrastructure	10-65 Years
Licensed vehicles	8 Years
Machinery and equipment	5-25 Years
Land improvements	20 Years
Construction	15-50 Years

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

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(n) Capital Assets/Property, Plant, and Equipment, Continued

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

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

(o) Deferred Revenue

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

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

(p) Compensated Absences

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

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

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

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

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(p) Compensated Absences, Continued

It is the County's policy to accrue all costs associated with earned, but not yet paid, compensated absences of all employees involved in the operations of the County's reporting entity. The total accrued liability for compensated absences relating to the governmental and proprietary funds at December 31, 2010 are \$2,437,540 and \$89,186, respectively.

Employees of the Community College accrue vacation leave in varying amounts and are subject to various maximum accruals based on contract group. The recorded liability for vacation leave, including the Community College's share of fringe benefits, is \$1,130,617. The recorded liability for vacation leave for to OTASC and the Dormitory Corporation amounted to \$39,004. Employees also earn sick leave each month subject to a maximum of 225 or 180 days, depending on contract group. Only Association of Mohawk Valley College Administrators (AMVA) members and excluded administrators are entitled to receive a benefit for sick leave accumulated upon retirement. The accumulated sick leave for these employees is used to pay for postemployment health insurance costs. A liability of \$10,904,044 has been recognized representing the present value of these postemployment health insurance costs at August 31, 2010.

Certain employees of the Authority are eligible to receive postemployment benefits with the Authority funding 50% of the premium. A liability of \$289,947 has been recognized representing the percent value of those postemployment health insurance costs.

(q) Retirement Plans

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

MVCC participates in the Employees' Retirement System, the New York Teachers' Retirement System (NYSTRS), and the Teachers' Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF).

The Authority participates in the New York State and Local Employees' Retirement System. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL).

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(r) Accrued Liabilities and Long-term Obligations

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

(s) Revenue

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

(t) Expenditures

Expenditures are recognized when the related fund liability is incurred.

(u) Medicaid Claims

Physicians, hospitals, pharmacists, and others who provide services to public assistance recipients and other individuals enrolled in the Medical Assistance Program are entitled to reimbursement of the defined cost of such services through the Federal, State, and locally funded Medicaid programs. The County participates in a State-wide system to process and pay such claims. At any point in time, unpaid claims for services rendered by providers are either being processed by the system or are still to be reported by the providers. Under this law, Medicaid liabilities paid subsequent to December 31, 2010 will be paid from expendable and available resources of 2011. Thus, no 2010 accrual for Medicaid claims is required.

(v) Insurance

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



COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(w) Public Entity Risk Pool

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

(x) Accrued and Post-Closure Monitoring Closure Costs

The Authority maintains an ash landfill which has reached full capacity. In accordance with New York State Department of Environmental Conservation (NYSDEC) Regulations, the Authority has implemented certain landfill closure and post-closure requirements. At December 31, 2010, management has accrued \$2,552,521 for estimated post-closure costs. Due to changes in technology, or changes in regulations, actual costs may be different from the current accrual. Based on NYSDEC requirements, \$2,772,255 of cash, certificates of deposit, and U.S. obligations have been restricted for this purpose at December 31, 2010 in the Authority's financial statements.

(y) Restricted Resources

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

(z) Subsequent Events

The County has evaluated events after December 31, 2010, and through August 2, 2011, which is the date the financial statements were available to be issued, and determined that any events or transactions occurring during this period that would require recognition or disclosure are properly addressed in these financial statements.

(2) Explanation of Certain Differences Between Governmental Fund Statements and Government-wide Statements

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

(a) Total Fund Balances of Governmental Funds Compared to Net Assets of Governmental Activities

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

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(2) Explanation of Certain Differences Between Governmental Fund Statements and Government-wide Statements, Continued

(b) Statement of Revenue, Expenditures, and Changes in Fund Balances Compared to Statement of Activities

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

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

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

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

(3) Stewardship, Compliance, and Accountability

(a) Budgetary Data

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

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

Public hearings are conducted to obtain taxpayer comments.

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

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(3) Stewardship, Compliance, and Accountability, Continued

(a) Budgetary Data, Continued

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

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

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

(b) Encumbrances

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

(4) Custodial and Concentration of Credit Risk

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

As of December 31, 2010, \$40,911,687 of the County's total bank balances of \$44,161,687 were exposed to custodial credit risk. Deposits totaling \$40,911,687 were collateralized by the financial institution in the name of the County and none of the County's bank balances were collateralized by the financial institution under a different name.

As of August 31, 2010, \$3,805,793 of the Community College's total bank balances of \$13,137,327 were exposed to custodial credit risk. Deposits totaling \$3,805,793 were collateralized by the financial institution in the name of the Community College, and none of the Community College's bank balances were collateralized by the financial institution under a different name.

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(4) Custodial and Concentration of Credit Risk, Continued

The carrying amount of cash and cash equivalents for the Authority at December 31, 2010 is comprised entirely of cash deposits in banks and short-term investments. The corresponding bank balances for the unrestricted and restricted cash were entirely covered by Federal Deposit Insurance Corporation insurance, collateral held in the pledging banks' trust department in the Authority's name, or U.S. Government and/or Federal agency securities held by the Trustee.

(5) Property Taxes and Collection

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

Revenue from real property taxes is considered available to finance current operations if collected within 60 days after the end of the year. The net receivables collected during 2010 and within the first sixty days of 2011 are recognized as revenues in 2010. Net receivables estimated to be collectible subsequent to the first 60 days of 2011 are reflected as deferred revenues.

The County is permitted in accordance with Section 10 of Article VIII of the New York State Constitution to levy taxes: (a) up to 1.5% of the five-year average full assessed valuation of taxable real property, for general governmental services other than the payment of principal and interest on long-term debt, (b) in unlimited amounts for the payment of principal and interest on long-term debt, and (c) in unlimited amounts for capital appropriations (budgetary appropriations for objects or purpose for which a period of probable usefulness is provided by Section 11.00 of local finance law). At December 31, 2010, the County utilized approximately 42% of its constitutional tax limit.

Uncollected school district and village taxes assumed by the County for enforcement through December 31, 2010 were \$10,313,415 and \$613,406, respectively. Such amounts will be paid to the school districts and villages by April 1, 2011, and are included in the amounts due to other governments in the accompanying basic financial statements. Any such taxes remaining unpaid at year end are relieved as County taxes on December 31.

Taxes receivable at December 31, 2010 are recorded net of an estimated allowance for uncollectible accounts of \$153,206.

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(6) Sales Tax

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

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

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

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

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(7) Student Loans and Fees Receivable

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

<u>Account</u>	<u>Gross Receivable</u>	<u>Allowance</u>	<u>Receivable</u>
Student tuition and fees receivable	\$ 1,758,102	(339,424)	1,418,678
Student loans receivable	1,858,405	(371,682)	1,486,723

(8) Capital Assets

Capital asset activity of the primary government for the year ended December 31, 2010 was as follows:

	Balance December 31, <u>2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2010</u>
Capital assets not being depreciated:				
Land	\$ 11,783,969	-	-	11,783,969
Construction in progress	97,958,188	14,693,026	(21,016,222)	91,634,992
Total capital assets not being depreciated	<u>109,742,157</u>	<u>14,693,026</u>	<u>(21,016,222)</u>	<u>103,418,961</u>
Capital assets being depreciated:				
Land improvements	8,647,922	-	(6,820)	8,641,102
Building and improvements	83,095,831	19,714,384	-	102,810,215
Infrastructure	102,455,282	5,701,150	-	108,156,432
Machinery and equipment	20,142,971	2,234,711	(148,057)	22,229,625
Licensed vehicles	8,645,568	1,791,020	(425,874)	10,010,714
Total capital assets being depreciated	<u>222,987,574</u>	<u>29,441,265</u>	<u>(580,751)</u>	<u>251,848,088</u>
Accumulated depreciation:				
Land improvements	6,323,813	427,949	(5,483)	6,746,279
Buildings and improvements	37,362,859	3,327,685	-	40,690,544
Infrastructure	46,278,529	4,305,746	-	50,584,275
Machinery and equipment	10,883,156	1,611,437	(147,164)	12,347,429
Licensed vehicles	5,490,777	869,991	(399,154)	5,961,614
Total accumulated depreciation	<u>106,339,134</u>	<u>10,542,808</u>	<u>(551,801)</u>	<u>116,330,141</u>
Net capital assets	<u>\$ 226,390,597</u>	<u>33,591,483</u>	<u>(21,045,172)</u>	<u>238,936,908</u>

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(8) Capital Assets, Continued

Depreciation expense was charged to functions as follows:

Governmental activities:

General government support	\$ 460,485
Public safety	1,126,768
Public health	25,073
Transportation	1,412,192
Economic assistance and opportunity	49,334
Home and community service	199,051
Unallocated depreciation	<u>7,269,905</u>

Total governmental activities expense      \$ 10,542,808

Capital asset activity of the business-type activities for the year ended December 31, 2010 was as follows:

	Balance December 31, <u>2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2010</u>
Capital assets not being depreciated:				
Land	\$ -	-	-	-
Construction in progress	<u>16,623,344</u>	<u>1,027,389</u>	<u>-</u>	<u>17,650,733</u>
Total capital assets not being depreciated	<u>16,623,344</u>	<u>1,027,389</u>	<u>-</u>	<u>17,650,733</u>
Capital assets being depreciated:				
Land improvements	53,682	-	-	53,682
Building and improvements	20,970,529	-	(13,535)	20,956,994
Infrastructure	9,659,254	-	-	9,659,254
Machinery and equipment	47,392,977	13,209	(10,830)	47,395,356
Licensed vehicles	<u>409,442</u>	<u>24,839</u>	<u>(17,653)</u>	<u>416,628</u>
Total capital assets being depreciated	<u>78,485,884</u>	<u>38,048</u>	<u>(42,018)</u>	<u>78,481,914</u>
Accumulated depreciation:				
Land improvements	53,682	-	-	53,682
Building and improvements	13,315,803	419,140	-	13,734,943
Infrastructure	5,790,794	148,604	-	5,939,398
Machinery and equipment	47,043,508	43,418	(8,947)	47,077,979
Licensed vehicles	<u>341,484</u>	<u>11,589</u>	<u>(15,077)</u>	<u>337,996</u>
Total accumulated depreciation	<u>66,545,271</u>	<u>622,751</u>	<u>(24,024)</u>	<u>67,143,998</u>
Net capital assets	<u>\$ 28,563,957</u>	<u>442,686</u>	<u>(17,994)</u>	<u>28,988,649</u>

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(8) Capital Assets, Continued

Depreciation expense was charged to functions as follows:

Enterprise sewer fund	\$ <u>622,751</u>
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A summary of the book value of property, plant, and equipment of the component units at December 31, 2010 is as follows:

Construction in progress	\$ 4,447,381
Land and improvements	35,035,631
Building and improvements	115,281,457
Equipment, machinery and library books	20,062,675
Motor vehicles	<u>6,293,058</u>
	181,120,202
Less accumulated depreciation and amortization	<u>106,612,968</u>
Property, plant, and equipment, net	\$ <u>74,507,234</u>

(9) Restricted Assets Held by Trustee

(a) Authority

In accordance with the terms of bond indentures and NYSDEC, the use of certain assets is restricted for specific purposes. These assets, principally cash and cash equivalents, are administered by a trustee on behalf of the Authority and at December 31, 2010, include the following accounts:

Debt Service Reserve Fund - contingency fund to be utilized in case of default	\$ 9,641,549
Construction Projects Fund and Bond Redemption and Improvement Fund - for any additional capital expenditures which may be incurred by the Authority	1,937,983
Restricted assets required for debt service	2,865,137
Accrued interest on restricted assets	74,449
Rebate Fund - interest earned required to be paid to, the United States	9,352
Restricted assets for post-closure monitoring costs	<u>2,772,255</u>
Total	\$ <u>17,300,725</u>



COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(9) Restricted Assets Held by Trustee, Continued

(b) Community College

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

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

	<u>DASNY</u>	<u>Other</u>	<u>Total</u>
Cash and equivalents	\$ <u>146,881</u>	<u>4,120,128</u>	<u>4,267,009</u>
<u>Investment Type</u>		<u>Fair Value</u>	
U.S. Treasury Bill		\$ 766,560	
U.S. Agencies		<u>939,813</u>	
Total		\$ <u>1,706,373</u>	

All investments mature in less than one year.

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

Deposits with trustees of \$955,824 at July 31, 2010 in the component unit is comprised of uninvested cash and short-term U.S Treasury Bills and Notes/Bonds.

(c) Oneida Tobacco Asset Securitization Corporation

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

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(10) Investments

Investments at August 31, 2010 for the component units are as follows:

	<u>Fair value</u>	<u>Cost</u>
U.S. Government and agency debt securities	\$ 281,103	265,785
Corporate debt securities	485,324	450,588
Corporate equity securities	954,669	1,066,493
Mutual funds	<u>1,477,747</u>	<u>1,514,864</u>
Total marketable securities	\$ <u>3,198,843</u>	<u>3,297,730</u>

(11) Pension Plans

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

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

NYSERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and benefits to employees. The system issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, 110 State Street, Albany, New York 12244.

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

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(11) Pension Plans, Continued

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>ERS</u>			
County:			
Contribution rate	<u>9.1 - 21.6%</u>	<u>7.0 - 14.3%</u>	<u>8.0 - 16.3%</u>
Contributions	\$ <u>8,812,141</u>	<u>5,826,516</u>	<u>5,634,452</u>
Authority:			
Contribution rate	<u>11.3%</u>	<u>7.0 - 8.6%</u>	<u>8.0 - 9.9%</u>
Contributions	<u>388,528</u>	<u>239,807</u>	<u>297,422</u>
Community College:			
Contribution rate	<u>9.0 - 15.2%</u>	<u>6.9 - 9.2%</u>	<u>7.9 - 10.7%</u>
Contributions	<u>737,714</u>	<u>436,724</u>	<u>555,497</u>
TRS (College only):			
Contribution rate	<u>6.19%</u>	<u>7.63%</u>	<u>8.73%</u>
Contributions	<u>177,869</u>	<u>191,366</u>	<u>212,392</u>

The 2010 contributions include group term life insurance, which the State of New York consolidates with the pension contributions.

TIAA/CREF is a defined contribution retirement plan which provides benefits through annuity contracts and provides retirement and death benefits to those employees that elected to participate in the optional retirement program. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service. TIAA/CREF is noncontributory except for employees who joined after July 27, 1976, who contribute 3% to 3.75% of their salary. Employer contributions range from 5% to 15% depending upon when the employee was hired. Financial reports of the plan may be obtained by writing to: TIAA/CREF, 730 Third Avenue, New York, New York 10017. The College's pension contributions to TIAA/CREF for fiscal years 2010, 2009, and 2008 were \$1,551,426, \$1,432,045 and \$1,323,835, respectively.

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(12) Postemployment Health Care Benefits

(a) The County

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

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

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

For the year ended December 31, 2010, the County contributed \$2,530,288 toward the cost of insurance, while the plan members contributed \$2,198,337.

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

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(12) Postemployment Health Care Benefits, Continued

(a) The County, Continued

	<u>For the Year Ended December 31, 2010</u>
<b>Annual OPEB Cost and Net OPEB Obligation:</b>	
Annual required contribution	\$ 5,611,540
Interest on net OPEB obligation	459,148
Adjustment to annual required contribution	<u>(614,463)</u>
Annual OPEB cost	5,456,225
Contributions made	<u>(2,530,288)</u>
Increase in net OPEB obligation	2,925,937
Net OPEB obligation - beginning of year	<u>9,787,841</u>
Net OPEB obligation - end of year	\$ <u>12,713,778</u>
Annual OPEB cost	\$ <u>5,456,225</u>
Percentage of annual OPEB cost contributed	46.37%
Net OPEB obligation at end of year	\$ <u>12,713,778</u>
<b>Funded Status:</b>	
Actuarial accrued liability (AAL)	59,603,892
Actuarial value of assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$ <u>59,603,892</u>
Funded ratio (assets as a percentage of AAL)	0.00%
Annual covered payroll	\$ <u>69,249,131</u>
UAAL as a percentage of covered payroll	86.07%
<b>Actuarial methods and assumptions:</b>	
Investment rate of return	4.691%
Expected return on plan assets	N/A
Expected return on employer's assets	4.691%
Rate of compensation increase	N/A
Inflation rate	3.00%
<b>Assumed Pre-65 Medical Trend Rates at December 31:</b>	
Health care cost trend rate assumed for next fiscal year	8.50%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%
Fiscal year that the rate reaches the ultimate trend rate	2016
<b>Assumed Post-65 Medical Trend Rates at December 31:</b>	
Health care cost trend rate assumed for next fiscal year	6.75%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%
Fiscal year that the rate reaches the ultimate trend rate	2016

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(12) Postemployment Health Care Benefits, Continued

Assumed Prescription Drug Trend Rates at December 31:	
Health care cost trend rate assumed for next fiscal year	9.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%
Fiscal year that the rate reaches the ultimate trend rate	2016
Additional information:	
Actuarial cost method	Projected unit credit
Amortization method	Level dollar
Amortization period	Single amortization period
Amortization period (in years)	30.00
Amortization period status	Open
Method used to determine actuarial value of assets	N/A

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

(b) Community College

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

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(12) Postemployment Health Care Benefits, Continued

(b) Community College

	<u>For the Year Ended August 31, 2010</u>
Annual OPEB Cost and Net OPEB Obligation:	
Annual required contribution	\$ 2,625,598
Interest on net OPEB obligation	262,386
Adjustment to annual required contribution	<u>(334,440)</u>
Annual OPEB cost	2,553,544
Contributions made	<u>(859,829)</u>
Increase in net OPEB obligation	1,693,715
Net OPEB obligation - beginning of year	<u>9,210,329</u>
Net OPEB obligation - end of year	\$ <u>10,904,044</u>
Annual OPEB cost	\$ <u>2,553,544</u>
Percentage of annual OPEB cost contributed	33.67%
Net OPEB obligation at end of year	\$ <u>10,904,044</u>
Funded Status:	
Actuarial accrued liability (AAL)	27,550,324
Actuarial value of assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$ <u>27,550,324</u>
Funded ratio (assets as a percentage of AAL)	0.00%
Annual covered payroll	\$ <u>22,524,975</u>
UAAL as a percentage of covered payroll	122.31%

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

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(13) Noncurrent Liabilities

Noncurrent liability balances and activity are as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>	Due Within <u>One Year</u>
<b>Governmental activities:</b>					
Bonds	\$ 192,653,719	14,610,818	(11,509,239)	195,755,298	16,653,186
Accrued interest	1,563,961	1,438,121	(1,563,961)	1,438,121	1,438,121
Postemployment benefits	9,471,771	2,837,657	-	12,309,428	-
Compensated absences	2,599,250	5,015,883	(5,177,593)	2,437,540	2,437,540
Accrued workers' compensation	4,110,525	1,407,639	(957,821)	4,560,343	1,504,913
Judgments and claims	290,000	74,000	-	364,000	290,000
Total governmental activities	<u>\$ 210,689,226</u>	<u>25,384,118</u>	<u>(19,208,614)</u>	<u>216,864,730</u>	<u>22,323,760</u>
<b>Business-type activities:</b>					
Bonds	16,839,603	364,940	(1,236,672)	15,967,871	1,175,333
Accrued interest	185,652	178,685	(185,652)	178,685	-
Postemployment benefits	316,070	88,280	-	404,350	-
Compensated absences	88,492	239,525	(238,831)	89,186	-
Total business-type activities	<u>\$ 17,429,817</u>	<u>871,430</u>	<u>(1,661,155)</u>	<u>16,640,092</u>	<u>1,175,333</u>
<b>Component units:</b>					
Bonds	82,621,347	11,171,235	(13,748,262)	80,044,320	6,389,889
Premium on bonds	113,775	-	(46,846)	66,929	-
Leases	69,463	-	(50,916)	18,547	18,547
Compensated absences	1,071,035	98,586	-	1,169,621	200,000
Postemployment benefits - MVCC	9,210,329	1,693,715	-	10,904,044	-
Postemployment benefits - Authority	145,408	144,539	-	289,947	-
Total component units	<u>\$ 93,231,357</u>	<u>13,108,075</u>	<u>(13,846,024)</u>	<u>92,493,408</u>	<u>6,608,436</u>

Accrued Interest - represents interest accrued and unpaid at December 31, 2010, which is included in the government-wide and enterprise sewer fund statement of net assets.

The County borrows funds on a long-term basis for the purpose of financing acquisitions of land and equipment and construction of buildings and improvements. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide statements except for those amounts which relate to and are, therefore, accounted for in the proprietary fund types and discretely presented component units. Interest associated with long-term debt is recorded as an expenditure when such amounts are due. Interest expense for governmental and business-type activities for the year ended December 31, 2010 was \$8,913,820 and \$691,804, respectively.



COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(13) Noncurrent Liabilities, Continued

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

Details relating to general obligation (serial) bonds of the County outstanding at December 31, 2010 are summarized as follows:

<u>Description of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
Governmental Activities:			
Improvement, 1996	2014	5.30 - 5.40	\$ 2,605,000
Advance Refunding, 1998	2012	4.00 - 5.50	1,886,000
Improvement, 1999	2015	4.50 - 4.75	854,454
Improvement, 2000	2019	5.00 - 5.375	97,764
Improvement, 2002	2022	4.25 - 4.75	4,891,000
Improvement, 2003	2018	3.50 - 3.55	4,850,000
Improvement, 2005	2020	3.50 - 4.10	8,890,000
Improvement, 2006	2021	4.00 - 4.25	6,210,000
Improvement, 2008	2022	3.00 - 5.70	16,330,000
Current Refunding, 2008	2014	3.50 - 5.00	6,536,148
Bond, 2009	2023	3.00 - 4.00	17,775,000
Bond, tax 2009	2023	3.38 - 5.25	7,125,000
Bonds (exempt), 2009	2013	0.95 - 3.00	3,578,667
Taxable BABS, 2009	2024	4.409 - 5.587	9,975,000
Refunding 2010	2020	2.00 - 5.00	7,013,305
BAN 2010	2011	1.50	60,000
Taxable BAN, 2010	2011		1,000,000
Build America Bonds 2010 (MBBA Pool)	2025	4.249 - 5.932	13,270,000
Tobacco Settlement Bonds	2045	5.25 - 6.63	82,807,960
			<u>195,755,298</u>
Business-Type Activities:			
Improvement, 1998	2014	4.00 - 5.50	30,000
Sewer District EFC, 1999	2018	4.313	435,000
Improvement, 2000	2019	5.00 - 5.375	51,595
Sewer District EFC, 2001	2015	3.43 - 4.83	370,000
Improvement, 2006	2021	4.00 - 4.25	7,995,000
Improvement, 2008	2022	4.00	1,400,000
Improvement, 2008	2023	3.00 - 4.00	1,775,000
Improvement, 2009	2013	0.95 - 3.5	861,336
Improvement, 2009	2024	4.409 - 5.887	2,685,000
Current refunding 2010	2010		64,940
Bond	2010	4.25 - 5.93	300,000
			<u>15,967,871</u>
Community College:			
DASNY Bonds	2010-2039	3.10 - 6.00	13,352,675
Serial Bonds - 2004A	2036	3.00	11,251,645
Serial Bonds - County	2010-2024	0.95 - 5.89	7,965,000
			<u>32,569,320</u>
Authority:			
Refunding Bonds	2014	4.20 - 5.50	13,925,000
Revenue Bonds 2007	2027	4.125 - 4.20	5,165,000
EFC Bonds	2026	3.63 - 4.77	28,385,000
			<u>47,475,000</u>
Total reporting entity			<u>\$ 291,767,489</u>

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(13) Noncurrent Liabilities, Continued

Principal and interest payments due on serial bonds outstanding at December 31, 2010 for the primary government and component units are as follows:

	<u>General obligations</u>	<u>OTASC</u>	<u>Total Governmental Activities</u>	<u>Total Business-type Activities</u>	<u>Total Component Units</u>
Principal:					
2011	\$ 12,153,186	4,500,000	16,653,186	1,175,333	6,389,889
2012	11,889,099	1,900,000	13,789,099	1,224,200	6,917,001
2013	11,302,608	2,100,000	13,402,608	1,251,195	7,196,035
2014	9,896,453	2,300,000	12,196,453	1,301,200	6,064,973
2015	9,355,572	2,500,000	11,855,572	1,403,290	3,620,665
Thereafter	<u>58,350,420</u>	<u>69,507,960</u>	<u>127,858,380</u>	<u>9,612,653</u>	<u>49,855,757</u>
Total principal	<u>112,947,338</u>	<u>82,807,960</u>	<u>195,755,298</u>	<u>15,967,871</u>	<u>80,044,320</u>
Interest:					
2011	5,018,652	3,517,125	8,535,777	652,081	3,604,233
2012	4,231,187	3,321,625	7,552,812	615,011	3,206,920
2013	3,760,331	3,196,625	6,956,956	567,245	2,873,735
2014	3,820,466	3,059,125	6,879,591	517,862	2,674,604
2015	3,483,063	2,909,125	6,392,188	466,497	2,468,890
Thereafter	<u>3,085,792</u>	<u>99,545,380</u>	<u>102,631,172</u>	<u>1,702,365</u>	<u>16,039,438</u>
Total interest	<u>23,399,491</u>	<u>115,549,005</u>	<u>138,948,496</u>	<u>4,521,061</u>	<u>30,867,820</u>
Total principal and interest	<u>\$ 136,346,829</u>	<u>198,356,965</u>	<u>334,703,794</u>	<u>20,488,932</u>	<u>110,912,140</u>

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

Capital Leases

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

The following is a schedule of future minimum lease payments required under the above agreements and the present value of the net minimum lease payments at August 31, 2010:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 18,547	624	19,171

Lease payments made for the fiscal year ended August 31, 2010 amounted to \$50,916 in principal and \$3,055 in interest.

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(13) Noncurrent Liabilities, Continued

Participation in The County's Debt Service

Centro has a capital financing agreement with the County which covers County bonding on behalf of Centro for Buses. The amount due from the Authority under this agreement is \$187,668 at December 31, 2010, and is also included as a receivable and deferred revenue in the Debt Service Fund.

Dormitory of the State of New York (DASNY)

The Community College has entered into financing agreements with DASNY to finance most of its educational facilities. The DASNY bonds for these facilities, which have a maximum 30 year life, will be repaid from the appropriations received from the State. Final maturity dates for the College's DASNY debt issues range from 2010 to 2039. Interest rates on the DASNY bonds range from 3.10% to 6.00%.

Advance Refunding

At December 31, 2010, the County had approximately \$9,072,410 in United States government securities deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on \$8,875,000 of outstanding serial bonds that were previously defeased. Since the serial bonds are considered to be defeased, the liability for those bonds has been removed from the County's financial statements.

Debt Limit

At December 31, 2010, the County had exhausted approximately 17% of its constitutional debt limit.

(14) Interfund Transactions

<u>Fund</u>	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General	\$ 653,134	8,505,292	-	21,220,235
Debt service	130,481	30,879	16,235,757	-
Other governmental funds	6,280,558	1,051,064	5,687,428	702,950
Fiduciary funds	3,062,518	1,259	-	-
Business type	30,879	569,076	-	-
Total activities	\$ <u>10,157,570</u>	<u>10,157,570</u>	<u>21,923,185</u>	<u>21,923,185</u>

- Transfers of \$5,438,495 from the General Fund to the County Road and Capital Funds were for capital improvements on County roadways, infrastructure, and buildings.
- Transfers of \$138,876 to the Special Grant Fund (other governmental funds) provide local support for the Work Force Investment Program.
- Transfers of \$15,532,807 from the General Fund to the Debt Service Fund were for payment of the County's annual debt service requirements.

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(15) Fund Balance - Special Reserves

State statutes require the County to reserve excess revenues over expenditures under the STOP DWI Program for use in the program in the following fiscal year. The amount of excess STOP DWI Program funds reserved in the General Fund at December 31, 2010 was \$714,392.

The remaining General Fund special reserves balance represents handicapped parking fees of \$19,530.

(16) Obligations Under Leases

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

(17) Significant Claims and Contingent Liabilities

Judgments and Claims

The reporting entity of the County is subject to various claims and legal actions in the ordinary conduct of its affairs. Such claims and legal actions, in the opinion of management, are not expected to have a material effect on the financial condition of any of the components of the County's reporting entity. However, at December 31, 2010, the County recorded a liability of \$364,000 for potential losses.

Federal and State Funded Programs

The County participates in a number of Federal and New York State grant and assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial. Expenditures disallowed by completed audits have generally been immaterial in nature and, accordingly, have been reflected as adjustments to revenues in the year the expenditure was determined to be unallowable.

Grants

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

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(18) Risk Management

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

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

The estimated accrued claims of \$15,737,826 reported in the fund at December 31, 2010 are based upon the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. A receivable has been recorded for amounts due from other municipalities that participate in the program. All liabilities are recorded at their value as of December 31, 2010. Changes in the fund's accrued claims liabilities for the year ended December 31, 2010 are as follows:

<u>Beginning of Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Year End</u>
\$14,417,826	5,283,215	3,963,215	\$15,737,826

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

In addition to its workers' compensation program, the County is self-insured for the major medical portion of its health insurance. Under this program, the County accounts in the General Fund for claims in the General Fund with maximum exposure of \$100,000 per person per year and \$1,000,000 per person per lifetime. The County has \$1,111,000 accrued at December 31, 2010 in the General Fund for claims reported and those incurred but not yet reported and is included in accounts payable. Remaining health insurance and dental coverage is provided through commercial insurance.

COUNTY OF ONEIDA, NEW YORK  
Notes to Financial Statements, Continued

(18) Risk Management, Continued

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

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

(19) Sewer District Consent Order

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

COUNTY OF ONEIDA, NEW YORK  
Statement of Revenue and Expenditures  
Budget and Actual - General Fund  
Year ended December 31, 2010

	Original <u>budget</u>	Final <u>budget</u>	<u>Actual</u>	Variance with final budget positive <u>(negative)</u>
Revenue:				
Real property taxes	\$ 62,034,324	62,034,324	62,146,756	112,432
Real property tax items	5,215,000	5,215,000	5,535,372	320,372
Nonproperty tax items	86,064,750	120,687,534	121,952,694	1,265,160
Departmental income	17,142,753	17,209,753	15,158,236	(2,051,517)
Intergovernmental charges	12,415,090	12,473,090	11,400,787	(1,072,303)
Use of money and property	2,375,291	2,375,291	1,930,660	(444,631)
Licenses and permits	15,100	15,100	20,426	5,326
Fines and forfeitures	898,656	942,156	799,597	(142,559)
Sale of property and compensation for loss	348,390	348,390	754,550	406,160
Miscellaneous local sources	1,422,430	1,439,210	1,329,742	(109,468)
Interfund revenue	95,208	95,208	92,682	(2,526)
State and federal aid	<u>115,087,926</u>	<u>120,209,300</u>	<u>109,457,254</u>	<u>(10,752,046)</u>
Total revenue	<u>303,114,918</u>	<u>343,044,356</u>	<u>330,578,756</u>	<u>(12,465,600)</u>
Expenditures:				
General governmental support	27,481,761	62,244,170	60,778,145	1,466,025
Education	23,926,271	23,601,172	22,419,678	1,181,494
Public safety	41,093,453	42,075,799	40,866,407	1,209,392
Public health	21,612,101	22,328,274	20,377,555	1,950,719
Transportation	5,606,950	5,597,037	5,005,645	591,392
Economic assistance and opportunity	162,378,783	166,415,161	159,645,368	6,769,793
Culture and recreation	2,147,495	2,159,565	2,158,588	977
Home and community services	<u>3,108,014</u>	<u>3,134,918</u>	<u>2,931,628</u>	<u>203,290</u>
Total expenditures	<u>287,354,828</u>	<u>327,556,096</u>	<u>314,183,014</u>	<u>13,373,082</u>
Excess of revenue over expenditures	15,760,090	15,488,260	16,395,742	907,482
Other uses - transfers to other funds	<u>(21,323,773)</u>	<u>(21,323,773)</u>	<u>(21,220,235)</u>	<u>103,538</u>
Excess (deficiency) of revenue over expenditures and other uses	<u>\$ (5,563,683)</u>	<u>(5,835,513)</u>	<u>(4,824,493)</u>	<u>1,011,020</u>

COUNTY OF ONEIDA, NEW YORK  
Statement of Revenue and Expenditures  
Budget and Actual - Debt Service Fund  
Year ended December 31, 2010

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenue:				
Intergovernmental charges	\$ 571,607	571,607	707,320	135,713
Use of money and property	100,000	100,000	644,004	544,004
State and federal aid	<u>222,589</u>	<u>222,589</u>	<u>219,385</u>	<u>(3,204)</u>
Total revenue	<u>894,196</u>	<u>894,196</u>	<u>1,570,709</u>	<u>676,513</u>
Expenditures:				
General governmental support	8,000	8,042	8,042	-
Education	749,094	749,094	749,094	-
Debt service:				
Principal	11,334,239	11,334,239	11,334,239	-
Interest	<u>5,535,670</u>	<u>5,535,628</u>	<u>5,176,520</u>	<u>359,108</u>
Total expenditures	<u>17,627,003</u>	<u>17,627,003</u>	<u>17,267,895</u>	<u>359,108</u>
Excess (deficiency) of revenue over expenditures	<u>(16,732,807)</u>	<u>(16,732,807)</u>	<u>(15,697,186)</u>	<u>1,035,621</u>
Other uses - transfers from other funds	<u>16,132,807</u>	<u>16,132,807</u>	<u>16,235,757</u>	<u>(102,950)</u>
Excess (deficiency) of revenue over expenditures and other uses	<u>\$ (600,000)</u>	<u>(600,000)</u>	<u>538,571</u>	<u>1,138,571</u>



COUNTY OF ONEIDA, NEW YORK  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2010

<u>Assets</u>	<u>Special Grant</u>	<u>County Road</u>	<u>Road Machinery</u>	<u>Capital</u>	<u>OTASC</u>	<u>Total</u>
Cash and equivalents	\$ -	294,767	163,036	9,628,130	82,936	10,168,869
Deposits with trustees	-	-	-	-	4,644,759	4,644,759
Other receivables	524,555	23,390	376	-	-	548,321
Due from other funds	995	2,284,843	291,687	3,703,033	-	6,280,558
Total assets	<u>\$ 525,550</u>	<u>2,603,000</u>	<u>455,099</u>	<u>13,331,163</u>	<u>4,727,695</u>	<u>21,642,507</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	88,476	1,050,251	118,729	156	7,000	1,264,612
Accrued liabilities	152,143	392,413	-	1,094,753	-	1,639,309
Due to other governments	-	-	-	22,813	-	22,813
Due to other funds	113,300	370,696	138,643	428,425	-	1,051,064
Deferred revenue	-	759,703	-	-	-	759,703
Total liabilities	<u>353,919</u>	<u>2,573,063</u>	<u>257,372</u>	<u>1,546,147</u>	<u>7,000</u>	<u>4,737,501</u>
Fund balances:						
Reserved for encumbrances	3,653	21,987	53,995	19,495,815	-	19,575,450
Unreserved undesignated	167,978	7,950	143,732	(7,710,799)	4,720,695	(2,670,444)
Total fund balances	<u>171,631</u>	<u>29,937</u>	<u>197,727</u>	<u>11,785,016</u>	<u>4,720,695</u>	<u>16,905,006</u>
Total liabilities and fund balances	<u>\$ 525,550</u>	<u>2,603,000</u>	<u>455,099</u>	<u>13,331,163</u>	<u>4,727,695</u>	<u>21,642,507</u>

COUNTY OF ONEIDA, NEW YORK  
Combining Statement of Revenue, Expenditures, and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
Year ended December 31, 2010

	<u>Special Grant</u>	<u>County Road</u>	<u>Road Machinery</u>	<u>Capital</u>	<u>OTASC</u>	<u>Total</u>
Revenue:						
Departmental income	\$ -	900,022	-	-	-	900,022
Intergovernmental charges	-	2,471,385	-	-	-	2,471,385
Use of money and property	-	-	11,497	-	1,220	12,717
Licenses and permits	-	7,070	-	-	-	7,070
Sale of property and compensation for loss	-	550	61,346	-	-	61,896
Miscellaneous local sources	121,695	2,844	-	63,951	-	188,490
Interfund revenues	529,187	918,112	1,864,414	-	-	3,311,713
State and federal aid	2,258,849	3,411,271	-	7,043,029	-	12,713,149
Tobacco revenues	-	-	-	-	3,948,540	3,948,540
Total revenue	<u>2,909,731</u>	<u>7,711,254</u>	<u>1,937,257</u>	<u>7,106,980</u>	<u>3,949,760</u>	<u>23,614,982</u>
Expenditures:						
General government support	-	-	-	6,854,829	79,897	6,934,726
Public safety	-	-	-	2,039,435	-	2,039,435
Public health	-	-	-	50,494	-	50,494
Transportation	-	13,353,219	2,109,656	14,833,807	-	30,296,682
Economic assistance and opportunity	3,048,607	-	-	-	-	3,048,607
Culture and recreation	-	-	-	180,779	-	180,779
Home and community services	-	-	-	662,849	-	662,849
Debt service:						
Principal	-	-	-	-	175,000	175,000
Interest	-	-	-	-	3,737,300	3,737,300
Total expenditures	<u>3,048,607</u>	<u>13,353,219</u>	<u>2,109,656</u>	<u>24,622,193</u>	<u>3,992,197</u>	<u>47,125,872</u>
Deficiency of revenue over expenditures	<u>(138,876)</u>	<u>(5,641,965)</u>	<u>(172,399)</u>	<u>(17,515,213)</u>	<u>(42,437)</u>	<u>(23,510,890)</u>
Other financing sources and (uses):						
Proceeds of obligations	-	-	-	13,230,000	-	13,230,000
Transfers from other funds	138,876	5,438,495	-	110,057	-	5,687,428
Transfers to other funds	-	-	-	(702,950)	-	(702,950)
Total other financing sources	<u>138,876</u>	<u>5,438,495</u>	<u>-</u>	<u>12,637,107</u>	<u>-</u>	<u>18,214,478</u>
Net change in fund balances	-	(203,470)	(172,399)	(4,878,106)	(42,437)	(5,296,412)
Fund balances at beginning of year	<u>171,631</u>	<u>233,407</u>	<u>370,126</u>	<u>16,663,122</u>	<u>4,763,132</u>	<u>22,201,418</u>
Fund balances at end of year	<u>\$ 171,631</u>	<u>29,937</u>	<u>197,727</u>	<u>11,785,016</u>	<u>4,720,695</u>	<u>16,905,006</u>