This Preliminary Official Statement and the information contained in it are subject to completion and amendment in a final Official Statement. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there may not be any sale of the Bonds and the Notes, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of that jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 27, 2017

NEW and RENEWAL ISSUES
BOOK-ENTRY-ONLY BONDS and NOTES

RATINGS: (See "RATINGS" herein)

In the opinion of Bond Counsel, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the County with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), and the accuracy of certain representations made by the County, interest on the Bonds and the Notes is excluded from gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals and corporations; interest on the Bonds and the Notes is, however, included in "adjusted current earnings" for purposes of calculating the Federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that under existing statutes interest on the Bonds and the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Bonds and the Notes. See "TAX MATTERS" herein.

The Bonds and the Notes will NOT be designated by the County as "qualified tax-exempt obligations" pursuant to the provision of Section 265 of the Code.

COUNTY OF SUFFOLK
NEW YORK

$98,165,000*
REFUNDING SERIAL BONDS – 2017 SERIES A
(the "Series A Bonds")

Date of Issue: April 25, 2017 | **Maturity Dates: August 1, 2017, February 1, 2018-2027 (as shown on the inside cover)**

$53,235,000*
REFUNDING SERIAL BONDS – 2017 SERIES B
(the "Series B Bonds", and together with the Series A Bonds, the "Bonds")

Date of Issue: April 25, 2017 | **Maturity Dates: October 15, 2017-2026 (as shown on the inside cover)**

$45,000,000*
REVENUE ANTICIPATION NOTES – 2017
(the "RANs")

Date of Issue: April 13, 2017 | **Maturity Date: March 23, 2018**

$9,715,576*
BOND ANTICIPATION NOTES – 2017
(the "BANs", and together with the RANs, the "Notes")

Date of Issue: April 13, 2017 | **Maturity Date: April 13, 2018**

The Bonds and the Notes are general obligations of the County of Suffolk, New York (the "County"), and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds and the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the County, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011 of the State of New York, as amended. See "TAX LEVY LIMITATION LAW," herein.

The Series A Bonds are dated the date of delivery thereof and will bear interest from such date until maturity. Interest on the Series A Bonds will be payable on August 1, 2017 and semi-annually thereafter on February 1 and August 1 in each year until maturity. The Series A Bonds will mature annually on the dates in the years as shown on the inside cover page hereof. The Series A Bonds are not subject to optional redemption prior to maturity.

The Series B Bonds are dated the date of delivery thereof and will bear interest from such date until maturity. Interest on the Series B Bonds will be payable on October 15, 2017 and semi-annually thereafter on April 15 and October 15 in each year until maturity. The Series B Bonds will mature annually on October 15, as shown on the inside cover page hereof. The Series B Bonds are not subject to optional redemption prior to maturity.

The RANs are dated their Date of Issue and bear interest from that date until March 23, 2018, the maturity date, at the annual rate(s) as specified by the purchaser(s) of the RANs. The BANs are dated their Date of Issue and bear interest from that date until April 13, 2018, the maturity date, at the annual rate(s) as specified by the purchaser(s) of the BANs. The Notes will not be subject to redemption prior to maturity.

The Bonds and the Notes will be issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), Jersey City, New Jersey. DTC will act as securities depository for the Bonds and the Notes. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof, except for one necessary odd denomination in the BANs. Purchasers will not receive certificates representing their ownership interests in the Bonds and the Notes. Payment of the principal of and interest on the Bonds and the Notes will be made by the County to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds and the Notes as described herein. See "THE BONDS AND THE NOTES – Book-Entry-Only System" herein.

Dated: March __, 2017

* Preliminary, subject to change.

Underwriters for the Bonds:

CITIGROUP | RAMIREZ & CO., INC. | ROOSEVELT & CROSS INC.

The Bonds are each offered when, as, and if issued by the County and accepted by the Underwriters, subject to the receipt of the respective final approving opinions of Harris Beach PLLC, Hempstead, New York, Bond Counsel, and certain other conditions. Certain matters will be passed upon for the Underwriters of the Bonds by their counsel, Hawkins Delafield & Wood LLP, New York, New York. The Notes are each offered when, as, and if issued by the County and accepted by the purchaser(s), subject to the receipt of the respective final approving opinions of Harris Beach PLLC, Hempstead, New York, Bond Counsel, and certain other conditions. Capital Markets Advisors, LLC has served as Financial Advisor to the County in connection with the issuance of the Bonds and the Notes. It is expected that delivery of the Bonds and the Notes in book-entry form, will be made in Jersey City, New Jersey on their respective Dates of Issue.

Harris Beach PLLC has not participated in the preparation of the demographic, financial or statistical data contained in this Official Statement, nor verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion with respect thereto.

THIS OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE COUNTY FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE") EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS DESCRIBED HEREIN. FOR A DESCRIPTION OF THE COUNTY'S AGREEMENTS TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AND THE NOTES AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

The Series A Bonds mature on the dates in the years as set forth below:

Date	Amount*	Interest Rate	Yield	CUSIP**	Date	Amount*	Interest Rate	Yield	CUSIP**
8/1/2017	$ 2,150,000	%	%		2/1/2023	$ 11,625,000	%	%	
2/1/2018	5,000				2/1/2024	16,880,000			
2/1/2019	5,000				2/1/2025	17,680,000			
2/1/2020	905,000				2/1/2026	18,630,000			
2/1/2021	5,240,000				2/1/2027	19,615,000			
2/1/2022	5,430,000								

* Preliminary, subject to change.

** CUSIP numbers have been assigned by an independent company not affiliated with the County and are included solely for the convenience of the holders of the Series A Bonds. The County is not responsible for the selection or uses of these CUSIP numbers and no representation is made to their correctness on the Series A Bonds or as indicated above.

The Series B Bonds mature on October 15 in each year as set forth below:

Year	Amount*	Interest Rate	Yield	CUSIP**	Year	Amount*	Interest Rate	Yield	CUSIP**
2019	$ 5,000	%	%		2023	$ 8,685,000	%	%	
2020	5,000				2024	8,980,000			
2021	8,155,000				2025	9,285,000			
2022	8,410,000				2026	9,710,000			

*Preliminary, subject to change.

** CUSIP numbers have been assigned by an independent company not affiliated with the County and are included solely for the convenience of the holders of the Series B Bonds. The County is not responsible for the selection or uses of these CUSIP numbers and no representation is made to their correctness on the Series B Bonds or as indicated above.

THE UNDERSIGNED HAS SERVED AS FINANCIAL ADVISOR TO THE COUNTY REGARDING THIS FINANCING.

Capital Markets Advisors, LLC
Great Neck and New York, New York
(516) 487-9817

No person has been authorized by the County to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds and the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. 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 since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVERALLOT 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 MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TABLE OF CONTENTS

APPENDIX A

OFFICIAL STATEMENT

of the

COUNTY OF SUFFOLK, NEW YORK

Relating to

$97,195,000*
REFUNDING SERIAL BONDS – 2017 SERIES A

and

$52,120,000*
REFUNDING SERIAL BONDS – 2017 SERIES B

and

$45,000,000*
REVENUE ANTICIPATION NOTES – 2017

and

$9,715,576*
BOND ANTICIPATION NOTES – 2017

This Official Statement, including its cover page and appendices, presents information relating to the County of Suffolk, New York (the "County" and "State", respectively), in connection with the sale of $84,140,000* Refunding Serial Bonds – 2017 Series A (the "Series A Bonds"), $52,080,000* Refunding Serial Bonds – 2017 Series B (the "Series B Bonds", and together with the Series A Bonds, the "Bonds"), $45,000,000* Revenue Anticipation Notes – 2017 (the "RANs") and $9,715,576* Bond Anticipation Notes – 2017 (the "BANs", and together with the RANs, the "Notes"), by the County.

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 Notes and the proceedings of the County relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and the Notes and such proceedings.

THE BONDS

Description

The Series A Bonds are dated their date of delivery and will bear interest from that date until maturity. Interest on the Series A Bonds will be payable on August 1, 2017 and semi-annually thereafter on February 1 and August 1 in each year until maturity. The Series A Bonds shall mature on the dates in the years in the principal amounts specified on the inside cover page hereof. The Series A Bonds are not subject to optional redemption prior maturity.

The Series B Bonds are dated their date of delivery and will bear interest from that date until maturity. Interest on the Series B Bonds will be payable on October 15, 2017 and semi-annually thereafter on April 15 and October 15 in each year until maturity. The Series B Bonds shall mature on October 15 in each year in the principal amounts specified on the inside cover page hereof. The Series B Bonds are not subject to optional redemption prior maturity.

* Preliminary, subject to change.

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), Jersey City, New Jersey. DTC will act as Securities Depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in the Bonds.

Payments of principal of and interest on the Bonds will be made by the County to DTC, which will in turn remit such principal and interest to its Participants, for subsequent disbursement to the Beneficial Owners of the Bonds as described under "THE BONDS AND THE NOTES – Book-Entry-Only System," herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the County referred to therein.

The record date for payment of principal of and interest on the Series A Bonds will be the fifteenth day of the calendar month preceding each interest payment date. The record date for payment of principal of and interest on the Series B Bonds will be the last business day of the calendar month preceding each interest payment date.

Authorization and the Refunding Plan for the Bonds

The Bonds are issued pursuant to the Constitution and Laws of the State, including, the Local Finance Law, including particularly Section 90.10, the County Charter and Refunding Bond Resolution #546-2016 duly adopted by the County Legislature on June 21, 2016 and approved by the County Executive on July 1, 2016. A refunding financial plan has been prepared and is described below (the "Refunding Plan").

The Bonds are being issued to refund up to $3,725,000 outstanding principal of the County's Refunding Serial Bonds – 2008 Series B (the "2008B Bonds"), which mature in the years 2020 through 2023, inclusive (the "Refunded 2008B Bonds"), up to $37,240,000 outstanding principal of the County's Public Improvement Serial Bonds – 2009 Series A (the "2009A Bonds"), which mature in the years 2021 through 2027, inclusive (the "Refunded 2009A Bonds"), up to $55,645,000 outstanding principal of the County's Public Improvement Serial Bonds – 2009 Series C (the "2009C Bonds"), which mature in the years 2021 through 2026, inclusive (the "Refunded 2009C Bonds"), up to $21,335,000 outstanding principal of the County's Public Improvement Serial Bonds – 2010 Series A (the "2010A Bonds"), which mature in the years 2018 through 2020, inclusive, and 2024 through 2026, inclusive (the "Refunded 2010A Bonds") and up to $27,355,000 outstanding principal of the County's Public Improvement Serial Bonds – 2011 Series A (the "2011A Bonds"), which mature in the years 2023 through 2026, inclusive (the "Refunded 2011A Bonds" and together with the Refunded 2008B Bonds, Refunded 2009A Bonds, Refunded 2009C Bonds and the Refunded 2010A Bonds, the "Refunded Bonds"). The 2008B Bonds were issued in the original principal amount of $3,855,000. The 2009A Bonds were issued in the original principal amount of $78,265,000. The 2009C Bonds were issued in the original principal amount of $158,205,000. The 2010A Bonds were issued in the original principal amount of $96,205,000. The 2011A Bonds were issued in the original principal amount of $100,110,000. Under the Refunding Plan, the Refunded 2008B Bonds are to be called and redeemed on August 1, 2018, the Refunded 2010A Bonds maturing on February 1, 2020, 2024, 2025 and 2026 are to be called and redeemed on February 1, 2019, the Refunded 2009A Bonds and the Refunded 2011A Bonds are to be called and redeemed on May 15, 2019 and the Refunded 2009C Bonds are to be called and redeemed on October 15, 2019 (each, a "Redemption Date").

In accordance with the Refunding Plan, the net proceeds of the Bonds (after payment of the underwriting fee and other costs of issuance relating to the Bonds) will be used to purchase non-callable, direct obligations of or obligations guaranteed by the United States of America (the "Government Obligations") which, together with the remaining cash proceeds from the sale of the Bonds, will be placed in an irrevocable trust fund (the "Escrow Fund") to be held by Manufacturers and Traders Trust Company, (the "Escrow Holder"), a bank located and authorized to do business in the State, pursuant to the terms of an escrow contract by and between the County and the Escrow Holder, dated as of the delivery date of the Bonds (the "Escrow Contract"). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the scheduled payments of principal and/or interest on the Refunded Bonds through and including their respective Redemption Dates and to pay the redemption price of the Refunded Bonds on such respective Redemption Dates, which are the earliest respective dates on which the Refunded Bonds may be called for redemption prior to maturity.

The holders of the Refunded Bonds will have a first lien on all investment income from, and maturing principal of the Government Obligations, along with other available monies held in the Escrow Fund. The Escrow Contract shall terminate upon final payment by the Escrow Holder to the paying agents/fiscal agents for the Refunded Bonds of amounts from the Escrow Fund adequate for the payment, in full, of the Refunded Bonds, including interest payable with respect thereto.

The Refunding Plan will permit the County to realize, as a result of the issuance of the Bonds, cumulative dollar and present value debt service savings.

Under the Refunding Plan, the Refunded Bonds will continue to be general obligation bonds of the County. However, inasmuch as the Government Obligations, together with any remaining cash proceeds of the Bonds, held in the Escrow Fund will be sufficient to pay all scheduled payments of interest on, and the redemption price of, the Refunded Bonds when required in accordance with the Refunding Plan, it is not anticipated that any other source of payment will be required.

Refunded 2008B Bonds:

Maturity Date	Principal*	Interest Rate	Redemption Date/Price*	CUSIP
August 1, 2020	$ 920,000	4.000%	August 1, 2018 @ 100%	8647666E5
August 1, 2021	925,000	4.125	August 1, 2018 @ 100%	8647666F2
August 1, 2022	935,000	4.250	August 1, 2018 @ 100%	8647666G0
August 1, 2023	945,000	4.250	August 1, 2018 @ 100%	8647666H8
Total:	$ 3,725,000			

Refunded 2009A Bonds:

Maturity Date	Principal*	Interest Rate	Redemption Date/Price*	CUSIP
May 15, 2021	$ 4,645,000	4.000%	May 15, 2019 @ 100%	86476PAM0
May 15, 2022	4,840,000	4.000	May 15, 2019 @ 100%	86476PAN8
May 15, 2023	5,055,000	4.000	May 15, 2019 @ 100%	86476PAP3
May 15, 2024	5,285,000	4.000	May 15, 2019 @ 100%	86476PAQ1
May 15, 2025	5,530,000	4.000	May 15, 2019 @ 100%	86476PAR9
May 15, 2026	5,800,000	4.250	May 15, 2019 @ 100%	86476PAS7
May 15, 2027	6,085,000	4.250	May 15, 2019 @ 100%	86476PAT5
Total:	$ 37,240,000			

Refunded 2009C Bonds:

Maturity Date	Principal*	Interest Rate	Redemption Date/Price*	CUSIP
October 15, 2021	$ 8,535,000	4.000%	October 15, 2019 @ 100%	86476PBW7
October 15, 2022	8,805,000	4.000	October 15, 2019 @ 100%	86476PBX5
October 15, 2023	9,095,000	4.000	October 15, 2019 @ 100%	86476PBY3
October 15, 2024	9,405,000	4.000	October 15, 2019 @ 100%	86476PBZ0
October 15, 2025	9,730,000	4.000	October 15, 2019 @ 100%	86476PCA4
October 15, 2026	10,075,000	4.000	October 15, 2019 @ 100%	86476PCB2
Total:	$ 55,645,000			

* Preliminary, subject to change.

Refunded 2010A Bonds:

Maturity Date	Principal*	Interest Rate	Redemption Date/Price*	CUSIP
February 1, 2018	$ 920,000	3.000%		86476PCS5
February 1, 2019	940,000	3.000		86476PCT3
February 1, 2020	900,000	3.000	February 1, 2019 @ 100%	86476PCU0
February 1, 2024	6,115,000	4.000	February 1, 2019 @ 100%	86476PCY2
February 1, 2025	6,355,000	4.000	February 1, 2019 @ 100%	86476PCZ9
February 1, 2026	6,615,000	4.000	February 1, 2019 @ 100%	86476PDA3
February 1, 2027	6,890,000	4.000	February 1, 2019 @ 100%	86476PDB1
Total:	$ 28,735,000			

Refunded 2011A Bonds:

Maturity Date	Principal*	Interest Rate	Redemption Date/Price*	CUSIP
May 15, 2023	$ 6,435,000	4.000%	May 15, 2019 @ 100%	86476PEU8
May 15, 2024	6,695,000	4.000	May 15, 2019 @ 100%	86476PEV6
May 15, 2025	6,970,000	4.000	May 15, 2019 @ 100%	86476PEW4
May 15, 2026	7,255,000	4.000	May 15, 2019 @ 100%	86476PEX2
May 15, 2027	7,550,000	4.000	May 15, 2019 @ 100%	86476PEY0
Total:	$ 34,905,000			

* Preliminary, subject to change.

Sources and Uses of Proceeds of the Bonds

	Series A Bonds:	Series B Bonds:	Total:
Sources:			
Par Amount			
Original Issue Premium (Discount)			
Total:			
Refunding Escrow Deposits			
Costs of Issuance, Bond Insurance and Contingency			
Underwriters' Discount			
Total:			

Verification of Mathematical Computations

Causey Demgen & Moore P.C. will verify based upon the information provided to them, the mathematical accuracy, as of the date of the closing of the Bonds, of: (1) the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits listed in the purchaser's schedules, to be held in escrow, will be sufficient to pay, when due, the principal of and interest on the Bonds, and (2) the computations of the yield on both the Government Obligations and the Bonds contained in the provided schedules to be used by Bond Counsel in its determination that the interest on the Bonds is excludable from gross income for Federal income tax purposes.

THE NOTES

Description of the Notes

The RANs are to be issued in the aggregate principal amount of $45,000,000* on April 13, 2017, shall bear interest from that date and mature on March 23, 2018. The BANs are to be issued in the aggregate principal amount of $9,715,576* on April 13, 2017, shall bear interest from that date and mature on April 13, 2018. Interest on the Notes will be calculated based on a thirty (30) day month and a three hundred sixty (360) day year. The Notes are not subject to redemption prior to maturity. The Notes will be issued in registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Notes. Individual purchases will be made in book-entry-only form in the principal amount of $5,000 or integral multiples thereof, except for one necessary odd denomination in the BANs. Purchasers will not receive certificates representing their interests in the Notes.

Principal and interest will be paid by the County to DTC, which will in turn remit such principal and interest to its Participants (defined herein), for subsequent distribution to the Beneficial Owners (defined herein) of the Notes as described herein. The Notes may be transferred in the manner described on the Notes and as referenced in certain proceedings of the County referred to therein. (See also "THE BONDS AND THE NOTES – Book-Entry-Only System", herein.)

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* Preliminary, subject to change.

Authorization and Purpose of the RANs

The RANs are issued pursuant to the Constitution and Laws of the State, including the Local Finance Law, the County Charter and revenue anticipation note resolution No. 86-2017 which was duly adopted by the County Legislature on March 7, 2017, and approved by the Office of the County Executive on March 13, 2017 authorizing the issuance of up to $55,000,000 in revenue anticipation notes of the County. The RANs are being issued in anticipation of the receipt of certain revenues expected to be received by the County for the 2017 fiscal year from (i) State aid and (ii) Federal aid (collectively, the "Revenues"). The following chart shows the sources of such types of revenue, the amount budgeted by the County for each in the current fiscal year and the actual amount collected as of March 27, 2017:

Source	Adopted FY 2017 Budget Amount	Actual Collection as of March 27, 2017	Amount of RANs
State Aid	$ 252,696,307	$ 115,356	$ 25,000,000
Federal Aid	217,936,276	22,430	20,000,000
Totals	$ 470,632,583	$ 137,786	$ 45,000,000

Proceeds of the RANs will be used to offset the effects of timing differences between cash receipts and disbursements. The proceeds of the RANs may be used only for the purposes for which such Revenues were to be applied. The proceeds of the RANs will not be used for the redemption or renewal of any outstanding tax or revenue anticipation notes.

Pursuant to Section 25.00(g) of the Local Finance Law, generally, whenever the amount of the RANs and any additional revenue anticipation notes issued by the County in anticipation of the receipt of Revenues equals the amount of such Revenues remaining to be received, the County is required to set aside in special bank accounts all of such Revenues as thereafter received, and to use the amounts so set aside only for the purpose of paying such notes. Interest on the RANs will be provided from budgetary appropriations. (See "Appendix C – Cash Flow Statements".)

In the event the aforementioned Revenues are not received on or before the maturity date for the RANs, the RANs may be renewed from time to time. However, the RANs may not be renewed beyond December 31, 2019, such date being the close of the second fiscal year succeeding the fiscal year in which the RANs were originally issued. In the event such Revenues in anticipation of which the RANs have been issued have not been received by the final maturity of the RANs or any renewals thereof, the principal of and interest on the RANs or any renewals thereof will be paid from other available County moneys.

FOR ADDITIONAL INFORMATION CONCERNING CASH FLOW BORROWINGS IN PRIOR YEARS, SEE "INDEBTEDNESS OF THE COUNTY – CASH FLOW BORROWINGS," HEREIN.

Authorization and Purpose of the BANs

The BANs are issued pursuant to the Constitution, the laws of the State, including the Local Finance Law, the County Charter, and a bond resolution duly adopted by the County Legislature on March 5, 2013 authorizing the issuance of up to $38,500,000 in serial bonds of the County to finance the cost of an arbitration award ordered by the State of New York Public Employment Relations Board on September 17, 2012 in favor of the Suffolk County Correction Officers Association, Inc. The proceeds from the sale of the BANs, together with $9,241,645 in available funds of the County, will be used to redeem the County's outstanding $18,957,221 Bond Anticipation Notes – 2016 Series A at maturity on April 14, 2017.

THE BONDS AND THE NOTES

Optional Redemption

The Bonds and the Notes are not subject to optional redemption prior to maturity.

Nature of Obligation

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

The Bonds and the Notes will be general obligations of the County and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest, the County has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the County, subject to applicable statutory limits (see "TAX LEVY LIMITATION LAW" herein).

Under the Constitution of the State, the County is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and the Notes, and the State is specifically precluded from restricting the power of the County to levy taxes on real estate therefor. However, Chapter 97 of the Laws of 2011 of the State of New York imposes a statutory limitation on the County's power to increase its annual tax levy, unless the County complies with certain procedural requirements to permit the County to levy certain year-to-year increases in real property taxes (See "TAX LEVY LIMITATION LAW" herein).

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds and the Notes. The Bonds and the Notes 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. Fully-registered bond certificate will be issued for each maturity of each series of Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. One fully-registered note certificate will be issued for each Note which bears the same rate of interest and CUSIP number, in the aggregate principal amount of such Note, and will be deposited with DTC.

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

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

To facilitate subsequent transfers, all Bonds and Notes 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 the Bonds and the Notes 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 and the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices with respect to the Bonds shall be sent to DTC. If less than all of the Bonds are to be redeemed, DTC's practice is to determine by lot the amount of the interest of all Direct Participants is to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds and the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds and the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds and the Notes 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 upon DTC's receipt of funds and corresponding detail information from the County, on the payable date 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 payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of 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 and the Notes at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, bond and note certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond and note certificates will be printed and delivered to DTC.

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

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, the counties comprising New York City and the Big 5 City School Districts (Buffalo, Rochester, Syracuse, Yonkers and New York). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It expires on June 16, 2020 unless extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System, the Police and Fire Retirement System, and the Teachers’ Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

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

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. This has been interpreted by the Court of Appeals, the State’s highest court, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), as follows:

> "A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit", are used and they are not tautological. That is what the words say and that is what courts have held they mean."

Article 8 Section 12 of the State Constitution specifically provides as follows:

> "It shall be the duty of the legislature, subject to the provisions of this constitution, to restrict the power of taxation, assessment, borrowing money, contracting indebtedness, and loaning the credit of counties, cities, towns and villages, so as to prevent abuses in taxation and assessments and in contracting of indebtedness by them. Nothing in this article shall be construed to prevent the legislature from further restricting the powers herein specified of any county, city, town, village or school district to contract indebtedness or to levy taxes on real estate. The legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted."

On the relationship of the Article 8 Section 2 requirement to pledge the faith and credit and the Article 8 Section 12 protection of the levy of real property taxes to pay debt service on bonds subject to the general obligation pledge, the Court of Appeals in the *Flushing National Bank* case stated:

> "So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted….While phrased in permissive language, these provisions, when read together with the requirement of the pledge of faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the *Flushing National Bank* case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of municipalities.

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

It is possible that the Tax Levy Limitation Law will be subject to judicial review to resolve the constitutional issues raised by its adoption. Although courts in New York have historically been protective of the rights of holders of general obligation debt of political subdivisions, the outcome of any such legal challenge cannot be predicted.

MARKET FACTORS AFFECTING FINANCINGS OF THE COUNTY, THE STATE AND MUNICIPALITIES OF THE STATE

The financial condition of the County as well as the market for the Bonds and the Notes 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, including, for example, the seeking by a municipality of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds and the Notes. If a significant default or other financial crisis should occur in the affairs of the State or at 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 and the Notes, could be adversely affected.

The County is dependent in part on financial assistance from the State in the form of State aid. No delay in payment of State aid to the County is presently anticipated although no assurance can be given that there will not be a delay in payment thereof. In some recent years, the County 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.

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire district in the State, including the County, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the County, could have an impact upon the finances of the County and hence the market price for the Bonds and the Notes. See “TAX LEVY LIMITATION LAW” herein.

On March 6, 2012, the Suffolk County Fiscal Analysis Task Force issued a report on the state of the County’s finances which projected significant deficits in both the General Fund and the Police District Fund for the years 2011 through 2013, inclusive. The County has taken steps to address these shortfalls. (See “FINANCIAL FACTORS,” “RECENT OPERATING RESULTS,” “2016 ADOPTED BUDGET WITH UPDATES” and “2017 ADOPTED BUDGET” in APPENDIX A, herein.) Failure to satisfactorily address the projected operating deficits and/or further negative credit rating agency actions may have a materially adverse impact on the marketability of the Bonds and the Notes.

TAX MATTERS

In the opinion of Harris Beach PLLC, Bond Counsel to the County, based on existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the County with certain covenants and the accuracy of certain representations, interest on each of the Bonds, RANs and the BANs is excluded from gross income for Federal income tax purposes.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various limitations, conditions and other requirements which must be met at and subsequent to the respective dates of issue of the Bonds, the RANs and the BANs in order that interest on the Bonds, the RANs and/or the BANs, as applicable, will be and remain excluded from gross income for Federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Bonds, the RANs and/or the BANs, as applicable, and in certain circumstances, payment of amounts in respect of such proceeds to the United States. Failure to comply with the requirement of the Code may cause interest on the Bonds, the RANs and/or the BANs to be includable in gross income for purposes of Federal income tax, possibly from the respective dates of issuance of the Bonds, the RANs and/or the BANs. In the respective Arbitrage and Use of Proceeds Certificate of the County to be executed in connection with the issuance of each of the Bonds, the RANs and the BANs, the County will covenant to comply with certain procedures and it will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code in respect to the Bonds, the RANs or the BANs, as applicable. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

Bond Counsel is of the further opinion that interest on each of the Bonds, the RANs and the BANs is not an "item of tax preference" for purposes of Federal alternative minimum tax on individuals and corporations; interest on the Bonds, the RANs and the BANs is, however, included in "adjusted current earnings" for purposes of calculating the Federal alternative minimum tax imposed on certain corporations. Corporate purchasers of the Bonds, the RANs or the BANs should consult their tax advisors concerning the computation of any alternative minimum tax.

Prospective purchasers of the Bonds, the RANs or the BANs should be aware that ownership of the Bonds, the RANs or the BANs, as applicable, and the accrual or receipt of interest thereon, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of the Bonds, the RANs or the BANs, as applicable, and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

The Bonds, the RANs and the BANs will NOT be designated as "qualified tax exempt obligations" within the meaning of, and pursuant to Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, interest on each of the Bonds, the RANs and the BANs is exempt from personal income taxes imposed by the State or any political subdivision thereof (including the City of New York).

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 respective dates of issuance and delivery of the Bonds, the RANs and the BANs may affect the tax status of interest on the Bonds, the RANs and/or the BANs.

No assurance can be given that any future legislation, including amendments to the Code or the State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Bonds, the RANs and/or the BANs to be subject to Federal or State income taxation, or otherwise prevent Bondholders or Noteholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Bonds, the RANs and/or the BANs for audit examination, or the course or result of any Internal Revenue Service examination of the Bonds, the RANs and/or the BANs or of obligations which present similar tax issues, will not affect the market price or marketability of the Bonds, the RANs and/or the BANs. Prospective purchasers of the Bonds, the RANs or the BANs should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE BONDS, THE RANS OR THE BANS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE BONDS, THE RANS OR THE BANS.

LEGAL MATTERS

The Bonds

Legal matters incident to the authorization, issuance and sale of each of the Series A Bonds and the Series B Bonds will be subject to the separate final approving opinion of Harris Beach PLLC, Hempstead, New York. Each such legal opinion will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the accuracy of the signatures appearing upon such public records, documents and proceedings and such certifications; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Series A Bonds or the Series B Bonds, as applicable, has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; and (iii) the opinions expressed therein 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 County together with other legally available sources of revenue, if any, will be sufficient to enable the County to pay the principal of and interest on the Series A Bonds or the Series B Bonds, as applicable, as the same become due and payable. In addition, while Bond Counsel has participated in the preparation of the Official Statement, it has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel in connection therewith.

Certain matters will be passed upon for the Underwriters by their counsel Hawkins Delafield & Wood LLP, New York, New York. Certain legal matters will be passed upon for the County by its County Attorney

The Notes

The legality of the authorization and issuance of each of the RANs and the BANs will be covered by a separate approving legal opinion of Harris Beach PLLC, Bond Counsel, Hempstead, New York. Each such legal opinion will state that in the opinion of Bond Counsel (i) the RANs or the BANs, as applicable, 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 County, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the RANs or the BANs, as applicable, and interest thereon, subject to the applicable statutory limitations set forth in Chapter 97 of the Laws of 2011 of the State of New York, as amended, (See "TAX LEVY LIMITATION LAW" herein); provided, however, that the enforceability (but not the validity) of the RANs or the BANs, as applicable, may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights; (ii) under existing statutes, regulations, administrative rulings and court decisions, interest on the RANs or the BANs, as applicable, is excluded from the gross income of the owners thereof for Federal income tax purposes, is not an "item of tax preference" for purposes of the Federal alternative minimum taxes imposed on individuals and corporations by the Code; however, interest on the Bonds, the RANs or the BANs, as applicable, is included in "adjusted current earnings," for purposes of calculating the Federal alternative minimum tax imposed on certain corporations; (iii) interest on the RANs or the BANs, as applicable, is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including the City of New York); and (iv) based upon Bond Counsel's examination of law and review of the arbitrage certificate executed by the County Comptroller pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in said arbitrage certificate are sufficient to support the conclusion that the RANs or the BANs, as applicable, will not be "arbitrage bonds" within the meaning of said section, and no matters have come to Bond Counsel's attention which makes unreasonable or incorrect the representations made in said arbitrage certificate. Bond Counsel will express no opinion regarding other Federal or State income tax consequences arising with respect to the RANs or the BANs.

Each such legal opinion will also state that (i) in rendering the opinion expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and such certifications thereof; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the RANs or the BANs, as applicable, has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein; (iii) the opinions expressed therein 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 County together with other legally available sources of revenue, if any, will be sufficient to enable the County to pay the principal of and interest on the RANs or the BANs, as applicable, as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the County, would materially affect the ability of the County to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the County, in connection with the sale of the RANs or the BANs, as applicable, 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.

DISCLOSURE UNDERTAKING

Disclosure Undertaking for the Bonds

At the respective time of the delivery of the Bonds, the County will provide an executed copy of its "Undertaking to Provide Continuing Disclosure" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the County for the benefit of holders of and owners of beneficial interests in the Bonds, to provide, or cause to be provided to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking,:

(1) (i) certain annual financial information, in a form generally consistent with the information contained or cross-referenced in this Official Statement in Appendix A under the headings: "THE COUNTY OF SUFFOLK," "INDEBTEDNESS OF THE COUNTY," "CAPITAL PLANNING AND BUDGETING," "FINANCIAL FACTORS," "RECENT OPERATING RESULTS," "REAL PROPERTY TAXES," "STATISTICAL INFORMATION" and "LITIGATION" on or prior to the end of the sixth month following the end of each fiscal year, commencing with the fiscal year ending December 31, 2016 and (ii) the audited financial statement, if any, of the County for each fiscal year commencing with the fiscal year ending December 31, 2016 on or prior to the end of the six month following the end of such fiscal year, unless such audited financial statement, if any, shall not then be available in which case the unaudited financial statement shall be provided by the end of the sixth month following the end of such fiscal year and an audited financial statement shall be provided within 60 days after it becomes available and in no event later than the end of the twelfth month after the end of each fiscal year;

(2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the applicable Series of the Bonds, or other material events affecting the tax status of the applicable Series of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the applicable Series of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the County; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County]; (xiii) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The County may provide notice of the occurrence of certain other events, in addition to those listed above, if it 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 event except those events listed above; and

(3) in a timely manner, notice of a failure to provide the annual financial information by the date specified.

The County's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Rule which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the County, and no person or entity, including a holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the County to comply with the Undertaking will not constitute a default with respect to the Bonds.

The County reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that any such amendment or modification will be done in a manner consistent with Rule 15c2-12, as amended.

Disclosure Undertaking for the Notes

This Official Statement is in a form "deemed final" by the County for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the respective time of the delivery of each of the RANs and the BANs, the County will provide a separate executed copy of its "Undertaking to Provide Notices of Events" (each, an "Undertaking"). Said Undertaking will constitute a written agreement or contract of the County for the benefit of holders of and owners of beneficial interests in the Notes, to provide, or cause to be provided, to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, timely notice not in excess of ten (10) business days after the of the occurrence of any of the following events with respect to the RANs or the BANs, as applicable:

> (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties (the County has not established a debt service reserve in connection with the issuance of the Notes); (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the County; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County]; (xiii) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The County may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the RANs or the BANs, as applicable; but the

County does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Each Undertaking shall remain in full force and effect until such time as the principal of, redemption premium, if any, and interest on the RANs or the BANs, as applicable, shall have been paid in full. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the County, and no person or entity, including a holder of the RANs or the BANs, as applicable, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the County to comply with an Undertaking will not constitute a default with respect to the RANs or the BANs, as applicable.

The County reserves the right to amend or modify an Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

Compliance History

The continuing disclosure agreements executed by the County in accordance with the Rule with respect to each of its general obligation serial bond borrowings required the County to annually file with EMMA, certain annual financial information in the form generally consistent with the information contained in or cross-referenced in the official statements for such serial bond issues and its audited financial statements for each fiscal year. In connection with fiscal years 2011 and 2012, the County filed its audited financial statements within 12 and 4 days, respectively, after the due date. The County did not provide timely notice of such late filings. For fiscal year 2013, the County filed its annual financial information 101 days after the due date and filed a failure to timely file notice on October 8, 2014. The County did not make timely filings of certain event notices in 2014 related to the rating changes of a bond insurance company which insured certain bonds of the County.

The County has established procedures to ensure that future filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting such filings to the MSRB through EMMA. On August 28, 2015, the County Comptroller adopted written procedures entitled “Continuing Disclosure Procedures”. Such written procedures are available upon request.

Except as noted above, the County is in compliance in all material respects with all previous undertakings made pursuant to the Rule 15c2-12, during the past five years.

RATINGS

The County has applied to Standard & Poor’s Corporation (“S&P”) and Fitch Ratings, Inc. (“Fitch”) for ratings on the Bonds and the Notes. Such applications are pending at this time.

The County did not apply to Moody’s Investors Service (“Moody’s”) for ratings on the Bonds or the Notes.

On December 7, 2016, Fitch affirmed the County’s long-term underlying credit rating of ‘A-’ with a stable outlook.

On October 6, 2016, S&P affirmed the County’s long-term underlying credit rating of ‘A’ with a negative outlook.

On October 6, 2016, Moody’s affirmed the County’s long-term underlying credit rating of ‘A3’ with a negative outlook.

Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; Standard & Poor's Corporation, 55 Water Street, New York, New York 10041; and Fitch Ratings, Inc., One State Street Plaza, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of any of the ratings may have an adverse effect on the market price of the Bonds or the Notes, as applicable.

UNDERWRITING

The County has selected Citigroup Global Markets Inc. ("Citigroup") as the senior manager, book-running underwriter for the Bonds, along with Samuel A. Ramirez & Co., Inc. ("Ramirez") and Roosevelt & Cross Incorporated as co-managers for the Bonds. Citigroup, Ramirez and Roosevelt & Cross Incorporated are herein collectively referred to as the "Underwriters." Citigroup is serving as the representative of the Underwriters.

The Underwriters have agreed, subject to certain conditions, to purchase the Series A Bonds from the County at an aggregate purchase price of $____________ (which reflects an Underwriters' discount of $_________ and a net original issue premium of $__________) and to offer the Series A Bonds at the public offering price or prices set forth on the inside cover page hereof. The Underwriters have agreed, subject to certain conditions, to purchase the Series B Bonds from the County at an aggregate purchase price of $____________ (which reflects an Underwriters' discount of $_________ and a net original issue premium of $__________) and to offer the Series B Bonds at the public offering price or prices set forth on the inside cover page hereof. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts) at lower than such public offering prices, and prices may be changed, from time to time, by the Underwriters. The Underwriters' obligations are subject to certain conditions precedent, and they may be obligated to purchase all such Bonds if any such Bonds are purchased.

Citigroup Global Markets Inc., an underwriter of the Bonds, has entered into a retail distribution agreement with UBS Financial Services Inc. ("UBSFS"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS. As part of this arrangement, Citigroup Global Markets Inc. may compensate UBSFS for their selling efforts with respect to the Bonds.

FINANCIAL ADVISOR

Capital Markets Advisors, LLC, Great Neck and New York, New York, (the "Financial Advisor") is an independent registered municipal advisor with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Financial Advisor has served as the independent financial advisor to the County in connection with this transaction.

In preparing the Official Statement, the Financial Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Financial Advisor is not a public accounting firm and has not been engaged by the County to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Financial Advisor is not a law firm and does not provide legal advice with respect to this or any debt offerings of the County. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds or the Notes.

ADDITIONAL INFORMATION

Periodic public reports relating to the financial condition of the County, its operations and the balances, receipts and disbursements of the various funds of the County are prepared by the County Comptroller's Office and the Budget Office of the County, and in certain instances audited by independent certified public accountants. In addition, the

County regularly receives reports from consultants, commissions, and special task forces relating to various aspects of the County's financial affairs, including capital projects, County services, taxation, revenue estimates, pensions, and other matters.

Additional information pertaining to the Official Statement may be obtained upon request from the Office of the County Comptroller, H. Lee Dennison Building, 9th Floor, 100 Veterans Memorial Highway, Hauppauge, New York 11788, telephone (631) 853-5040.

The County will act as Paying Agent with respect to the Bonds and the Notes. The County Clerk, Judith A. Pascale, (631) 852-2000, countyclerk@suffolkcountyny.gov shall be the Paying Agent contact.

Any statements made in the Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. The Official Statement is not to be construed as a contract or agreement between the County and the holders of any of the Bonds or the Notes.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. 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. Capital Markets Advisors, LLC 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 Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC 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. Capital Markets Advisors, LLC and the County also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

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

COUNTY OF SUFFOLK, NEW YORK
Department of Audit & Control

BY: ______________________________
John M. Kennedy, Jr.
County Comptroller

Dated: March ___, 2017

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APPENDIX A

THE COUNTY OF SUFFOLK

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THE COUNTY OF SUFFOLK

General Overview

Suffolk County (the "County") was established on November 1, 1683 as one of the ten original counties in New York State. The County comprises the eastern two-thirds of Long Island and had a population of 1,501,587 in 2015. The County's western border is approximately 15 miles from the eastern border of New York City. The County is bordered by Nassau County to the west, the Long Island Sound to the north, and the Atlantic Ocean to the south and east. Major population centers within the County are the Towns of Brookhaven, Islip, Babylon, Huntington, and Smithtown, each with populations in excess of 100,000. While land use within the County is predominantly suburban residential, significant amounts of land are also used for commercial, industrial, institutional, parkland, and agricultural purposes. In addition, the Atlantic Ocean, the Long Island Sound and the bays and harbors located within the County are prime attractions, providing swimming, boating and fishing activities for visitors and residents alike. County residents enjoy a high quality of life, supported by high median incomes, relatively low unemployment and crime rates, quality public school systems, and numerous cultural and recreational attractions.

Electricity within the County is supplied primarily by the Public Service Electric and Gas Company ("PSEG") and natural gas is supplied by National Grid. The primary supplier of water within the County is the Suffolk County Water Authority. Fire protection is provided by a number of volunteer fire departments and fire protection districts. Police protection is primarily provided by the Suffolk County Police Department, but in some areas it is provided by local town or village police forces.

Demographics

The population of the County is growing slowly. According to the U. S. Census Bureau, the County had a population of 1,501,587 in 2015, an increase of 0.6% over the 2010 Census figure. Between 2000 and 2010, the County's population increased by 5.2%. A slow rate of population growth is expected to continue into the near future.

The County's population is the largest of any county in New York State outside of New York City. According to the U. S. Census Bureau, the County ranks 24th in population out of all 3,143 counties in the United States, and has a larger population than 11 states.

According to the U.S. Bureau of Economic Analysis, total personal income of all County residents amounted to \$89.3 billion in 2015, an increase of 5% over the 2014 figure. The County's 2015 per capita personal income was \$59,484, ranking 4th highest out of the 62 counties in New York State and 161st (in the top 6%) out of all counties in the nation. According to the U. S. Census Bureau, the median household income in the County was \$88,340 in 2015, ranking it in the top 1% out of all counties in the nation and placing it 58% higher than the median household income in the nation as a whole. The average annual pay for County residents in 2015 amounted to \$56,185, 8.9% higher than in 2010. This increase was slightly less than inflation over the same period, which increased by 8.2%.

Governmental Organization

In New York State, local governmental services are provided by counties, cities, towns, and villages. The County provides police and law enforcement services, economic assistance, health and nursing services, and preservation of open space along with numerous other services. The County also maintains many roads, parks, and waterways, and operates a three-campus community college.

Since 1960, the County has operated under a charter form of government, which provides for executive administration of County affairs. As enacted by general election referendum, an 18-member County Legislature was established on January 1, 1970, which consisted of representatives elected from 18 districts of approximately equal population based on data from the 1960 U. S. Census. Subsequent County legislative district boundaries have been amended based on demographic changes documented by each decennial U. S. Census since 1980. In 2007, a Charter Law was enacted establishing a non-partisan Reapportionment Commission to provide a fair and objective process by which future legislative districts will be reapportioned.

The Suffolk County Legislature is the main lawmaking body of the County. The County Executive heads the executive branch of government. The County Comptroller, as chief fiscal officer, is responsible for auditing the records of the County departments and special districts, for examining and approving all payment vouchers, for ascertaining that funds to be paid are both appropriated and available, and for the issuance of all County debt obligations. The County Comptroller receives and has custody of all County funds including County taxes and fees and reports the financial status of the County to the County Legislature.

In accordance with the Suffolk County Charter, the County Executive and the County Comptroller are elected to four-year terms and the 18 members of the County Legislature are elected to two-year terms. In November 1993, County voters approved a Charter Law Amendment that established term limits for County Legislators, the County Executive, County Comptroller, County Treasurer, County Sheriff, County Clerk, and District Attorney. A Declaratory Action was brought by the District Attorney, County Sheriff and County Clerk in Suffolk County Supreme Court which sought a declaration that the New York State Constitution prohibits term limits for these positions. In a decision rendered on September 25, 2012, the Court held that the County did not have the power to impose term limits on those three offices.

Pursuant to Resolution 621-13 “A Charter Law to Create a Unified County Department of Financial Management and Audit,” the 2014 Adopted Budget included savings anticipated to be generated through the merger and consolidation of the County Treasurer’s and County Comptroller’s Offices. Pursuant to the resolution, the consolidation required the affirmative vote of a majority of the qualified electors of the County. On November 4, 2014, a voter referendum approved the merger of the County Treasurer’s Office with the County Comptroller’s Office in 2018. The merger became effective on January 1, 2016, accelerated from January 1, 2018 pursuant to Resolution 517-2015, adopted by the County Legislature on June 2, 2015.

Economic Considerations

Employment in the Nassau-Suffolk (Long Island) region has consistently increased since April 2010. Total non-farm employment in December 2016 in the Nassau-Suffolk region consisted of 1.34 million jobs, an increase of 17,300 jobs (up 1.3%) since December 2015. The sectors that posted the largest employment gains for the period December 2015 to December 2016 were leisure & hospitality (up 3.3%), education & health services (up 4.0%) and transportation, warehousing & utilities (up 4.6%). Six of the twelve major employment sectors experienced job gains during this period. However, the total number of jobs in the information sector declined by 4.5%, jobs in the manufacturing sector decreased by 1.7% and jobs in the financial activities sector declined by 1.4%.

As of December 2016, there were 738,000 employed residents in the County. This figure was 0.8% lower than the December 2015 figure and 3.3% lower than the peak in 2006, due to a lower labor force participation rate. The unemployment rate in the County was 4.1% in December 2016, lower than in December 2015 when the rate was 4.2%. Moreover, the County’s unemployment rate remains lower than the overall rate in New York State and the nation for the same period.

The number of businesses situated in the County continues to rise modestly. As of the 2nd quarter 2016, there were 52,046 private business establishments located in the County. This represents an all-time high for the County and a 5.2% increase in the five years since 2011. Small businesses comprise a large portion of the County’s business establishments – 63% of the businesses with payroll in the County employ fewer than five persons and 78% employ fewer than 10 persons. There are 21 businesses in the County that employ 1,000 or more persons. In addition, in 2014, the County had 126,453 “non-employer” firms, mostly self-employed individuals, the most recent year with such information available. The number of these businesses increased by 6.0% in the five years between 2009 and 2014.

Sales tax collections continue to increase modestly in the County, indicating an increase in retail sales. County sales tax revenues in 2016 were 1.8% higher than in 2015. County sales tax receipts in calendar year 2015 were up 0.9%, compared to 2014. These increases were smaller than the 1.3% increase in 2014 and the 6.9% increase in 2013.

The County is well positioned to support the growth of the technology industry. It is home to Brookhaven National Laboratory (BNL), an atomic energy research facility that employs 3,000 people and the source of several Nobel Prizes. BNL’s 87,000 square foot $66 million Interdisciplinary Science Building for energy research opened in 2013. BNL was chosen by the U. S. Department of Energy as a site for the National Synchrotron Light Source II (NSLS II) facility, which opened in 2015. The $912 million NSLS II employs more than 500 persons and provides unprecedented precision high-intensity light beams for use in medical, energy, and materials research.

Stony Brook University manages the Long Island High Technology Incubator, a 62,000 square foot facility and laboratory which provides new technologically-innovative companies with support services and resources to foster their growth. Stony Brook University also operates two New York State Centers for Advanced Technology: one in Medical Biotechnology and another in Sensor Technologies. The University's Stony Brook Research and Technology Park includes its Advanced Energy Research and Technology Center, a partnership of academia, research institutions, energy providers and industrial corporations that perform innovative energy research. In 2014, New York State established the Center for Clean Water Technology at Stony Brook University, which is tasked with developing and commercializing the next generation of nitrogen removal technology for on-site septic systems and cesspools.

A number of technology firms are located in the County, including those in the information sciences such as CA Technologies which employs 1,000 people at its Islandia facility in the County. Broad Hollow Bioscience Park at Farmingdale State College, a 102,000 square foot incubator for biotech companies, has been authorized for expansion by the State Legislature. This business incubator and the incubator at Stony Brook University were recently approved by the State as START-UP NY state tax-free zones. Accelerate Long Island, an initiative created by the Long Island Association (LIA), connects the region's research institutions with business to aid local technology startups. Efforts by tech firms to commercialize new technologies in areas such as advanced materials, superconductors, advanced semiconductor devices, artificial intelligence and biotechnology have been successful and are expected to spur future employment growth in the County.

The County has a substantial office building market. There are 26.4 million square feet of non-government office buildings located in the County. This figure includes 2.9 million square feet of new office space constructed in the 10 years since 2006. An additional 3.0 million square feet of office space has been proposed for future construction. The office vacancy rate in the County has improved since 2010, although rental rates have decreased slightly. According to CBRE, a multinational real estate firm, the office vacancy rate in the County was 16.5% in the 3rd quarter of 2016, an improvement from the 18.8% rate in the same period in 2015, and significantly lower than the vacancy rate in 2009-2010. The County's office space market continues to outperform the Northern New Jersey, Westchester County (NY), and Fairfield County (CT) markets. The average office space rental rate in the County was $23.21 per square foot in the 3rd quarter of 2016, down 3.3% from the 3rd quarter 2015 figure.

The Route 110 Corridor in western Suffolk County is a hub of the Long Island business community. Melville, located on Route 110, has 9.7 million square feet of office space. There are also over 1,500 acres situated in Melville and East Farmingdale that are developed with light industrial uses. Fougera Pharmaceuticals plans to spend $88 million to upgrade its Melville manufacturing facility by 2020. Melville is also home to large corporate headquarters, such as *Newsday*, the 12th largest newspaper in the United States in circulation, and Henry Schein, a Fortune 500 distributor of healthcare products and services. Melville is also a regional headquarters for several major banks, including Capital One, TD Bank and Bank of America. In 2013, Canon USA opened a new 668,000 square foot office building in Melville. After Melville, the next largest concentrations of private office space in the County are located in Hauppauge (3.7 million square feet), Islandia (1.9 million square feet), Bohemia (900,000 square feet), and Ronkonkoma (800,000 square feet).

The industrial market in the County remains strong. According to Newmark Grubb Knight Frank, a commercial real estate advisory firm, the County has significant industrial space totaling 105.4 million square feet. While most of this space is characterized as general industrial space, a large portion is comprised of warehouse and distribution facilities and a smaller portion is research and development/flex space. According to Newmark, the County's 2.7% industrial vacancy rate in the 3rd quarter of 2016 was among the lowest in the nation. The largest concentration of industrial space in the County is located in Hauppauge, with more than 13 million square feet of space. Significant light industrial space is also located in the area around Long Island MacArthur Airport in Ronkonkoma and Bohemia. Further east, significant new industrial space has been developed over the last 20 years in the Yaphank area. In addition, the County has selected a developer to develop 58 County-owned acres at Gabreski Airport in Westhampton for light industrial and research & development office space at the "Hampton Business District." This proposed $43 million, eight building campus-style corporate center will total 439,000 square feet when completed, will include a 145 room hotel and is expected to employ 1,100 people. The first building of the project was completed in 2016.

There are 270 hotels, motels and inns located in the County. Together these lodging properties have 11,400 rooms. Approximately one-fifth of these rooms are seasonal, since they are only open for half the year in the warmer months, and these seasonal rooms are located primarily in the eastern end of the County. According to Smith Travel

Research, the occupancy rate of the County's hotels was 70.0% in 2015, an improvement over the 68.5% figure in 2014 and average daily room rates in 2015 increased by 4.5% to $141. In the 10 years since 2006, there has been an increase of more than 1,300 lodging rooms in the County, primarily in western Suffolk, increasing the total number of rooms by 12% in that period. A 100 room Hyatt Place hotel opened in Riverhead in 2011 adjacent to the Atlantis Aquarium, a 135 room Hilton Garden Inn opened in 2013 at Stony Brook University and a 125 room Marriott Residence Inn in Central Islip also opened in 2013. Currently, a 125 room Courtyard by Marriott is under construction in Central Islip and a 131 room Marriott Residence Inn is under construction in Riverhead. Proposals have been made for several additional new hotels in the County, which would result in an increase of more than 1,800 rooms County-wide.

The County is a major retail market, as evidenced by $23.7 billion in sales reported in 2012, according to the most recent U.S. Census of Retail trade. 2012 retail sales per household in the County amounted to $47,750, ranking it among the highest markets in the country. These figures exclude eating and drinking establishments. According to calculations by the Suffolk County Division of Planning & Environment, shopping center space in the County totals 40.7 million square feet. There are three regional malls and two regional outlet shopping centers located in the County. The 803,000 square foot Tanger Outlet Center at the Arches located in Deer Park opened in 2008. In the 10 years between 2000 and 2010, large retailers dramatically expanded their presence in the County. In that time, 5 million square feet of new retail space was added. Currently, an additional 4.0 million square feet of new space is proposed. Major retailers continue to add stores in the County. Target built a new store in South Huntington in 2013 and opened a store in Sayville in 2014. Walmart opened a new store in Riverhead in 2014. Lowe's opened new stores in Riverhead in 2011 and Commack in 2014. Warehouse club store Costco built a new store in Riverhead in 2014 and has proposed building a new store in Bay Shore, and BJ's warehouse club opened a new store in Deer Park in 2011 and a new store in North Bellport in 2014.

Data collected in 2010 by the Suffolk County Division of Planning & Environment found a softening of the retail market since 2005, but not as large a decline as might have been expected in a challenging economy. In shopping centers, the percentage of stores that were vacant increased from 7.8% in 2005 to 12.4% in 2010. In downtown areas, the percentage of stores that were vacant increased from 7.6% in 2005 to 10.9% in 2010. Many of the shopping centers in the County have been renovated in recent years, and many of the County's downtowns have emerged as attractive and vibrant centers for dining and entertainment, helping to keep downtown vacancy rates relatively low in the County. Ground floor retail space in the County's downtown centers totals 8.9 million square feet.

There are 11 full service hospitals located in the County. Several of these hospitals have spent or are spending hundreds of millions of dollars on major construction projects to expand and modernize their facilities. For example, Stony Brook University Hospital is undergoing a five-year, $423 million expansion and update of its three-building hospital campus, which includes expansion of its emergency, surgical, and obstetrics departments, and a major expansion to its Children's Hospital on schedule to be completed in 2017. Stony Brook University Hospital has also proposed constructing a new $225 million hospital on the University's Southampton campus. Peconic Bay Medical Center in Riverhead plans a $60 million expansion. A $60 million cardiac care center began construction in 2015 at Brookhaven Hospital on schedule to open in 2017. A $53 million expansion of Huntington Hospital's emergency room opened in 2017 and Southampton Hospital is undergoing a multi-million dollar facility upgrade.

Agricultural production in the County was valued at $240 million in 2012 (the most recent figure available), ranking third highest out of 62 counties in the State. This high value of agricultural production is partially due to the large scale production of higher value crops such as sod, grapes, nursery plants and other diverse crops. The County experienced a dramatic decline in farm acreage between 1950 and 1990, when substantial amounts of farmland were sold to residential developers. However, since the early 1990s, the amount of farm acreage located in the County has remained fairly steady and has even increased slightly since 2002. As of 2012, there were 35,975 acres of active farmland in the County. In 1974, the County implemented the nation's first Farmland Preservation Program, whereby the County would purchase the "development rights" to agricultural land for the purpose of preserving open space and working farms. Under this program, the County pays the landowner an amount equal to the difference between the land's value as farmland and its value as subdivided residential property and also grants the landowner property tax relief. In return, the landowner is required to maintain the agricultural character of the land. To date, the County has purchased the development rights to 10,687 acres of farmland under this program. In 2015, the County updated its *Agricultural and Farmland Protection* Plan for the first time since 1996. The plan aims to support public policy to protect, encourage and sustain agriculture in the County. The County also participates in the New York State Department of Agriculture and Markets' Agricultural District Program. This program is based on a combination of landowner incentives and protections designed to encourage the continued use of farmland for agricultural production and forestall the conversion of farmland to non-agricultural uses. As of 2011 (the most recent data available), there were 23,000 acres of farmland located in the County that are protected by this program. The fishing industry (through commercial and sport fishing) and the shellfish industry (primarily clams and oysters) are also important sources of employment and income in the east end of the County. In addition, the County has an open space acquisition program, whereby a portion of the County's sales tax is devoted to the acquisition of open space located within the County. (See "Drinking Water Protection, Environmental Protection and Property Tax Mitigation Programs" herein.)

Like agriculture, commercial fishing is a heritage industry in the County that provides quality of life benefits, economic benefits and tourism revenue. The fishing industry and the shellfish industry (primarily clams and oysters) are important sources of employment and income in the east end of the County. In 2014, there were 724 commercial fishing establishments in the County, having revenues of $35 million. Vibrant fishing communities such as Montauk, Greenport, Port Jefferson and Hampton Bays are located in the east end of the County, and local seafood also enhances dining experiences in restaurants in communities throughout the County.

Major construction and redevelopment projects completed or currently taking place in the County include the long-term redevelopment of the former Central Islip Psychiatric Center. Projects built on this site include a ballpark (home to the Long Island Ducks baseball team) and a federal courthouse; the $35 million, 180,000 square foot Touro Law School building; the renovation of a former hospital building into a 175,000 square foot office building; and more than 1,500 units of rental and owner-occupied townhouses. A new Marriott Residence Inn opened at the site in 2013 and another hotel is under construction. InvaGen Pharmaceuticals and AlphaMed Bottles plan to build a $47 million manufacturing facility in two adjacent buildings totaling 340,000 square feet on former Psychiatric Center property. Also in Central Islip, a $43 million 300,000 square foot indoor sports complex has been approved for development, and in 2012 a food distributor opened a new $75 million 400,000 square foot refrigerated warehouse.

A 452 acre surplus portion of the Pilgrim State Psychiatric Center in Brentwood, located at the intersection of the Long Island Expressway and the Sagtikos Parkway, was sold by the State to a developer, and a $4 billion mixed-use development, Heartland Town Square, has been proposed for the site. At completion, the development is proposed to include: 1,030,000 square feet of lifestyle retail space, 9,130 units of mid-rise rental housing, 3,239,000 square feet of office space, a hotel, and an aquarium. The project is proposed to be constructed in phases. The final generic environmental impact study of this major development proposal was accepted by the Town of Islip in 2014 and the Suffolk County Planning Commission approved a change in zoning in 2017. The Town of Islip must give final approval before development can begin.

In Yaphank, a $450 million 350 megawatt gas-powered electric power plant came online in 2009. Significant new industrial space has been added in Yaphank in recent years, including a $100 million, 400,000 square foot expansion to Amneal Pharmaceuticals' industrial building in Yaphank completed in 2015. The County opened a $185 million expansion to its correctional facility in Yaphank in 2013. The $40 million privately funded Brookhaven Rail Terminal in Yaphank opened in 2011 and an expansion of the facility is proposed. The facility receives and ships tons of freight (construction aggregate, lumber and other commodities) via a newly constructed 3.4 mile rail spur. The Meadows at Yaphank's 'The Boulevard', a large development consisting of retail, office, and residential units is currently under construction near the intersection of the Long Island Expressway and William Floyd Parkway near Brookhaven National Laboratory.

In Riverhead, development of major commercial space along the Route 58 corridor is continuing. Presently, 2.7 million square feet of shopping center space is located on Route 58, including 500,000 square feet that opened in 2014. Another 200,000 square feet of retail space has been proposed on the corridor. The Tanger Outlet Center, which was built on Route 58 in the 1990s, is nearly 800,000 square feet in size and is one of the nation's largest outlet shopping centers. In addition, a 131-room Marriott Residence Inn on Route 58 is under construction. Calverton Airport, located in the Town of Riverhead and formerly owned by the U. S. Navy and used as an aircraft test site by the Grumman Corporation, continues to be redeveloped as the Enterprise Park at Calverton. Many of the former Grumman buildings are now being used for various light industrial purposes. The remaining airport property is zoned for various light industrial, recreation and office uses.

In Wyandanch, the Town of Babylon assembled properties necessary to complete a $500 million mixed-use transit-oriented redevelopment project adjacent to the Long Island Railroad ("LIRR") station. Sewer service was extended to the downtown area and the development's $137 million first phase was completed in 2015. The initial development included a 920-space Metropolitan Transportation Authority ("MTA") parking facility, as well as a five-story mixed-use building with 91 residential units above 17,500 square feet of retail space, and a four-story mixed-use building with 86 residential units above an additional 17,500 square feet of retail space. Of the 177 residential units, 121 are designated as affordable units. Between the two buildings lies a one acre intermodal transit plaza including open space, multiple performance stages and a seasonal ice rink. Future development at the site will include a revamped LIRR station and a commercial office building which will include the Long Island Music Hall of Fame and approximately 150,000 square feet of office space.

In Huntington Station, there is a proposal to revitalize a commercial corridor along New York Avenue near the LIRR station. Proposed development includes the construction of Gateway Plaza, a three-story, mixed-use building with 66 residential units and 16,500 square feet of commercial space on the ground floor with an anticipated Spring 2017 groundbreaking and Northridge, a three-story, mixed-use building of 16 residential units and 6,000 square feet of ground floor retail space which broke ground at the end of 2016. Future phases include 49 affordable artists' lofts, a proposed hotel and a 100,000 square foot medical office building. In the same vicinity, 14 affordable condos for veterans are currently under construction, known as Columbia Terrace.

In Lake Ronkonkoma, a 54 acre area adjacent to the Ronkonkoma LIRR station is proposed to be redeveloped as a $475 million mixed-use transit oriented development known as the Ronkonkoma Hub. The proposal includes 1,450 apartments (with 20% of the units designated as affordable), 195,000 square feet of retail space and 360,000 square feet of office space to be developed over a ten year period. The first phase, 489 residential units in six buildings, is expected to break ground by 2018. An extension of sewer service to the area has been proposed to accommodate this proposal and $50 million in State funding has been earmarked for infrastructure at the site.

In various locations in the County, several additional development and redevelopment projects have recently been constructed or are proposed. In downtown Patchogue, a $110 million development known as New Village was constructed in 2014, which included 291 rental apartments and ground floor retail space. In Holbrook, Islip Pines, a 136 acre, $300 million development including apartments, retail space, office space, a movie theater and a hotel has been approved for construction. Wincoram Commons, the $53 million residential and retail redevelopment of a 17 acre movie theater site in Coram opened in 2016. A $44 million expansion at the life-care community Peconic Landing in Greenport opened in 2016.

In the Town of Southampton, the Riverside Revitalization Action Plan calls for the re-zoning of 468-acres of Riverside that could result in 2,267 new housing units as well as 133,517 square feet of retail space and 62,000 square feet of professional and medical offices, with half of the new housing units designated as affordable or workforce housing.

In 2015, Governor Cuomo announced the approval of $383 million in State and Federal funding to expand sanitary sewer service in the County in four areas advanced by County Executive Bellone. This project, under the Federal Emergency Management Agency's Hazard Mitigation Grant Program, represents the first step in instituting extensive measures to mitigate flooding and septic system failure in the County caused by Superstorm Sandy. The initial design and environmental review phase of the project was estimated to be financed through $22 million in funding from the New York State Environmental Facilities Corporation's State Revolving Fund, which is expected to providing another $61 million in low-interest loans. The United States Department of Housing and Urban Development's Community Development Block Grant-Disaster Recovery Program is expected to provide $34 million, and $266 million is expected to be provided via the Federal Hazard Mitigation Grant Program.

In 2016, the County passed legislation that amended the Suffolk County Sanitary Code (Article 19, "Management of Innovative and Alternative Onsite Wastewater Treatment Systems") and allows the Department of Health Services to monitor new sewage treatment technologies in the 39 homes that were awarded a free wastewater treatment system as part of the County's Septic Demonstration Pilot Program.

Housing

As of 2015, there were 481,796 households situated in the County. In 2015, 80% of the County's occupied housing was owner-occupied. This rate of owner-occupied housing is significantly higher than the 63% of owner-occupied housing in the nation as a whole. The County's owner-occupied housing percentage has remained at around 80% for more than 40 years.

New residential construction in the County decreased considerably after 2008 but has rebounded somewhat. The number of new housing units authorized by building permits totaled 1,396 in 2008 and declined to a low point of 856 units in 2011. The number of building permits for new housing units increased in 2012 and again in 2013 but decreased in 2014 by 12% to 1,217 units and held steady in 2015. In 2016, building permits for 1,067 housing units were issued in the County, down 12% from the 2015 figure. Residential construction in 2016 was valued at $648 million in the County, up 102% from the low point in 2011 but still 44% lower than the record high value which was recorded in 2005.

The housing market in the County has improved notably since 2012. As reported by the New York State Association of Realtors, home prices in the County declined by 15% between 2008 and 2011. In 2012, home prices in the County held steady at 2011 levels and then increased by 3% between 2012 and 2014. Housing prices in the County increased by 3.4% in 2015 and by 1.5% in 2016. In January 2017, the median selling price of a home in the County was $340,000, an increase of 7.9% compared to the median price in January 2016 (but 13% lower than the peak January median price in 2006). County home prices in the 4th quarter of 2016 were about 43% higher than the national median. Home values in the County are expected to remain high relative to national figures, as the area remains a desirable residential location. According to data provided by RealtyTrac, 0.19% of homes in the County are in some stage of foreclosure, compared to 0.06% nationwide.

Transportation

There are five active airports located in the County. The vast majority of the County's air passenger traffic occurs at Islip MacArthur Airport in Ronkonkoma, as this is the County's only airport with regularly scheduled carrier service. The airport is the 8th busiest in the State, based on passenger volume. In 2015, the airport had 604,000 passenger enplanements, a 7% decline since 2014 and a 48% decrease since the peak in 2007. In addition to flights provided by Southwest Airlines and Elite Airlines, the airport offers scheduled flights between Islip MacArthur Airport and Philadelphia by American Airlines. At Republic Airport in East Farmingdale, construction has begun on a new $55 million, 210,000 square foot aircraft hangar and terminal.

The County's highway network includes the Northern and Southern State Parkways, which are located in the western portion of the County, and the Long Island Expressway (I-495) which extends eastward from New York City to the eastern portion of the County. Other major highways include Sunrise Highway, which connects the County's western border to its eastern town of Southampton, and the Sunken Meadow/Sagtikos Parkway which connects the north and south shores in the western part of the County.

The State is currently reconstructing portions of three arterial highways located within the County (Routes 110, 112 and 347), to improve traffic flow and increase safety. All of these projects were partially funded through monies made available under the American Recovery and Reinvestment Act of 2009.

The residential and major employment centers in the County are widely dispersed, making it difficult to effectively provide the population with a mass transit system. Consequently, as of 2015, 79% of employed County residents drove alone to work. However, the County operates a public bus system and statistics indicate that bus patronage has increased in recent years.

The County's extensive commuter rail system, the LIRR, is managed by the MTA. There are 41 LIRR stations located in the County. The LIRR provides public transportation between the County and New York City and is used by both commuters and leisure travelers. The LIRR is the busiest commuter railroad in the nation, serving 87.9 million customers in 2016.

The MTA continues work on the $10.8 billion East Side Access project, currently the largest infrastructure project in the country. When fully completed in 2022, this project will connect the LIRR's main line to Grand Central Station in Manhattan, providing a more direct trip between Long Island and the east side of midtown Manhattan. The LIRR has also partially completed work on a second electrified track along 17 miles between Farmingdale and Ronkonkoma. This second track, a $430 million project anticipated to be completed by 2019, will help to ease rail congestion in the County. The plan includes rebuilding a train station near Republic Airport in East Farmingdale that would link to a proposed bus rapid transit system along Route 110. The expanded rail service will help facilitate transit oriented development planned near the Republic, Wyandanch, and Ronkonkoma LIRR stations in the County.

In 2012, County Executive Steven Bellone introduced Connect Long Island, a regional transportation and development plan. Connect Long Island expects to create an innovation economy and sustainable growth by supporting transit oriented developments and building a 21st century transportation infrastructure that connects these development hubs to the County's major research and educational institutions and innovation zones for emerging hi-tech companies. The County's north-south Bus Rapid Transit ("BRT") initiative continues to move forward. In 2014, the County completed a county-wide BRT Feasibility Study identifying Route 110, Nicolls Road, and Sagtikos Parkway as priority BRT corridors. In 2015, an alternatives analysis was completed for the Route 110 corridor by the Town of Babylon and subsequently in 2016, an alternatives analysis was completed for the Nicolls Road multi-modal corridor by the County. The Nicolls Road multi-modal corridor is one of the components of the County's Innovation Zone ("I-Zone") initiative and the project has progressed into the preliminary engineering and design/environmental phase, with a detailed, corridor-wide parking analysis happening concurrently.

The I-Zone is a plan to transform Nicolls Road into a multi-modal corridor that will connect the County's key assets. The plan was formed in 2015 at a meeting of the Long Island Regional Planning Council, which included leaders of the County, the Town of Brookhaven, the Town of Islip, Patchogue Village, Stony Brook University, Brookhaven National Laboratory, the MTA/LIRR, Cold Spring Harbor Laboratory and the Suburban Millennial Institute who came together to develop and support a regionally transformative plan to make the County a more attractive place for young people and high-tech businesses. The I-Zone is anchored by the four following projects:

- A multi-modal Nicolls Road Corridor with BRT and a hiking/biking trail.
- A connection between a new airport terminal on the north side of MacArthur Airport and the Ronkonkoma LIRR Station with BRT access to Nicolls Road.
- The proposed Ronkonkoma Hub development, including sewer connections and structured parking.
- Relocation of the LIRR Yaphank Station to Brookhaven National Lab.

Ferry service to Connecticut is available from two ferry terminal sites located in the County, one in Port Jefferson and one in Orient Point. High-speed ferry service is also available between Orient Point and New London, Connecticut.

School Facilities

There are 70 public school districts located in the County. The combined spending budget of these public school districts amounted to $6.4 billion for the 2016-2017 school year. In the 2015-2016 school year, public school enrollment in school districts in the County was 238,577, a 5% decrease in the five years since 2010-2011. Current enrollment is 28% lower than the peak level reached in 1976. Public school enrollment is expected to decline further by 5% during the next three years. Birth rates have slowly decreased in the County, which will lead to slowly declining school enrollments for the foreseeable future.

Based on data from the 2015 American Community Survey, the County has a relatively well-educated population. Among residents age 25 and over, 90% were high school graduates, and 35% held a bachelor's degree or higher. These figures compare to 87% and 31%, respectively, for the nation as a whole. The County ranks in the top 10% of the nation's counties with respect to the percentage of adults that have earned a Bachelor's or higher degree.

Many institutions that offer a variety of higher education opportunities are located in the County. There are four four-year colleges and one law school (Touro Law Center) which together had a total undergraduate enrollment of approximately 31,000 students and a total graduate enrollment of about 11,000 students during the 2014 school year. Farmingdale State College continues to expand, with a new $25 million student campus center that opened in 2013 and a new $19 million School of Business building that opened in 2015. St. Joseph's College in Patchogue acquired 25 acres of land on which it built a new $14 million athletic complex in 2012 and also plans to construct a $30 million residence hall. Suffolk County Community College services approximately 27,000 students on three campuses and continues to expand its facilities with the 2014 completion of a $30 million life sciences building at its Selden campus and the 2011 completion of a $14.5 million new library at its eastern campus. Numerous other professional and technical schools are also located in the County.

Stony Brook University is the largest university located in the County with a Fall 2016 enrollment of 17,000 undergraduate and 8,700 graduate students. The University continues to expand its facilities. Two new residence halls with a total of 759 dorm rooms are under construction and are expected to be completed in 2017. In 2013, the University built a new building for its School of Marine and Atmospheric Sciences at the Southampton campus which contains laboratories and classroom space. The University's Research and Technology Park opened in 2008 with the completion of the Center for Excellence in Wireless Information Technology, a partnership of government, industry and academia. The second building in the Park, completed in 2011, is home to the 50,000 square foot Advanced Energy Research and Technology Center. The University's new $41 million, 70,000 square foot computer science building opened in 2015.

Tourism & Recreation

According to Discover Long Island, tourism in the County was a $3.0 billion industry in 2015. Twenty New York State parks, which together welcome millions of visitors each year, are located in the County. According to the New York State Department of Parks and Recreation, the State parks on Long Island had 20 million attendees in 2014. The State parks located in the County that were most frequently visited in 2014 were Robert Moses State Park (with 4.0 million visitors), Sunken Meadow State Park (with 2.2 million visitors), Heckscher Park (with 1.2 million visitors) and Captree State Park (with 1.2 million visitors). Many of the other State, County, Town and Village parks are located inland and on beaches which attract hundreds of thousands of visitors each year. Moreover, one beach in the County has been ranked number one on a list of the top ten beaches in the United States based on 50 factors rated by a professor at Florida International University. With 986 miles of shoreline, industries such as recreational boating, boat sales and service, marinas, and charter boat fishing are prominent in the County. Each summer thousands of visitors are transported by ferry to the various summer communities located on Fire Island.

Presently there are 68 golf courses located in the County. The U.S. Open will be held at the Shinnecock Hills Golf Club in Southampton in 2018 and 2026. The Women's U.S. Open golf tournament was held at Sebonack Golf Club in the County in 2013, and the PGA Championship and the Ryder Cup are coming to Bethpage in 2019 and 2024, respectively.

The County's 6,000-seat ballpark in Central Islip is home to the Long Island Ducks independent league baseball team. Hundreds of thousands of patrons attend games there every year and nearly every Ducks game is sold out. Significant numbers of wineries on the North Fork of the County and the Atlantis Marine World aquarium in Riverhead help serve the large tourism industry on the County's east end. Other recreational attractions include Splish Splash, a large water park located in Riverhead, and Adventureland, a traditional amusement park located in Farmingdale that has been entertaining Long Islanders since 1962. The County boasts several performing arts theaters including the Paramount Theater in Huntington, which opened in 2011, and the Suffolk Theater in downtown Riverhead, which reopened in 2013. The County also has 22 movie theatres which together contain 159 screens, and three additional theaters are proposed for construction in the future.

Eastern Suffolk County is a popular tourist destination. In addition, the County is home to one of the largest concentrations of second homes of any county in the nation. There are 38,000 second homes in eastern Suffolk, which draw approximately 160,000 part-time residents to the area during the summer months and on weekends. Only ten counties nationwide have more seasonal homes than the County. There are more than 5,000 lodging rooms located in eastern Suffolk, ranging from luxurious boutique hotels and bed & breakfast inns to traditional motels. These lodging properties draw thousands of tourists to the County's east end throughout the year, but primarily in the summer months. The Suffolk County Division of Planning & Environment estimates that the population in eastern Suffolk increases by more than 240,000 people during peak summer times due to tourism, which more than doubles the year-round population. Due to its proximity to New York City, the County is well situated to serve the vacation needs of this market.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

For the thirty-third consecutive year the Government Finance Officers Association of the United States and Canada (the "GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting (the "Certificate") to the County for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015.

In order to be awarded a Certificate, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate is valid for a period of one year. The County believes that its Comprehensive Annual Financial Report prepared for the fiscal year ended December 31, 2016 will conform to the requirements necessary for the award of a Certificate.

INDEBTEDNESS OF THE COUNTY

Constitutional and Statutory 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 and statutory limitations include the following, in summary form, and are generally applicable to the County.

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 and interest.

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 or the weighted average period of probable usefulness thereof; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the County determines to issue a particular debt obligation amortizing on the basis of 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, for the amounts required in such year for amortization and redemption of its serial bonds, and for such required annual installments on its notes.

General – The County is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers. As has been noted in the section of this Official Statement entitled "THE BONDS AND THE NOTES – Nature of Obligation", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the County to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limitation Law imposes a statutory limitation on the County's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limitation Law unless the County complies with certain procedural requirements to permit the County to levy certain year-to-year increases in real property taxes. See "TAX LEVY LIMITATION LAW" herein.

Debt Limit – The County has the power to contract indebtedness for any County purpose so long as the principal amount thereof shall not exceed seven per centum of the most recent five-year average full valuation of taxable real estate of the County and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the final equalization rate as determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such rate shall be determined. The average full valuation is determined by taking the sum of full valuations of such last completed assessment roll and the four preceding assessment rolls, and dividing such sum by five.

There is no constitutional limitation on the amount that may be raised by the County by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limitation Law, imposes a statutory limitation on the power of the County to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limitation Law unless the County complies with certain procedural requirements to permit the County to levy certain year-to-year increases in real property taxes. See "TAX LEVY LIMITATION LAW" herein.

Computation of Debt Limit

As of the finalization of equalization rates in each year:	Full Valuation
2013	$ 256,642,565,954
2014	254,605,437,448
2015	255,389,963,430
2016	266,561,907,916
2017	275,268,903,696
Total Five-Year Valuation	$1,308,468,778,444
Five-Year Average Valuation	261,693,755,689
Debt Limit - 7% of Average Five-Year Full Valuation	$ 18,318,562,898

Statutory Procedure

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

Pursuant to the County Charter and the Local Finance Law, as applicable, the County authorizes incurrence of indebtedness, including bonds and bond anticipation notes issued in anticipation of such bonds, by the adoption of a resolution, approved by at least two-thirds vote of the County Legislature and subject to the approval of the County Executive in accordance with the County Charter. The County Legislature as a whole constitutes the finance board of the County. Such resolutions are not subject to referendum unless the County Legislature specifically determines that a particular resolution shall be subject to referendum. The Local Finance Law also provides for a twenty-day statute of limitations after publication of a bond resolution (in summary or in full), together with a statutory notice which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing, the estimated maximum cost thereof and the maximum maturity of the bonds, subject to the legal restrictions relating to the period of probable usefulness with respect thereto. Annual principal reductions must commence within twenty-four months of the original issue date. Adoption of a bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of bonds. Statutory law in the State permits bond anticipation notes to be renewed each year provided that principal reductions commence within twenty-four months and provided that such renewals, except in the case of assessable improvement financing, generally do not extend five years beyond the original date of the borrowing. Notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five year limit and may be renewed subject to annual reductions of principal, beginning within twenty-four months of the original issue date, for the entire period of probable usefulness assigned to the purpose for which such notes were originally issued. The County Legislature has delegated certain of its powers in relation to the sale of bonds and any notes issued in anticipation thereof to the County Comptroller as the Chief Fiscal Officer of the County.

The County Legislature, as the finance board of the County, has the power, pursuant to the Local Finance Law, to adopt deficiency, tax and revenue anticipation note resolutions by majority vote. Such resolutions may authorize the issuance of deficiency, tax or revenue anticipation notes in an aggregate principal amount necessary to fund anticipated cash flow deficits, but, in no event, exceeding the amount of taxes or moneys estimated to be received by the County, less any tax or revenue anticipation note previously issued and less the amount of such taxes or revenues previously received by the County. The County Legislature has delegated certain of its powers in relation to the sale of tax and revenue anticipation notes to the County Comptroller, as the Chief Fiscal Officer of the County.

Independent Auditors

The financial statements of the County as of and for the year ended December 31, 2015, a link to which is included in Appendix B to this Official Statement, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report dated June 30, 2016 appearing therein.

Cash Flow Borrowings

On April 8, 2016, the County issued $45,000,000 in revenue anticipation notes in anticipation of the receipt of State and Federal aid. Such notes matured on March 24, 2017.

On October 25, 2016, the County issued $100,000,000 in tax anticipation notes in anticipation of the receipt of delinquent real property taxes for the years 2013, 2014, 2015 and 2016. Such notes will mature on September 28, 2017.

On December 15, 2016, the County issued $410,000,000 in tax anticipation notes in anticipation of the receipt of real property taxes levied for the year 2017. Such notes will mature on July 26, 2017.

The County currently anticipates issuing approximately $100,000,000 in tax anticipation notes in anticipation of the receipt of delinquent real property taxes for the years 2014, 2015, 2016 and 2017 in October 2017 and $410,000,000 in tax anticipation notes in the anticipation of the receipt of real property taxes levied for the fiscal year 2018 in December 2017.

Due to the economic downturn and the resulting fiscal stress created for the County beginning in 2009, the County's reliance on cash flow borrowings had increased though it has been decreasing in recent years as the economy continues to recover. It is expected that the County's reliance on cash flow borrowings will continue into the foreseeable future.

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Calculation of Total Net Indebtedness
(as of March 27, 2017)

Inclusions:		
Outstanding General Obligation Bonds:		
General Purpose and Improvement Bonds and Refunding Bonds	$1,229,440,681	
General Purpose and Improvement Bonds Paid from Other Sources[(1)]	4,002,403	
General Purpose and Improvement Bonds Refunded	179,705,000	
Southwest Sewer District Bonds	52,166,067	
County Sewer District No. 1 (Port Jefferson)	494,907	
County Sewer District No. 5 (Strathmore-Huntington)	2,453,946	
County Sewer District No. 6 (Kings Park)	1,091	
County Sewer District No. 7 (Medford)	3,413,625	
County Sewer District No. 9 (College Park)	443,208	
County Sewer District No. 10 (Stony Brook)	311,063	
County Sewer District No. 11 (Selden)	5,793,366	
County Sewer District No. 13 (Windwatch)	250,000	
County Sewer District No. 14 (Parkland)	1,929,151	
County Sewer District No. 15 (Nob Hill)	100,000	
County Sewer District No. 18 (Hauppauge Industrial)	68,170,978	
County Sewer District No. 20 (William Floyd-Leisure Village)	412,108	
County Sewer District No. 21 (SUNY)	1,081,532	
County Sewer District No. 23 (Coventry Manor)	644,751	
Subtotal: Outstanding Bonds		$1,550,813,877
Outstanding General Obligation Notes:		
Bond Anticipation Notes		
2016 Series A	18,957,221	
Tax Anticipation Notes for Delinquent Tax Receipts		
For Delinquent Tax Receipts	100,000,000	
For 2017 Taxes	410,000,000	
NYS EFC Clean Water Facility Note – 2015A	55,321,987	
NYS EFC Clean Water Facility Note – 2015A	7,934,662	
NYS EFC Clean Water Facility Note – 2016A	557,570	
Subtotal: Outstanding Notes		592,771,440
Total Inclusions		$2,143,585,317
Exclusions and Assets on Hand for Debt:		
Tax Anticipation Notes	$510,000,000	
Sewer District Bonds and Refunding Bonds [(2)]	10,911,855	
Subtotal: Exclusions		$ 520,911,855
Assets on Hand for Debt:		
Appropriations (other than for debt already excluded):		
Outstanding Bonds	116,691,766	
General Purpose and Improvement Bonds Paid from Other Sources [(2)]	4,002,403	
General Purpose and Improvement Bonds-Refunded [(3)]	179,705,000	
Subtotal: Assets on Hand		300,399,179
Total Exclusions and Assets on Hand for Debt:		$ 821,311,034
Total Net Indebtedness [(4)(5)]		$1,322,274,283

(1) Being paid pursuant to an Escrow Contract dated April 1, 2013 between the County and Manufacturers & Traders Trust Company ("M&T") related to a HEAL Grant from the State. (See "Other Transactions" herein.)
(2) Excluded pursuant to certificates issued by the Comptroller of the State of New York dated April 14, 2010.
(3) Excluded pursuant to Section 136.00 (10-a) of the Local Finance Law.
(4) Represents approximately 7.22% of the Debt Limit of $18,318,562,898.
(5) Exclusive of lease debt of the County. (See "Lease Payments" herein.)

Source: Suffolk County Comptroller's Office

Details of Short-Term Indebtedness Outstanding
(as of March 27, 2017)

The County presently has outstanding the following short-term obligations:

	Dated	Maturity	Amount
Bond Anticipation Notes – 2016 Series A	04/15/16	04/14/17	$ 18,957,221(1)
Tax Anticipation Notes			
For Delinquent Tax Receipts	10/25/16	09/28/17	100,000,000(2)
For 2017 Taxes	12/15/16	07/26/17	410,000,000(3)
NYS EFC Clean Water Facility Note – 2015A	04/30/15	04/30/18	55,321,987(4)
NYS EFC Clean Water Facility Note – 2015A	09/24/15	09/24/20	7,934,662(5)
NYS EFC Clean Water Facility Note – 2016A	09/15/16	09/15/21	557,570(6)

(1) The proceeds from the sale of the BANs, together with $9,241,645 in available funds, will be used to redeem these notes in full at maturity.
(2) Expected to be paid from the collection of real property taxes or assessments for fiscal years 2013, 2014, 2015 and 2016.
(3) Expected to be paid from the collection of real property taxes or assessments for the fiscal year 2017.
(4) Expected to be retired with the proceeds from the sale of bonds to EFC to be issued in 2017.
(5) Expected to be retired with the proceeds from the sale of bonds to EFC to be issued in 2020.
(6) Expected to be retired with the proceeds from the sale of bonds to EFC to be issued in 2021.

Source: Suffolk County Comptroller's Office

Summary of Bonded Debt (in thousands)
(as of December 31 in each year):

	2012(1)	2013(1)(2)	2014(2)	2015(2)	2016(2)
Total Bonded Debt	$ 1,394,510	$ 1,406,070	$ 1,418,070	$ 1,426,153	$ 1,386,049
Bonded Debt Excluded from Debt Limit	(26,886)	(23,579)	(21,516)	(16,169)	(10,912)
Bonded Debt Subject to Debt Limit	$ 1,367,624	$ 1,382,491	$ 1,396,554	$ 1,409,984	$ 1,375,137

(1) $20,840,000, $41,440,000, $43,215,000, $40,245,000, $34,385,000 and $16,990,000 of Total Bonded Debt for the fiscal years ended December 31, 2008, December 31, 2009, December 31, 2010, December 31, 2011, December 31, 2012 and December 31, 2013, respectively, was paid pursuant to a Declaration and Trust Agreement dated August 1, 2008 and $16,705,000 and $13,760,000 of Total Bonded Debt for the fiscal year ended December 31, 2012 and December 31, 2013, respectively, was paid pursuant to a Declaration and Trust Agreement dated March 1, 2012 between STASC and BNYM, as Trustee.
(2) $1,642,206, $2,202,311, $3,222,294 and $1,806,512 of Total Bonded Debt for the fiscal year December 31, 2013, December 31, 2014, December 31, 2015 and December 31, 2016, respectively, was paid pursuant to an Escrow Contract between the County and M&T dated April 1, 2013 related to a HEAL Grant from the State. See "Other Transactions" herein.

No principal of or interest on any County obligation is past due. Except as set forth in the immediately following two paragraphs, the County has never had a default in the payment of principal of or interest on any obligation of the County.

Due to a clerical error by the DTC, the County was delinquent on one day's worth of interest on a $60,000,000 portion of its $120,000,000 Tax Anticipation Notes – 2011 (Series I) that matured on September 13, 2012 (the "Security"). On September 13, 2012, representatives from DTC directed the County to pay principal, $60,000,000.00, and interest, $879,999.60, on the Security. This interest payment represented 352 days worth of interest when the Security had actually accrued 353 days worth of interest, $882,500.00. Following the County's payment of principal and interest to DTC on September 13, 2012, representatives from DTC confirmed with the County that the Security was paid in full, with no outstanding balance due remaining on the Security. On September 17, 2012 (two business days later), representatives from DTC informed the County that DTC had made a mistake and the County still owed the remaining one day of interest on the Security, $2,500.40. On that date, the County immediately wired the outstanding balance, $2,500.40, to DTC.

Due to a clerical error by M&T, acting as escrow agent on behalf of the County, the County was delinquent by one day in the payment of a portion of interest due on April 15, 2013 on its $76,075,000 Public Improvement Serial Bonds – 2011 Series B (the "2011B Bonds"). On April 1, 2013, M&T entered into an Escrow Contract with the County creating an irrevocable escrow to pay the principal of and interest on a portion of various County bonds, including a portion of the principal and interest due on the 2011B Bonds. On April 16, 2013, representatives from DTC informed the County that it had not received $722.65 of the interest due on the 2011B Bonds on April 15, 2013, which represented the portion of such interest that was the escrow agent's responsibility. The County immediately informed M&T of its error and on the same day, the escrow agent wired the $722.65 payment to DTC. The County made its payment of $1,149,483.60, representing the balance of the interest due on the 2011B Bonds on April 15, 2013 in full and on time to DTC. An event notice was filed with respect to this delinquency.

Authorized and Unissued Capital Indebtedness

As of February 7, 2017, the County had authorized and unissued indebtedness for general capital purposes of approximately $484,404,000.

In addition to the above, the County adopted Resolution 1103 of 2013 as amended by Resolution 42 of 2015 and Resolution 546 of 2016, authorizing, in aggregate, the issuance of up to $970,000,000 bonds to refund certain outstanding bonds of the County. As of March 27, 2017, the County has $712,345,000 remaining authorized and unissued pursuant to these resolutions.

Anticipated Capital Borrowings

In recent years, the County has issued debt on a semi-annual basis to finance its ongoing capital program.

During the Spring of 2017, the County anticipates issuing serial bonds of approximately $50,000,000 for general capital purposes which includes $2,250,000 for renovations to the original portions of the Yaphank Correctional Facility. During the Fall of 2017, the County anticipates issuing serial bonds of approximately $50,000,000 to $55,000,000 for general capital purposes. In addition to issuing bonds for general capital purposes, the following material sewer related borrowings are authorized as described below.

The County Legislature has adopted Resolutions #1380-2006, #1143-2010, #1203-2011, #1134-2012 and #426-2015 authorizing the issuance of $17,537,800, $65,000,000, $35,000,000, $20,000,000 and $207,000,000, respectively, in serial bonds to finance a portion of the cost of expansion and improvement of Suffolk County Sewer District No. 3 – Southwest. $11,000,000 of the above noted amounts has been issued as Suffolk County Sewer District Bonds and $121,281,769 of the above noted amounts has been issued in the form of a draw down bond anticipation note to the NYS Environmental Facilities Corporation ("EFC") under EFC's Short Term Loan Program or EFC's Storm Mitigation Loan Program. As of March 27, 2017, the County has requisitioned $63,814,219 of the available proceeds of these short term loans from EFC.

The County Legislature has also adopted Resolution #90-2017 authorizing the issuance of $25,000,000 in serial bonds to finance the cost of improvements to Suffolk County Sewer District No. 3 – Southwest in connection with the Ronkonkoma Hub Project. No serial bonds have been issued pursuant to this authorization.

The County Legislature has adopted Resolutions #721-2015 and #1167-2015 authorizing the issuance of $2,000,000 and $20,100,000, respectively, in serial bonds to finance the planning and design cost of Nitrogen Reduction Projects. $20,395,377 of the above noted amounts has been issued in the form of a draw down bond anticipation note to EFC under its Short Term Loan Program. As of March 27, 2017, the County has not requisitioned any of the available proceeds of such short term loan from EFC.

The Legislature has adopted Resolutions #467-2016, 851-2016, 853-2016, 856-2016, 858-2016, 858-2016, 860-2016, 862-2016, 972-2016, 985-2016, 989-2016 and 76-2017 authorizing, in the aggregate, the issuance of $23,107,755 in serial bonds to finance projects under the New Enhanced Drinking Water Protection Program. It is expected that borrowing for these projects will commence in the spring of 2017. (See "ADDITIONAL FINANCIAL INFORMATION – Drinking Water Protection, Sewer Tax Rate Stabilization, Environmental Protection and Property Tax Mitigation Programs" herein.)

Underlying and Overlapping Indebtedness of Political Subdivisions Within the County

The estimated underlying and overlapping indebtedness of political subdivisions within the County as of the most recently completed fiscal year of the respective political subdivision as filed with the Office of the State Comptroller, State of New York is as follows:

	Fiscal Year	Gross Debt[1][2]
Towns	12/31/15	$ 1,303,183
Villages	Various 2015	85,834
School Districts	06/30/15	2,319,383
Fire Districts	12/31/15	72,968
	Totals	$ 3,781,368

(1) Amounts in thousands.
(2) Exclusive of local government exclusions.

Source: New York State Comptroller's Office, Division of Local Government and School Accountability Data Management Unit

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Annual Debt Service Requirements

The following table sets forth the annual debt service requirements, rounded to the nearest dollar, on all outstanding County general obligation bonds[(1)], exclusive of the Bonds and economically defeased obligations of the County.

Fiscal Year Ending Dec. 31:	Total Principal	Total Interest	Total Debt Service (2)(3)
2017	$ 133,108,607	$ 49,088,395	$ 182,197,002
2018	125,126,521	43,894,381	169,020,902
2019	116,761,346	39,275,163	156,036,509
2020	113,755,000	35,034,448	148,789,448
2021	106,005,000	31,035,126	137,040,126
2022	106,920,000	27,214,963	134,134,963
2023	110,685,000	23,227,439	133,912,439
2024	106,500,000	19,259,934	125,759,934
2025	110,205,000	15,502,935	125,707,935
2026	108,555,000	11,691,930	120,246,930
2027	88,305,000	7,910,100	96,215,100
2028	62,820,000	4,931,415	67,751,415
2029	22,630,000	3,147,055	25,777,055
2030	15,620,000	2,372,066	17,992,066
2031	16,140,000	1,834,602	17,974,602
2032	12,240,000	1,272,619	13,512,619
2033	9,675,000	874,362	10,549,362
2034	5,805,000	590,512	6,395,512
2035	1,010,000	467,817	1,477,817
2036	1,035,000	428,003	1,463,003
2037	1,055,000	385,061	1,440,061
2038	1,080,000	341,289	1,421,289
2039	1,105,000	296,479	1,401,479
2040	1,130,000	250,633	1,380,633
2041	1,155,000	203,749	1,358,749
2042	1,180,000	154,465	1,334,465
2043	1,205,000	104,115	1,309,115
2044	1,235,000	52,697	1,287,697
Totals	$1,382,046,474	$320,841,753	$1,702,888,227

(1) Exclusive of bonds being paid pursuant to an Escrow Contract between the County and M&T dated April 1, 2013 related to a HEAL Grant from the State. See "Other Transactions" herein.

(2) On August 6, 2015 the County issued $27,438,877 Environmental Facility Corporation Clean Water Bonds (the "EFC Bonds"). The gross debt service attributable for the term of the bonds, March 1, 2016 through and including September 1, 2044 is reflected herewith. However, the gross interest on the EFC Bonds is subject to a 50% subsidy under the terms of the Project Financing Agreement entered into by the County and EFC in connection with the issuance of the EFC Bonds. The EFC Bonds are also subject to an Annual Administrative Fee, due annually on August 15 commencing August 15, 2016.

(3) For the entire fiscal year.

Other Transactions

New York State HEAL Grant

On August 21, 2012, Resolution #738-2012 (the "Resolution") was adopted by the County Legislature accepting a $17,000,000 grant award from the New York State Department of Health's Health Care Efficiency and Affordability Law for New Yorkers Grant Program ("HEAL Grant") Phase 21 for the John J. Foley Skilled Nursing Facility ("JJFSNF"). This award was used for the purpose of, among other things, retiring all outstanding bonds of the County issued to finance the JJFSNF, reimbursing the County for a portion of the debt service paid on such bonds in the 2012 and 2013 fiscal years from the date the grant was awarded to the date of the escrow contract and paying all incidental expenses incurred by or on behalf of the County in connection therewith.

On April 1, 2013, an Escrow Contract between the County and M&T was executed. The HEAL Grant proceeds related to the retirement of the JJFSNF bonds were placed in escrow and, together with the interest earned from the investment thereof, were applied to economically defease the JJFSNF bonds, reimburse the County for the prior debt service payments on the JJFSNF bonds as described above and pay the related expenses, in accordance with the terms and conditions set forth in the Escrow Contract and the Resolution.

Lease Payments

The following table sets forth the annual lease payments due on March 2nd and September 2nd annually, rounded to the nearest dollar, related to the sale-leaseback of the H. Lee Dennison Building between the County and the Suffolk County Judicial Facilities Agency. Additionally, under the sale-leaseback agreement, the County is required to fund the annual operating expenses of the Suffolk County Judicial Facilities Agency. For 2017, this amount is $92,882 and grows at the greater of CPI or 3% annually throughout the term of the lease.

Fiscal Year Ending Dec. 31:	Total Principal	Total Interest (1)	Total Debt Service (2)
2017	$ 2,515,000	$ 2,890,044	$ 5,405,044
2018	2,640,000	2,764,294	5,404,294
2019	2,775,000	2,632,294	5,407,294
2020	2,915,000	2,493,544	5,408,544
2021	3,060,000	2,347,794	5,407,794
2022	3,160,000	2,244,519	5,404,519
2023	3,275,000	2,133,919	5,408,919
2024	3,395,000	2,011,106	5,406,106
2025	3,530,000	1,875,306	5,405,306
2026	3,705,000	1,698,806	5,403,806
2027	3,865,000	1,541,344	5,406,344
2028	4,035,000	1,372,250	5,407,250
2029	4,235,000	1,170,500	5,405,500
2030	4,450,000	958,750	5,408,750
2031	4,670,000	736,250	5,406,250
2032	4,905,000	502,750	5,407,750
2033	5,150,000	257,500	5,407,500
Totals	$62,280,000	$29,630,970	$91,910,970

(1) Off slightly due to rounding.
(2) For the entire calendar year.

CAPITAL PLANNING AND BUDGETING

The County annually adopts a capital program which includes all anticipated capital expenditures for the next three fiscal years. No later than April 15 of each year, the proposed three-year capital program is submitted by the County Executive to the County Legislature. The Annual Capital Budget and Program is adopted in June of each year. The County's capital budget sets forth the capital projects, both new and previously authorized, expected to be undertaken or continued in the ensuing fiscal year. The adoption of the capital budget does not constitute an authorization to proceed with a project and the financing thereof. In the event the County wishes to finance a project through the issuance of bonds or notes, such issuance of bonds or notes requires further authorization by a two-thirds vote of the County Legislature.

On June 1, 2016, the County Legislature adopted the 2017-2019 Capital Program and Budget which includes the following:

	2017-2019 Capital Program
General Government Support: Judicial	$ 10,131,000
General Government Support: Elections	330,000
General Government Support: Shared Services	36,409,294
Education: Community College	10,850,000(1)
Public Safety and Law Enforcement	63,709,455(2)
Health: Public Health	4,005,000
Transportation: Highways	235,497,500(3)
Transportation: Waterways	17,500,000
Transportation: Other	75,078,251(4)
Social Services	0
Economic Assistance and Opportunity	24,300,000
Culture, Recreation and Preservation	27,990,000
Home & Community Services: Sanitation	550,597,675(5)(6)
Home & Community Services: Other	17,945,000
Total Program:	$ 1,074,343,175

(1) Community college projects receive 50% State aid.
(2) Includes anticipated Federal aid of $2,400,000.
(3) Includes $67,552,000 of projects for which it is anticipated that Federal aid will be received and State aid of $22,417,500.
(4) Includes anticipated Federal aid of $43,021,625 and State aid of $3,572,313.
(5) Includes anticipated Federal and State aid of $302,117,675.
(6) Proposes to fund Southwest Sewer District projects in the amount of $97,150,000 through the Southwest Assessment Stabilization Reserve.

The extension of the County's one quarter of one percent sales and compensating use tax ("One Quarter of One Percent Tax") for the Sewer Assessment Stabilization Reserve Fund by the adoption of Resolution #770-2007 significantly offsets borrowing needs. A number of sewer projects in the Capital Program are expected to be funded by this sales tax revenue source through the Sewer Assessment Stabilization Reserve. See "ADDITIONAL FINANCIAL INFORMATION – Sewer Tax Rate Stabilization" herein.

Resolution 439-2016 waives, for fiscal 2016, the application of a charter law which established the County's 5-25-5 debt policy. The resolution allows the County to utilize traditional bonding for items that would otherwise be required to be included in the operating budget. Such items include, among other things, dredging projects under $100,000, road and equipment repairs and roof replacement. A resolution to waive the County's 5-25-5 debt policy for fiscal 2017 is expected to be considered by the County Legislature in April 2017.

Source: County Executive's Budget Office

COUNTY INVESTMENT POLICY

Pursuant to Article V of the Suffolk County Charter, the County Comptroller is the custodian of all County funds and is charged with the responsibility for creating and administering, pursuant to written guidelines duly promulgated by the County Comptroller, the investment program of the County. The County Comptroller has a written investment policy which is consistent with the Investment Policies and Procedures guidelines of the Office of the State Comptroller. The County Investment policy is approved by resolution of the Suffolk County Legislature. The banks and trust companies authorized for the deposit of County monies are authorized to arrange for the redeposit of County monies in one or more banking institutions, as defined in Section 9-r of New York Banking Law, for the account of the County through a deposit placement program that meets all of the conditions set forth in Section 10(2)(a)(ii) of New York General Municipal Law.

Pursuant to the County Comptroller's investment policy, investments of monies not required for immediate expenditure may be made in certain obligations authorized by Section 11 of the General Municipal Law of the State, those being (*a*) Special time deposit accounts; (*b*) Certificates of deposit; (*c*) Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (*d*) Obligations of the State of New York to the extent that no more than 25% of invested monies are to be invested in obligations of the State of New York; and (*e*) Obligations issued pursuant to Local Finance Law Section 24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation of the State, other than the County to the extent that no more than 15% of invested monies are to be invested in obligations issued pursuant to Local Finance Law Section 24.00 or 25.00; (*f*) participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5-G of the General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46 and the specific investment program has been authorized by the County Legislature to the extent that no more than 15% of invested monies, exclusive of trust and agency funds, shall be invested in obligations issued by any one approved cooperative investment program; and (g) Tax Anticipation Notes and Revenue Anticipation Notes issued by any school district in New York State.

The County Comptroller's investment policy further provides that all investment obligations must be payable or redeemable at the option of the County in time to meet expenditures for the purposes for which monies were provided and, in the case of obligations purchased with the proceeds of bonds or notes, must be payable or redeemable at the option of the County within two years of the date of purchase. The investment policy also limits investment maturities of monies invested from current operating funds to 12 months or less while the maturities of monies invested from budgetary reserve funds are limited to 20 months or less.

The County Comptroller's investment policy further provides that, in accordance with the provisions of Section 10 of the General Municipal Law of the State, all deposits, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, are secured by (a) a pledge of "eligible securities" with an aggregate "market value", as provided by General Municipal Law Section 10, equal to the aggregate amount of deposits from the categories designated in Appendix A to the Policy (the "eligible securities"). Eligible securities used for collateralizing deposits shall be held by a third party bank or trust company subject to security and custodial agreements; (b) an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations; (c) an irrevocable letter of credit issued in favor of the County by a federal home loan bank whose commercial paper and other unsecured short term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization payable to the County as security for the payment of one hundred percent (100%) of the aggregate amount for the County deposits and the agreed upon interest, if any.

The County Comptroller's investment policy also authorizes the County to enter into repurchase agreements, subject to the following restrictions: (*a*) All repurchase agreements must be entered into subject to a master repurchase agreement; (*b*) Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers; (*c*) Obligations shall be limited to obligations of the United States of America and obligations of agencies of the United States of America where principal and interest are guaranteed by the United States of America; (*d*) No substitution of securities will be allowed; (*e*) The custodian shall be a party other than the trading partner and (*f*) maturities shall be limited to 30 days or less.

FINANCIAL FACTORS

Operating Budget

Pursuant to the County Charter, on or before the third Friday in September of each year, the County Executive must submit to the County Legislature the recommended operating budget for the following fiscal year, which includes the general fund and other fund budgets. The operating budget must be adopted as submitted or amended by the County Legislature not later than November 10 of each year or the recommended budget, as submitted by the County Executive, is deemed adopted. Before November 21, the County Executive may veto legislative budget modifications in their entirety or by individual line item.

Operating adjustments may be made by either the County Executive or County Legislature, or both, during the course of the fiscal year to ensure that expenditures will not exceed revenues. While the County Executive may amend the operating budget as needed, the Legislature may only amend the operating budget four times during the year; provided that any such amendment must be balanced. The 2017 Recommended Operating Budget was submitted to the County Legislature (the "2017 Recommended Budget") on September 16, 2016 and was adopted (the "2017 Adopted Budget") on November 9, 2016.

The County periodically issues short-term tax anticipation notes to provide funds for expenditures due in part to the Suffolk County Tax Act (the "SCTA"). See "REAL PROPERTY TAXES – Real Property Tax Collection" and "INDEBTEDNESS OF THE COUNTY – Cash Flow Borrowings" herein.

Cash Flow Notes
($ in millions)

	2013*	2014	2015	2016	2017**
Revenue Anticipation Notes	$115	$ 85	$ 55	$ 45	$ 45
Tax Anticipation Notes	510	510	510	510	510
Total	$625	$595	$565	$555	$555

* Amount of Tax Anticipation Notes issued in 2013 is inclusive of $110,000,000 notes sold in December 2013 which were issued in January 2014. These tax anticipation notes are historically issued in December of each year by the County.

** Projected and inclusive of the RANs. (See "INDEBTEDNESS OF THE COUNTY – Cash Flow Borrowings" herein.)

Chapter 97 of the Laws of 2011, as amended, (the "Tax Levy Limitation Law"), New York State imposes a limitation on increases in the real property tax levies of the counties, subject to certain exceptions outlined in the new law. The 2016 Adopted Budget and the 2017 Adopted Budget are each in compliance with all State and local tax and expenditure limitations. (See "TAX LEVY LIMITATION LAW" herein.)

State and Federal Aid

The County receives substantial financial assistance from State and Federal reimbursement, mainly for human services and other mandated entitlement programs. Projected County general fund revenue derived from State and Federal aid in the 2016 and 2017 Adopted Budgets is 22.7% and 22.2%, respectively.

The State is not constitutionally obligated to maintain or continue to provide aid to the County. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the County during its current fiscal year, as well as future years. Any such elimination or reduction would require the County to either counterbalance any such loss with, to the extent available, an increase in revenues from other sources or a curtailment of expenditures. 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, the County may be affected by a delay in the receipt of State aid, until sufficient State taxes have been received by the State to make such payments. If in any given year the State does not adopt its budget in a timely manner, municipalities and school districts in the State, including the County, may also be affected by a delay in the payment of State aid. (See also "MARKET FACTORS AFFECTING FINANCINGS OF THE COUNTY, THE STATE AND MUNICIPALITIES OF THE STATE" herein).

Medicaid

Medicaid expenses share of general fund expenditures in the 2016 and 2017 Adopted Budgets is 11.5% and 11.6%, respectively. Under the State Medicaid cap law, the County's Medicaid expenses are capped by a formula which sets calendar year 2005 base period with local Medicaid payments to the State increasing by an annual, non-compounded inflation factor. (For example, the 2012 payment was determined by increasing the 2005 base by 3.50% for 2006, 3.25% for 2007 and 3.00% for 2008, 2009, 2010, 2011 and 2012, for a total increase of 21.75% over the 2005 base). Previous State budgets have called for a reduction in the projected growth assessed to the local districts. The increase on the 2005 base grew 0% in both 2016 and 2017. In addition, local Medicaid costs must be accounted for on a cash basis. The State cap on Medicaid expenses provides significant savings to the County each year, as well as providing an accurate method for budgeting for such expenses in future years. Additionally, the Affordable Care Act will continue to have a positive impact on the County's Medicaid costs. However, this could be impacted by any legislation which may be introduced in Congress to repeal and replace the Affordable Care Act. Current estimates show that the growth rate will continue to decline due to the Enhanced Medicaid Assistance Percentage (the "eFMAP") reduction through fiscal year 2017.

RECENT OPERATING RESULTS

2016 ADOPTED BUDGET WITH UPDATES

On November 4, 2015, the County Legislature adopted the 2016 Operating Budget (the "2016 Adopted Budget"). None of the proposed revenue initiatives included required approval by the State. The 2016 Adopted Budget is balanced and is in compliance with the Tax Levy Limitation Law and local budget cap laws.

The 2016 Adopted Budget projects 2016 sales tax revenue at $1,357,729,895, an increase of 3.55% over the 2015 actual results. The actual sales tax revenue for 2015 was $1,311,753,684 which was $1,686,841 above the estimated 2015 sales tax projection contained in the 2016 Adopted Budget. The County has retained an outside economic consultancy firm to assist in developing sales tax revenue forecasts. The 2016 estimated sales tax in the 2017 Adopted Budget is $1,326,903,590 which represents a 1.15% increase over the 2015 actual.

The County Executive issued Executive Order 2016-01 on January 8, 2016 to declare a fiscal emergency. The order directed the Budget Office to embargo 10% of each department's unspent, non-encumbered discretionary budget appropriations to be held in reserve. On August 2, 2016, the County Executive exercised emergency financial powers granted under the County Charter and County Code, and issued a Notice of Funding Deficiency to reduce discretionary expenditures and conserve cash. Mitigation measures to address underperforming sales tax, increased overtime costs and a carryover gap from fiscal 2015 are shown in the table below:

2016 BUDGET
MITIGANTS POST BUDGET ADOPTION
($ IN MILLIONS)

Total Mitigants	
Transfer from Assessment Stabilization Reserve Fund	$ 60.00
Budgetary Embargo (all funds)	18.80
Sale of Nursing Home (closed in Fall 2016)	12.92
Closeout of Capital Projects	2.50
Bus Route Consolidation	1.00
Total	$95.22

The County Executive continues a policy of strict position control. Vacant positions can only be filled with the approval of the County Executive. For the most part, positions filled during 2016 are those which have been specifically budgeted for or statutorily required to be filled or those which were supported by grants or other revenues.

Fiscal 2016 opened with a prior year budgetary basis operating fund balance (General Fund and Police District Fund) deficit position of $39.3 million. In addition, during the course of 2016, sales tax underperformed in relation to the budget due to declines in oil and gas prices and overtime expenses that exceeded the budget. These variances necessitated additional measures be undertaken by the County. The largest non-recurring items to address the deficit and the negative mid-year budget variances include a transfer from the assessment stabilization reserve fund ($88.2 million), pension amortization ($44.6 million), sale of the Foley nursing home ($12.9 million), receipt of tobacco settlement disputed payment revenue ($10.7 million) and deferred payment to the union benefit fund ($6.3 million).

For fiscal 2016, the operating fund surplus (General Fund and Police District Fund) is an estimated $42.2 million, which together with new revenue sources (motor vehicle surcharge fee and deed recording tax), which were not fully realized in 2016, and strict position control (attrition and consolidation of the Comptroller's office and Treasurer's office), are expected to put the County in a more structurally sound position for the start of 2017.

2017 ADOPTED BUDGET

On November 9, 2016, the County Legislature adopted the 2017 Operating Budget (the "2017 Adopted Budget"). None of the proposed revenue initiatives included required approval by the State. The 2017 Adopted Budget is balanced and is in compliance with the Tax Levy Limitation Law and local budget cap laws.

The 2017 Adopted Budget projects sales tax revenue of $1,353,361,662, an increase of 2.0% over the 2016 estimated sales tax reported in the 2017 Adopted Budget. Fiscal 2016 actual collections exceeded estimates and now only 1.39% sales tax growth is required to meet 2017 Adopted Budget sales revenue (See "ADDITIONAL FINANCIAL INFORMATION – Sales Tax"). The County has retained an economic consultancy firm to assist it in developing sales tax revenue forecasts.

The 2017 Adopted Budget contains several initiatives:

2017 ADOPTED BUDGET
SUMMARY OF MAJOR INITIATIVES
($ IN MILLIONS)

Total Initiatives	
Pension Amortization	$ 35.20
Mortgage Administrative Fee	33.30
Negotiation of Public Safety Termination Pay Accruals	23.60
Redistribution of Tax Levy from the Sewer District to the Police District	20.80
Motor Vehicle Surcharge (increase reflecting full year of collection)	10.50
Driver Responsibility Fee Increase	5.50
Collective Bargaining Contingency	4.48
County Fee and Fine Increase In Major Departments	3.00
Bus Route Reduction	4.00
OTB Video Lottery Terminals	2.00
Funding of Computer/Software and Hardware in Capital Program	1.50
Total	$143.88

The 2017 Adopted Budget includes over $42 million in new recurring revenues. Additionally, sales taxes and real property taxes are expected to provide improved operating support. Moderate sales tax growth should result from continued economic recovery and no further declines in oil and gas prices. Additionally, while the County's tax levy for 2017 is within the statutory limitation imposed by the Tax Levy Limitation Law, approximately $20 million of the tax levy is shifted to better align with the County's operating needs. The revenue enhancements, coupled with constrained expenditure growth of less than 1%, has enabled reduced reliance on non-recurring measures. The only non-recurring items in the 2017 Adopted Budget are pension amortization ($35.2 million) and the negotiation of public safety termination accruals ($26.5 million). There is no use of reserves planned or budgeted for fiscal 2017.

ADDITIONAL FINANCIAL INFORMATION

NYS Fiscal Stress Monitoring System

A Fiscal Stress Monitoring System was developed by the New York State Comptroller in 2012 as a way to identify local governments facing fiscal stress, factors influencing fiscal stress and ways in which local governments can manage fiscal stress. The monitoring system evaluates local governments on the basis of financial and environmental indicators to create an overall fiscal stress score. The Comptroller's August 30, 2013 update identified Suffolk County, along with eleven other municipalities, as having "significant stress." Such fiscal stress designations relied on data obtained from annual financial reports submitted by local governments to the Office of the State Comptroller and include only those local governments with a December 31, 2012 year end. The State's analysis did not take into account the fact that the County maintains nearly $430 million in special revenue funds. After review of the County's 2013 fiscal year, the NYS Comptroller lowered the County's fiscal stress designation from significant to moderate, effective August 29, 2014. The County has remained in the moderate stress category, including for the most recent year available, 2015.

Strategic Fiscal Planning

The Long Island Regional Planning Council, which is tasked with major regional issues and funded by Suffolk and Nassau Counties, has hired PFM Group Consulting LLC ("PFM") to review strategies to ease the counties' fiscal stress. PFM's study is expected to be completed by June 2017, in time for recommendations to be incorporated into the County's 2018 operating budget. The study's results will also be used by the County for multi-year financial plan efforts.

The County Executive's Budget Office is preparing a five year financial plan that approximates future expenditures, revenues, fund balances and offers budget deficit mitigation measures. The plan will review the prior year, the current year and the three following years.

Suffolk County Tax Act Study Committee

Resolution 753-2016 was approved on September 9, 2016 to establish a Study Committee to review the Suffolk County Tax Act and determine changes to improve the County's method of collecting taxes so as to alleviate cash flow issues. The Study Committee is exploring a variety of issues to amend the Suffolk County Tax Act to provide the County with a fair distribution of tax revenues received earlier in the year and will be working with local assessors and school district officials to discuss proposed changes which may be beneficial to the County.

Tax Stabilization and Debt Service Reserve Funds

The County Charter requires that a minimum of 25% of the prior year's discretionary general fund balance be transferred to the Tax Stabilization Reserve Fund or Debt Service Reserve Fund. The year-end 2015 Tax Stabilization Reserve Fund balance was $49.3 million and can only be used for purposes enumerated in Section 6-e of the New York State General Municipal Law.

Sewer Tax Rate Stabilization

Resolution #625-2011, a Charter Law regarding use of Assessment Stabilization Reserve Fund ("ASRF") surpluses to enhance sewer capacity and provide tax relief, was adopted on August 2, 2011 by the County Legislature. This legislation establishes a limit for the balance of the Sewer District Tax Rate Stabilization fund at $140 million for the fiscal years 2011 through 2021, inclusive. In fiscal years 2011, 2012 and 2013, of the fund balance which exceeded $140 million, 62.5% of the excess funds was required to be used for sewer projects approved by the County Legislature and 37.5% was appropriated by resolution to a reserve fund for bonded indebtedness or to a retirement contribution reserve. Should the fund balance exceed $140 million in 2014 through 2021, the excess fund balance shall be used exclusively for sewer projects as approved by legislative resolutions. In September 2011, two environmental groups filed a lawsuit to block the County Executive and the County Legislature from using the surplus in this manner without voter approval. In a decision by the New York State Supreme Court on July 19, 2012, the Court found that the plaintiffs lacked the necessary standing to challenge the law. Plaintiffs appealed the decision and the Appellate Division, Second Department declared the law to be null and void and remanded the case to the New York State Supreme Court for, *inter alia*, entry of judgment. Judgment has been entered nullifying the 2011 law, but no damages were awarded in the judgment. Plaintiffs are appealing the judgment.

Pursuant to Resolution 625-2011, the amount appropriated from the ASRF for the retirement contribution reserve fund to provide general fund relief was $5.4 million in 2011, $15.6 million in 2012 and $8.5 million in 2013.

The 2014 Adopted Budget included a $32.8 million transfer to the Debt Service Reserve Fund as well as a $5 million transfer to fund sewer infrastructure projects. However, in March 2014, two environmental groups filed a lawsuit to void resolutions passed in 2013 which permitted the transfers from the ASRF. To settle the matter, two resolutions were adopted. Resolution 68-2014 provided that a referendum is required to amend, modify, alter or repeal Local Law 24-2007. Resolution 579-2014 authorized a November 2014 mandatory referendum on a ballot proposal to adopt a charter law which will create a $29.4 million program for environmental protection and restoration. Resolution 579-2014 was approved by a majority of the electorate voting on the measure. The County will issue bonds to fund the program.

The charter law authorizes the County to borrow from the ASRF in 2014, 2015, 2016 and 2017 to provide tax relief. All amounts borrowed from the ASRF are required to be repaid by 2029, with annual payments of no less than 5% of the amount borrowed commencing in 2018. Amounts transferred from the ASRF were $32.8 million in 2014 and $22.5 million in 2015. The 2016 Adopted Budget includes a $28.2 million transfer; however, included as part of the 2017 Adopted Budget, approved on November 9, 2016, an additional $60 million transfer in fiscal 2016 was approved. (See "2016 ADOPTED BUDGET WITH UPDATES" herein.) No transfer from ASRF in 2017 is included in the 2017 Adopted Budget.

Resolution 866-2013, as re-authorized by Resolution 83-2015, provided for the transfer of funds from the ASRF to Sewer Infrastructure Program Fund (Fund 406) for the purpose of awarding grant and/or loan funding to projects which were selected following a competitive application process. Loan commitments of $7,087,000 were provided, but were declined by the intended recipients. Return of the declined funding to the unreserved fund balance of ASRF is included in the fiscal 2016 budget.

Sales Tax

The total County sales and compensating use tax rate is 8.625% and is comprised of State tax (4.0%), Metropolitan Transit Authority tax (0.375%), Suffolk County tax (4.0%) and Suffolk County Drinking Water Protection Program tax (0.25%) ("One Quarter of One Percent Tax").

An Industry Report issued by the New York State Department of Taxation and Finance states that data available through fiscal 2015 shows the dominant source of County sales tax revenue is from retail sales. Excluding gasoline sales, the retail sector accounts for 50% of fiscal 2015 collections and averaged 3.6% annual growth over the period 2012 through 2015. Sales tax revenue from utilities and gasoline stations accounts for 10% of fiscal 2015 collections. Declines in crude oil prices contributed to fiscal 2015 utility and gasoline station collections down $33 million compared to fiscal 2013.

A county must secure State legislative approval to impose a sales tax rate above 3%. The State grants that authority for a set period of time, usually two years. A county must then seek reauthorization from the State legislature. Pursuant to Suffolk County Home Rule Message 2-2015 and further State legislation signed into law on August 13, 2015, the 1% County tax was extended through November 2017. Renewal of the sales tax is on the County's state legislative agenda and is expected by the Fall of 2017.

The One Quarter of One Percent Tax is utilized for the Suffolk County Drinking Water Protection Program. On August 7, 2007 the County Legislature adopted Resolution #770-2007, a Charter Law extending the One Quarter of One Percent Tax that was due to expire on December 31, 2013 to November 30, 2030 (the "2007 Legislation"). The extension was approved by the State Legislature, signed by the Governor and approved by a majority of the County electorate at the November 6, 2007 general election.

See "Drinking Water Protection, Environmental Protection and Property Tax Mitigation Programs" herein.

Drinking Water Protection, Environmental Protection and Property Tax Mitigation Programs

The County has a land acquisition program, known either as the Quarter Percent Program or the Drinking Water Protection Program (the "Program") which initially began in 1987 and has been modified by the electorate several times.
The 2007 Legislation extended, in modified form, the One Quarter of One Percent Tax and also amended the percentage allocation of collections as follows: (i) 31.10% to the Suffolk County Environmental Programs Trust Fund for open space acquisition and farmland development rights initiatives; (ii) 11.75% to the Suffolk County Environmental Programs Trust Fund for Water Quality Protection and Restoration Programs and Land Stewardship initiatives; (iii) 32.15% to the Suffolk County Taxpayers Trust Fund to reduce or stabilize the County's general property taxes and/or police/public safety property taxes for the subsequent fiscal year by being credited to revenue in direct proportion to real property taxes assessed and collected from parcels within the County; and (iv) 25.00% to be used to reduce or stabilize sewer taxpayer property taxes provided that the applicable sewer district experiences an increase in rates of at least 3% in the aggregate for user charges, operations and maintenance charges, per parcel charges and ad valorem assessments in the calendar year for which these revenues are being allocated. The amount of debt service and bond or note issuance costs paid from the Environmental Programs Trust Fund for Open Space Acquisition in any calendar year shall not exceed 80% of the unobligated projected sales tax revenues for such calendar year.

On July 29, 2014 the County Legislature adopted resolution #579-2014, a Charter Law amending the Program for enhanced water quality protection, wastewater infrastructure and general fund property tax relief for the County. This legislation provides for an Enhanced Water Quality Protection Program (the "Enhanced Program") designed to provide funding for the purpose of protecting the groundwater in the County's sole source aquifer from discharges of pollutants. The purpose of the Enhanced Program is to acquire, by fee, lease or easement, interests in land and to protect and/or enhance groundwater, for water quality protection and restoration program and land stewardship initiatives, and for installation, improvements, maintenance and operation of sewer infrastructure and sewage treatment plants and for installation of residential and commercial enhanced nitrogen removal septic systems. This Enhanced Program became effective December 1, 2014 and will expire December 31, 2020.

The 2017 Adopted Budget estimates the program will receive sales tax revenues of $74.6 million in fiscal 2016 and $76.1 million in fiscal 2017 with resulting transfers to the general fund of $24 million in 2016 and $24.7 million in 2017.

Pension Payments

Substantially all employees of the County are members of the New York State and Local Employees Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"), (ERS and PFRS are referred to collectively hereinafter as the "Retirement Systems" where appropriate). These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offer 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 retirement benefits generally vest after five (5) years of credited service, except employees hired after April 1, 2012. 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. The Retirement Systems are non-contributory for members hired prior to July 1, 1976. All members hired on or after July 1, 1976 through and including December 31, 2009 must contribute 3% of gross annual salary toward the cost of retirement programs, until they attain ten years in the Retirement System, at which time contributions become voluntary.

On December 10, 2009, the Governor signed into law the creation of Tier 5, which was effective for new ERS employees hired after January 1, 2010. ERS employees in Tier 5 also contribute 3% of their salaries; however, there is no provision for these contributions to cease for Tier 5 employees after a certain period of service.

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

The billing cycle for employer contributions to the ERS retirement system matches the budget cycle of the County. The employer contribution for a given fiscal year is based on the value of the pension fund on the prior April 1; the County is notified of and can include the actual cost of the employer contribution in its budget. Current law requires a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible. The pension payment is due February 1, but may be prepaid by December 15 at a discounted amount.

The Office of the New York State Comptroller previously informed participating employers that due to the global economic crisis, the rate of return of the pension fund experienced an unprecedented decline in 2009 and consequently, contribution rates increased through and including 2014. Additional steps were needed to mitigate the expected increases in the employer contribution rates. Beginning in fiscal 2011, the Employer Contribution Stabilization Program authorized local governments to amortize a portion of annual pension costs during periods when actuarial contribution rates exceed thresholds established by the program. Amortizations are paid in equal installments over a ten-year period at an interest rate that is set annually and fixed over the ten year repayment period. The interest rate for the 2011 fiscal year was 5%, the interest rate for 2012 was 3.75% and the interest rate for 2013 was 3%.

Commencing with the 2014 payment, the County elected to utilize the State's "Alternate Contribution Stabilization Program." Per the program guidelines, the interest rate charged is the 12-year US Treasury bond yield plus 1% and is fixed over the twelve year repayment period. The interest rate for 2014 was 3.76%, for 2015, the rate was 3.5%, for 2016, the rate was 3.31% and for 2017, the interest rate was 2.63%.

The following table sets forth the County's total bills, amounts amortized and annual payments related to the County's pension obligations for ERS and PFRS, including SCCC:

PENSION COSTS

Year Paid Invoice Period	2012 4/2011-3/2012	2013 4/2012-3/2013	2014 4/2013-3/2014	2015 4/2014-3/2015	2016 4/2015-3/2016	2017 4/2016-3/2017	2018[1] 4/2017-3/2018
Gross Invoice Amounts (excluding Installments on Prior Deferrals)	182,737,273	203,604,694	233,895,448	228,960,795	195,059,113	195,346,037	197,134,937
Installments on Prior Deferrals	2,470,993	8,035,837	15,154,187	24,306,282	30,494,139	35,062,374	38,524,407
Gross Invoice Amount	185,208,266	211,640,531	249,049,635	253,267,077	225,553,252	230,408,411	235,659,344
Less: Pension amounts deferred[2]	(45,702,894)	(60,720,972)	(87,101,698)	(59,795,324)	(44,642,145)	(35,234,699)	0[3]
Pension Amount	139,505,372	150,919,559	161,947,937	193,471,753	180,911,107	195,173,712	235,659,344
Employees Retirement System (ERS)	65,934,963	76,854,241	84,793,660	114,096,596	95,752,292	99,577,355	122,232,614
Police and Fire Retirement System (PFRS)	73,570,409	74,065,318	77,154,277	79,375,157	85,158,815	95,596,357	113,426,730
Total Net Pension Costs	139,505,372	150,919,559	161,947,937	193,471,753	180,911,107	195,173,712	235,659,344

(1) Preliminary estimates, subject to change.
(2) Represents amounts deferred and paid over time.
(3) Amount to be amortized in 2018 to be determined in connection with the preparation of the 2018 recommended budget.

Source: Suffolk County Budget Office.

Other Post Employment Benefits

GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment benefits ("OPEB"). GASB 45 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits were administered on a pay-as-you-go basis and were not reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 45 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

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

GASB 45 does not require that the unfunded liabilities actually be funded, only that the County account for its unfunded accrued liability and provide appropriate disclosure in the notes to its financial statements. An actuarial valuation is required every 2 years for the County.

Nyhart, formerly Alliance Benefit Group of Indiana, has completed its analysis and actuarial valuation of the County's OPEB obligation as of the fiscal year ended December 31, 2015. The Nyhart report determined that as of December 31, 2015, the County's actuarial accrued liability ("AAL") was approximately $4,878,970,000. For financial reporting purposes, the County has elected to amortize the AAL over 30 years. For the year ended December 31, 2015, the County's ARC was $427,340,000 and the County's cumulative net OPEB obligation at December 31, 2015 was approximately $2,588,000,000.

Should the County be required to fund their unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the County's finances and could force the County to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the County to partially fund their actuarial accrued OPEB liability.

At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the County will continue funding this expenditure on a pay-as-you-go basis.

Legislation has been introduced to create an optional investment pool to help the State and local governments fund retiree health insurance and other post employment benefits. The proposed legislation would authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State's OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under the proposed legislation, there would be no limits on how much a local government can deposit into the trust. The County cannot predict whether such legislation will be enacted into law in the foreseeable future.

Employees

The County currently employs approximately 9,209 persons, approximately 95% are represented by collective bargaining units. The Association of Municipal Employees represents approximately 52% of the County's employees, the Police Benevolent Association represents approximately 18% of the County's employees and the remaining employees are represented by various other collective bargaining units or are management. The collective bargaining units representing employees of the County include:

Association	Expiration Date
Superior Officers Association	12/31/18
Correction Officers Association	12/31/18
Deputy Sheriffs Benevolent Association	12/31/10 (1)
Association of Municipal Employees	12/31/16 (2)
Police Benevolent Association	12/31/18
Detectives Investigators Police Benevolent Association	12/31/18
Suffolk Detectives Association	12/31/18
Probation Officers Association	12/31/16 (3)
Faculty Association of Suffolk Community College	08/31/19
Guild of Administrative Officers of Suffolk County Community College	08/31/19

(1) Agreement reached; pending approval of association members and the County Legislature.
(2) In negotiations.
(3) Discussions expected to commence shortly.

Union Contracts

Employees hired on or after January 1, 2013 contribute 15% of their health insurance premium costs.

- **Association of Municipal Employees (AME)** – The contract, retroactive to 2013, provides no raises in the first two years; raises of 1% in July 2015, 1% in December 2015 and 3% in July 2016. The starting salaries for new hires is lower and the time to reach the top step is lengthened. Under the agreement employees can be required to defer up to 10 days of pay. The contract includes a no-layoff clause.

- **Suffolk Detective's Association (SDA) –** The eight year contract provides for no retroactive pay raises. It provides raises with annualized effective rates of 5.96% in 2014, 6.11% in 2015, 5.63% in 2016, 3.53% in 2017 and 3.53% in 2018. The agreement provides for no layoffs during its term.

- **Superior Officer's Association (SOA) –** The contract provides for no retroactive pay raises. It provides raises with annualized effective rates of 5.96% in 2014, 6.11% in 2015, 5.63% in 2016, 3.53% in 2017 and 3.53% in 2018.

- **Police Benevolent Association (PBA)** – The contract included no retroactive raises for 2011 and 2012, and annualized effective rate increases of 2.04%, 3.83%, 6.11%, 5.63%, 3.53% and 3.53% in years 2013 through 2018.

- **Correction Officer's Association (COA)** – The current contract provides raises as follows:

2011 & 2012	2013	2014	2015	2016, 2017, 2018
0%	January 1 - $625 (effective 1/1/14) June 1 – 0.5% (effective 1/1/14)	April 1 - $875 June 1 – 0.5% Dec. 1 – 0.5%	April 1 – $900 June 1 – 1% Dec. 1 – 1.5%	June 1, 2016 – 3.25% June 1, 2017 – 3.25% June 1, 2018 – 3.25%

Raises effective in 2014 and 2015 were not included in employee's paychecks until the first pay period in 2016. Retroactive payments for the raises effective in 2014 and 2015, only for overtime and compensatory time payouts, will be paid upon the employee's separation from employment at the employee's then prevailing hourly rate, except that those monies so deferred may be paid in 2020 at the sole discretion of the County upon the request of a then current employee. There was no retroactive pay for straight salaries for 2011 through 2014, inclusive. The agreement provides for no layoffs during its term. For newly hired officers, the new salary schedule includes a lower starting salary which is frozen for the duration of the contract and the time required to reach the top step has been increased from five years to twelve years.

- **Probation Officers Association** – The Memorandum of Agreement dated January 4, 2017 includes wage increases of 2% in 2011, 2% in 2012, 1% in 2013, 1% in 2014, all of which are effective July 1, 2014. An increase of 1% is effective July 1, 2015 and 1% is effective December 1, 2015. Payments effective July 1, 2014 through December 31, 2015 are deferred and paid upon separation and will be repaid at the salary in effect at the time of repayment. A 3% wage increase is effective July 1, 2016. New employees rate of pay is reduced 5% from the 2010 entry rate and the new employees initial years step movement is increased from one year to 18 months.

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Revenues and Expenditures – General, Police District, Suffolk Tobacco Asset Securitization Corp. and Non-major Governmental Funds

The following table sets forth revenues and expenditures of the County's General, Police District, Suffolk Tobacco Asset Securitization Corp. and Non-major Governmental Funds for the five years ended December 31, 2015. On June 24, 2011, the Tax Levy Limitation Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the County, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the County. (See also "TAX LEVY LIMITATION LAW" herein.)

Revenues and other financing sources:	2011
Real property taxes and tax items	$ 615,649,489
Other taxes	1,180,808,321
Departmental	218,616,978
State aid	288,267,833
Federal aid	283,551,022
Other revenues	78,586,318
Total revenues	2,665,479,961
Transfers from other funds and other financing sources	347,647,466
Total revenues and other financing sources	3,013,127,427
Expenditures and other financing uses:	
General government support	229,719,002
Education	207,990,520
Public Safety	647,109,219
Health	162,286,362
Transportation	109,405,289
Economic assistance and opportunity	635,960,180
Culture and recreation	24,561,662
Home & community services	67,551,610
Employee Benefits	533,983,615
Debt Service	156,573,369
Capital Outlay	18,283,598
Total expenditures	2,793,424,426
Transfers to other funds	338,889,650
Total expenditures and other financing uses	3,132,314,076
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(119,186,649)
Fund balances, beginning of year	377,711,625
Fund balances, end of year	$ 258,524,976

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2012	2013	2014	2015
$ 614,118,935	$ 654,375,416	$ 663,413,331	$ 701,630,731
1,217,074,425	1,298,083,810	1,317,106,569	1,328,634,123
213,000,214	264,921,860	254,606,065	250,739,291
274,882,640	267,384,027	278,714,591	268,677,610
266,332,850	280,046,699	262,213,684	258,646,120
79,922,112	102,320,050	94,976,743	91,831,972
2,665,331,176	2,867,131,862	2,871,030,983	2,900,159,847
509,638,698	536,626,409	479,433,910	574,088,550
3,174,969,874	3,403,758,271	3,350,464,893	3,474,248,397
226,603,138	251,653,048	250,103,814	256,247,282
197,641,831	179,615,133	174,812,588	176,244,321
673,450,243	633,286,939	643,211,942	682,072,974
152,585,905	145,518,061	143,526,375	135,095,593
107,793,445	112,858,132	117,076,485	118,459,368
644,338,859	642,688,634	655,588,544	651,108,760
21,722,722	22,547,724	22,262,009	20,397,496
58,996,452	59,773,791	59,187,191	57,461,058
562,236,643	589,175,147	627,541,459	644,135,633
159,847,038	174,564,090	184,270,361	196,405,618
37,261,385	45,816,247	39,842,728	43,921,468
2,842,477,661	2,857,496,946	2,917,423,496	2,981,549,571
449,925,779	381,129,262	458,030,400	569,888,571
3,292,403,440	3,238,626,208	3,375,453,896	3,551,438,142
(117,433,566)	165,132,063	(24,989,003)	(77,189,745)
258,524,976	141,091,410	306,223,473	281,234,470
$ 141,091,410	$ 306,223,473	$ 281,234,470	$ 204,044,725

Sources: 2011-2015: Derived from audited financial statements. Summary itself is not audited.

County Budgets – 2016 Adopted Budget, 2016 Estimates, and 2017 Adopted Budget

The following table sets forth revenues and expenditures for County Governmental Funds prepared on a budget basis. The table excludes internal funds for interdepartment services, self-insurance and medical insurance. (See "TAX LEVY LIMITATION LAW" herein.)

	2016 Adopted Budget			
Revenues and other financing sources:	General Fund	Police District	Other Funds	All Funds
Real property taxes and tax items	$ 100,837,038	$ 528,392,609	$ 69,607,589	$ 698,837,236
Other taxes	1,222,195,572	63,105,354	94,238,188	1,379,539,114
Departmental	127,871,795	448,800	58,372,491	186,693,086
State Aid	244,873,485	200,000	25,367,515	270,441,000
Federal Aid	225,745,250	0	26,593,830	252,339,080
Other revenues	59,890,686	10,176,098	62,154,135	132,220,919
Total revenues	1,981,413,826	602,322,861	336,333,748	2,920,070,435
Transfers from other funds and other financing sources	92,218,340	42,217,307	160,250,214	294,685,861
Total revenues and other financing sources	2,073,632,166	644,540,168	496,583,962	3,214,756,296
Expenditures and other financing uses:				
General government support	193,205,513	1,270,948	14,506,027	208,982,488
Education	140,193,874	0	0	140,193,874
Public Safety	279,164,435	378,143,496	17,345,327	674,653,258
Health	73,731,702	0	1,249,062	74,980,764
Transportation	98,062,530	0	11,220,695	109,283,225
Economic assistance and opportunity	605,995,393	0	40,594,567	646,589,960
Culture and recreation	9,060,778	0	5,590,024	14,650,802
Contracts	79,113,815	8,588,343	3,346,135	91,048,293
Home & community services	5,774,075	0	55,225,354	60,999,429
Employee Benefits	124,641,015	100,310,191	6,854,944	231,806,150
Debt Service	145,699,409	6,641,865	30,333,065	182,674,339
Total expenditures	1,754,642,539	494,954,843	186,265,200	2,435,862,582
Transfers to other funds	311,010,559	144,691,771	303,297,272	758,999,602[(1)]
Total expenditures and other financing uses	2,065,653,098	639,646,614	489,562,472	3,194,862,184
Excess/(deficiency) of revenues and other financing sources over/under expenditures and other financing uses	7,979,068	4,893,554	7,021,490	19,894,112
Fund balances, beginning of year	(7,979,068)	(4,893,554)	305,502,433	292,629,811
Fund balances, end of year	$ 0	$ 0	$312,523,923	$312,523,923

(1) Includes transfers to the Employee Medical Health Fund totaling $317.2 million.

2016 Estimated Results[2]				2017 Adopted Budget[3]			
General Fund	Police District	Other Funds	All Funds	General Fund	Police District	Other Funds	All Funds
$ 101,631,158	$528,792,609	$ 69,638,218	$ 700,061,985	$ 101,787,038	$ 549,678,671	$ 55,520,811	$ 706,986,520
1,190,047,288	63,105,354	91,532,194	1,344,684,836	1,240,183,054	39,897,687	94,091,940	1,374,172,681
124,577,497	4,306,450	53,189,664	182,073,611	125,553,598	2,727,940	64,398,302	192,679,840
254,369,202	1,990,403	32,004,090	288,363,695	241,199,482	200,000	31,848,281	273,247,763
230,530,649	1,150,817	29,431,743	261,113,209	217,936,276	0	28,339,725	246,276,001
71,577,193	2,775,110	61,936,355	136,288,658	80,292,366	3,058,292	65,007,582	148,358,240
1,972,732,987	602,120,743	337,732,264	2,912,585,994	2,006,951,814	595,562,590	339,206,641	2,941,721,045
151,180,366	41,378,312	234,326,772	426,885,450	64,613,146	45,968,060	105,527,151	216,108,357
2,123,913,353	643,499,055	572,059,036	3,339,471,444	2,071,564,960	641,530,650	444,733,792	3,157,829,402
194,537,204	1,265,036	13,308,263	209,110,503	189,584,472	1,251,487	12,972,056	203,808,465
137,850,412	0	0	137,850,412	138,629,733	0	0	138,629,733
295,451,911	384,294,722	17,941,477	697,688,110	294,372,714	353,300,724	17,944,452	665,617,890
76,299,054	0	1,286,507	77,585,561	68,198,579	0	1,281,279	69,479,858
101,440,856	0	11,148,703	112,589,559	100,901,620	0	11,351,516	112,253,136
603,970,662	0	39,268,128	643,238,790	607,003,769	0	38,240,169	645,243,938
83,473,196	8,588,343	3,906,723	95,968,262	80,706,001	9,588,343	3,584,285	93,878,629
9,349,965	0	5,568,216	14,918,181	8,721,074	0	5,824,911	14,545,985
5,841,291	0	50,470,334	56,311,625	5,086,936	0	52,239,276	57,326,212
128,214,182	100,725,571	6,252,897	235,192,650	139,348,729	111,035,172	6,665,407	257,049,308
145,151,001	7,462,609	30,232,044	182,845,654	141,166,166	8,230,215	31,407,880	180,804,261
1,781,579,734	502,336,281	179,383,292	2,463,299,307	1,773,719,793	483,405,941	181,511,681	2,438,637,415
300,290,394	140,989,753	448,808,010	890,088,157[2]	307,616,952	151,157,816	258,862,624	717,637,392[3]
2,081,870,128	643,326,034	628,191,302	3,353,387,464	2,081,336,745	634,563,757	440,374,305	3,156,274,807
42,043,225	173,021	(56,132,266)	(13,916,020)	(9,771,785)	6,966,893	4,359,487	1,554,595
(32,271,440)	(7,139,914)	303,889,184	264,477,830	9,771,785	(6,966,893)	247,756,918	250,561,810
$ 9,771,785	$ (6,966,893)	$247,756,918	$250,561,810	$ 0	$ 0	$252,116,405	$252,116,405

(2) Includes transfers to the Employee Medical Health Fund totaling $308.9 million.
(3) Includes transfers to the Employee Medical Health Fund totaling $328.5 million.

Source: Suffolk County Budget Office.

REAL PROPERTY TAXES

Constitutional Real Property Tax Limit

In accordance with Section 10 of Article VIII of the State Constitution, the amount which may be levied in the County by taxes on real property in any fiscal year for County purposes, in addition to providing for the interest on and the principal of all indebtedness, may not exceed an amount equal to 1.5 percent of the five-year average full valuation of taxable real property of the County, less certain deductions as prescribed therein. The Tax Levy Limitation Law imposes a statutory limitation on the County's power to increase its annual tax levy. As a result, the power of the County to levy real estate taxes on all the taxable real property within the County is subject to statutory limitations set forth in the Tax Levy Limitation Law, unless the County complies with certain procedural requirements to permit the County to levy certain year-to-year increases in real property taxes. See "TAX LEVY LIMITATION LAW" herein. The total real estate tax levy for 2017 for County purposes subject to the tax levy limit is $583,816,282.

Real Property Tax Collection

Real property tax payments become a lien on December 1 and may be paid in two equal installments, the first half without penalty until January 10 and the second half without penalty until May 31. A one percent per month interest charge accrues on delinquent payments, and an additional five percent penalty accrues on delinquent payments outstanding after May 31.

Under The Suffolk County Tax Act ("Tax Act"), taxes levied for school district, town, and County purposes are collected by the appropriate town receiver of taxes in two installments. In January, each town distributes to the school districts within such town, as the first installment, one-half of the total taxes levied for school district purposes, or such part thereof as does not in the aggregate exceed one-half of the total amount of taxes collected by the receiver at the time, and retains the remainder for town tax purposes. In June, each town pays to the school districts within such town the balance of the amount of school district taxes levied for school district purposes, or such part thereof as does not in the aggregate exceed one-half of the total amount collected by the receiver at the time of such payment. After making payment to the school districts, each town retains the amount necessary to satisfy its tax levy and returns to the County any remaining moneys as a payment, in part, for taxes levied for County purposes. At the same time, each receiver returns to the County the tax roll indicating the amount of uncollected taxes for school district, town, and County purposes. Pursuant to Resolution No. 206-1998, prior to the return to the County, the towns are authorized to collect delinquent property taxes through additional partial or installment payments. It is the County's responsibility for collecting such unpaid taxes. The County may borrow in anticipation of the collection of these uncollected real property taxes as well as exercising foreclosure remedies as set forth in the Tax Act. (See "TAX LEVY LIMITATION LAW" herein.)

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Taxable Full Valuation - Six-Year Summary

The table below sets forth for 2012 through 2017, a summary of tax rates, assessed valuation, and full valuation of taxable real property within the County:

Year	Assessed Valuation of Taxable Real Property in the County[1]	Full Valuation of Taxable Real Property in the County[1]	County Tax Rate Per $1,000 of Full Valuation[2]	Full Valuation of Taxable Real Property in the Police District[2]	Police District Tax Rate Per $1,000 of Full Valuation[2]
2012	$65,673,686,111[3]	$264,451,932,661	$0.19	$158,377,449,790	$2.97
2013	64,917,840,187[3]	256,642,565,954	0.19	152,727,477,888	3.17
2014	64,737,635,412[3]	254,605,437,448	0.19	148,963,844,097	3.32
2015	65,502,093,119	255,389,963,430	0.19	148,609,661,602	3.41
2016	67,651,606,257[5]	266,561,907,916[5]	0.18	152,510,232,027	3.42
2017	70,813,844,065[6]	275,268,903,698[6]	0.18[4]	154,882,668,852[4]	3.50[4]

(1) The full valuation of taxable real property is determined by totaling the full valuation of the component towns. See "Assessed and Taxable Full Valuation - Towns." These figures reflect the most current amounts available from the New York State Office of Real Property Tax Services and not necessarily those of the adopted budget for said fiscal years.
(2) Obtained from final budgets for the respective fiscal years. (2013 County and Police District Rates corrected.)
(3) Assessed valuation amended by MA 144.
(4) Obtained from 2017 Recommended Operating Budget.
(5) Amended by Resolution No. 1189-2016.
(6) Amended by Resolution No. 1059-2016.

State Equalization Rates

Equalization rates are calculated each year based on the prior year's assessment roll and current market values.

Town	2011	2012	2013	2014	2015	2016
Babylon	1.15%	1.21%	1.23%	1.25%	1.19%	1.18%
Brookhaven	0.91	0.91	0.95	0.95	0.95	0.91
East Hampton	0.78	0.80	0.73	0.73	0.64	0.59
Huntington	0.88	0.90	0.90	0.89	0.86	0.85
Islip	12.00	12.90	13.20	13.20	12.70	12.70
Riverhead	15.33	15.27	15.98	15.40	14.58	14.66
Shelter Island	100.00	100.00	100.00	100.00	100.00	100.00
Smithtown	1.33	1.37	1.37	1.37	1.30	1.32
Southampton	100.00	100.00	100.00	100.00	100.00	100.00
Southold	1.11	1.15	1.18	1.17	1.10	1.08

Source: New York State Office of Real Property Services.

Selected Listing of Large Taxable Properties

The following table sets forth the larger taxable properties in the County, their location by town, the type of business, and the estimated full valuation on the 2016 assessment roll[1]:

Name	Town	Assessed Value	Type	Full Valuation[1]
Marketspan	Various	$ 60,045,725	Utility	$ 5,708,536,136
Long Island Power Authority	Various	78,710,218	Utility	2,736,014,650
Keyspan	Various	53,510,629	Utility	1,488,271,744
Long Island Lighting Co.	Various	49,887,417	Utility	1,163,481,384
Verizon	Various	54,608,984	Utility	439,870,142
Westland South Shore	Islip	34,261,400	Retail	282,684,818
Blue Turtles Inc.	Southampton	248,727,800	Residential	248,727,800
The Retail Property Trust	Huntington	2,000,000	Retail	232,558,140
PSEG Long Island	Southampton	230,227,189	Utility	230,227,189
Avalon Bay Communities	Various	1,633,310	Real Estate	187,783,669
Heatherwood House	Various	13,964,440	Real Estate	171,054,829
Target Corporation	Various	6,707,637	Commercial	140,544,167
Home Properties	Various	13,804,450	Real Estate	140,348,625
Mall at Smith Haven LLC	Brookhaven	1,261,394	Commercial	140,154,889
P.J. Venture Co. LLC	Smithtown	1,771,499	Commercial	135,228,931
Smithtown Galleria Association	Smithtown	1,627,840	Commercial	124,262,595
Peconic Landing at Southold	Southold	1,200,000	Nursing Home	118,811,881
Island Headquarter	Islip	13,816,600	Real Estate	113,998,350
Tanger Properties LP	Riverhead	14,427,500	Retail	104,019,466
Commack Marketing	Smithtown	1,224,729	Commercial	93,490,763
Totals		$883,418,761		$14,000,070,170

(1) Assessment rolls established in 2016 for levy and collection of taxes during 2017 fiscal year. Full valuation is calculated by dividing 2016 Assessed Value by the 2016 Equalization Rate.

Sources: Assessors' Offices of the respective towns located within the County.

Real Property Tax Warrants and Collection Record

The following table sets forth for 2012 through 2016, and as available for 2017, the tax warrants for all purposes, the amounts collected and the amounts remaining uncollected at the end of each year as well as the tax warrant for the current year.

	Fiscal Year Ended December 31		
	2012	2013	2014
County Taxes:			
County General Tax	$ 49,037,038	$ 49,037,038	$ 49,037,038
Suffolk County Community College Tax	5,250,467	5,250,467	5,250,467
Police District Tax	471,166,071	483,558,390	494,892,794
Sewer Districts	58,206,180	59,950,406	61,747,377
MTA Commuter Tax	2,852,204	2,852,204	2,852,204
Other Items[1]	135,392,012	130,841,822	120,781,367 [8]
Subtotal	721,903,972	731,490,327	734,561,247
Town Taxes	965,391,324	984,022,511 [5]	1,008,463,397 [8]
School District Taxes	$3,506,297,689 [4]	$3,598,147,889 [5]	$3,713,638,630 [6][7][8]
Total Tax Warrant	$5,193,592,985	$5,313,660,727	$5,456,663,274
Collected During Year	$5,106,818,573	$5,231,674,581	$5,372,989,951
Uncollected End of Year[2]:			
Amount	$86,774,412	$81,986,146	$83,673,323
Percent	1.67%	1.54%	1.53%
Uncollected as of February 28, 2017	$2,593,351	$8,032,214	$21,206,945

	Fiscal Year Ending December 31		
	2015	2016	2017
County Taxes:			
County General Tax	$ 49,037,038	$ 49,037,038	$ 49,037,038
Suffolk County Community College Tax	5,250,467	5,250,467	5,250,467
Police District Tax	506,872,160	521,492,609	542,278,671
Sewer Districts	61,958,350	55,673,132	41,896,517
MTA Commuter Tax	2,852,204	2,852,204	2,852,204
Other Items[1]	139,241,788	130,166,857 [9]	119,619,239
Subtotal	765,212,007	764,472,307	760,934,136
Town Taxes	1,027,314,222	1,049,329,153	1,077,420,766
School District Taxes	$3,790,829,553	$3,859,089,286 [9]	$3,912,016,695
Total Tax Warrant	$5,583,355,782	$5,672,890,746	$5,750,371,597
Collected During Year	$5,499,943,359	$5,589,898,061	N/A
Uncollected End of Year[2]:			
Amount	$83,412,423	$82,922,685	N/A
Percent	1.49%	1.46%	N/A
Uncollected as of February 28, 2017	$40,160,468	$75,641,106	N/A

(1) Includes various debits and credits, District Court taxes, relevied items, etc.
(2) Net of penalties and interest.
(3) Resolution 86-2010 amended East Hampton Tax Warrant.
(4) Resolution 168-2012 amended East Hampton Tax Warrant.
(5) Resolution 1229-2012 amended East Hampton Tax Warrant.
(6) Resolution 1233-2013 amended Brookhaven and Southold Tax Warrants.
(7) Resolution 162-2014 amended East Hampton and Southampton Tax Warrants.
(8) Resolution 309-2014 amended East Hampton Tax Warrant.
(9) Resolution 1174-2015 amended Brookhaven and Shelter Island Tax Warrants.

Assessed and Taxable Full Valuation - Towns

There are ten towns in the County within which are also included 31 incorporated villages. Valuations of real estate of the towns taxable by the County for fiscal years 2012 through 2017, are shown below:

Town	2012 Assessed Valuation(2)	2012 Full Valuation	2013 Assessed Valuation(3)	2013 Full Valuation
Babylon	$ 249,600,017	$ 21,704,349,304	$ 248,106,430	$ 20,504,663,636
Brookhaven	460,362,972(1)	50,589,337,582	458,388,289(1)	50,372,339,452
East Hampton	198,826,365(1)	25,490,559,615	197,488,643	24,686,080,375
Huntington	331,665,948(1)	37,689,312,272	328,724,473(1)	36,524,941,444
Islip	4,390,449,790	36,587,081,583	4,370,889,765	33,882,866,395
Riverhead	807,705,558	5,268,790,332	806,966,933	5,284,655,750
Shelter Island	3,023,684,027(1)	3,023,684,027	2,933,724,043	2,933,724,043
Smithtown	245,981,752(1)	18,494,868,571	244,725,671	17,863,187,664
Southampton	55,857,220,997	55,857,220,997	55,221,082,152	55,221,082,152
Southold	108,188,685	9,746,728,378	107,743,788	9,369,025,043
Totals	$65,673,686,111	$264,451,932,661	$64,917,840,187	$256,642,565,954

Town	2014 Assessed Valuation(4)	2014 Full Valuation	2015 Assessed Valuation(5)	2015 Full Valuation
Babylon	$ 245,456,759	$ 19,955,834,065	$ 244,921,923	$ 19,593,753,840
Brookhaven	457,831,888(1)	48,192,830,316	457,182,058	48,124,427,158
East Hampton	197,545,920	27,061,084,932	198,154,219	27,144,413,562
Huntington	327,205,498(1)	36,356,166,444	325,971,798	36,626,044,719
Islip	4,364,057,892	33,061,044,636	4,336,052,345	32,848,881,402
Riverhead	809,995,644	5,068,808,786	821,458,520	5,334,146,234
Shelter Island	2,963,844,407	2,963,844,407	3,071,084,694	3,071,084,694
Smithtown	243,976,947	17,808,536,277	243,425,813	17,768,307,518
Southampton	55,020,138,093	55,020,138,093	55,696,406,525	55,696,406,525
Southold	107,582,364	9,117,149,492	107,435,224	9,182,497,778
Totals	$64,737,635,412	$254,605,437,448	$65,502,093,119	$255,389,963,430

Town	2016 Assessed Valuation(6)	2016 Full Valuation	2017 Assessed Valuation(7)	2017 Full Valuation
Babylon	$ 244,626,105	$ 20,556,815,546	$ 244,492,069	$ 20,719,666,864
Brookhaven	455,288,892	47,925,146,526	456,880,067	50,206,600,769
East Hampton	198,620,361	31,034,431,406	199,658,928	33,840,496,271
Huntington	325,198,542	37,813,783,953	324,495,014	38,175,884,000
Islip	4,335,576,442	34,138,397,181	4,333,832,701	34,124,666,937
Riverhead	826,725,035	5,670,267,730	831,467,682	5,671,675,866
Shelter Island	3,201,639,679	3,201,639,679	3,387,323,394	3,387,323,394
Smithtown	243,062,871	18,697,143,923	243,297,644	18,431,639,697
Southampton	57,712,943,608	57,712,943,608	60,684,106,659	60,684,106,659
Southold	107,924,722	9,811,338,364	108,289,907	10,026,843,241
Totals	$67,651,606,257	$266,561,907,916	$70,813,844,065	$275,268,903,698

(1) Amended by MA 144.
(2) Per Resolution 951 of 2011.
(3) Per Resolution 930 of 2012.
(4) Per Resolution 1069 of 2013.
(5) Per Resolution 1056 of 2014.
(6) Per Resolution 985 of 2015 amended by 1056-2016 and 1189-2016.
(7) Per Resolution 926-2016 amended by 1059-2016.
Source: New York State Office of Real Property Services.

Other Tax and Assessment Information

Real property subject to County taxes is assessed by the ten towns (See "Real Property Tax Collection" herein). Veterans' and Senior Citizens' Exemptions are offered to those who qualify.

The total taxable valuation of the County consists of approximately 86.7% residential properties and 13.3% non-residential properties.

The total tax bill of a typical residential property located in the County, outside of a village is approximately $10,145. This includes all school, town county and special district taxes, but excludes the small amounts raised separately by villages.

Source: Budget Review Office.

STATISTICAL INFORMATION

Population and Land Areas - By Towns

The 2010 population of the County is 1,493,350[1] according to the U.S. Census Bureau.

	Area In	U. S. Census				
Town	Square Miles	1970	1980	1990	2000	2010
Babylon	52.3	203,570	203,483	202,940	211,792	213,603
Brookhaven	259.4	245,260	365,015	407,977	448,248	486,040
East Hampton	73.3	10,980	14,029	16,132	19,719	21,457
Huntington	94.0	200,172	201,512	191,474	195,289	203,264
Islip	105.2	278,880	298,897	299,587	322,612	335,543
Riverhead	67.4	18,909	20,243	23,011	27,680	33,506
Shelter Island	12.1	1,644	2,071	2,263	2,228	2,392
Smithtown	53.6	114,657	116,663	113,406	115,715	117,801
Southampton	140.2	36,154	43,146	45,351	54,712	56,790
Southold	53.7	16,804	19,172	19,836	20,899	21,968
County Total	911.2	1,127,030	1,284,231	1,321,977	1,418,894	1,492,364

(1) The total County population is also inclusive of the population of the Shinnecock and Poospatuck Indian reservations which are not included in any of the town populations.

Sources: U.S. Bureau of the Census

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Major Retail Centers

Retail Center	Location	Anchor Stores
Smithaven Mall	Lake Grove	Macy's, Sears, JC Penney, Dick's
Walt Whitman Shops	South Huntington	Macy's, Bloomingdales, Lord & Taylor, Saks
Westfield South Shore	Bay Shore	Macy's, JC Penney, Lord & Taylor, Dick's
Tanger Outlets at the Arches	Deer Park	Off 5th Saks, BJ's, Regal Cinema, Christmas Tree Shops
Tanger Outlet Center	Riverhead	Off 5th Saks, Office Max, Pottery Barn, Nike, Polo
Huntington Business District	Huntington	Wild by Nature, Stop & Shop, Rite Aid, Value Drugs
Southampton Business District	Southampton	Hildreth's Dept. Store, Stop & Shop, CVS, Rite Aid
Great South Bay Shopping Center	West Babylon	Old Navy, Bed Bath & Beyond, Marshalls, JoAnn
Airport Plaza	East Farmingdale	Home Depot, Staples, Modell's, Stew Leonard's
Riverhead Centre	Riverhead	Home Depot, Best Buy, Michael's, Modell's
King Kullen Plaza	Commack	Target, LA Fitness, King Kullen, Hobby Lobby
Babylon Business District	Babylon	West Marine
Centereach Mall	Centereach	Walmart, Modell's, JoAnn, Big Lots, CVS
Crooked Hill Commons	Commack	Home Depot, Walmart, Kohl's
Sayville Plaza	Bohemia	K Mart, Babies R Us, Office Max, Old Navy, Bed, Bath & Beyond
Islandia Center	Islandia	Walmart, TJ Maxx, Stop & Shop, Dave & Buster's
Bay Shore Business District	Bay Shore	Boulton Center for the Performing Arts
Gardiner Manor	West Bay Shore	Target, King Kullen, Staples, HomeGoods, Old Navy
Patchogue Business District	Patchogue	Patchogue Theatre for the Performing Arts, Burlington
Gateway Plaza I and II	North Patchogue	Marshalls, Best Buy, Bob's, HomeGoods, Dick's
Riverhead Business District	Riverhead	Atlantis Aquarium
Town Center at Central Islip	Central Islip	Home Depot, Target
Big H Shopping Center	Huntington Station	Home Depot, K Mart, Marshalls, Old Navy
Port Jefferson Business District	Port Jefferson	Theatre Three
Nicolls Plaza II	Centereach	Target, Home Depot, Best Buy
Bridgehampton Commons	Bridgehampton	K Mart, TJ Maxx, King Kullen, Staples

Source: Suffolk County Department of Economic Development and Planning, Division of Planning & Environment.

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Employment Statistics

The average number of persons employed and unemployed in the County, plus the County, State, and United States average unemployment rates, for the last ten years and monthly for 2016, as available, are set forth below (unemployment rates are not seasonally adjusted).

Year	Number of Persons Employed	Number of Persons Unemployed	Unemployment Rate County	New York State	United States
2006	756,500	30,600	3.9%	4.5%	4.6%
2007	757,500	30,400	3.9	4.6	4.6
2008	759,900	40,100	5.0	5.4	5.8
2009	734,300	57,600	7.3	8.3	9.3
2010	717,600	60,300	7.7	8.6	9.6
2011	711,900	58,600	7.6	8.3	9.0
2012	718,000	60,700	7.8	8.5	8.1
2013	726,600	51,300	6.6	7.7	7.4
2014	726,400	41,100	5.4	6.3	6.2
2015	739,100	37,200	4.8	5.3	5.3
2016 Actual Employment Statistics					
January	741,400	37,400	4.8%	5.3%	5.3%
February	738,700	37,000	4.8	5.3	5.2
March	747,900	35,100	4.5	5.1	5.1
April	746,700	32,100	4.1	4.6	4.7
May	752,400	30,000	3.8	4.3	4.5
June	760,900	30,900	3.9	4.7	5.1
July	760,700	34,600	4.4	5.0	5.1
August	754,400	33,600	4.3	4.9	5.0
September	744,400	33,300	4.3	4.9	4.8
October	744,600	32,700	4.2	4.8	4.7
November	742,400	32,000	4.1	4.5	4.4
December	738,000	31,600	4.1	4.5	4.5

Source: New York State and United States Department of Labor.

The following table shows the number of residents of the County employed in various categories of non-agricultural work in 1990, 2000 and 2010.

Categories	1990	Percent	2000	Percent	2010	Percent
Construction	45,328	6.8%	51,079	7.5%	56,469	7.9%
Manufacturing	96,828	14.6	65,316	9.6	55,922	7.8
Transportation, Utilities	56,557	8.5	40,393	5.9	40,414	5.6
Information	N/A	N/A	27,290	4.0	20,802	2.9
Trade	139,700	21.0	112,235	16.5	113,105	15.7
Services, Misc.	235,969	35.4	292,746	43.0	339,463	47.2
Public Administration	35,080	5.3	38,124	5.6	40,745	5.7
Finance, Insurance & Real Estate	55,720	8.4	53,510	7.9	51,642	7.2
Total	665,182	100.0	680,693	100.0	718,562	100.0

Source: U.S. Census Bureau.

Largest Non-Government Employers

The following is a selected list of non-governmental firms in the County having large numbers of employees and the number of persons employed by each according to the *Long Island Business News* Research Department:

Firm Name/Location[(1)]	Approximate Number Of Employees	Type of Business
Cablevision Systems	8,500	Utility
Verizon Communications	5,600	Utility
SUNY Stony Brook Medical Center	5,499	Healthcare System
Winthrop University Hospital	5,100	Healthcare System
North Shore University Hospital	4,985	Healthcare System
Good Samaritan Hospital/West Islip	4,400	Hospital
Nassau Health Care Corp.	3,800	Hospital
Brookhaven National Laboratory	3,000	Research Lab
St. Francis Hospital	2,871	Hospital
Citigroup	2,800	Financial
Long Island Jewish Hospital	2,772	Hospital
South Nassau Communities Hospital	2,600	Hospital

(1) These firms conduct business in both Nassau and Suffolk Counties and the statistics are for both counties.

Source: *Long Island Business News* – 2010 Book of Lists.

LITIGATION

In the opinion of the County Attorney, unless otherwise set forth in this section and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending which, if determined against the County, would have a material adverse effect on the financial condition of the County and its ability to make timely payments of debt service on the Bonds.

The County is subject to a number of lawsuits and claims in the ordinary conduct of its affairs. The County has elected to self-insure for workers' compensation claims, general liability claims, automobile liability claims, and medical malpractice claims. The County maintains catastrophe excess coverage for general liability and automobile liability with self-insured retentions in the amount of $5,000,000 per occurrence.

As a result of the forecasting in budgeting by the County, it is the opinion of the County that the County's Insurance Budget included, in all prior years, adequate amounts for the payment of general liability, automobile liability, medical malpractice and workers' compensation claims to be paid during such year. To the extent that the amount of medical malpractice claims exceeds amounts appropriated in the County's Insurance Budget for those claims, the County intends to issue bonds to finance the amount of the claims not covered by appropriations in the County's Insurance Budget. Other than as stated herein, general liability, automobile liability, medical malpractice and worker's compensation claims, individually or in the aggregate, are not likely to have a material adverse effect on the financial condition or operations of the County.

Although there has been no lawsuit brought, the County has received Notices of Claim in connection with the residual firefighting suppressant alleged to be a contaminant at Gabreski Airport in Westhampton and near the firefighting training facility in Yaphank. The United States Department of Defense has recently indicated that it is suspending the negotiation of a cooperative agreement regarding the residual firefighting suppressant at the Air National Guard base at Gabreski Airport pending additional legal review. To the best of the County's knowledge, the New York State Department of Environmental Conservation also has this matter under review at Gabreski Airport and in Yaphank.

Medical Malpractice Infant Claims: There are several medical malpractice claims against the County involving infants that have been in the notice of claim stage for quite some time. The statute of limitations is tolled in each of those cases due to infancy and some, all or none of those cases could result in lawsuits being filed in the future. At this time the potential for damages in these cases is unknown and in most instances where this situation occurs, no lawsuits are filed.

Baruch/Belli/Arundel/Crai/Lipets/DiMonte/Grabina/Schulman v. County of Suffolk, et al.: This case arises out of a two vehicle accident that occurred at the intersection of a County road and a Town road. Several young females in their early twenties were in a limousine, which was struck by a pick-up truck as the limousine was attempting a u-turn. Four of the limousine passengers were killed. 50-h hearings have been conducted. All eight cases are now in suit. Discovery is ongoing.

Bontempo v. County of Suffolk: A Notice of Claim and Summons and Complaint were served on the County whereby plaintiff (now deceased) is alleging negligence and a violation of his eighth amendment rights while an inmate in the Suffolk County Correctional Facility. It is claimed that in January 2008, while plaintiff was at the County facility, plaintiff made complaints of low back pain resulting in his transfer to Peconic Bay Medical Center, which diagnosed him with an arthritic back, and to Stony Brook University Hospital. It is alleged that plaintiff was ultimately diagnosed with an infection between the shoulder blades, resulting in serious injuries, paralysis and death. There is a companion medical malpractice case that was consolidated with this case for discovery only (Bontempo v. Peconic Bay Medical Center and Afzal Butt, M.D.). Discovery is ongoing.

Brownyard, et al. v. County of Suffolk, et al.: This is a potential class action lawsuit commenced in Supreme Court Suffolk County on February 2, 2015. Plaintiffs are seeking to have declared null and void a reserve fund for the Southwest Sewer District as having been illegally established, holding an excess balance, having its balance returned to the taxpayers of the District, and to have the Court grant injunctive relief. The amount in question alleged in the original complaint is the fund balance of approximately $117 million. The County answered the complaint and the plaintiffs are, by motion, seeking to amend the complaint to enlarge the amount in dispute by $145 million and have moved for class certification and for summary judgment. At present, the Court has determined the need for a settlement conference.

Jannie Butler, as Administratrix of the Estate of Arthur Lee Thomas, deceased v. the County of Suffolk, et al. A Notice of Claim and compliant were served on the County alleging medical malpractice, negligence and a violation of decedent-plaintiff's civil rights. It is alleged that from April 12, 2012 through June 12, 2012, while decedent-plaintiff was incarcerated at the Riverhead Correctional Facility, the County deviated from acceptable medical care in the community by failing to care and treat decedent-plaintiff's tracheotomy and failing to transfer decedent-plaintiff to a facility where proper medical care could be rendered. It is claimed that as a result, decedent-plaintiff died. An answer was interposed and the matter is in discovery.

Butler (class action) v. County of Suffolk: This is a class action federal court lawsuit by present and former inmates of the Suffolk County Correctional Facilities. The plaintiffs claim that various conditions at the jails violate their civil rights. Discovery is ongoing.

Buttaro, Thomas v. Suffolk County Traffic and Parking Violations Agency, Affiliated Computer Services: This is a Federal lawsuit, brought as a class action, claiming that the County's Red Light Camera Program violates the plaintiffs' and all proposed class members' right to substantive due process and violates New York Civil Rights Law Section 11. The Complaint seeks injunctive and declaratory relief, monetary damages and restitution for the named plaintiffs and all of the members of the proposed class, which consists of all persons who have paid fines under the Red Light Camera Program. A motion to dismiss was submitted to the Court. In Leder v. Nassau, et al. No. 14-cv-103 (ADS) (GRB), a similar case, brought by the same attorney as the Buttaro case, against the Nassau County Red Light Camera Program, Judge Spatt granted the Defendant's motion to dismiss that complaint in a decision dated January 24, 2015. On July 15, 2015, the court denied the County's motion to dismiss, without prejudice, and the case was placed in a court ordered stay, pending a decision of the Leder Case, which was then under appeal to the Second Circuit. The Second Circuit issued a decision to November 18, 2015, affirming the dismissal in Leder. The decision was brought to the attention of the Court in January 2016 and a conference was requested. The conference was held and a schedule for further briefing on the County's motion to dismiss was set. Supplemental briefing by all parties was completed and submitted to the Court on November 7, 2016.

Coleman, Destiny, an infant by her mother, Krystle Atkins v. Robert Lipari, et. al.: A summons and complaint were served on the County alleging negligence and medical malpractice by defendants in the obstetrical care and treatment rendered to the infant-plaintiff in failing to practice according to generally accepted medical and obstetrical standards. It is claimed that as a result of such malpractice, the infant-plaintiff sustained Erb's palsy. No Notice of Claim was ever served on the County in connection with this claim. An answer has been interposed. The matter is in discovery.

Cortes, Gunner v. County of Suffolk: A Notice of Claim was served alleging that plaintiff, a passenger in a motor vehicle, was injured in a motor vehicle accident caused by the failure of the County Police to properly secure a prior accident scene. Plaintiff sustained a C/2 fracture requiring a halo support. The County is scheduling a 50-h hearing.

DiLorenzo, Patrizia, as Administratrix of the Estate of Robert DiLorenzo, deceased v. County of Suffolk, et al.: A Notice of Claim and complaint were served on the County alleging medical malpractice and negligence by defendants in the care and treatment of decedent-plaintiff during 2010 at the Suffolk County Marilyn Shellabarger South Brookhaven Family Health Center East. It is alleged that from November 28, 2010 until December 6, 2010, decedent-plaintiff was caused to sustain severe injuries, including death, due to defendants' failure to properly diagnose a heart condition and to otherwise render appropriate care. The case is in discovery.

EDF Renewable Development, Inc. v. County of Suffolk: Federal action based on diversity jurisdiction brought by EDF Renewable Development, Inc. ("EDF") alleging breach of contract in connection with the lease agreement between the County and EDF's predecessor in interest, Eastern Long Island Solar Project, LLC ("ELISP"). Discovery closed in March 2015. Each party moved for summary judgement and both motions were denied. Trial was conducted from May 9 to May 13, 2016. Post-trial briefs were timely submitted on June 30, 2016. The Court issued its decision on November 17, 2016, finding that EDF prevailed on its breach of contract claim and a final judgment was entered against the County in the amount of $10,884,225.70 on December 1, 2016. The County timely appealed and filed its brief and appendix with the Second Circuit on January 31, 2017. The plaintiff has filed its opposition brief, the County has filed its reply brief and the appeal is fully perfected. The County is waiting for an oral argument date from the 2nd Circuit.

Flores-Melendez, et al. v. County of Suffolk: The County received five Notices of Claim arising out of an accident involving a police vehicle. A police vehicle was involved in an accident with another vehicle and the police vehicle was propelled onto the sidewalk. Several infants walking on the sidewalk were injured. Although several of the claims are simply for "zone of danger" injuries, one infant sustained a serious leg injury which required multiple surgeries and a lengthy hospitalization. The 50-H hearings have been held and all plaintiffs have filed suit. Discovery is ongoing.

Estate of Kear, William and Joanne v. County of Suffolk: Decedents were in a motor vehicle accident at the intersection of a Town and County road. Both were killed. The claim is of a defective roadway/traffic control design. A Notice of Claim has been received and a 50-h hearing has been scheduled.

Lyons, Kimberly v. County of Suffolk: Plaintiff was hit in the rear by a police vehicle. She sustained serious neck injuries requiring a double discectomy with titanium plates and screws. Discovery is ongoing.

Mahadeo v. Suffolk County Department of Health Services: Medical malpractice notice of claim and summons and complaint served wherein plaintiffs allege that between February 1, 2014 and November 24, 2014, at the Marilyn Shellabarger South Brookhaven Health Center East, claimant Monica Mahadeo received improper medical care and treatment relating to Ms. Mahadeo's pregnancy and delivery, which resulted in the death of claimants' child. It is alleged that the improper treatment included, inter alia, failure to properly test the mother for fetal abnormalities, the failure to properly order sonograms, the failure to properly interpret sonograms, the failure to inform claimants that their child suffered from Hypertrophic Cardiomyopathy, and the failure to offer claimants counseling. The injuries alleged are as follows: psychiatric and psychological pain, inability to sleep, loss of appetite, loss of libido, and loss of interest in daily activities of life. Matter is in discovery.

Mendez-Castaneda, an Infant By Her Mother and Natural Guardian, Aleida Castaneda and Aleida Castaneda Individually v. Patricia O'Sullivan, MD and Southside Hospital: This is a medical malpractice lawsuit whereby it is alleged that from on or about December 7, 2010, leading to the birth of the infant plaintiff on December 7, 2010, and continuing until the infant plaintiff's discharge/transfer on December 15, 2010, and continuing through the infant plaintiff's pediatric visits and admissions, defendants were negligent and committed malpractice in their treatment of the infant plaintiff and the infant plaintiff's mother by failing to timely and properly deliver. It is alleged that the infant plaintiff sustained global developmental delays, brain damage, cerebral palsy, neurological/cognitive deficits, motor delays, inability to live independently, and loss of enjoyment of life. No Notice of Claim was ever served on the County. The matter is in discovery.

Monteleone, Daniel v. County of Suffolk: A motorcyclist was involved in an accident with another vehicle on a County owned roadway. Serious injuries to the motorcyclist, including a leg amputation. Suit has been filed and discovery is ongoing.

Pena, Reyna and Rodriguez, Lorenzo v. County of Suffolk: Plaintiffs were driving in their car when they were struck by a vehicle being chased by the Suffolk County Police Department. Both plaintiffs sustained injuries. Rodriguez sustained serious internal injuries, resulting in removal of his appendix, some of his intestine and some of his liver. The case is in suit and discovery is ongoing.

Plaintiffs #1-21, individually and on behalf of all others similarly situated v. County of Suffolk et al.: Federal lawsuit (Eastern District New York) wherein plaintiffs claim that they were the victims of discriminatory policing by the Suffolk County Police Department ("SCPD"), in that Latinos have been subjected to unlawful arrests and seizures; subjected to a violation of equal protection in that the SCPD has failed to provide police services to Latino individuals; and that two individual SCPD police officers have stolen property from Latino individuals; and that the County has created a policy sanctioning all these constitutional violations. Discovery schedule ordered and demands have been served. Discovery to be completed by the Fall of 2016. Initial discovery has been exchanged and parties are currently reviewing. Stay of discovery involving defendant Greene has been lifted, so the County is waiting for the Court to modify discovery schedule. Once done, the County will continue discovery, with depositions to start later in the year. Discovery was extended through April 2017, however, it will need to be extended again, due to a dispute over the scope of deposition questioning. Other discovery issues are also in dispute and attorneys plan to file a motion to compel.

Pyzikiewicz, Theresa v. County of Suffolk, et al.: Plaintiff was involved in an accident with a police vehicle. She sustained fractures of her cervical spine and rib fractures, which resulted in extensive hospitalization, surgery with cervical screws and a lengthy stay in a rehabilitation facility. A complaint has been received; discovery is ongoing.

Raphael, Ina v. County of Suffolk: Motor vehicle accident with a Suffolk County DPW vehicle. Plaintiff sustained serious personal injuries. During her hospitalization for the injuries she developed a staph infection which resulted in a one month coma and three months in the hospital. She now resides in a nursing home. The 50-h has been held and the County is waiting for service of a complaint.

Reyes, Oralia v. Peconic Bay Medical Center, et al.: Medical malpractice case whereby plaintiff is alleging that between November 15, 2010 and December 2, 2010, the plaintiff was treated for her pregnancy, delivery and symphyseal separation. It is further alleged that the doctors failed to appropriately deliver the plaintiff's child by caesarean section and caused traumatic damage to her urethra. It is alleged that as a result of the foregoing, and due to the doctors' failure to properly suture the plaintiff, plaintiff has been severely damaged. None of plaintiff's injuries are itemized in the complaint. No Notice of Claim was served. A summons and verified complaint have been served and the County has interposed an answer on behalf of one of the doctors. Discovery has been completed.

Rosado, Wanda, as Proposed Administrator of the Estate of Vazquez v. Suffolk County Department of Health Services - Division of Patient Care Services, et al.: A Notice of Claim was served in this medical malpractice matter whereby claimant is alleging the wrongful death of claimant-decedent Vazquez on June 10, 2015 as a result of the negligent care and treatment rendered to her while a patient at the Brentwood Family Health Center. It was claimed that, among other things, respondents ignored claimant-decedent's long standing complaints of lower back pain, failed to order appropriate tests and failed to institute appropriate and timely treatment of a malignant liver mass which has metastasized. 50-h hearing has been conducted.

Estate of Sarwan, N.N. v. County of Suffolk: Plaintiff was struck and killed by a vehicle traveling the wrong way on the Northern State Parkway. The other vehicle was pursued by the Suffolk County Police Department. A Notice of Claim has been received and a 50-h hearing has been scheduled.

Tankleff v. County of Suffolk: Federal civil rights lawsuit claiming false arrest and malicious prosecution. Plaintiff was tried and convicted of murdering his parents. His conviction was eventually overturned by the Appellate Division after approximately 18 years. The County's summary judgment motion was granted in part and denied in part. Discovery is complete. The County has begun the summary judgment process.

Trejo, Maria v. County of Suffolk, et al.: Medical malpractice action wherein plaintiff alleges that from April 20, 2011 through October 22, 2011, the County, through its agents, servants, and employees, was negligent, committed malpractice and committed statutory violations in the care and treatment of plaintiff Maria Trejo at the Brentwood Family Health Center, in that the County provided unfit and incompetent medical staff and failed to timely and properly diagnose and treat cervical cancer. It is alleged that as a result of such actions and inaction, claimant sustained the following injuries: unabated progression and metastasis of squamous cell cancer of the cervix, requirement for radiation therapy, requirement for chemotherapy treatments, hospitalizations for radiation colitis, significant weight loss, vomiting, lethargy, fatigue, numbness and tingling of the hands and feet, and vaginal bleeding. Discovery is ongoing.

Trinidad, Sebastian v. County of Suffolk: Plaintiff was involved in an accident at the intersection of a Town and County road. The claim is negligent roadway/traffic control design and defect. Plaintiff suffered a traumatic amputation of his leg. A summons and complaint has been received, discovery is ongoing.

Turner v. County of Suffolk: Plaintiff alleges that he sustained serious personal injuries as the result of the use of excessive force by police officers during his arrest. Suit has been filed in federal court. Discovery is ongoing.

Village of Islandia v. County of Suffolk: This is an action for declaratory judgment, injunctive relief and damages brought by the Village of Islandia alleging that the County improperly established and operates the Suffolk County Traffic and Parking Violations Agency ("TPVA") and wrongfully makes tickets issued in Islandia returnable to the TPVA rather than Islandia Village Court in violation of County policy. Justice Pitts granted the County's motion dismissing three causes of action as untimely and denied the County's motion on the remaining eight causes of action. The County has taken an appeal and the Village has cross-appealed. Both appeals were fully briefed in December 2016 and the County is waiting for oral argument to be scheduled.

Watts, Lucente, Atkinson, Culoso and Andes v. County of Suffolk: Five women, former inmates at the Suffolk County Correctional Facility, have filed a proposed class action lawsuit, alleging that they and numerous other female inmates were sexually harassed and assaulted by a Corrections Officer. Discovery is ongoing.

Yac v. Suffolk County, et al.: Medical malpractice claim wherein it alleged that decedent, Demetrio Yac, was under the care and treatment of the Marilyn Shellabarger South Brookhaven Family Health Center and the County failed to, among other things, investigate, diagnose and treat pyelonephritis, bacteremia, sepsis, pulmonary congestion, and jaundice. It is alleged that as a result of such failures, decedent sustained multiple and fatal bodily injuries including, but not limited to pyelonephrities, bacteremia, sepsis pulmonary congestion, jaundice, and death. Notice of Claim was served in May 2010. A summons and complaint were subsequently served. Discovery has been completed.

End of Appendix A

APPENDIX B

Link to Audited Financial Statements*

For the Year Ended

December 31, 2015

(With Auditors' Report Thereon)

*** The Financial Statements for the year ended December 31, 2015 and opinion are intended to be representative only as of the date thereof. The financial statements referenced above are hereby incorporated into the attached Official Statement. Deloitte & Touche LLP, Independent Auditors, has not been requested by the County to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

The County's financial statements for the fiscal year ended December 31, 2015 have been filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system ("EMMA").

Copies of the County's audited financial statements for the fiscal year ended December 31, 2015 are available on EMMA and can be viewed and downloaded at the following web address: (http://emma.msrb.org/ES1026091.pdf).

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APPENDIX C

Cash Flow Statements

The County of Suffolk (the "County") does not as a matter of course make public projections as to future cash flows. However, the County has prepared the prospective financial information set forth below to present the projected portion of the operating cash flow for fiscal years 2016, 2017 and 2018. The accompanying prospective financial information was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the County, was prepared on a reasonable basis, reflects the best currently available estimates and judgments and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the County. However, this information is not fact and should not be relied upon as necessarily indicative of future results, and readers of this projected portion of the operating cash flow for fiscal years 2016, 2017 and 2018 are cautioned not to place undue reliance on the prospective financial information.

Neither the County's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The assumptions and estimates underlying the projected financial information are inherently uncertain and, though considered reasonable by the County as of the date hereof, are subject to a wide variety of significant uncertainties that could cause actual results to differ materially from those contained in the projected financial information. Accordingly, there can be no assurance that the projected results are indicative of the future performance of the County or that actual results will not be materially different than those contained in the projected financial information. Inclusion of the projected financial information in this official statement should not be regarded as a representation by any person that the results contained in the projected financial information will be achieved.

SUFFOLK COUNTY
OPERATING CASH FLOW - FUNDS 001, 016, 102, 105, 115, 121, 133, AND SEWERS
PROJECTED CASHFLOW FOR FISCAL YEAR 2016

ALL FIGURES IN THOUSANDS

	ACTUAL												
	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC	CASH EST
CASH BALANCE	209,112	30,487	20,811	30,357	17,622	61,397	146,711	110,642	87,256	33,523	80,807	76,032	
TOTAL CASH RECEIPTS	190,790	230,878	360,739	219,565	261,064	775,563	602,272	204,525	366,655	193,049	217,074	249,974	3,872,148
REAL PROPERTY TAX	13,237	9,263	9,200	5,668	57,925	549,177	31,637	17,868	16,696	11,174	14,180	19,679	755,704
PAYMENTS IN LIEU OF TAXES	159	3,280	31	0	68	2,194	804	523	0	13	5	800	7,877
INT AND PENALTIES	1,614	1,416	1,549	767	2,518	1,242	2,576	4,651	1,994	1,038	2,241	3,347	24,953
SALES TAX	88,133	95,849	79,401	105,887	99,760	137,297	78,191	105,006	99,886	138,746	93,529	142,966	1,264,651
O.T.B.	0	0	0	60	60	291	70	67	74	55	56	49	782
DEPT. AND OTHER	13,314	9,343	14,486	15,190	21,728	21,974	19,935	15,393	14,018	15,738	26,312	18,057	205,488
INTERFUNDS - BUDGETARY	34,938	14,668	1,595	1,997	11,122	2,759	1,402	2,110	2,007	2,592	1,879	2,873	79,942
INTERFUNDS - NON-BUDGET	12,727	78,837	196,369	77,691	14,545	4,251	414,659	5,252	179,462	10,301	23,005	3,521	1,020,620
FEDERAL AND STATE AID	6,389	7,448	19,466	3,655	22,546	35,478	13,090	32,836	14,128	9,110	20,929	23,322	208,397
FEDERAL & STATE AID - SOCIAL SERVICES	18,306	7,752	35,001	4,198	27,065	16,107	35,911	18,202	36,789	2,416	33,204	33,684	268,635
SEWERS	1,973	3,022	3,641	4,452	3,727	4,793	3,997	2,617	1,601	1,866	1,734	1,676	35,099
TOTAL CASH AVAILABLE	399,902	261,365	381,550	249,922	278,686	836,960	748,983	315,167	453,911	226,572	297,881	326,006	
TOTAL CASH DISBURSEMENTS	369,415	240,554	296,193	277,300	217,289	690,249	228,341	227,911	320,388	245,765	221,849	492,755	3,828,009
PAYROLL	60,809	67,068	77,919	106,401	70,182	72,009	79,013	91,729	80,251	68,406	73,365	100,765	947,917
EQUIPMENT	236	189	21	139	11	180	246	318	411	396	457	312	2,916
SUPPLIES	5,438	4,269	1,473	3,815	833	4,035	2,892	3,012	2,540	3,057	2,440	3,101	36,905
UTILITIES & OTHER EXPENSES	6,500	3,476	6,007	3,442	3,447	7,248	3,708	3,668	6,158	2,168	4,508	3,399	53,729
FEES FOR SERVICES	2,081	1,825	679	1,433	1,331	1,862	2,235	2,073	1,204	2,171	983	2,723	20,600
CHILDREN WITH SPECIAL NEEDS	10,187	11,004	10,609	11,713	4,117	15,654	21,469	10,099	4,556	6,249	11,492	7,801	124,950
MISCELLANEOUS EXPENSE	5,966	3,684	6,941	2,663	489	2,588	1,441	1,899	3,420	2,887	7,049	1,677	40,704
CONTRACTED SERVICES	11,479	25,832	22,699	16,083	2,061	30,590	10,055	32,737	13,663	18,612	7,751	14,658	206,220
DEBT SERVICE	0	15,243	1,145	35,253	33,037	15,085	5,034	2,166	3,301	41,400	14,190	2,539	168,393
FRINGE BENEFITS	193,992	30,925	32,344	33,483	17,339	31,311	43,753	24,191	37,368	29,864	14,925	42,851	532,346
INTERFUNDS - BUDGETARY	8,981	2,950	6,443	2,358	21,788	18,952	0	0	0	0	0	0	61,472
INTERFUNDS - NON-BUDGET	8,984	11,361	74,190	10,771	13,467	423,655	5,850	5,537	109,376	24,711	29,052	261,978	978,932
FUND 16	3,160	2,854	2,073	3,320	1,510	2,781	3,170	2,705	3,211	3,284	2,361	2,483	32,912
SEWERS	4,841	3,835	4,571	5,223	3,176	3,938	4,304	4,558	7,510	2,521	4,048	6,463	54,988
SOCIAL SERVICES	23,748	19,733	23,420	20,423	17,270	30,189	18,031	20,584	18,761	16,581	21,059	19,807	249,606
MMIS	18,375	18,375	22,969	18,728	23,411	18,728	18,728	18,728	23,146	18,464	23,080	18,464	241,196
CERTIORARI PAYMENTS	4,638	17,931	2,690	2,052	3,820	11,444	8,412	3,907	5,512	4,994	5,089	3,734	74,223
TOTAL CASH AVAILABLE	30,487	20,811	85,357	(27,378)	61,397	146,711	520,642	87,256	133,523	(19,193)	76,032	(166,749)	
NEW BORROWINGS	0	0	0	45,000	0	0	0	0	0	100,000	0	410,000	555,000
REPAYMENTS	0	0	55,000	0	0	0	410,000	0	100,000		0	0	565,000
NET CASH AVAILABLE	30,487	20,811	30,357	17,622	61,397	146,711	110,642	87,256	33,523	80,807	76,032	243,251	
RESTRICTED CASH, ADDITIONS	0	0	55,000	0	0	410,000	0		100,000	0	0	0	565,000
RESTRICTED CASH, DELETIONS	0	0	55,000	0	0	0	410,000	0	100,000	0	0	0	565,000
TOTAL RESTRICTED YTD	0	0	0	0	0	410,000	0	0	0	0	0	0	
TOTAL CASH-RESTRICTED & NON	30,487	20,811	30,357	17,622	61,397	556,711	110,642	87,256	33,523	80,807	76,032	243,251	
ALTERNATIVE LIQUIDITY:	312,973	251,937	122,100	72,006	75,798	68,921	69,452	73,456	68,884	71,076	74,381	324,908	

Beginning cash is based on actual cashflow through December, 2015

Disbursements for the retirement bill in January totals $168.1 million and is reflected as follows: Fringe Benefits $162.8 million; Fund 016 $2 million; Sewers $3.3 million.

SUFFOLK COUNTY
OPERATING CASH FLOW - FUNDS 001, 016, 102, 105, 115, 121, 133, AND SEWERS
PROJECTED CASHFLOW FOR FISCAL YEAR 2017

ALL FIGURES IN THOUSANDS

	Actual	PROJECTED 2017											
	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC	CASH EST
CASH BALANCE	243,251	69,622	81,059	9,794	10,825	10,007	528,374	122,659	108,025	20,827	72,301	57,827	
TOTAL CASH RECEIPTS	205,101	236,338	270,667	210,767	248,267	761,667	640,667	232,267	302,766	200,766	183,766	283,659	3,776,698
REAL PROPERTY TAX	7,510	9,000	12,000	9,000	11,000	547,000	63,000	30,000	16,000	13,000	16,000	20,490	754,000
PAYMENTS IN LIEU OF TAXES	782	1,000	2,000	100	100	2,000	0	100	100	100	100	2,618	9,000
INT AND PENALTIES	1,072	2,000	2,000	2,000	2,500	3,000	4,000	4,500	3,000	2,000	3,000	3,928	33,000
SALES TAX	81,137	97,671	86,000	114,000	96,000	135,000	91,000	105,000	103,000	133,000	93,000	132,192	1,267,000
DEPT. AND OTHER	16,972	15,000	21,000	26,000	34,000	23,000	23,000	23,000	15,000	18,000	19,000	25,028	259,000
INTERFUNDS - BUDGETARY	1,916	5,000	5,000	2,000	6,000	3,000	1,000	2,000	6,000	2,000	6,000	34,084	74,000
INTERFUNDS - NON-BUDGET	65,365	78,667	66,667	45,667	58,667	3,667	413,667	3,667	103,666	3,666	3,666	3,666	850,698
FEDERAL AND STATE AID	11,369	8,000	20,000	4,000	16,000	17,000	18,000	18,000	29,000	14,000	14,000	26,631	196,000
FEDERAL & STATE AID - SOCIAL SERVICES	16,853	16,000	47,000	3,000	19,000	22,000	22,000	42,000	22,000	13,000	27,000	29,147	279,000
SEWERS	2,125	4,000	9,000	5,000	5,000	6,000	5,000	4,000	5,000	2,000	2,000	5,875	55,000
TOTAL CASH AVAILABLE	448,352	305,960	351,726	220,561	259,092	771,674	1,169,041	354,926	410,791	221,593	256,067	341,486	
TOTAL CASH DISBURSEMENTS	378,730	224,901	296,932	254,736	249,085	243,300	636,382	246,901	289,964	249,292	198,240	449,044	3,717,507
PAYROLL	61,556	68,500	92,000	92,000	70,000	71,000	79,000	104,000	67,000	68,000	73,000	95,944	942,000
EQUIPMENT	225	250	400	250	200	250	105	125	220	1,200	200	575	4,000
SUPPLIES	3,464	4,000	4,000	4,000	4,000	3,000	2,000	4,000	2,000	3,000	2,000	4,536	40,000
UTILITIES & OTHER EXPENSES	4,145	6,000	6,000	4,000	4,000	3,000	4,000	6,000	4,000	5,000	2,000	2,855	51,000
FEES FOR SERVICES	2,056	2,000	1,000	1,000	1,000	2,000	2,000	1,000	1,000	2,000	1,000	2,944	19,000
CHILDREN WITH SPECIAL NEEDS	5,168	11,000	10,000	11,000	9,000	12,000	11,000	8,000	5,000	8,000	7,000	10,832	108,000
MISCELLANEOUS EXPENSE	1,706	3,000	7,000	4,000	1,000	1,000	2,000	1,000	2,000	6,000	2,000	4,294	35,000
CONTRACTED SERVICES	12,501	30,500	13,000	15,000	11,000	14,000	26,000	21,000	14,000	15,000	13,000	14,999	200,000
DEBT SERVICE	0	15,520	1,401	24,243	32,998	18,807	5,034	1,869	3,502	46,206	13,798	4,622	168,000
FRINGE BENEFITS	210,515	31,000	38,000	38,000	33,000	33,000	33,000	37,000	31,000	31,000	31,000	29,485	576,000
INTERFUNDS - BUDGETARY	7,720	5,000	4,000	7,000	19,000	28,000	1,000	3,000	2,000	4,000	1,000	7,280	89,000
INTERFUNDS - NON-BUDGET	9,174	3,667	48,667	3,667	3,667	3,667	413,667	3,667	103,666	3,666	3,666	193,666	794,507
FUND 16	4,681	2,000	3,000	3,000	3,000	2,000	3,000	2,000	3,000	2,000	3,000	1,319	32,000
SEWERS	7,435	3,000	22,000	5,000	4,000	3,000	3,000	4,000	4,000	4,000	4,000	20,565	84,000
SOCIAL SERVICES	19,967	18,000	23,000	19,000	22,000	21,000	24,000	19,000	20,000	20,000	19,000	29,033	254,000
MMIS	23,080	18,464	18,464	18,576	23,220	18,576	18,576	23,240	18,576	23,220	18,576	18,432	241,000
CERTIORARI PAYMENTS	5,337	3,000	5,000	5,000	8,000	9,000	9,000	8,000	9,000	7,000	4,000	7,663	80,000
TOTAL CASH	69,622	81,059	54,794	(34,175)	10,007	528,374	532,659	108,025	120,827	(27,699)	57,827	(107,558)	
NEW BORROWINGS	0	0	0	45,000	0	0	0	0	0	100,000	0	410,000	555,000
REPAYMENTS	0	0	45,000	0	0	0	410,000	0	100,000		0	0	555,000
NET CASH AVAILABLE	69,622	81,059	9,794	10,825	10,007	528,374	122,659	108,025	20,827	72,301	57,827	302,442	
RESTRICTED CASH, ADDITIONS	0	0	45,000	0	0	0	410,000	0	100,000	0	0	0	555,000
RESTRICTED CASH, DELETIONS	0	0	45,000	0	0	0	410,000	0	100,000	0	0	0	555,000
TOTAL RESTRICTED YTD	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL CASH-RESTRICTED & NON	69,622	81,059	9,794	10,825	10,007	528,374	122,659	108,025	20,827	72,301	57,827	302,442	
ALTERNATIVE LIQUIDITY :	266,023	189,441	171,159	127,615	68,111	67,829	67,546	66,992	66,710	60,738	57,119	278,306	

Beginning cash is estimate based on actual cashflow through December, 2016
Disbursements for the retirement bill in January totals $182 million and is reflected as follows: Fringe Benefits $176.6 million; Fund 016 $2.05 million; Sewers $3.35 million.
Notice of disclaimer: This estimate has been prepared based on the latest available information of an adopted budget.
However, it is subject to change based upon a reconciliation to the published adopted budget.
Payroll is actual through January, 2017
Sales Tax is actual through February, 2017

SUFFOLK COUNTY
OPERATING CASH FLOW - FUNDS 001, 016, 102, 105, 115, 121, 133, AND SEWERS
PROJECTED CASHFLOW FOR FISCAL YEAR 2018

ALL FIGURES IN THOUSANDS

	PROJECTED 2018			
	JAN	FEB	MARCH	CASH EST
CASH BALANCE	302,442	64,231	24,447	
TOTAL CASH RECEIPTS	152,666	178,666	332,917	664,249
REAL PROPERTY TAX	12,000	10,000	12,000	34,000
PAYMENTS IN LIEU OF TAXES	500	2,500	500	3,500
INT AND PENALTIES	1,500	1,500	1,750	4,750
SALES TAX	81,000	98,000	84,000	263,000
DEPT. AND OTHER	17,000	15,000	20,000	52,000
INTERFUNDS - BUDGETARY	4,000	22,000	3,000	29,000
INTERFUNDS - NON-BUDGET	3,666	3,666	131,667	138,999
FEDERAL AND STATE AID	11,000	10,000	21,000	42,000
FEDERAL & STATE AID - SOCIAL SERVICES	20,000	12,000	51,000	83,000
SEWERS	2,000	4,000	8,000	14,000
TOTAL CASH AVAILABLE	455,108	242,897	357,364	
TOTAL CASH DISBURSEMENTS	390,877	218,450	279,649	888,976
PAYROLL	63,000	69,500	91,500	224,000
EQUIPMENT	300	250	400	950
SUPPLIES	3,500	4,500	3,750	11,750
UTILITIES & OTHER EXPENSES	6,000	5,000	5,000	16,000
FEES FOR SERVICES	2,000	2,000	1,000	5,000
CHILDREN WITH SPECIAL NEEDS	9,000	10,000	9,000	28,000
MISCELLANEOUS EXPENSE	3,500	2,000	7,000	12,500
CONTRACTED SERVICES	19,000	22,000	16,000	57,000
DEBT SERVICE	0	15,805	1,604	17,409
FRINGE BENEFITS	215,000	31,000	34,000	280,000
INTERFUNDS - BUDGETARY	8,000	4,000	10,000	22,000
INTERFUNDS - NON-BUDGET	3,667	3,667	48,667	56,001
FUND 16	3,000	3,000	2,000	8,000
SEWERS	5,000	5,000	4,000	14,000
SOCIAL SERVICES	18,000	18,000	21,000	57,000
MMIS	23,410	18,728	18,728	60,866
CERTIORARI PAYMENTS	8,500	4,000	6,000	18,500
TOTAL CASH AVAILABLE	64,231	24,447	77,715	
NEW BORROWINGS	0	0	0	0
REPAYMENTS	0	0	45,000	45,000
NET CASH AVAILABLE	64,231	24,447	32,715	
RESTRICTED CASH, ADDITIONS	0	0	45,000	45,000
RESTRICTED CASH, DELETIONS	0	0	45,000	45,000
TOTAL RESTRICTED YTD	0	0	0	
TOTAL CASH-RESTRICTED & NON	64,231	24,447	32,715	
ALTERNATIVE LIQUIDITY	278,306	278,306	195,306	

Beginning cash is estimate based on actual cashflow through January, 2017
Disbursements for the retirement bill in January totals $189.6 million and is reflected as follows: Fringe Benefits $184.5 million; Fund 016 $1.95 million; Sewers $3.1 million.
Notice of disclaimer: This estimate has been prepared based the latest available information.