S & P's Bond Rating: "AAA"***
Moody's Bond Rating: "Aa2"***
Fitch's Bond Rating: "AA"***

NEW ISSUES **SERIAL BONDS**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2009C Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). In the further opinion of Bond Counsel, interest on the 2009C Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, nor is it included in the adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel is of the opinion that interest on the 2009D Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that interest on the 2009C Bonds and the 2009D Bonds is exempt from personal income taxes imposed by the State of New York (or any political subdivision thereof, (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of or the accrual of interest on the Bonds. See "TAX MATTERS" herein.

The 2009C Bonds will be designated "qualified tax-exempt obligations" pursuant to Section 265(b) (3) of the Code.

$20,410,000

COUNTY of ONEIDA, NEW YORK

GENERAL OBLIGATIONS

$6,360,000 Public Improvement (Serial) Bonds, 2009C

(the "2009C Bonds")
CUSIP BASE: 682454

Dated: Date of Delivery **Due: August 1, 2010-2014**

MATURITIES

Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP
2010	$1,210,000	0.95%	0.95%	3W1	2012	$ 1,275,000	3.50%	1.84%	3Y7	2014	$ 1,350,000	2.50%	2.70%	4A8
2011	1,225,000	3.00	1.60	3X9	2013	1,300,000	3.50	2.20	3Z4					

$14,050,000 Public Improvement (Serial) Bonds, 2009D (Federally Taxable Series)

(the "2009D Bonds")
CUSIP BASE: 682454

Dated: Date of Delivery **Due: August 1, 2015-2024**

MATURITIES

Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP
2015	$1,350,000*	4.409%	4.409%	4B6	2018	$1,400,000*	5.087%	5.087%	4E0	2022	$ 110,000*	5.637	5.637	4J9
2016	1,350,000*	4.771	4.771	4C4	2019	1,400,000*	5.187	5.187	4F7	2022	1,290,000**	5.637	5.637	4M2
2017	1,350,000*	4.987	4.987	4D2	2020	1,400,000*	5.387	5.387	4G5	2023	1,500,000**	5.737	5.737	4K6
					2021	1,400,000*	5.487	5.487	4H3	2024	1,500,000**	5.887	5.887	4L4

* Build America Bonds ("BABs").

** Recovery Zone Economic Development Bonds ("RZEDBs").

*** The scheduled payment of principal of and interest on Bonds when due will be guaranteed under a financial guaranty insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Corp. ("Assured Guaranty"). See "APPENDIX - F" herein.

ASSURED GUARANTY

The Bonds are general obligations of the County of Oneida, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount. The Bonds are subject redemption prior to maturity as described herein.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on February 1, 2010 and semi-annually thereafter on August 1 and February 1 in each year until maturity. Principal and interest will be paid by the County to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds, as described herein.

The Bonds are offered when, as and if issued and received by the Underwriter and subject to the receipt of the unqualified legal opinion as to the validity of the Bonds of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York, New York. Certain legal matters will be passed on from the Underwriter by its counsel, Bond, Schoeneck & King, PLLC, Syracuse, New York. It is anticipated that the Bonds will be available for delivery in New York, New York on or about August 12, 2009.

RBC CAPITAL MARKETS

July 31, 2009

COUNTY of ONEIDA, NEW YORK

www.ocgov.net

BOARD OF COUNTY LEGISLATORS

GERALD J. FIORINI
Chairman

Stephen Roefaro
Chad Davis
David K. Wilcox
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Rose Ann Convertino
Michael B. Waterman
Michael D. Damsky
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Peter A. Caruso
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Emil R. Paparella
Frank Puma
Les Porter
Brian D. Miller
Edward C. Stephenson
Frank D. Tallarino
Norman Leach
Edward P. Welsh
James M. D'Onofrio

* * * * * * * *

ANTHONY J. PICENTE, Jr.
County Executive

SANDRA J. DEPERNO
County Clerk

LINDA M. H. DILLON, ESQ.
County Attorney

JOSEPH J. TIMPANO
County Comptroller

SHERYL A. BROWN
Deputy County Comptroller

ANTHONY R. CARVELLI
County Commissioner of Finance

FISCAL ADVISORS & MARKETING, INC.
County Financial Advisors

ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

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

The Underwriter has provided the following sentence for inclusion in this Official Statement. "The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of its responsibilities under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKETS. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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PREPARED WITH THE ASSISTANCE OF

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CORPORATE HEADQUARTERS
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OFFICIAL STATEMENT

of the

COUNTY of ONEIDA, NEW YORK

Relating To

$6,360,000 Public Improvement (Serial) Bonds, 2009C

and
$14,050,000 Public Improvement (Serial) Bonds, 2009D (Federally Taxable Series)

This Official Statement, which includes the cover page and appendices, has been prepared by the County of Oneida, New York (the "County," and "State," respectively), in connection with the sale by the County of the principal amount of $6,360,000 Public Improvement (Serial) Bonds, 2009C (the "2009C Bonds") and $14,050,000 Public Improvement (Serial) Bonds, 2009D (Federally Taxable Series) (the "2009D Bonds") (collectively referred to herein as the "Bonds").

The factors affecting the County's financial condition and the Bonds are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the County's tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

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

DESCRIPTION OF THE BONDS

The Bonds are general obligations of the County, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the County is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount.

The Bonds will be dated the date of delivery and will mature in the principal amounts and on the dates as set forth on the cover page. The record date for the Bonds will be the fifteenth day of the calendar month preceding such interest payment.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on February 1, 2010 and semi-annually thereafter on August 1 and February 1 in each year until maturity. Principal and interest will be paid by the County to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

Optional Redemption

The 2009C Bonds are not subject to redemption prior to maturity.

Make Whole Redemption of the 2009D Bonds. The 2009D Bonds are subject to redemption prior to maturity by written direction of the County, in whole or in part, on any Business Day, at the "Make Whole Redemption Price" (as directed herein). The Make-Whole Redemption Price is the greater of (i) 100% of the principal amount of the 2009D Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the 2009D Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2009D Bonds are to be redeemed, discounted to the date on which the 2009D Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the adjusted "Treasury Rate" (as defined herein) plus 50 basis points, plus, in each case, accrued and unpaid interest on the 2009D Bonds to be redeemed on the redemption date. The "Treasury Rate" is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the 2009D Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

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

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. As such, the Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds (two bonds will be issued for bonds maturing in 2022).

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

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

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

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

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

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

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

Source: The Depository Trust Company.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law, or the County may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof. Principal of the Bonds when due will be payable upon presentation at the principal corporate trust office of the bank or trust company located and authorized to do business in the State to be named as fiscal agent by the County upon termination of the book-entry-only system. Interest on the Bonds will remain payable on February 1, 2010 and semi-annually thereafter on August 1 and February 1 in each year to maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the fifteenth day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the respective Bond Determinations Certificates of the County Comptroller authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the fifteenth day of the calendar month preceding an interest payment date and such interest payment date.

American Recovery and Reinvestment Act of 2009 (ARRA)

The 2009D Bonds have been designated as Build America Bonds (BABs) and Recovery Zone Economic Development Bonds (RZEDBs) as authorized by ARRA. The maturities for each have been specified as follows:

	BABs	RZEDBs
8/1/2015	$ 1,350,000	
8/1/2016	1,350,000	
8/1/2017	1,350,000	
8/1/2018	1,400,000	
8/1/2019	1,400,000	
8/1/2020	1,400,000	
8/1/2021	1,400,000	
8/1/2022	110,000	1,290,000
8/1/2023		1,500,000
8/1/2024		1,500,000

BABs and RZEDBs are issued as taxable bonds and the County receives an interest subsidy from the United States Treasury of 35% in the case of BABs and 45% in the case of RZEDBs. The County's allocation of RZEDBs is $4,290,000. There is no limit on the amount of BABs that may be issued.

Purposes of Issue

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

Purpose	Authorization Date	Amount
Griffiss Airfield Redevelopment	February 25, 2009	$ 413,380
Griffiss Airfield Maintenance & Snow Removal Equip.	February 25, 2009	1,950,000
County Wide Computerizaton	February 25, 2009	275,000
COB Asbestos Abatement	February 25, 2009	2,000,000
Comprehensive Bldg Renovations Phase 3	February 25, 2009	865,000
OC Business Park Road Improvements	February 25, 2009	300,000
Former Oriskany Airfield Bldg Improvements	February 25, 2009	993,832
MVCC – Athletic & Phys. Ed. Facilities Masterplan	February 25, 2009	2,000,000
MVCC – Campus Wide Site Improvements	February 25, 2009	250,000
Roof Replacement – Old Jail & Law Enforcement Bldg.	February 25, 2009	350,175
Paving Sheriff Building Parking Lot	February 25, 2009	109,480
Renovations Oneida County Historical Society	February 25, 2009	275,000
County Road Reconstruction	February 25, 2009	3,500,000
Reconstruction of Bridges	February 25, 2009	2,000,000
Construction/Maintenance Snow Equip. Phase 3	February 25, 2009	375,000
Sewer System & Plant Evaluation Study	February 25, 2009	3,533,333
Water Pollution Control Facilities & Equip Improvements	February 25, 2009	210,000
Repair, Renovate & Upgrade HVAC System	May 13, 2009	1,009,800
	Total	$ 20,410,000

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

THE COUNTY

General Information

The County is located in central upstate New York, in the area commonly known as the Mohawk Valley. It is situated on the New York State Thruway with the City of Syracuse located approximately 50 miles to the west, and the City of Albany approximately 90 miles to the east.

The County has a land area of 1,227 square miles and has within its boundaries two major urban centers – the Cities of Utica (2008 U.S. Census population of 58,082) and Rome (2007 U.S. Census population of 33,673). The estimated 2008 U.S. Census population for the County is 231,590.

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

Source: Mohawk Valley EDGE (February 2009).

Upper Mohawk Valley Regional Water Finance Authority/Water Board

On August 2, 1994, Title 10 of the Public Authorities Law was enacted creating the Upper Mohawk Valley Regional Water Finance Authority (the "Finance Authority") and Title 10-A of said Law was enacted creating the Upper Mohawk Valley Regional Water Board (the "Water Authority"). The Finance Authority and the Water Authority are each public benefit corporations. In 1996, bonds were issued by the Finance Authority in the amount of $31,569,527 to purchase from the City of Utica (the "City") its water supply, filtration and distribution system. The City of Utica received $9,000,000 in cash and a $7,000,000 promissory note payable over a forty (40) year period. The Finance Authority has issued an additional $50,080,020 in bonds. As February 28, 2009, the Finance Authority's total outstanding debt was $66,458,720.

Upper Mohawk Valley Auditorium Authority

Chapter 130 of the New York State Laws of 1996 established the Upper Mohawk Valley Memorial Auditorium Authority. The purpose of this authority is to assume ownership and operation of the auditorium from the City which took place in 1996.

Recent Financial Developments

Audited financial results for the fiscal year ending December 31, 2008 show the County having an operating deficit of $9,901,797 with a budget surplus of $429,295.

The total General Fund balance at December 31, 2008 was $30 million. Of this total, $10 million was designated for Fiscal Stability, $6.8 million was appropriated for the 2009 budget, $700,000 was designated for pending tax certiorari, $780,000 was designated for Economic Growth and Community Development, $1,000,000 for GASB 45 OPEB costs, $459,892 for "Pay-As-You-Go" Capital Projects and approximately $1.4 million was restricted for encumbrances and other program specific items.

As part of the federal economic stimulus plan, the County is receiving enhanced Federal Medical Assistance Percentage (FMAP) funding to help decrease the burden of Medicaid costs. The estimated amount allocated to the County is $19-$26 million for October 2008 through December 2010. New York State is currently paying counties 80% of their estimated allotment, and withholding the balance until they complete a final reconciliation of the Medicaid program costs later this year. Under this discounted formula, Oneida County will receive a minimum of $8.8 million in 2009 and expects this amount to increase once the State disburses the final withheld amounts.

Major Employers

Name	Business	Approx Number of Employees
Oneida Indian Nation Enterprises	Resort and casino	4,777
Mohawk Valley Network	Medical facilities	3,010
CNY Developmental Services	Not-For-Profit Agency	3,000
NY State Department of Corrections	Correctional Facilities	2,738 *
St. Elizabeth Medical Center	Medical Facility	1,965
Upstate Cerebral Palsy	Human services/educational	1,900
Metropolitan Life	Life Insurance	1,513
Rome Memorial Hospital	Medical Facility	1,460
Wal-Mart	Distribution Center	1,400
Resource Center for Independent Living	Human services	1,400
Utica National Insurance Co.	Insurance	1,325
Air Force Research Lab at Rome Research Site	Research Facility	1,275
Remington Arms	Manufacturing (sporting arms)	1,020
Defense Finance and Accounting Service	Back office accounting	1,003
ACS	Data Processing	900
Bank of America	Financial services	840
Bank of New York	Back office	810
ARC Oneida-Lewis Chapter	Not-for-Profit Agency	700
The Hartford Insurance Group	Insurance	700
Mohawk Valley Psychiatric Center	Medical Facility	675 *
Masonic Care Community	Nursing Home & Research Center	661
Hamilton College	Education	600
International Wire	Manufacturing	596
Rite Aid Distribution Center	Distribution Center	576
Slocum Dickson Medical Group	Healthcare	566
DaimlerChrysler Commercial Buses North America	Bus manufacturing	508
Lutheran Care Ministries	Nursing Home	465 *
Empire Aero Center	Aircraft Maintenance	460
Excellus Blue Cross/Blue Shield	Health insurance	453
Special Metals Corporation	Metals manufacturing	449
Revere Copper Products	Manufacturing	400
APAC Teleservices	Telemarketing	400
Mohawk Valley Community College	Education	400
Family Dollar	Distribution Center	331
Harden Furniture	Furniture manufacturing	316
Birnie Bus	Busing	230

In addition to the above, the Federal, State and County governments and school districts in the Utica-Rome MSA employ approximately 22,700 people.

Source: Mohawk Valley Economic Development Growth Enterprises Corporation (EDGE) (February 2009).

* Numbers not confirmed by EDGE.

Wealth and Income Indicators

Per capita income statistics are available for the County and State. Listed below are select figures from the 1990, 2000 and 2007 Census reports.

	Per Capita Income			Median Family Income		
	1990	2000	2007 [(1)]	1990	2000	2007 [(1)]
County of:						
Oneida	$ 12,227	$ 18,516	$ 22,241	$ 32,557	$ 45,341	$ 52,718
State of:						
New York	$ 16,501	$ 23,389	$ 29,230	$ 39,741	$ 51,691	$ 64,107

[(1)] The estimates represent the average characteristics of population and housing between January 2005 and December 2007 and do not represent a single point in time.

Source: U.S. Census Bureau.

Local Economy Changes

Griffiss Business and Technology Park

Griffiss Business and Technology Park is a 3,500-acre multi-use business, technology and industrial park on the grounds of the former Griffiss Air Force Base in Rome. There are approximately 70 employers at Griffiss Park, and total employment surpassed 5,500 in 2008. Major employers include the Air Force Research Laboratory, Defense Finance and Accounting Service, Northeast Air Defense Sector, Goodrich Corporation, BAE Systems, Cathedral Corporation, ITT Technology, Empire Aero Center, MGS Manufacturing, Birnie Bus Services and the Rome City School District.

More than $350 million in public and private funding has been invested in the development of Griffiss Park over the last 15 years. These capital projects include demolition of more than 2.5 million square feet of obsolete former military buildings and housing to make way for new development; construction of a new parkway and other roads to improve the transportation system; construction of a new public high school; a project to consolidate and improve space occupied by the Air Force Research Lab; construction of a new distribution center for Family Dollar, a research and development facility for Mascoma, a cellulosic fuel manufacturer and new manufacturing plants for Goodrich Corporation, MGS Manufacturing and East Coast Olive Oil; construction of new office buildings for various private sector uses; a major renovation and expansion of an aircraft hangar to accommodate Empire Aero Center, a heavy aircraft maintenance, repair and overhaul facility; capital improvements to numerous facilities for industrial use; and infrastructure improvements to make various parcels shovel-ready for development.

In 2008-2009:

- Mascoma-New York, LLC, a subsidiary of Mascoma Corporation, based in Cambridge, MA, has purchased the Griffiss shell building and its entire 18-acre parcel. Mascoma-New York will develop a cellulosic ethanol research and development facility whereby they will develop new methods of extracting bio-fuels from wood waste and other domestic agricultural feedstocks. Mascoma will invest $30 million in the plant.

- The Wingate Hotel opened in July 2008. This 76 bed hotel services the business traveler to Griffiss Business and Technology Park. They offer a full business center with meeting rooms for 50 people and a boardroom for 10 people.

- Empire Aero Center will continue hiring 10 mechanics per month as its work force grows from the current 450 to 1,000. Three times per year, airframe and power plant mechanics graduate from a new curriculum established by Mohawk Valley Community College to supply a work force for EAC. The school continues to supply employees to EAC as well as other industries that require a highly skilled workforce.

- Griffiss International Airport has contracted with Million Air to operate its fixed base operation. Construction of a new FBO facility and a new hangar to support private aircraft is planned for 2009.

- The Defense Finance and Accounting Service has reached its target of 1,000 employees and has plans to add an additional 65 employees in 2009.

- Northeast Air Defense Sector began construction on a new $9.6 million headquarters building adjacent to its operation center. The new facility will open in 2009.

- BAE Systems will expand its Northeast Engineering Development Center (NEDC) at Griffiss Business and Technology Park by leasing 12,518 square feet of office space on the second floor of the recently completed addition to Griffiss Institute for Information Assurance building. They plan on adding 15 jobs over the next three years, on top of their current workforce of 135.

Additional Information

- Nine pieces of public art have been leased or purchased to create Griffiss International Sculpture Garden. These sculptures are located along walking paths and heavily developed sections of Griffiss Business and Technology Park.
- A 20,000-square-foot addition is nearing completion on the Griffiss Institute. The addition will provide class A office space to BAE, an expanding technology company located in Griffiss for nine years.
- Oneida Financial Services has leased space to Alion, a technology solutions company headquartered in McLean, VA.
- Assured Information Security, a software development company founded in 2002 (another EGC Properties' tenant), has been named to Fortune 500's fastest growing business list for 2008. They also were named No. 35 in INC Magazine's Top 100 Government Services Companies.
- Griffiss Local Development Corporation (GLDC) in 2008 demolished an obsolete, former military building adjacent to Empire Aero Center and the Air Force Research Lab to facilitate the growth of both in the Park.
- Sovena, USA formerly East Coast Olive Oil has been voted as PLBuyer's 2008 Category for Excellence in Private Label Leadership Programs for the oils category.

Additional Local Economic Growth

Mohawk Valley EDGE coordinates with the Oneida County Industrial Development Agency (OCIDA) to provide tax-exempt bond financing and other tax incentives for eligible projects. In 2007, OCIDA authorized 17 sale-leasebacks and $55.5 million in tax-exempt bond projects to promote economic development, private investment and job growth, including a new facility for The Hartford Insurance Company, who will be constructing a $23 million facility in the newly constructed New Hartford Business Park.

New York State and Mohawk Valley EDGE have invested nearly $5 million in the pre-permitting, engineering and marketing of Marcy NanoCenter, a 300-acre greenfield on the State University of New York Institute of Technology campus being marketed to the nanoelectronics industry, and is preparing to invest nearly $20 million in various infrastructure improvements, site grading, wetlands mitigation and road improvements to make this site more attractive to semiconductor and nanoelectronics companies.

Saes Getters S.p.A. announced that it has signed an agreement to purchase from Special Metals Corporation substantially all of the assets of its Shape Memory Alloys (SMA) Business. The anticipated acquisition will be made through the newly incorporated SAES Smart Materials, Inc., a New York company, which is wholly owned by Saes Getters International Luxembourg S.A. The SMA Business, which is located in New Hartford (NY), develops, manufactures and sells custom Nitinol alloys and special high purity alloys and includes, among others, real property, machinery, equipment, contracts and intellectual property rights. The SMA Business will employ about 35 people.

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

The Turning Stone Resort Championship golf course had its debut in September 2007 as a new stop on the PGA Tour.

Mohawk Valley EDGE continues to market the entire region to site selectors, developers and businesses around the globe who are seeking to expand their presence and invest in the Northeast United States. Key development sites in the Mohawk Valley being aggressively marketed include Griffiss Business and Technology Park, Oneida County Airport Business Park, Route 5S North Industrial Park, Schuyler Business Park, West Frankfort Industrial Park, Dominick Assaro Business Park, and Utica Business Park. In addition, EDGE assisted local and national realtors and site selection firms seeking information on several local greenfield sites; assisted RICD in rezoning its South Rome site for a possible distribution center; assisted the Town of New Hartford in a Tax Increment Financing plan for a new business park; and commenced consultant selection for a Master Plan for the former Oneida County Airport site in the Town of Whitestown.

Job Growth

The following table is a partial listing of recently completed, on-going and pending projects in the County as well as the approximate number of jobs created, being created or to be created:

Project	Type	Status	Jobs Created/Anticipated
Assured Information Security	Technology	Growing	20 created in 2008
Empire Aero Center	Aircraft maintenance	Growing	460 currently; 1,000 in 3-5 years
Defense Finance and Accounting Service	Back office	Growing	1,000 created
Oneida Indian Nation	Hospitality	Growth continues	4,700 and growing
SAES Getters	Manufacturing	In Progress	35 jobs in 3 years
Sovena, USA	Production and distribution	Completed	135 retained
International Wire	Manufacturing	Completed	50 new jobs
The Hartford Insurance	Back Office	In progress	600 jobs retained, 10 added
Wingate by Wyndham	Hospitality	Completed	26 new jobs
Upstate Cerebral Palsy	Human Services	Growing	200 new jobs
Resource Center for Independent Living	Human Services	Growing	100 new jobs, 1,300 retained

Source: Mohawk Valley EDGE (February 2009).

Oneida-Herkimer Solid Waste Management Authority

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

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

In 1992, the Solid Waste Authority issued revenue bonds to pay the costs of, or to refund obligations previously issued to pay costs of its various facilities. These bonds were refunded in 1998. Remaining principal on outstanding bonds is $20,410,000. In 2006, the Authority issued revenue bonds through the Environmental Facilities Corporation (EFC) for a large portion of the cost of constructing a Regional Landfill. Remaining principal on these outstanding bonds is $30,921,675. The portion of construction costs that were not eligible for EFC financing were funded with revenue bonds issued in 2007. The remaining principal on these outstanding bonds is $5,565,000.

The Solid Waste Authority has, in the Solid Waste Management Agreement, committed to establishing fees and charges to all users at a level necessary to cover all operating and debt service expenses. In addition, the Counties have individually entered into a Solid Waste Management Agreement with the Solid Waste Authority pursuant to which the Counties have agreed to pay the Solid Waste Authority, if necessary, a service fee equal to the operating costs, less revenues, of the Solid Waste Authority's operations. The obligation of the Counties to pay such service fee is joint and several and continuing as long as any bonds of the Solid Waste Authority remain outstanding, so long as the Solid Waste Authority continues to provide to the Counties, services, as defined in the Solid Waste Management Agreement. Pursuant to an Allocation Agreement by and between the Counties, the Counties have agreed to apportion such service fee between them in accordance with the ratio that the population of each County bears to the total population of the Counties. It is estimated that Oneida County will pay 75% of such service fee and Herkimer County will pay 25% of such service fee. Notwithstanding such service fee allocation agreement, the obligation of each of the Counties to pay such service fee is joint and several. There has never been an instance in which a service fee payment from the Counties has been triggered, and one is not anticipated in future years.

The Counties have also committed themselves to deliver all solid waste originated or brought within their respective jurisdictions to such facilities or provide for an integrated solid waste management system for all categories of all waste generated in the Counties. These local laws were the subject of litigation in Federal District Court brought against the Counties and the Solid Waste Authority by a group of six local haulers in April 1995. On April 30, 2007 the United States Supreme Court validated and affirmed the constitutionality of the local laws. This ends speculation on flow control for the Counties and provides certainty for the financial security of the Solid Waste Authority's system.

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

Annual revenues received by the Solid Waste Authority from its operations since 1993 are as follows:

Year	Amount	Year	Amount
1993	$ 18,489,077	2001	$ 20,943,847
1994	21,458,801	2002	21,573,058
1995	18,391,954	2003	24,569,342
1996	16,998,100	2004	25,589,545
1997	17,559,369	2005	23,967,736
1998	18,520,046	2006	24,554,766
1999	19,866,495	2007	23,739,474
2000	21,013,149	2008	27,994,733

Population Trends

U. S. Census 1960.................264,401
U. S. Census 1970.................273,070
U. S. Census 1980.................253,466
U. S. Census 1990.................250,836
U. S. Census 2000.................235,469
U. S. Census 2008.................231,590*

* Estimate

Banking Facilities

The following banks maintain offices in the County:

Bank	Offices
Alliance Bank, N.A.	5
Adirondack Bank, N.A.	7
Bank of America, N.A.	10
Bank of Utica	1
First Niagara Bank	5
HSBC Bank USA, N.A.	6
JPMorgan Chase Bank, N.A.	1
KeyBank, N.A.	2
NBT Bank, N.A.	5
M&T Bank	9
Oneida Savings Bank	7
RBS Citizens Bank, N.A.	4
The Rome Savings Bank	5

Unemployment Rate Statistics

	Year Average					
	2003	2004	2005	2006	2007	2008
Oneida County	5.5%	5.2%	4.8%	4.4%	4.3%	5.5%
New York State	6.4%	5.8%	5.0%	4.6%	4.5%	5.4%

2009 Monthly Figures

	Jan	Feb	Mar	Apr	May	June	July	Aug
Oneida County	8.0%	8.4%	8.0%	7.1%	7.2%	7.7%	N/A	N/A
New York State	7.6%	8.4%	8.1%	7.5%	8.0%	8.6%	N/A	N/A

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

Form of County Government

Under the County Charter, the County is divided into 29 legislative districts with an elected legislator representing each district in the Board of County Legislators. The County Executive and County Comptroller are each elected to a four-year term. The County Executive is the Chief Executive of the County government while the County Comptroller is the Chief Fiscal Officer. The County Clerk, Sheriff, and the District Attorney are constitutional officials and are elected to four-year terms. The Commissioner of Finance, who is appointed by, and serves at the pleasure of the County Executive, is responsible for collection of taxes and other revenues and the custody of all public funds of the County.

Budgetary Procedures

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

State Aid

The County receives financial assistance from the State. In its budget for the current fiscal year, approximately 20% of the revenues of the County are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the County, may be affected by a delay in the payment of State aid.

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

Tobacco Settlement Securitization

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

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

Employees

The County provides services through approximately 1,660 full and part-time employees. The number of full time persons employed by the County, the collective bargaining agents, if any, which represent them and the dates of expiration of the collective bargaining agreements are as follows:

No. of Employees	Union	Contract Expiration Date
918	United Public Service Employees' Association Local 424	December 31, 2010
20	Civil Service Employees' Union	December 31, 2008 [1]
117	Deputy Sheriff's Police Benevolent Association	December 31, 2010
263	Oneida County Sheriff's Department Employee Local 1249	December 31, 2010

[1] Contract currently under negotiation.

Pension Payments

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

For the years 1998 through 2003, the County's contributions to the ERS were $713,113, $1,044,377, $1,008,586, $1,237,097, $843,139, and $4,504,310 respectively. The County's 2004-2005 contribution paid on February 1, 2005 was $7,897,133, of which 75% was applicable to 2004 ($5,922,850) and 25% was applicable to 2005 ($1,974,283). The County's contribution for 2005-2006 was prepaid (at a discount) on December 1, 2005 in the amount of $6,758,475, of which 75% was applicable to 2005 ($5,068,856) and 25% was applicable to 2006 ($1,689,619). The County's contribution for 2006-2007 was prepaid (at a discount) on December 1, 2006 in the amount of $6,194,344, of which 75% was applicable to 2006 ($4,645,758) and 25% was applicable to 2007 ($1,548,586). The County's contribution for 2007-2008 was prepaid (at a discount) on December 15, 2007 in the amount of $6,733,117 of which 75% was applicable to 2007 ($5,049,837) and 25% was applicable to 2008 ($1,683,280). The County's contribution for 2008-2009 was prepaid (at a discount) on December 15, 2008 in the amount of $5,634,452 of which 75% was applicable to 2008 ($4,225,839) and 25% was applicable to 2009 ($1,408,613).

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

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

On July 30, 2004, the Governor signed into law Chapter 260 of the Laws of 2004 ("Chapter 260"). Chapter 260 contains three components which alter the way municipalities and school districts contribute to the State pension system: (1) revision of the payment due date, (2) extension of the period of time for pension debt amortization, and (3) authorization to establish a pension reserve fund. Prior to the effective date of the provisions of Chapter 260, the annual retirement bill sent to municipalities and school districts from the State has reflected pension payments due between April 1 and March 31, consistent with the State fiscal year.

Chapter 260 provides for the following changes:

- Contribution Payment Date Change: The law changed the date on which local pension contributions are due to the State. The annual required contribution is now due Feb. 1 annually instead of Dec. 15. As a result, no payment was due in calendar year 2004. With many municipalities (but no school districts except those whose pension payments are made through the related city, such as Buffalo, Rochester, Syracuse and Yonkers) in the State on a calendar fiscal year end, this adjustment provided, a significant one-time benefit for fiscal 2004, allowing certain municipalities to use 2004 resources otherwise meant for pension expenditures for other budgeting purposes or to add to fund balance.
- Pension Cost Amortization-Extension of Payout Period: The law also permits municipalities to amortize a portion of the current year pension cost over a period of 10 years, extending the term from five years as authorized under the 2003 Chapter 49 legislation. Municipalities can amortize, either directly through the State retirement system at a fixed interest rate annually determined by the State Comptroller or through the capital markets, pension payments in excess of 7% of eligible payroll in 2005, 9.5% in 2006, and 10.5% in 2007. The County has chosen to pay its contributions in full.
- Pension Contributions Reserve Fund: The law creates special authorization to create a new category of reserve fund under the General Municipal Law. Municipalities and school districts may now establish a retirement contribution reserve fund that can be funded from other available current government resources.

In September 2007, the State Comptroller announced that the strength of the $154.5 billion Common Retirement Fund (CRF) had allowed him to lower the employer contribution rates for the Employees' Retirement System (ERS) for 2008. For 2009, ERS will drop to 8.5 percent from 9.6 percent of payroll. In light of current economic conditions, employer contribution rates are anticipated to increase in 2010.

While the County is aware of the potential negative impact on its budget and will take the appropriate steps to budget accordingly for the increase, there can be no assurance that its financial position will not be negatively impacted.

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

It should also be noted that the County provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that will require governmental entities, such as the County, to account for post-retirement healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting. GASB 45 implementation is now required for all municipalities.

GASB 45 and OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. These benefits had generally been administered on a pay-as-you-go basis and had not been reported as a liability on governmental financial statements.

GASB 45 requires municipalities and school districts to account for OPEB liabilities similar to pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside the necessary funds against this liability. Unlike GASB 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

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

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC.

Actuarial Valuation is required every 2 years for OPEB plans with more than 200 members and every 3 years if there are less than 200 members.

The County contracted with an actuarial firm to calculate its OPEB present value liability, which was determined to be $51,332,703 at January 1, 2007. The ARC as of January 1, 2008 is $5,541,618 of which $2 million is paid annually as pay as you go expenses to over 500 retired employees. The actuarial firm's report is available upon request in the Comptroller's office. The aforementioned liability and ARC are recognized and disclosed per GASB 45 standards in the County's 2008 financial statements. The County has reserved $1,000,000 toward its OPEB liability.

Other Information

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

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

No principal or interest upon any obligation of this County is past due.

The fiscal year of the County is the calendar year.

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

Financial Statements

The financial accounts of the County are maintained in accordance with the New York State Uniform System of Accounts for counties. The County retains an outside independent auditor and is audited annually. The last audited report covers the period ending December 31, 2008. Certain financial information of the County may be found attached hereto as Appendices to the Official Statement.

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

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

TAX INFORMATION

Assessment Roll for Tax Roll Year	2005	2006	2007	2008	2009
County Taxable Valuation	$ 6,380,052,190	$ 6,458,698,447	$ 6,573,712,631	$ 6,808,325,854	$ 6,914,693,775
NYS Equalization Ratio (1)	88.32%	83.59%	78.02%	73.90%	69.90%
Full Valuation (2) (3)	$ 7,223,770,373	$ 7,726,433,675	$ 8,425,321,912	$ 9,213,095,499	$ 9,892,672,178

(1) Rounded.
(2) Full Valuation figures are calculated using the NYS Equalization Rates of each Town within the County.
(3) Full Valuation of Real Estate Taxable for County purposes.

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Tax Rate Per Million

Years Ending December 31:

Towns/Cities	2003	2004	2005	2006	2007	2008	2009
Annsville	$ 10.85	$ 10.76	$ 10.40	$ 10.43	$ 9.97	$ 10.09	$10.24
Augusta	8.55	8.47	8.91	9.22	8.95	8.59	8.81
Ava	68.33	55.25	51.73	48.15	44.75	47.41	53.39
Boonville	9.20	9.13	8.75	8.29	8.51	8.85	9.29
Bridgewater	91.04	89.30	92.22	106.51	97.25	96.39	7.18
Camden	219.91	224.55	243.94	246.46	238.45	248.29	272.19
Deerfield	33.30	35.98	35.28	37.88	37.90	37.91	39.12
Florence	29.13	29.32	28.87	28.50	27.28	27.10	28.73
Floyd	8.12	8.55	8.09	8.40	6.74	6.63	6.61
Forestport	7.68	7.87	8.22	8.89	8.86	6.07	6.07
Kirkland	8.06	8.73	9.00	9.44	9.53	9.88	10.89
Lee	178.68	176.26	169.25	183.27	167.87	172.21	190.57
Marcy	7.71	8.06	7.76	7.96	7.83	8.07	8.58
Marshall	8.90	9.14	9.06	9.09	9.66	9.67	9.60
New Hartford	8.13	8.10	7.76	7.59	7.33	7.50	7.65
Paris	8.86	8.95	9.05	7.45	6.91	7.16	7.56
Remsen	8.05	8.56	9.03	8.57	8.36	8.88	9.01
Rome	8.29	8.40	8.20	7.91	8.22	8.47	8.47
Sangerfield	8.14	8.95	8.32	8.44	8.29	8.13	9.19
Sherrill	8.13	8.02	7.74	7.58	7.93	8.26	8.64
Steuben	8.66	8.53	8.23	7.68	7.01	6.70	6.54
Trenton	12.59	7.91	7.85	8.21	8.20	8.90	9.11
Utica	8.35	8.25	7.89	7.80	7.29	7.64	8.55
Vernon	8.13	8.02	7.72	7.55	7.91	8.25	8.62
Verona	8.53	8.45	8.42	8.37	8.69	8.19	8.60
Vienna	8.22	8.90	8.66	8.60	8.82	10.08	10.26
Western	9.40	9.21	8.95	9.01	8.87	9.48	9.73
Westmoreland	8.49	8.36	8.00	8.68	8.45	8.96	9.63
Whitestown	8.32	8.18	8.09	8.36	8.47	8.45	8.77

Tax Collection Record

Years Ending December 31:	2003	2004	2005	2006	2007	2008
Total Tax Levy (warrant)	$ 54,659,216	$ 56,277,250	$ 56,269,182	$ 57,011,265	$ 57,033,557	$ 59,873,869
Uncollected End of Year	4,179,650	3,900,601	4,103,246	3,667,868	4,196,788	4,751,017
% Uncollected [(1)]	7.65%	6.93%	7.29%	6.43%	7.36%	7.94%

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

Note: The 2009 total tax levy is $63,364,492.

Tax Collection Procedure

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

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

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

Taxes for County purposes apportioned to the areas of the County outside the Cities of Utica and Rome are levied together with taxes for town and special district purposes as a single bill. The towns and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all taxes levied in the towns and special districts and for unpaid County taxes in the Cities of Utica and Rome. Uncollected outside-city school district and village taxes are assumed by the County for enforcement. Any such taxes remaining unpaid at year-end are relevied as County taxes on December 31st.

County Sales Tax

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

The current distribution of sales tax revenues is as follows:

(1) The Cities of Utica, Rome and Sherrill (the "Cities") receive 1-1/2% of the collections within their city boundaries and the County keeps the remaining 1-1/2%.

(2) The County shares the 3% collected outside the cities with the towns and villages in the County based upon equalized assessed valuation; 1-1/2% is distributed to said Towns and Villages and 1-1/2% is retained by the County.

The County also imposed, on September 1, 1992 an increase to the sales tax by 1%. This tax is due to expire on November 30, 2009. The County Legislators are expected to consider extending this additional tax for future years.

The distribution of the additional 1% is as follows:

(1) The cities of Utica, Rome and Sherrill receive 1/2% of the collections within their city boundaries and the County keeps the remaining 1/2%.

(2) The County shares the 1% collected outside the cities with the towns and villages in the County by the following: The County dedicates the first $1,500,000 to the Towns and Villages after the County receives in the aggregate $18,500,000 from the additional 1% sales tax.

The Board of County Legislators adopted a resolution of necessity and the New York State Legislature passed legislation (with the Governor signing into law) authorizing the County to impose an additional increase to the sales tax of 1.5%. The tax began March 1, 2005. This tax was reduced to 1% effective September 1, 2006. All of this 1% tax is retained by the County. See the table below that summarizes the County’s sales tax proceeds including monies realized from this legislation.

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. Such sales tax is to be collected and distributed as previously described above. In the same legislation, the New York State Legislature approved the extension of the additional sales tax imposed in 2005 at the amended rate of three quarters of one percent (3/4%) until November 30, 2009. Legislation has been approved by the New York State Legislature to extend both the 1% and ¾% for an additional two years, expiring on November 30, 2011.

Sales Tax Revenue

Year	Base Sales Tax (4%)	Additional Sales Tax Revenues [(1)]	Total
2000	$ 50,088,045	$ 0	$ 50,088,045
2001	50,772,786	0	50,772,786
2002	54,509,737	0	54,509,737
2003	57,029,332	0	57,029,332
2004	58,000,065	0	58,000,065
2005	58,906,951	31,787,383	90.694,334
2006	59,412,841	35,315,157	94,727,998
2007	61,740,593	26,630,442	88,371,035
2008	61,476,376	20,829,999	82,306,375

(1) The additional tax rate from March 1, 2005 through December 31, 2005 was 1.5%. The tax rate from January 1, 2006 through August 31, 2006 was 1.5% and from September 1, 2006 through December 31, 2006 it decreased to 1%. The tax rate decreased to .75% beginning December 1, 2007.

Constitutional Tax Margin

Computation of Constitutional Tax Margin for fiscal years ending December 31, 2005 through 2009:

	2005	2006	2007
Five-Year Average Full Valuation	$ 6,669,121,997	$ 6,917,613,878	$ 7,396,422,068 *
Tax Limit - 1.5%	100,036,830	103,764,208	110,981,796
Add: Exclusions From Limit	10,841,287	11,912,313	12,533,175
Total Taxing Power	$ 110,878,117	$ 115,676,521	$ 123,514,971
Less Total Levy	56,269,182	57,011,265	57,033,557
Tax Margin	$ 54,608,935	$ 58,665,257	$ 66,481,414

	2008	2009
Five-Year Average Full Valuation	$ 7,906,824,933	$ 8,497,227,713
Tax Limit - 1.5%	118,602,374	127,458,416
Add: Exclusions From Limit	12,850,381	14,713,149
Total Taxing Power	131,452,755	142,171,565
Less Total Levy	59,873,869	63,364,492
Tax Margin	$ 71,578,886	$ 78,807,073

* Slightly revised by the State from amounts originally calculated.

Larger Taxpayers - 2008 Assessment Roll

Name	Type	Valuation
National Grid (formerly Niagara Mohawk Power Corporation)	Utility	$ 261,551,719
Sangertown Square LLC	Real Estate/Commercial	84,135,740
Wal-Mart	Warehouse/Commercial	51,523,000
Verizon (formerly Bell Atlantic)	Utility	45,368,169
BG New Hartford LLC	Real Estate/Commercial	37,923,300
Iroquois Gas	Utility	33,427,610
Erie Blvd Hyropower	Utility	30,248,352
Riverside Enterprises LLC	Real Estate/Commercial	28,129,887
Utica Mutual Insurance Company	Insurance	18,704,900
Applewood Community	Manufactured Housing	12,693,890

The ten taxpayers, listed above, have a total estimated assessed value of $603,706,567, which represents 8.7% of the Taxable Valuation of $6,914,693,775. See also "LITIGATION" and "INDIAN LAND CLAIMS" herein.

Additional Tax Information

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

The total assessed valuation of the County consists of approximately 48% residential properties; 14% commercial properties; 2% industrial properties; 2% agricultural properties; 2% vacant properties, 7% utilities and 25% public service properties.

The typical property tax bill for a residential property having an average value of $68,000-$74,000 located in the County normally falls in the approximate range of $2,100-$3,200 in taxes. Taxes include County, City, and School District Taxes.

COUNTY INDEBTEDNESS

Constitutional Requirements

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

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

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

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

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

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

Statutory Procedure

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

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

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

(1) Such obligations are authorized for a purpose for which the County is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action contesting such validity is commenced within twenty days after the date of such publication,

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

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

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

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending December 31:	2003	2004	2005	2006	2007	2008
Bonds	$ 80,449,892	$ 76,094,892	$ 82,144,694	$ 92,853,692	$ 83,902,692	$ 95,599,563
Bond Anticipation Notes	1,300,000	17,169,000	10,514,000	2,850,000	22,565,871	28,819,439
Revenue Anticipation Notes	0	0	0	0	0	0
Other Debt	0	0	0	0	0	0
Total Debt Outstanding	$ 81,749,892	$ 93,263,892	$ 92,658,694	$ 95,703,692	$106,468,563	$ 124,419,002

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the County evidenced by bonds and notes as of July 15, 2009.

	Maturity	Amount Outstanding
Bonds	2009-2023	$ 114,664,692
Bond Anticipation Notes		
New York State ERS	November 15, 2009	900,000 [1]
	Total Indebtedness	$ 115,564,692

[1] To be retired with principal reductions.

Debt Statement Summary

Statement of indebtedness, debt limit, and net debt-contracting margin evidenced by bonds and notes as of July 15, 2009:

Five-Year Average Full Valuation			$ 8,496,258,727
Debt Limit - 7% thereof			594,738,111
Inclusions:			
Bonds	$ 114,664,692		
Bond Anticipation Notes	900,000		
Total Inclusions		$ 115,564,692	
Exclusions:			
Sewer Indebtedness [1]	$ 11,324,600		
Original Issue Discount of Zero Coupons	2,047,634		
Total Exclusions		$ 13,372,234	
Total Net Indebtedness Subject to Debt Limit			$ 102,192,458
Net Debt-Contracting Margin			$ 492,545,653
Percent of Debt Contracting Power Exhausted			17.18%

[1] Pursuant to Section 124.10 of the Local Finance Law.

Note: The issuance of the Bonds will increase the net indebtedness of the County by $20,410,000.

Estimate of Obligations to be Issued

The County does not anticipate further borrowings to take place this year.

Capital Planning and Budgeting

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

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

Function	2009	2010	2011	2012	2013	2014
General Govt. Support	$ 5,915,000	$ 6,910,000	$ 5,175,000	$ 4,865,000	$ 3,100,000	$ 7,350,000
Education	8,500,000	10,143,301	2,450,000	0	0	0
Public Safety	659,655	0	0	0	0	0
Transportation	25,910,780	21,584,448	18,490,463	8,931,531	14,981,531	14,809,923
Culture & Recreation	300,000	0	0	0	0	0
Totals	$ 41,285,435	$ 38,637,749	$ 26,115,463	$ 13,796,531	$ 18,081,531	$ 22,159,923

Funding Sources	2009	2010	2011	2012	2013	2014
Direct Approp.	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Reserve Funds	0	0	0	0	0	0
Bonds	18,913,815	22,877,399	16,202,963	13,162,781	5,406,531	22,159,923
State Aid	5,663,380	6,165,350	1,837,500	16,250	325,000	0
Other	1,000,000	0	0	0	0	0
Federal Aid	15,708,240	9,595,000	8,075,000	617,500	12,350,000	0
Totals	$ 41,285,435	$ 38,637,749	$ 26,115,463	$ 13,796,531	$ 18,081,531	$ 22,159,923

Overlapping Indebtedness

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

		Estimated Indebtedness	Estimated Exclusions (1)	Estimated Net Indebtedness
3	Cities	$ 96,158,036	$ 17,671,194	$ 78,486,842
26	Towns	41,936,766	22,066,914	19,869,852
19	Villages	16,627,304	10,827,479	5,799,825
18	School Districts	321,574,284	258,867,299	62,706,985
	Fire Districts	1,020,645	0	1,020,645
			Total	$ 167,884,149

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

Debt Ratios

The following table sets forth certain ratios relating to the County's indebtedness, giving effect to this financing, as of July 15, 2009:

	Amount of Indebtedness	Per Capita (a)	Percentage of Full Valuation (b)
Gross Direct Indebtedness (c)	$ 115,564,692	$ 499.01	1.17%
Net Direct Indebtedness (c)	102,192,458	441.26	1.03%
Gross Direct Plus Net Overlapping Indebtedness (d)	283,448,841	1,223.93	2.87%
Net Direct Plus Net Overlapping Indebtedness (d)	270,076,607	1,166.18	2.73%

Note: (a) The County's 2008 population is 231,590. (See "Population Trends" herein.)

(b) The County's full valuation of taxable real estate for 2009 is $9,892,672,178. (See "Valuations, Rates and Tax Levies" herein.)

(c) See "Debt Statement Summary" herein.

(d) The County's estimated applicable share of net underlying indebtedness is $167,884,149. (See "Underlying Indebtedness" herein).

Bonded Debt Service

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

INDIAN LAND CLAIMS

1. Oneida Indian Nation of New York, et al. v. County of Oneida New York, et al.
Civil Action No. 70-CV-35

The County was a defendant in an action entitled, Oneida Indian Nation of New York, et al. v. County of Oneida New York, et al. This case was in the court system for over thirty years, having originally been brought in the United States District Court for the Northern District of New York in 1970. The claim sought monetary damages for the trespass by the County on land claimed to be owned by the successors of the Oneida Indian Nation for the years 1968 and 1969. It involved land that was purchased by the State from the Oneida Indian Nation in 1795. The case had an extensive court history culminating in a decision by the United States Supreme Court in March of 1985. That decision affirmed lower court findings to the effect that the 1795 purchase by the State was illegal because of the failure of the State to get permission from the federal government. As a result, a judgment against the County in the amount of $7,635, together with simple interest at the rate of 6% per annum from January 1, 1968, was affirmed.

On August 29, 2002, Judge Neal McCurn, United States District Court, Northern District of New York ruled that the County had acted as a good faith trespasser. The damage amount due from the County was recalculated to be $8,360 plus interest and a judgment was entered accordingly. The County satisfied the judgment with funds furnished by the State. This case is completed and is included here only for historical information.

2. The Oneida Indian Nation of New York State, et al. v. The County of Oneida New York and the County of Madison, New York
Civil Action No. 74-CV-187

The County of Oneida is a defendant in another Indian land claim entitled, The Oneida Indian Nation of New York State, The Oneidas of the Thames, and the Oneida Tribe of Indians of Wisconsin, Inc. vs. The County of Oneida, New York, and the County of Madison, New York, which was brought in the United States District Court for the Northern District of New York in 1974. This action asserts possessory rights by three Oneida tribes to approximately 250,000 acres acquired by the State from the Oneida Indian Nation between 1795 and 1846. In June, 1998, the United States intervened in the action on behalf of the Oneidas against the Counties. In December, 1998, both the Oneidas and the U. S. sought permission to amend their complaints by adding, as a plaintiff, the Oneida of the Thames, and as defendants, the State and a class of 20,000 private landowners to the action, seeking damages plus interest computed from the dates of multiple treaties entered into between 1795 and 1846, and seeking possession of the land. On September 25, 2000 Judge McCurn denied the applications to add the private landowners and to seek possession but granted the applications to add the Oneida of the Thames as a plaintiff and the State as a defendant. The case was thereafter transferred to U. S. District Court Judge Lawrence E. Kahn. The plaintiffs filed amended complaints adding the State and seeking (1) a declaration that the plaintiff tribes had possessory rights to the land claim area; (2) damages under multiple theories regarding the subject lands which were allegedly wrongfully acquired from the Oneidas. The defendants filed responsive pleadings on January 12, 2001 which asserted various defenses and counterclaims. The New York Brothertown Indian Nation moved to intervene in the case as a plaintiff, and its motion was granted. The plaintiffs and plaintiff-intervenors moved to strike and dismiss the defenses and counterclaims, and those motions were granted in part and denied in part. Discovery was had. In August 2006, defendants moved for summary judgment to dismiss the action. In May 2007, Judge Kahn granted dismissal of all claims against the County, leaving only a monetary claim against the State. Both the plaintiffs and the State have filed appeals, which were argued on June 3, 2008, but the State's assumption of financial liability pursuant to State law §10 would seem to eliminate any adverse potential impact on the County.

3. Stockbridge-Munsee Community, et al. v. New York State, et al.
Civil Action No. 86-CV-1140

In addition to the litigation noted above, the County is also a defendant in another Indian claim entitled Stockbridge-Munsee Community, et al. v. New York State, et al. This case was filed in October of 1986 in the United States District Court for the Northern District of New York. It involves a claim by the Stockbridge-Munsee Indian Community to land located in parts of the Towns of Augusta and Vernon in Oneida County but not within the area claimed in The Oneida Indian Nation of New York State, et al. v. The County of Oneida, New York and the County of Madison, New York. The issues, in many respects, are similar to those in the Oneida cases described above. The Oneida Indian Nation of New York has intervened in this action, and the Court has pending before it cross-motions to dismiss the complaint and for summary judgment. Because an unfavorable outcome is neither probable nor remote, it is not possible to predict the outcome of this litigation.

4. Oneida Indian Nation v. Madison County and Oneida County
Civil Action No. 05-6408-CV(L)

The County is currently litigating its right to foreclose upon Oneida Indian nation properties in the above case. Judge David Hurd ruled against the County in June 2006; an appeal was argued in November 2007 in the Second Circuit Court of Appeals.

5. State of New York v. Salazar
Civil Action No. 6:08-CV-00644 (LEK) (GJD)

On May 20, 2008, the Department of the Interior issued its decision to take 8,833 acres of land in Oneida County as well as some land in Madison County, into trust for the Oneida Indian nation. New York State and both counties filed the above-entitled suit to overturn that decision.

It is noted that the trust application may have indirect implications for the County with regard to future tax revenues, if the tribes succeed and thereafter remove land from the tax rolls. (Taxes have not been paid on these lands for many years.) However, the State has for years made impact payments to the County for such loss and it is expected that impact payments would be a part of any eventual outcome of these matters, whether they are terminated by litigation or settlement. It is not possible to predict whether the County will ultimately lose tax revenues as a result of the trust application. For these reasons stated above, it appears unlikely that this case will cause any impact to the County.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the County upon any judgment or accrued claim against it shall not exceed nine per centum per annum. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of or interest on the Bonds.

In accordance with the general rule with respect to municipalities, judgments against the County may not be enforced by levy and execution against property owned by the County.

The Federal Bankruptcy Code allows public bodies recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

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

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the County.

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.”

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

CONTINUING DISCLOSURE UNDERTAKING

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

(i) to the Municipal Securities Rulemaking Board ("MSRB") during any fiscal year in which the Bonds are outstanding, certain annual financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced under the headings "The County", "Tax Information", "County Indebtedness", "Litigation", “Indian Land Claims” and all Appendices other than any relating to bond insurance and a copy of the audited financial statement (prepared in accordance with generally accepted accounting principles in effect at the time of audit) for the preceding fiscal year, if any; such information, data and audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such fiscal year or, if audited financial statements are prepared, sixty days following receipt by the County of audited financial statements for the preceding fiscal year, but, in no event, not later than the last business day of each such fiscal year.

(ii) in a timely manner, to the MSRB, notice of the occurrence of any of the following events with respect to the Bonds:

(a) principal and interest payment delinquencies

(b) non-payment related defaults

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) unscheduled draws on credit enhancements reflecting financial difficulties

(e) substitution of credit or liquidity providers, or their failure to perform

(f) adverse tax opinions or events affecting the tax-exempt status of the Bonds

(g) modifications to rights of Bondholders

(h) bond calls

(i) defeasances

(j) release, substitution, or sale of property securing repayment of the Bonds

(k) rating changes

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

(iii) in a timely manner, to the MSRB, notice of its failure to provide the aforedescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

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

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

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

The County is in compliance with all prior undertakings pursuant to the Rule

MARKET AND RISK FACTORS

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

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

Bond Insurance Risk Factors

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Financial Guaranty Insurance Policy (the “Policy”) for such payments. In the event Assured Guaranty is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys paid by the County to DTC. In the event Assured Guaranty becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of Assured Guaranty and its claim paying ability. Assured Guaranty’s financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of Assured Guaranty and of the ratings on the Bonds insured by Assured Guaranty will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See description of RATINGS herein.

The obligations of Assured Guaranty are general obligations of Assured Guaranty and in an event of default by Assured Guaranty, the available remedies may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the County or Underwriter have made independent investigation into the claims paying ability of Assured Guaranty and no assurance or representation regarding the financial strength or projected financial strength of Assured Guaranty is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the County to pay principal and interest on the Bonds and the claims paying ability of Assured Guaranty, particularly over the life of the investment. See “Bond Insurance” herein for further information provided by Assured Guaranty and the Policy, which includes further instructions for obtaining current financial information concerning Assured Guaranty.

INVESTMENT POLICY

Pursuant to the statutes of the State of New York, the County is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the County; (6) obligations of a New York public corporation which are made lawful investments by the County pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of County moneys held in certain reserve funds established pursuant to law, obligations issued by the County. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the County's current policy to invest in: (1) certificates of deposit or time deposit accounts issued by a bank or trust company authorized to do business in New York State and that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the County may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian. The County does not invest in reverse repurchase agreements.

LITIGATION

The County is subject to a number of additional lawsuits in the ordinary conduct of its affairs. The County does not believe, however, that such suits, individually or in the aggregate are likely to have a material adverse affect on the financial condition of the County. See also “INDIAN LAND CLAIMS” herein.

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 required the payment of a fine of One Hundred Fifty Thousand Dollars ($150,000) $120,000.00 of which was paid on July 13, 2007 and the DEC is allowing the remaining $30,000.00 to be applied by the County to an Environmental Benefit Project for the Sauquoit Creek Basin. The Consent Order contains a compliance schedule which calls for the completion of a study of the system within three years and the implementation of any repairs called for in the study by October 31, 2014. The County is in compliance with the deadlines in the compliance schedule. Bond anticipation notes were issued in April 2008 to pay a portion of this Sewer System & Plant Evaluation study in the amount of $1,266,667.

TAX MATTERS – 2009C BONDS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2009C Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the 2009C Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, nor is it included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel with respect to the 2009C Bonds is set forth in "APPENDIX - D" hereto.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at thei earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of 2009C Bonds, like the Premium Bonds, the interest on which is excklueded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2009C Bonds. The County has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to insure that interest on the 2009C Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2009C Bonds being included in gross income for federal income tax purposes possibly from the date of original issuance of the 2009C Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the 2009C Bonds may adversely affect the value of, or the tax status of interest on, the 2009C Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon, in connection with any such actions, event or matters.

Although Bond Counsel is of the opinion that interest on the 2009C Bonds is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York), the ownership or disposition of, or the accrual or receipt of interest on, the 2009C Bonds may otherwise affect a Owner's federal, state or local tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2009C Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposal, clarification of the Code or court decisions may also affect the market price for, or marketability of, the 2009C Bonds. Prospective purchasers of the 2009C Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the 2009C Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the County, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The County has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2009C Bonds ends with the issuance of the 2009C Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the County or the Beneficial Owners regarding the tax-exempt status of the 2009C Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the County and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the County legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the 2009C Bonds for audit, of the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2009C Bonds, and may cause the County or Beneficial Owners to incur significant expense.

TAX MATTERS – 2009D BONDS

In the opinion of Orrick Herrington & Sutcliffe LLP, Bond Counsel, interest on the 2009D Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code, but is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including the City of New York). Bond Counsel expresses no opinion regarding any other federal or State tax consequences relating to the ownership or disposition of, or the actual receipt of intent on the 2009D Bonds. A complete copy of the proposed form of opinion of Bond Counsel with respect to the 2009D Bonds is set forth in "APPENDIX – E" hereto.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the respective approving legal opinions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Certain legal matters will be passed on for the Underwriter by its counsel, Bond, Schoeneck & King, PLLC, Syracuse , New York.

Bond Counsel expects to deliver opinions at the time of issuance of the Bonds substantially in the forms set forth in APPENDIX - D and - E.

RATINGS

Standard & Poor's Corporation, a division of The McGraw-Hills Companies, Inc. ("S & P"), Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings have assigned their bond ratings of "AAA", "Aa2" and "AA", respectively, to the Bonds based upon the issuance by ASSURED GUARANTY CORP. of its Financial Guaranty Insurance Policy with respect to the Bonds. The significance of the policy as well as its terms and conditions can be obtained from Assured Guaranty Corp, 1325 Avenue of the Americas, New York, New York 10019 (for information concerning AGC Policy, see Appendix – F hereto).

S & P, Moody's and Fitch have assigned their underlying rating of "A+", "A3" and "A-", respectively, to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating of the Bonds may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased by RBC Capital Markets Corporation, (the "Underwriter") for reoffering to the public. The purchase contract for the Bonds provides that the Underwriter will purchase all of the Bonds, if any are purchased, at a purchase price equal to $20,316,850.95 (being the par amount of the Bonds plus a net original issue premium of $145,400.50, less an underwriter's fee for the transaction of $56,025.00 less bond insurance premium of $182,524.55.) The Underwriter is initially offering the Bonds to the public at the public offering yields indicated on the cover page but the Underwriter may offer and sell the Bonds to certain dealers, institutional investors and others (including sales for deposit into investment trusts, certain of which may be sponsored or managed by the Underwriter) at yields higher than the public offering yields stated on the cover page and the public offering yields may be changed from time to time by the Underwriter.

MISCELLANEOUS

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

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

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

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

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

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

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

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

The County will act as Paying Agent for the Bonds. The County's contact information is as follows: Mr. Joseph J. Timpano, County Comptroller, County Office Building, 800 Park Avenue - 2nd Floor, Utica, New York 13501, Phone: (315) 798-5780, Telefax: (315) 798-6415, Email: jtimpano@ocgov.net.

Assured Guaranty makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, Assured Guaranty has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding Assured Guaranty supplied by Assured Guaranty and presented under the heading "APPENDIX - F – BOND INSURANCE AND SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY."

COUNTY OF ONEIDA

Dated: July 31, 2009

County Comptroller and Chief Fiscal Officer

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	2004	2005	2006	2007	2008
ASSETS					
Cash and Cash Equivalents	$ 1,003,035	$ 10,136,704	$ 32,840,809	$ 27,653,030	$ 7,245,042
Net Taxes Receivable	20,006,104	34,027,905	55,299,238	76,967,953	98,736,402
Due from Other Funds	768,993	642,462	1,526,512	2,999,789	1,607,246
State and Federal Receivables	47,335,522	45,180,783	45,601,287	53,842,698	54,810,654
Due From Other Governments	658,268	374,580	312,249	416,302	899,776
Other Receivables	1,932,910	2,563,236	2,611,837	2,375,413	3,217,238
Other Assets	154,919	1,822,524	1,784,956	1,824,465	1,455,990
TOTAL ASSETS	$ 71,859,751	$ 94,748,194	$ 139,976,888	$ 166,079,650	$ 167,972,348
LIABILITIES, DEFERRED REVENUES AND FUND BALANCE					
Accounts Payable	$ 6,920,126	$ 7,798,060	$ 10,745,963	$ 10,687,468	$ 7,667,072
Accrued Liabilities	33,260,601	23,808,908	23,184,307	27,455,485	25,842,586
Notes and Loans Payable	0	0	0	0	0
Due to Other Funds	4,033,266	2,385,028	9,844,324	9,693,371	4,206,413
Due to Other Governments	8,386,484	8,060,551	9,245,979	9,688,619	10,074,770
Overpayments and Collections in Advance	28,965	33,620	30,858	29,720	15,949
Bank Overdrafts	0	0	0	0	0
TOTAL LIABILITIES	52,629,442	42,086,167	53,051,431	57,554,663	47,806,790
DEFERRED REVENUES	$ 12,073,031	$ 26,199,753	$ 47,160,137	$ 68,615,563	$ 90,157,928
FUND EQUITY					
Reserved	$ 1,184,946	$ 13,415,978	$ 8,443,412	$ 5,488,954	$ 1,391,754
Unreserved:					
Appropriated	5,509,688	7,900,309	17,755,427	20,935,702	20,311,299
Unappropriated	462,644	5,145,987	13,566,481	13,484,768	8,304,799
TOTAL FUND EQUITY	$ 7,157,278	$ 26,462,274	$ 39,765,320	$ 39,909,424	$ 30,007,852
TOTAL LIABILITIES, DEFERRED REVENUES AND FUND EQUITY	$ 71,859,751	$ 94,748,194	$ 139,976,888	$ 166,079,650	$ 167,972,570

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	2002	2003	2004	2005	2006
REVENUES					
Real Property Taxes	$46,327,182	$54,590,291	$55,409,487	$54,830,803	$56,542,238
Real Property Tax Items	2,451,402	2,611,853	2,693,123	2,628,133	2,717,975
Non-Property Tax Items	56,445,729	58,746,993	60,761,596	93,229,375	97,081,715
Departmental Income	15,111,691	16,570,738	19,025,125	18,006,078	15,980,860
Intergovernmental Charges	11,858,007	12,637,784	11,178,342	9,992,424	10,530,934
Use of Money & Property	967,854	1,935,335	540,584	748,838	2,400,459
Licenses and Permits	10,695	16,013	15,141	15,788	14,554
Fines and Forfeitures	876,272	1,074,348	1,060,349	1,056,538	773,309
Sale of Property and Compensation for Loss	179,883	194,043	321,916	680,114	481,777
Miscellaneous	1,173,012	1,004,857	821,633	880,723	982,968
Interfund Revenues	72,525	57,585	48,940	44,555	54,767
Revenues from State Sources	46,811,773	47,482,703	49,728,874	48,120,623	48,932,986
Revenues from Federal Sources	46,647,711	52,543,915	51,958,726	48,425,622	51,146,595
Total Revenues	$ 228,933,737	$ 249,466,458	$ 253,563,836	$ 278,659,614	$ 287,641,137
EXPENDITURES					
General Government Support	$ 17,893,148	$ 20,146,245	$ 21,483,952	$ 23,064,108	$ 23,470,113
Education	14,529,298	15,662,666	16,473,024	18,125,567	19,614,767
Public Safety	25,941,963	28,668,479	31,079,722	33,166,309	35,327,752
Health	19,688,437	19,737,981	20,047,562	18,895,947	18,244,349
Transportation	4,983,580	5,048,463	6,312,798	6,932,523	5,700,634
Economic Assistance and Opportunity	132,046,114	145,289,669	154,790,239	152,464,944	149,885,556
Culture and Recreation	2,707,075	2,685,607	2,668,022	1,988,078	2,076,135
Home and Community Services	2,980,475	2,862,257	2,787,610	3,485,008	3,003,742
Employee Benefits	0	0	0	0	0
Debt Service	0	0	0	0	0
Total Expenditures	$ 220,770,090	$ 240,101,367	$ 255,642,929	$ 258,122,484	$ 257,323,048
Excess of Revenues Over (Under) Expenditures	$ 8,163,647	$ 9,365,091	($ 2,079,093)	$ 20,537,130	$ 30,318,089
Other Financing Sources (Uses):					
Proceeds of Obligations	0	1,300,000	2,800,000	0	0
Tobacco Restructuring Proceeds	0	0	0	14,293,752	0
Operating Transfers In	0	0	0	62,975	0
Operating Transfers Out	(9,238,872)	(10,447,182)	(10,432,494)	(15,588,861)	(17,015,043)
Total Other Financing	(9,238,872)	(9,147,182)	(7,632,494)	(1,232,134)	(17,015,043)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,075,225)	217,909	(9,711,587)	19,304,996	13,303,046
FUND BALANCE					
Fund Balance - Beginning of Year	17,726,181	16,650,956	16,868,865	7,157,278	$ 26,462,274
Prior Period Adjustments (net)	0	0	0	0	0
Fund Balance - End of Year	$ 16,650,956	$ 16,868,865	$ 7,157,278	$ 26,462,274	$ 39,765,320

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

GENERAL FUND

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

Fiscal Years Ending December 31:	2007 Adopted Budget	2007 Modified Budget	2007 Actual	2008 Adopted Budget	2008 Actual	2009 Adopted Budget
REVENUES						
Real Property Taxes	$54,997,283	$54,997,283	$55,032,785	$57,750,104	$57,462,830	$60,720,470
Real Property Tax Items	2,448,000	2,448,000	2,747,179	2,487,114	2,718,315	2,648,000
Non-Property Tax Items	90,393,200	122,579,437	123,676,973	85,622,558	117,659,617	91,605,101
Departmental Income	16,629,859	16,762,391	15,264,523	15,913,612	17,266,587	16,107,406
Intergovernmental Charges	11,112,322	11,416,822	10,637,660	11,326,214	11,465,458	11,466,022
Use of Money & Property	1,104,857	1,104,857	2,418,298	2,539,101	2,202,873	2,419,687
Licenses and Permits	15,600	15,600	16,390	15,100	15,390	15,100
Fines and Forfeitures	876,287	917,287	794,694	891,877	918,289	890,309
Sale of Property and Compensation for Loss	413,232	523,972	487,246	349,887	429,466	439,461
Miscellaneous	895,808	1,329,815	1,210,420	912,127	1,455,279	1,113,325
Interfund Revenues	56,230	56,230	65,511	64,763	93,180	91,646
Revenue from State Sources	51,851,711	53,722,492	51,848,667	53,714,673	54,774,454	58,112,265
Revenues from Federal Sources	46,911,082	49,745,994	47,857,071	44,849,535	43,267,265	46,668,742
Total Revenues	$ 277,705,471	$ 315,620,180	$ 312,057,417	$ 276,436,665	$ 309,729,003	$ 292,297,514
EXPENDITURES						
General Government Support	$ 27,003,428	$ 58,854,852	$ 56,850,891	$ 26,037,034	$ 58,011,209	$ 27,085,163
Education	21,063,847	21,135,022	19,476,714	20,970,903	21,065,715	22,424,878
Public Safety	37,767,942	38,906,514	37,430,394	38,858,076	37,897,337	39,842,342
Health	19,134,931	20,125,155	19,362,079	20,087,825	19,867,884	21,789,087
Transportation	6,361,838	7,214,784	6,642,568	7,244,366	7,962,260	6,081,975
Economic Assistance and Opportunity	151,006,471	154,243,521	150,293,859	150,400,026	151,062,454	156,627,972
Culture and Recreation	2,119,659	2,216,853	2,112,490	2,165,959	2,433,792	2,135,314
Home and Community Services	3,390,473	3,412,168	2,656,346	3,166,401	3,617,778	3,181,109
Employee Benefits	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0
Total Expenditures	$ 267,848,589	$ 306,108,869	$ 294,825,341	$ 268,930,590	$ 301,918,429	$ 279,167,840
Excess of Revenues Over (Under) Expenditures	$ 9,856,882	$ 9,511,311	$ 17,232,076	$ 7,506,075	$ 7,810,574	$ 13,129,674
Other Financing Sources (Uses):						
Proceeds of Obligations	0	0	0	0	0	0
County Savings Plan	0	0	0	0	0	0
Payments to Escrow Agent	0	0	0	0	0	0
Operating Transfers Out	(17,087,972)	(17,113,972)	(17,087,972)	(17,837,165)	(17,712,368)	(19,983,226)
Total Other Financing	(17,087,972)	(17,113,972)	(17,087,972)	(17,837,165)	(17,712,368)	(19,983,226)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(7,231,090)	(7,602,661)	144,104	(10,331,090)	(9,901,794)	(6,853,552)
FUND BALANCE						
Fund Balance - Beginning of Year	7,231,090	7,602,661	$ 39,765,320	10,331,090	39,909,424	6,853,552
Prior Period Adjustments (net)	0	0	0	0	0	0
Fund Balance - End of Year	$ 0	$ 0	$ 39,909,424	$ 0	$ 30,007,630	$ 0

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

CHANGES IN FUND EQUITY

Fiscal Years Ending December 31:	2004	2005	2006	2007	2008
COMBINED ROAD FUND [1]					
Fund Equity - Beginning of Year	$802,727	$413,877	$587,357	$280,034	$541,818
Revenues & Other Sources	12,199,215	13,698,871	12,900,387	16,229,533	16,035,812
Expenditures & Other Uses	12,588,065	13,525,391	13,207,710	15,967,749	15,725,088
Fund Equity - End of Year	$413,877	$587,357	$280,034	$541,818	$852,542
DEBT SERVICE FUND					
Fund Equity - Beginning of Year	$120,711	$388,020	$412,346	$620,162	$624,069
Revenues & Other Sources	7,572,434	12,082,064	13,444,589	12,545,577	14,503,792
Expenditures & Other Uses	7,305,125	12,057,738	13,236,773	12,541,670	13,996,503
Fund Equity - End of Year	$388,020	$412,346	$620,162	$624,069	$1,131,358
SEWER FUND					
Fund Equity - Beginning of Year	$ 2,001,605	$ 1,497,083	$ 958,587	$ 354,508	($ 232,828)
Revenues and Other Sources	6,562,410	7,496,164	7,464,707	8,382,276	9,535,182
Expenditures & Other Uses	7,066,933	8,034,660	8,068,786	8,969,612	9,382,801
Fund Equity - End of Year	$ 1,497,083	$ 958,587	$ 354,508	($ 232,828)	($ 80,447)

[2] Includes County Road Fund and Road Machinery Fund.

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

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Excluding This Issue Principal	Interest	Total	Principal of this Issue Series C	Principal of this Issue Series D	Total Principal All Issues
2009	$ 9,939,871	$ 3,908,824.83	$ 13,848,695.83	$ 0		$ 9,939,871
2010	12,044,000	5,253,872.39	17,297,872.39	1,210,000		13,254,000
2011	11,635,000	4,190,581.14	15,825,581.14	1,225,000		12,860,000
2012	11,630,000	3,693,768.51	15,323,768.51	1,275,000		12,905,000
2013	10,965,000	3,211,595.27	14,176,595.27	1,300,000		12,265,000
2014	9,363,632	2,796,451.27	12,160,083.27	1,350,000		10,713,632
2015	9,187,060	2,423,153.89	11,610,213.89		1,350,000	10,537,060
2016	8,480,000	2,044,860.76	10,524,860.76		1,350,000	9,830,000
2017	8,570,000	1,673,565.76	10,243,565.76		1,350,000	9,920,000
2018	8,435,000	1,303,780.26	9,738,780.26		1,400,000	9,835,000
2019	7,095,000	955,834.13	8,050,834.13		1,400,000	8,495,000
2020	6,180,000	653,435.13	6,833,435.13		1,400,000	7,580,000
2021	5,220,000	392,859.00	5,612,859.00		1,400,000	6,620,000
2022	3,890,000	180,265.00	4,070,265.00		1,400,000	5,290,000
2023	1,850,000	43,875.00	1,893,875.00		1,500,000	3,350,000
2024					1,500,000	1,500,000
TOTALS	$ 124,484,563	$ 32,726,722.31	$ 157,211,285.31	$ 6,360,000	$ 14,050,000	$ 144,894,563

COUNTY OF ONEIDA, NEW YORK

GENERAL PURPOSE FINANCIAL STATEMENTS

AND COMPLIANCE REPORTS

DECEMBER 31, 2008

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

COUNTY OF ONEIDA,
NEW YORK

MANAGEMENT'S
DISCUSSION AND
ANALYSIS AND BASIC
FINANCIAL STATEMENTS

For the Year Ended
December 31, 2008

COUNTY OF ONEIDA, NEW YORK

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COUNTY OF ONEIDA, NEW YORK

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D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

120 Lomond Court, Utica, N.Y. 13502-5950
315-735-5216 Fax: 315-735-5210

Independent Auditor's Report

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

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

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

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

Mid-Hudson • Utica/Rome • Westchester

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

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

D'Arcangelo + Co., LLP

July 22, 2009

Utica, New York

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

1. FINANCIAL HIGHLIGHTS

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

Governmental Activities

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

Business-Type Activities

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

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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

3. GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

4. GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

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

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

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

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

Table 3 - Governmental Activities (In Millions)

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

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

Table 4 - Business-Type (In Millions)

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

5. FUND FINANCIAL STATEMENTS

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

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

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The basic fiduciary fund financial statements can be found on page 21 of this report.

6. FUND FINANCIAL ANALYSIS

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

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

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

Table 5 - Oneida County Governmental Funds
Summary of Revenues and Expenditures
2008 and 2007 (In Millions)

	2008 Revenues	2008 % of Total	2007 Revenues	2007 % of Total
Sales Tax and Other Nonproperty Items	$ 117.7	31.1%	$ 123.7	32.8%
Real Property Taxes	60.2	15.9%	57.8	15.3%
Departmental Income, Fees, and Interest	37.0	9.8%	34.9	9.3%
State and Federal Aid	109.4	28.9%	114.7	30.4%
All Other Sources	53.7	14.3%	45.6	12.2%
Total Revenues	$ 378.0	100.0%	$ 376.7	100.0%

	2008 Expenditures	2008 % of Total	2007 Expenditures	2007 % of Total
General Governmental Support	$ 63.0	16.7%	$ 63.2	16.8%
Education	21.8	5.8%	20.3	5.4%
Public Safety	39.7	10.5%	39.6	10.5%
Public Health	19.9	5.3%	19.4	5.2%
Transportation	37.3	9.9%	36.8	9.8%
Economic Assistance and Opportunity	154.0	40.7%	153.4	40.9%
Culture and Recreation	2.8	.7%	4.8	1.3%
Home and Community Services	3.6	1.0%	2.7	0.7%
Debt Service	18.2	4.8%	18.1	4.8%
Other	17.7	4.7%	17.1	4.6%
Total Expenditures	$ 378.0	100.0%	$ 375.4	100.0%

7. GENERAL FUND BUDGET HIGHLIGHTS

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

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

8. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

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

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

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

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

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

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

Bonds

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

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

	Governmental Activities	Business-Type Activities	Totals
General Obligation Bonds (Backed by the County)	$ 185.0	$ 0.0	$ 185.00
General Obligation Revenue Bonds (Backed by Specific Revenues)	0.0	13.9	13.9
Totals	$ 185.0	$ 13.9	$ 198.9

9. 2008 ECONOMIC FACTORS AND BUDGET

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

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

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

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

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

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

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

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

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

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

10. GASB 45 UPDATE

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

11. CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

COUNTY OF ONEIDA, NEW YORK

STATEMENT OF NET ASSETS

December 31, 2008

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

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

COUNTY OF ONEIDA, NEW YORK

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2008

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
					Primary Government			
			Operating	Capital				
Primary Government		Charges for	Grants and	Grants and	Governmental	Business-Type		Component
Governmental Activities	Expenses	Services	Contributions	Contributions	Activities	Activities	Total	Units
General Government Support	$ 56,314,136	$ 11,263,371	$ 4,307,784	$ 488,875	$ (40,254,106)	$	$ (40,254,106)	$
Education	19,992,087	2,149,343	6,291,033		(11,551,711)		(11,551,711)	
Public Safety	38,103,266	6,708,052	1,385,516	554,944	(29,454,754)		(29,454,754)	
Public Health	18,457,835	1,851,017	15,171,454		(1,435,364)		(1,435,364)	
Transportation	34,311,126	12,113,651	4,508,186	4,611,115	(13,078,174)		(13,078,174)	
Economic Assistance and Opportunity	142,114,160	7,944,789	70,260,646		(63,908,725)		(63,908,725)	
Culture and Recreation	2,535,730	68,220	346,234		(2,121,276)		(2,121,276)	
Home and Community Services	3,387,610	431,820	1,545,341		(1,410,449)		(1,410,449)	
Interest on Long-Term Debt (Excludes Direct Expenses of the Various Programs)	10,451,213				(10,451,213)		(10,451,213)	
Unallocated Depreciation (Excludes Direct Depreciation Expenses of the Various Programs)	6,604,911				(6,604,911)		(6,604,911)	
Total Governmental Activities	332,272,074	42,530,263	103,816,194	5,654,934	(180,270,683)		(180,270,683)	
Business-Type Activities								
Sewer Fund	9,166,430	9,557,235				390,805	390,805	
Internal Service Fund	3,614,691	3,614,691						
Total Primary Government	$ 345,053,195	$ 55,702,189	$ 103,816,194	$ 5,654,934	(180,270,683)	390,805	(179,879,878)	
Component Units								
Solid Waste Authority	$ 20,181,134	$ 25,622,125	$ 65,577	$				5,506,568
Community College	56,890,989	17,879,295	35,815,493	1,358,553				(1,837,648)
Total Component Units	$ 77,072,123	$ 43,501,420	$ 35,881,070	$ 1,358,553				3,668,920
General Revenues								
Real Property Taxes, Levied for General Purposes					59,675,706		59,675,706	
Real Property Tax Items					2,718,315		2,718,315	
Nonproperty Tax Items (Sales Tax and PILOTs)					117,659,617		117,659,617	
Tobacco Revenues and Interest					4,618,367		4,618,367	
Total General Revenues					184,672,005		184,672,005	
Change in Net Assets					4,401,322	390,805	4,792,127	3,668,920
Net Assets, Beginning of Year					85,394,115	12,710,925	98,105,040	27,160,579
Net Assets, End of Year					$ 89,795,437	$ 13,101,730	$ 102,897,167	$ 30,829,499

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

COUNTY OF ONEIDA, NEW YORK

BALANCE SHEET - GOVERNMENTAL FUNDS

(INCLUDING THE RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET ASSETS OF GOVERNMENTAL ACTIVITIES)

December 31, 2008

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

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

COUNTY OF ONEIDA, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2008

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

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

COUNTY OF ONEIDA, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2008

Net Changes in Fund Balance - Total Governmental Funds			$ (41,413)
Capital Outlays to purchase or build capital assets are reported in Governmental Funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their useful lives as depreciation expense in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.			
	Depreciation Expense	9,534,745	
	Capital Outlays	(32,769,764)	23,235,019
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayments of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.			
	Bond Proceeds, Net	25,802,084	
	Repayment Bond Principal	(9,012,940)	(16,789,144)
Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.			
	Accrued Interest	(121,613)	
	Postemployment Benefits	(3,392,748)	
	Compensated Absences	(339,209)	
	Accrued Worker's Compensation	759,584	
	Judgments and Claims	208,750	
	Bond Refunding	134,760	
	Accreted Interest	(1,219,918)	(3,970,394)
Revenues in statement of activities that do not provide current financial resources and are not reported as revenue in the funds.			2,212,873
In the statement of activities, only the loss on the disposal of certain assets is reported, whereas in the governmental funds, the loss is not recorded as a decrease in financial resources.			(245,619)
Change in Net Assets Governmental Activities			$ 4,401,322

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

COUNTY OF ONEIDA, NEW YORK

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

December 31, 2008

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

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

COUNTY OF ONEIDA, NEW YORK

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

PROPRIETARY FUNDS

For the Year Ended December 31, 2008

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

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

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

	Enterprise Sewer Fund	Workers' Compensation Fund	Total
Cash Flows from (Used by) Operating Activities			
Cash Flows from Providing Services	$ 14,036,031	$ 5,222,816	$ 19,258,847
Cash Payments Contractual Expenses	(8,379,766)	(11,112,478)	(19,492,244)
Cash Payments Personal Services and Benefits	(3,330,044)	4,970,204	1,640,160
Other Operating Revenues	11,090	75,014	86,104
Net Cash Flows from (Used by) Operating Activities	2,337,311	(844,444)	1,492,867
Cash Flows from (Used by) Capital and Related Financing Activities			
Principal Payments on Debt	(791,589)		(791,589)
Proceeds from Debt	1,891,667		1,891,667
Interest Expense	(523,165)		(523,165)
Payments to Contractors	(1,678,111)		(1,678,111)
Net Cash (Used by) Capital and Related Financing Activities	(1,101,198)		(1,101,198)
Cash Flows from Investing Activities			
Interest Income	22,053	76,667	98,720
Net Cash Flows from Investing Activities	22,053	76,667	98,720
Net Increase (Decrease) in Cash and Cash Equivalents	1,258,166	(767,777)	490,389
Cash and Cash Equivalents, Beginning of Year	214,105	5,929,700	6,143,805
Cash and Cash Equivalents, End of Year	$ 1,472,271	$ 5,161,923	$ 6,634,194

Reconciliation of Operating Income (Loss) to Net Cash Flows from (Used by) Operating Activities

	Enterprise Sewer Fund	Workers' Compensation Fund	Total
Operating Income (Loss)	$ 368,752	$ (76,667)	$ 292,085
Adjustment to Reconcile Operating Income to Net Cash Flows from Operating Activities			
Depreciation	684,479		684,479
(Increase) Decrease in Assets Other Than Cash			
Receivables	(288,743)	(6,970)	(295,713)
Due From Other Governments		1,766,776	1,766,776
Due From Other Funds	4,800,682		4,800,682
Increase (Decrease) in Liabilities			
Accounts Payable and Accrued Expenses	(4,085,414)	(2,623,954)	(6,709,368)
Deferred Revenue			
Due Other Funds	857,555	96,371	953,926
Net Cash Flows from (Used by) Operating Activities	$ 2,337,311	$ (844,444)	$ 1,492,867

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

COUNTY OF ONEIDA, NEW YORK

STATEMENT OF NET ASSETS - FIDUCIARY FUNDS

December 31, 2008

	Deferred Compensation	Agency
Assets		
Cash and Cash Equivalents	$	$ 59,528,357
Investments	18,893,541	
Total Assets	$ 18,893,541	$ 59,528,357
Liabilities		
Accrued Liabilities	$	$ 59,528,357
Deferred Compensation Plan	18,893,541	
Total Liabilities	18,893,541	59,528,357
Total Net Assets	$ 0	$ 0

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

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

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

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

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

Financial Reporting Entity

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

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

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

(a) Reporting Entity

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

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

(b) Discretely Presented Component Units

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) Blended Component Unit

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

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

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

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

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

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

(d) Basic Financial Statements - Government-Wide Statements

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

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

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

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

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

(e) Basic Financial Statements - Fund Financial Statements

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

The following fund types are used by the County:

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

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

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

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

- Special Grant Fund - to account for the use of Federal monies received under the Workforce Investment Act.

- County Road Fund - to account for the repairs and maintenance of County roads in accordance with New York State laws.

- Road Machinery Fund - to account for the purchase of highway machinery and equipment in accordance with New York State laws.

- Capital Fund - used to account for the acquisition, construction, and/or reconstruction of major capital assets.

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

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

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

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

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

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

(f) Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

(g) Discretely Presented Component Units

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

(h) Estimates

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

(i) Cash, Cash Equivalents, and Investments

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

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

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

(j) Receivables

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

(k) Inventories - Community College

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

(l) Interfund Transactions

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

(m) Fund Balance Reserves

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

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

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

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

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

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

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

(o) Deferred Revenue

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

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

(p) Compensated Absences

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

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

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

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

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

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

(q) Retirement Plans

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

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

The Authority participates in the New York State and Local Employees' Retirement System (System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL).

(r) Accrued Liabilities and Long-term Obligations

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

(s) Revenues

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

(t) Expenditures

Expenditures are recognized when the related fund liability is incurred.

(u) Medicaid Claims

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

(v) Insurance

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

(w) Public Entity Risk Pool

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

(x) Accrued and Post-Closure Monitoring Closure Costs

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

(y) Restricted Resources

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

(z) Other Significant Accounting Policies

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

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

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

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

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

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

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

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

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

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

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

(a) Budgetary Data

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

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

Public hearings are conducted to obtain taxpayer comments.

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

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

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

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

(b) Encumbrances

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

4. CUSTODIAL AND CONCENTRATION OF CREDIT RISK

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

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

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

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

5. PROPERTY TAXES AND COLLECTION

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

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

The County is permitted in accordance with Section 10 of Article VIII of the New York State Constitution to levy taxes: (a) up to 1.5% of the five-year average full assessed valuation of taxable real property, for general governmental services other than the payment of principal and interest on long-term debt, (b) in unlimited amounts for the payment of principal and interest on long-term debt, and (c) in unlimited amounts for capital appropriations (budgetary appropriations for objects or purpose for which a period of probable usefulness is provided by Section 11.00 of local finance law). At December 31, 2008, the County utilized approximately 20% of its constitutional tax limit.

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

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

6. SALES TAX

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

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

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

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

7. STUDENT LOANS AND FEES RECEIVABLE

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

Account	Gross Receivable	Allowance	Receivable
Tuition and Fees Receivable	$ 1,141,182	$ (224,000)	$ 917,182
Student Loans Receivable	$ 1,617,131	$ (336,574)	$ 1,280,557

8. CAPITAL ASSETS

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

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

Depreciation expense was charged to functions as follows:

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

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

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

Depreciation expense was charged to functions as follows:

Enterprise Sewer Fund	$ 684,479

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

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

9. RESTRICTED ASSETS HELD BY TRUSTEE

(a) Authority

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

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

(b) Community College

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

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

	DASNY	Other	Total
Cash and Cash Equivalents	$ 136,415	$	$ 136,415

	Investment Maturities (in Years)		
Investment Type	Fair Value	Less Than 1	1 – 5
U.S. Treasury Note/Bond	$ 115,014	$ 109,583	$ 5,431
U.S. Treasury Bill	386,568	386,568	0
Total	$ 501,582	$ 496,151	$ 5,431

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

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

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

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

10. INVESTMENTS

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

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

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

11. PENSION PLAN

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

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

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

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

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

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

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

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

12. POSTRETIREMENT HEALTH CARE BENEFITS

(a) The County

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

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

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

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

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

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

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

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

		For the Year Ended December 31, 2008
Funded Status		
Actuarial Accrued Liability (AAL)	$	56,705,155
Actuarial Value of Assets		0
Unfunded Actuarial Accrued Liability (UAAL)	$	56,705,155
Funded Ratio (Assets as a Percentage of AAL)		0.00%
Annual Covered Payroll	$	68,245,551
UAAL as a Percentage of Covered Payroll		83.09%
Actuarial Methods and Assumptions		
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%
Assumed Pre-65 Medical Trend Rates at December 31		
Health Care Cost Trend Rate Assumed for Next Fiscal Year		9.50%
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
Assumed Post-65 Medical Trend Rates at December 31		
Health Care Cost Trend Rate Assumed for Next Fiscal Year		7.50%
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
Assumed Prescription Drug Trend Rates at December 31		
Health Care Cost Trend Rate Assumed for Next Fiscal Year		11.00%
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 College sponsors and administers an employer defined benefit plan (Blue Cross/Blue/Shield Traditional) for Professional Association, Administrators' Association and Exempt Employees which provides postemployment health insurance coverage to its retired employees meeting certain qualifications (i.e. Age 55 with 5 years of full-time continuous service). Employees belonging to UPSEU are covered under a choice of three plans (REMSCO PPO, REMSCO Traditional, and REMSCO MVP) administered by Oneida County. Substantially all employees may become eligible for these benefits if they reach normal retirement age while working for the College. Benefit provisions are established and may be amended by the College's Board of Trustees. The College does not issue a publicly available report.

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

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

13. NONCURRENT LIABILITIES

Noncurrent liability balances and activity are as follows:

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

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

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

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

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

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

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

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

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

Capital Leases

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

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

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

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

Participation In The County's Debt Service

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

DASNY Financing Arrangements

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

Advance Refunding

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

Debt Limit

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

14. INTERFUND TRANSACTIONS

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

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

15. FUND BALANCE – SPECIAL RESERVES

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

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

16. OBLIGATIONS UNDER LEASES

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

17. SIGNIFICANT CLAIMS AND CONTINGENT LIABILITIES

Judgments and Claims

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

Federal and State Funded Programs

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

Grants

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

18. RISK MANAGEMENT

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

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

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

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

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

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

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

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

19. SEWER DISTRICT CONSENT ORDER

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

COUNTY OF ONEIDA, NEW YORK

COMBINED STATEMENT OF REVENUES AND OTHER FINANCING SOURCES AND EXPENDITURES AND OTHER FINANCING USES

BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2008

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

COUNTY OF ONEIDA, NEW YORK

COMBINED STATEMENT OF REVENUES AND OTHER FINANCING SOURCES AND EXPENDITURES AND OTHER FINANCING USES

BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2008

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

COUNTY OF ONEIDA, NEW YORK

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2008

	Special Grant	County Road	Road Machinery	Capital	OTASC	Total Current Year
Assets						
Cash and Cash Equivalents	$	$ 25,476	$ 33,508	$ 18,976,665	$ 35,684	$ 19,071,333
Deposits with Trustees					4,880,878	4,880,878
Other Receivables	338,221	128	207			338,556
Due From						
State and Federal Governments			260,820	117,229		378,049
Other Funds		2,910,469	1,126,666	2,828,632		6,865,767
Other Assets					4,767,321	4,767,321
Total Assets	$ 338,221	$ 2,936,073	$ 1,421,201	$ 21,922,526	$ 9,683,883	$ 36,301,904
Liabilities and Fund Equity						
Liabilities						
Accounts Payable	$ 138,827	$ 742,342	$ 126,971	$ 87,857	$ 7,000	$ 1,102,997
Accrued Liabilities	27,763	208,968		907,331	323,421	1,467,483
Deferred Revenue		552,989				552,989
Due to Other Governments		195		70,204		70,399
Due to Other Funds		1,026,668	846,598	282,743		2,156,009
Total Liabilities	166,590	2,531,162	973,569	1,348,135	330,421	5,349,877
Fund Equity						
Fund Balance - Reserved						
Reserve for Encumbrances	5,360	73,482	48,237	26,542,542		26,669,621
Fund Balance - Unreserved						
Undesignated	166,271	331,429	399,395	(5,968,151)	9,353,462	4,282,406
Total Fund Equity	171,631	404,911	447,632	20,574,391	9,353,462	30,952,027
Total Liabilities and Fund Equity	$ 338,221	$ 2,936,073	$ 1,421,201	$ 21,922,526	$ 9,683,883	$ 36,301,904

COUNTY OF ONEIDA, NEW YORK

COMBINING STATEMENT OF REVENUES AND OTHER FINANCING SOURCES, EXPENDITURES AND OTHER FINANCING USES, AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2008

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

FORM OF BOND COUNSEL'S OPINION – 2009C BONDS

August 12, 2009

County of Oneida,
State of New York

Re: County of Oneida, New York
$6,360,000 Public Improvement (Serial) Bonds, 2009C

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of $6,360,000 Public Improvement (Serial) Bonds, 2009C (the "Obligations"), of the County of Oneida, State of New York (the "Obligor"), dated August 12, 2009, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of ninety-five hundredths per centum (0.95%) per annum as to bonds maturing in the year 2010, at the rate of three per centum (3.00%) per annum as to bonds maturing in the year 2011, at the rate of three and fifty hundredths per centum (3.50%) per annum as to bonds maturing in each of the years 2012 to 2013, both inclusive, and at the rate of two and fifty hundredths per centum (2.50%) per annum as to bonds maturing in the year 2014, payable on February 1, 2010 and semi-annually thereafter on August 1 and February 1 and maturing in the amount of $1,210,000 on August 1, 2010, $1,225,000 on August 1, 2011, $1,275,000 on August 1, 2012, $1,300,000 on August 1, 2013 and $1,350,000 on August 1, 2014.

The Obligations are not subject to redemption prior to maturity.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

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

In our opinion:

(a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, nor is it included in adjusted current earnings in calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Obligations.

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

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

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

Very truly yours,

Orrick, Herrington & Sutcliffe LLP

FORM OF BOND COUNSEL'S OPINION – 2009D BONDS

August 12, 2009

County of Oneida,
State of New York

Re: County of Oneida, New York
$14,050,000 Public Improvement (Serial) Bonds, 2009D (Federally Taxable Series)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of $14,050,000 Public Improvement (Serial) Bonds, 2009D (Federally Taxable Series) (the "Obligations"), of the County of Oneida, State of New York (the "Obligor"), dated August 12, 2009, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds, in such amounts as hereinafter set forth, bearing interest at the rate of four and four hundred nine thousandths per centum (4.409%) per annum maturing in the year 2015, four and seven hundred seventy-one thousandths per centum (4.771%) per annum maturing in the year 2016, four and nine hundred eighty-seven thousandths per centum (4.987%) per annum maturing in the year 2017, five and eighty-seven thousandths per centum (5.087%) per annum maturing in the year 2018, five and one hundred eighty-seven thousandths per centum (5.187%) per annum maturing in the year 2019, five and three hundred eighty-seven thousandths per centum (5.387%) per annum maturing in the year 2020, five and four hundred eighty-seven thousandths per centum (5.487%) per annum maturing in the year 2021, five and six hundred thirty-seven thousandths per centum (5.637%) per annum maturing in the year 2022, five and seven hundred thirty-seven thousandths per centum (5.737%) per annum maturing in the year 2023 and five and eight hundred eighty-seven thousandths per centum (5.887%) per annum maturing in the year 2024 payable on February 1, 2010 and semi-annually thereafter on August 1 and February 1 and maturing in the amount of $1,350,000 on August 1, 2015, $1,350,000 on August 1, 2016, $1,350,000 on August 1, 2017, $1,400,000 on August 1, 2018, $1,400,000 on August 1, 2019, $1,400,000 on August 1, 2020, $1,400,000 on August 1, 2021, $1,400,000 on August 1, 2022, $1,500,000 on August 1, 2023 and $1,500,000 on August 1, 2024.

The Obligations are not subject to redemption prior to maturity.

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

In our opinion:

(a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) Interest on the Obligations is not excluded from the gross income of the owners thereof for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). We express no opinion regarding other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Obligations.

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

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

Very truly yours,

Orrick, Herrington & Sutcliffe LLP

BOND INSURANCE & SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY

THE INSURANCE POLICY

Concurrently with the issuance of the Bonds, Assured Guaranty Corp. ("Assured Guaranty" or the "Insurer") will issue its financial guaranty insurance policy (the "Policy") for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

THE INSURER

Assured Guaranty is a Maryland-domiciled insurance company regulated by the Maryland Insurance Administration and licensed to conduct financial guaranty insurance business in all fifty states of the United States, the District of Columbia and Puerto Rico. Assured Guaranty commenced operations in 1988. Assured Guaranty is a wholly owned, indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, structured finance and mortgage markets. Neither AGL nor any of its shareholders is obligated to pay any debts of Assured Guaranty or any claims under any insurance policy issued by Assured Guaranty.

Assured Guaranty's financial strength is rated "AAA" (negative outlook) by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"), "Aa2" (on review for possible downgrade) by Moody's Investors Service, Inc. ("Moody's") and "AA" (evolving) by Fitch, Inc. ("Fitch"). Each rating of Assured Guaranty should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of any security guaranteed by Assured Guaranty. Assured Guaranty does not guaranty the market price of the securities it guarantees, nor does it guaranty that the ratings on such securities will not be revised or withdrawn.

Recent Developments

<u>Ratings</u>

On July 1, 2009, S&P published a Research Update in which it affirmed its "AAA" counterparty credit and financial strength ratings on Assured Guaranty. At the same time, S&P revised its outlook on Assured Guaranty to negative from stable. Reference is made to the Research Update, a copy of which is available at www.standardandpoors.com, for the complete text of S&P's comments.

On May 20, 2009, Moody's issued a press release stating that it had placed the "Aa2" insurance financial strength rating of Assured Guaranty on review for possible downgrade. Reference is made to the press release, a copy of which is available at www.moodys.com, for the complete text of Moody's comments.

In a press release dated May 4, 2009, Fitch announced that it had downgraded the insurer financial strength rating of Assured Guaranty to "AA" from "AAA" and placed such rating on Rating Watch Evolving. Reference is made to the press release, a copy of which is available at www.fitchratings.com, for the complete text of Fitch's comments.

There can be no assurance as to the outcome of Moody's review or the timing of when such review may be completed, or as to the further action that Fitch or S&P may take with respect to Assured Guaranty.

For more information regarding Assured Guaranty's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2008, which was filed by AGL with the Securities and Exchange Commission ("SEC") on February 26, 2009, and AGL's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009, which was filed by AGL with the SEC on May 11, 2009.

Acquisition of FSA

On July 1, 2009, AGL acquired the financial guaranty operations of Financial Security Assurance Holdings Ltd. ("FSA"), the parent of financial guaranty insurance company Financial Security Assurance, Inc.

Capitalization of Assured Guaranty Corp.

As of March 31, 2009, Assured Guaranty had total admitted assets of $1,926,329,505 (unaudited), total liabilities of $1,570,615,119 (unaudited), total surplus of $355,714,386 (unaudited) and total statutory capital (surplus plus contingency reserves) of $1,109,717,908 (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

Incorporation of Certain Documents by Reference

The portions of the following documents relating to Assured Guaranty are hereby incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- The Annual Report on Form 10-K of AGL for the fiscal year ended December 31, 2008 (which was filed by AGL with the SEC on February 26, 2009); and

- The Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009 (which was filed by AGL with the SEC on May 11, 2009).

All consolidated financial statements of Assured Guaranty and all other information relating to Assured Guaranty included in documents filed by AGL with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, subsequent to the date of this Official Statement and prior to the termination of the offering of the Bonds shall be deemed to be incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such consolidated financial statements.

Any statement contained in a document incorporated herein by reference or contained herein under the heading "APPENDIX – F - BOND INSURANCE AND SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY" shall be modified or superseded for purposes of this Official Statement to the extent that a statement contained herein or in any subsequently filed document which is incorporated by reference herein also modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement.

Copies of the consolidated financial statements of Assured Guaranty incorporated by reference herein and of the statutory financial statements filed by Assured Guaranty with the Maryland Insurance Administration are available upon request by contacting Assured Guaranty at 1325 Avenue of the Americas, New York, New York 10019 or by calling Assured Guaranty at (212) 974-0100. In addition, the information regarding Assured Guaranty that is incorporated by reference in this Official Statement that has been filed by AGL with the SEC is available to the public over the Internet at the SEC's web site at *http://www.sec.gov* and at AGL's web site at *http://www.assuredguaranty.com*, from the SEC's Public Reference Room at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at the office of the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

Assured Guaranty makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, Assured Guaranty has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding Assured Guaranty supplied by Assured Guaranty and presented under the heading "APPENDIX - F - BOND INSURANCE AND SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY".

ASSURED GUARANTY®
ENDURING FINANCIAL STRENGTH

Financial Guaranty Insurance Policy

Issuer:

Policy No.:

Obligations:

Premium:

Effective Date:

Assured Guaranty Corp., a Maryland corporation ("**Assured Guaranty**"), in consideration of the payment of the Premium and on the terms and subject to the conditions of this Policy (which includes each endorsement hereto), hereby unconditionally and irrevocably agrees to pay to the trustee (the "**Trustee**") or the paying agent (the "**Paying Agent**") for the Obligations (as set forth in the documentation providing for the issuance of and securing the Obligations) for the benefit of the Holders, that portion of the Insured Payments which shall become Due for Payment but shall be unpaid by reason of Nonpayment.

Assured Guaranty will make such Insured Payments to the Trustee or the Paying Agent on the later to occur of (i) the date applicable principal or interest becomes Due for Payment, or (ii) the Business Day next following the day on which Assured Guaranty shall have Received a completed Notice of Nonpayment. If a Notice of Nonpayment by Assured Guaranty is incomplete or does not in any instance conform to the terms and conditions of this Policy, it shall be deemed not Received, and Assured Guaranty shall promptly give notice to the Trustee or the Paying Agent. Upon receipt of such notice, the Trustee or the Paying Agent may submit an amended Notice of Nonpayment. The Trustee or the Paying Agent will disburse the Insured Payments to the Holders only upon receipt by the Trustee or the Paying Agent, in form reasonably satisfactory to it of (i) evidence of the Holder's right to receive such payments, and (ii) evidence, including without limitation any appropriate instruments of assignment, that all of the Holder's rights to payment of such principal or interest Due for Payment shall thereupon vest in Assured Guaranty. Upon and to the extent of such disbursement, Assured Guaranty shall become the Holder of the Obligations, any appurtenant coupon thereto and right to receipt of payment of principal thereof or interest thereon, and shall be fully subrogated to all of the Holder's right, title and interest thereunder, including without limitation the right to receive payments in respect of the Obligations. Payment by Assured Guaranty to the Trustee or the Paying Agent for the benefit of the Holders shall discharge the obligation of Assured Guaranty under this Policy to the extent of such payment.

This Policy is non-cancelable by Assured Guaranty for any reason. The Premium on this Policy is not refundable for any reason. This Policy does not insure against loss of any prepayment premium or other acceleration payment which at any time may become due in respect of any Obligation, other than at the sole option of Assured Guaranty, nor against any risk other than Nonpayment.

Except to the extent expressly modified by any endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "**Avoided Payment**" means any amount previously distributed to a Holder in respect of any Insured Payment by or on behalf of the Issuer, which amount has been recovered from such Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction that such payment constitutes an avoidable preference with respect to such Holder. "**Business Day**" means any day other than (i) a Saturday or Sunday, (ii) any day on which the offices of the Trustee, the Paying Agent or Assured Guaranty are closed, or (iii) any day on which banking institutions are authorized or required by law, executive order or governmental decree to be closed in the City of New York or in the State of Maryland. "**Due for Payment**" means (i) when referring to the principal of an Obligation, the stated maturity date thereof, or the date on which such Obligation shall have been duly called for mandatory sinking fund redemption, and does not refer to any earlier date on which payment is due by reason of a call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless Assured Guaranty in its sole discretion elects to make any principal payment, in whole or in part, on such earlier date) and (ii) when referring to interest on an Obligation, the stated date for payment of such interest. "**Holder**" means, in respect of any Obligation, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Obligation to payment of principal or interest thereunder, except that Holder shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Obligations. "**Insured Payments**" means that portion of the principal of and interest on the Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment. Insured Payments shall not include any additional amounts owing by the Issuer solely as a result of the failure by the Trustee or the Paying Agent to pay such amount when due and payable, including without limitation any such additional amounts as may be attributable to penalties or to interest accruing at a default rate, to amounts payable in respect of indemnification, or to any other additional amounts payable by the Trustee or the Paying Agent by reason of such failure. "**Nonpayment**" means, in respect of an Obligation, the failure of the Issuer to have provided sufficient funds to the Trustee or the Paying Agent for payment in full of all principal and interest Due for Payment on such Obligation. It is further understood that the term "Nonpayment" in respect of an Obligation includes any Avoided Payment. "**Receipt**" or "**Received**" means actual receipt or notice of or, if notice is given by overnight or other delivery service, or by certified or registered United States mail, by a delivery receipt signed by a person authorized to accept delivery on behalf of the person to whom the notice was given. Notices to Assured Guaranty may be mailed by registered mail or personally delivered or telecopied to it at 1325 Avenue of the Americas, New York, New York 10019, Telephone Number: (212) 974-0100, Facsimile Number: (212) 581-3268, Attention: Risk Management Department – Public Finance Surveillance, with a copy to the General Counsel, or to such other address as shall be specified by Assured Guaranty to the Trustee or the Paying Agent in writing. A Notice of Nonpayment will be deemed to be Received by Assured Guaranty on a given Business Day if it is Received prior to 12:00 noon (New York City time) on such Business Day; otherwise it will be deemed Received on the next Business Day. "**Term**" means the period from and including the Effective Date until the earlier of (i) the maturity date for the Obligations, or (ii) the date on which the Issuer has made all payments required to be made on the Obligations.

At any time during the Term of this Policy, Assured Guaranty may appoint a fiscal agent (the "**Fiscal Agent**") for purposes of this Policy by written notice to the Trustee or the Paying Agent, specifying the name and notice address of such Fiscal Agent. From and after the date of Receipt of such notice by the Trustee or the Paying Agent, copies of all notices and documents required to be delivered to Assured Guaranty pursuant to this Policy shall be delivered simultaneously to the Fiscal Agent and to Assured Guaranty. All payments required to be made by Assured Guaranty under this Policy may be made directly by Assured Guaranty or by the Fiscal Agent on behalf of Assured Guaranty. The Fiscal Agent is the agent of Assured Guaranty only, and the Fiscal Agent shall in no event be liable to the Trustee or the Paying Agent for any acts of the Fiscal Agent or any failure of Assured Guaranty to deposit, or cause to be deposited, sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Assured Guaranty hereby waives, in each case for the benefit of the Holders only, all rights and defenses of any kind (including, without limitation, the defense of fraud in the inducement or in fact or any other circumstance that would have the effect of discharging a surety, guarantor or any other person in law or in equity) that may be available to Assured Guaranty to deny or avoid payment of its obligations under this Policy in accordance with the express provisions hereof. Nothing in this paragraph will be construed (i) to waive, limit or otherwise impair, and Assured Guaranty expressly reserves, Assured Guaranty's rights and remedies, including, without limitation, its right to assert any claim or to pursue recoveries (based on contractual rights, securities law violations, fraud or other causes of action) against any person or entity, in each case, whether directly or acquired as a subrogee, assignee or otherwise, subsequent to making any payment to the Trustee or the Paying Agent, in accordance with the express provisions hereof, and/or (ii) to require payment by Assured Guaranty of any amounts that have been previously paid or that are not otherwise due in accordance with the express provisions of this Policy.

This Policy (which includes each endorsement hereto) sets forth in full the undertaking of Assured Guaranty with respect to the subject matter hereof, and may not be modified, altered or affected by any other agreement or instrument, including, without limitation, any modification thereto or amendment thereof. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. This Policy will be governed by, and shall be construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, Assured Guaranty has caused this Policy to be affixed with its corporate seal, to be signed by its duly authorized officer, and to become effective and binding upon Assured Guaranty by virtue of such signature.

ASSURED GUARANTY CORP.

(SEAL)

By:__________________________________
[Insert Authorized Signatory Name]
[Insert Authorized Signatory Title]

Signature attested to by:

____
Counsel