PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 6, 2017

NEW ISSUES **RATINGS: (See "RATINGS" herein)**
BOOK-ENTRY-ONLY BONDS and NOTES

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

$62,330,000*
REFUNDING SERIAL BONDS – 2017 SERIES C
(the "Series C Bonds")

Date of Issue: December 28, 2017 **Maturity Dates: February 1, 2018-2028**
(as shown on the inside cover)

$127,225,000*
REFUNDING SERIAL BONDS – 2017 SERIES D
(the "Series D Bonds", and together with the Series C Bonds, the "Bonds")

Date of Issue: December 28, 2017 **Maturity Dates: October 15, 2019-2029**
(as shown on the inside cover)

$410,000,000*
TAX ANTICIPATION NOTES FOR 2018 TAXES
(the "TANs")

Date of Issue: December 21, 2017 **Maturity Date: July 25, 2018**

$7,884,226*
BOND ANTICIPATION NOTES – 2017 SERIES B
(the "BANs", and together with the TANs, the "Notes")

Date of Issue: December 28, 2017 **Maturity Date: December 28, 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 C Bonds are dated the Date of Delivery thereof and will bear interest from such date until maturity. Interest on the Series C Bonds will be payable on February 1, 2018, August 1, 2018 and semi-annually thereafter on February 1 and August 1 in each year until maturity. The Series C Bonds will mature annually on February 1, as shown on the inside cover page hereof. The Series C Bonds are not subject to redemption prior to maturity. (See "THE BONDS AND THE NOTES – Optional Redemption" herein.)

The Series D Bonds are dated the Date of Delivery thereof and will bear interest from such date until maturity. Interest on the Series D Bonds will be payable on April 15, 2018, October 15, 2018 and semi-annually thereafter on April 15 and October 15 in each year until maturity. The Series D Bonds will mature annually on October 15, as shown on the inside cover page hereof. The Series D Bonds maturing on or after October 15, 2028 will be subject to optional redemption prior to maturity as described herein. (See "THE BONDS AND THE NOTES – Optional Redemption" herein.)

The TANs are dated their Date of Issue and bear interest from that date until July 25, 2018, the maturity date, at the annual rate or rates as specified by the Underwriters of the TANs. The BANs are dated their Date of Issue and bear interest from that date until December 28, 2018, the maturity date, at the annual rate or rates as specified by the Underwriters of the BANs. The Notes will not be subject to redemption prior to maturity.

Dated: December __, 2017

___

* Preliminary, subject to change.

Underwriters for the Bonds:

M&T SECURITIES, INC. CITIGROUP JEFFERIES

Underwriters for the Notes:

JEFFERIES ROOSEVELT & CROSS INC UBS FINANCIAL SERVICES INC.

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.

The scheduled payment of the principal of and interest on the Bonds maturing in the years ____ through ____, inclusive (the "Insured Bonds") when due will be guaranteed under a municipal bond insurance and specimen policy to be issued concurrently with the delivery of the Insured Bonds by Build America Mutual Assurance Company ("BAM"). (See "BOND INSURANCE" herein.)

The Bonds, the TANs and the BANs are each offered when, as, and if issued by the County and accepted by the respective Underwriters, subject to the receipt of the respective final approving opinion 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 and the Notes by their counsel, Hawkins Delafield & Wood LLP, New York, New York. 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 C Bonds mature on February 1 in each year as set forth below:

Year	Amount*	Interest Rate	Yield	CUSIP**	Year	Amount*	Interest Rate	Yield	CUSIP**
2018	$ 145,000	%	%		2024	$ 10,000	%	%	
2019	9,355,000				2025	10,000			
2020	10,235,000				2026	10,000			
2021	10,785,000				2027	10,000			
2022	11,370,000				2028	14,705,000			
2023	5,695,000								

* 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 C 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 C Bonds or as indicated above.

The Series D 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	$ 8,825,000	%	%		2025	$ 11,110,000	%	%	
2020	9,105,000				2026	11,645,000			
2021	9,425,000				2027	22,120,000			
2022	9,770,000				2028***	17,245,000			
2023	10,140,000				2029***	7,230,000			
2024	10,610,000								

* 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 D 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 D Bonds or as indicated above.
*** Subject to optional redemption as described herein.

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 EACH OF THE BONDS AND THE NOTES, THE UNDERWRITERS WITH RESPECT TO EACH MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OR THE NOTES, AS APPLICABLE, AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "Municipal Bond Insurance and Specimen Policy" in Appendix D herein.

The Underwriters have reviewed the information in this Preliminary Official Statement in accordance with, and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guaranty the accuracy or completeness of such information.

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APPENDIX A

OFFICIAL STATEMENT

of the

COUNTY OF SUFFOLK, NEW YORK

Relating to

$62,330,000*
REFUNDING SERIAL BONDS – 2017 SERIES C

and

$127,225,000*
REFUNDING SERIAL BONDS – 2017 SERIES D

and

$410,000,000*
TAX ANTICIPATION NOTES FOR 2018 TAXES

and

$7,884,226*
BOND ANTICIPATION NOTES – 2017 SERIES B

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 $62,330,000* Refunding Serial Bonds – 2017 Series C (the "Series C Bonds"), $127,225,000* Refunding Serial Bonds – 2017 Series D (the "Series D Bonds", and together with the Series C Bonds, the "Bonds"), $410,000,000* Tax Anticipation Notes for 2018 Taxes (the "TANs") and $7,884,226* Bond Anticipation Notes – 2017 Series B (the "BANs", and together with the TANs, 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 of the Bonds

The Series C Bonds are dated their date of delivery and will bear interest from that date until maturity. Interest on the Series C Bonds will be payable on February 1, 2018, August 1, 2018 and semi-annually thereafter on February 1 and August 1 in each year until maturity. The Series C Bonds shall mature on February 1 in each year in the principal amounts specified on the inside cover page hereof. The Series C Bonds are not subject to redemption prior to maturity. (See "THE BONDS AND THE NOTES – Optional Redemption" herein.)

* Preliminary, subject to change.

The Series D Bonds are dated their date of delivery and will bear interest from that date until maturity. Interest on the Series D Bonds will be payable on April 15, 2018, October 15, 2018 and semi-annually thereafter on April 15 and October 15 in each year until maturity. The Series D Bonds shall mature on October 15 in each year in the principal amounts specified on the inside cover page hereof. The Series D Bonds maturing on or after October 15, 2028 are subject to optional redemption prior to maturity as described herein. (See "THE BONDS AND THE NOTES – Optional Redemption" herein.)

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 C 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 D 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 $21,270,000 outstanding principal of the County's Public Improvement Serial Bonds – 2009 Series C (the "2009C Bonds"), which mature in the years 2027 and 2028 (the "Refunded 2009C Bonds"), up to $34,330,000 outstanding principal of the County's Public Improvement Serial Bonds – 2010 Series A (the "2010A Bonds"), which mature in the years 2019 through 2023, inclusive, and in 2028 (the "Refunded 2010A Bonds"), up to $70,570,000 outstanding principal of the County's Public Improvement Serial Bonds – 2010 Series B (the "2010B Bonds"), which mature in the years 2019 through 2029, inclusive (the "Refunded 2010B Bonds"), up to $31,380,000 outstanding principal of the County's Public Improvement Serial Bonds – 2011 Series A (the "2011A Bonds"), which mature in the years 2019 through 2022, inclusive, and in 2028 (the "Refunded 2011A Bonds") and up to $45,544,466 outstanding principal of the County's Public Improvement Serial Bonds – 2011 Series B (the "2011B Bonds"), which mature in the years 2019 through 2027, inclusive (the "Refunded 2011B Bonds" and together with the Refunded 2009C Bonds, the Refunded 2010A Bonds, the Refunded 2010B Bonds and the Refunded 2011A Bonds, the "Refunded Bonds"). 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 2010B Bonds were issued in the original principal amount of $111,505,000. The 2011A Bonds were issued in the original principal amount of $100,110,000. The 2011B Bonds were issued in the original principal amount of $76,075,000. Under the Refunding Plan, the Refunded 2010B Bonds are to be called and redeemed on October 15, 2018, the Refunded 2010A Bonds are to be called and redeemed on February 1, 2019, the Refunded 2011A Bonds are to be called and redeemed on May 15, 2019 and the Refunded 2009C Bonds and the Refunded 2011B 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 U.S. Bank National Association, (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.

The list of maturities of the Refunded Bonds set forth below may be changed by the County in its discretion due to market or other factors considered relevant by the County at the time of the pricing of the Bonds and no assurance can be given that any particular series of bonds listed or that any particular maturity thereof will be refunded.

Refunded 2009C Bonds*:

Maturity Date	Principal*	Interest Rate	Redemption Date/Price	CUSIP
October 15, 2027	$ 10,440,000	4.000%	October 15, 2019 @ 100%	86476PCC0
October 15, 2028	10,830,000	4.000	October 15, 2019 @ 100%	86476PCD8
Total:	$ 21,270,000			

Refunded 2010A Bonds*:

Maturity Date	Principal*	Interest Rate	Redemption Date/Price	CUSIP
February 1, 2019	$ 4,880,000	3.000%		86476PUT3
February 1, 2020	5,265,000	3.000	February 1, 2019 @ 100%	86476PCU0
February 1, 2021	5,460,000	3.125	February 1, 2019 @ 100%	86476PCV8
February 1, 2022	5,665,000	3.250	February 1, 2019 @ 100%	86476PCW6
February 1, 2023	5,880,000	3.500	February 1, 2019 @ 100%	86476PCX4
February 1, 2028	7,180,000	4.000	February 1, 2019 @ 100%	86476PDC9
Total:	$ 34,330,000			

* Preliminary, subject to change.

Refunded 2010B Bonds*:

Maturity Date	Principal*	Interest Rate	Redemption Date/Price	CUSIP
October 15, 2019	$ 5,515,000	3.000%	October 15, 2018 @ 100%	86476PDQ8
October 15, 2020	5,655,000	3.000	October 15, 2018 @ 100%	86476PDR6
October 15, 2021	5,810,000	3.000	October 15, 2018 @ 100%	86476PDS4
October 15, 2022	5,980,000	3.000	October 15, 2018 @ 100%	86476PDT2
October 15, 2023	6,165,000	3.250	October 15, 2018 @ 100%	86476PDU9
October 15, 2024	6,355,000	3.250	October 15, 2018 @ 100%	86476PDV7
October 15, 2025	6,560,000	3.375	October 15, 2018 @ 100%	86476PDW5
October 15, 2026	6,775,000	3.500	October 15, 2018 @ 100%	86476PDX3
October 15, 2027	7,005,000	3.500	October 15, 2018 @ 100%	86476PDY1
October 15, 2028	7,245,000	3.625	October 15, 2018 @ 100%	86476PDZ8
October 15, 2029	7,505,000	3.750	October 15, 2018 @ 100%	86476PEA2
Total:	$ 70,570,000			

Refunded 2011A Bonds*:

Maturity Date	Principal*	Interest Rate	Redemption Date/Price	CUSIP
May 15, 2019	$ 5,465,000	3.000%		86476PUV8
May 15, 2020	5,835,000	3.000	May 15, 2019 @ 100%	86476PER5
May 15, 2021	6,015,000	3.000	May 15, 2019 @ 100%	86476PES3
May 15, 2022	6,205,000	3.250	May 15, 2019 @ 100%	86476PET1
May 15, 2028	7,860,000	4.000	May 15, 2019 @ 100%	86476PEZ7
Total:	$ 31,380,000			

Refunded 2011B Bonds*:

Maturity Date	Principal*	Interest Rate	Redemption Date/Price	CUSIP
October 15, 2019	$ 4,574,466	3.000%		86476PFL7
October 15, 2020	4,665,000	3.000	October 15, 2019 @ 100%	86476PFM5
October 15, 2021	4,775,000	3.000	October 15, 2019 @ 100%	86476PFN3
October 15, 2022	4,890,000	3.250	October 15, 2019 @ 100%	86476PFP8
October 15, 2023	5,020,000	3.250	October 15, 2019 @ 100%	86476PFQ6
October 15, 2024	5,160,000	3.500	October 15, 2019 @ 100%	86476PFR4
October 15, 2025	5,315,000	3.500	October 15, 2019 @ 100%	86476PFS2
October 15, 2026	5,485,000	3.500	October 15, 2019 @ 100%	86476PFT0
October 15, 2027	5,660,000	3.750	October 15, 2019 @ 100%	86476PFU7
Total:	$ 45,544,466			

* Preliminary, subject to change.

Sources and Uses of Proceeds of the Bonds

	Series C Bonds:	Series D 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 TANs are to be issued in the aggregate principal amount of $410,000,000* on December 21, 2017, shall bear interest from that date and mature on July 25, 2018. The BANs are to be issued in the aggregate principal amount of $7,884,226* on December 28, 2017, shall bear interest from that date and mature on December 28, 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, Jersey City, New Jersey ("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.)

* Preliminary, subject to change.

Authorization and Purpose of the TANs

The Notes are issued pursuant to the Constitution and laws of the State of New York, including the County Charter, Section 24.00 of the Local Finance Law of the State of New York (the "Local Finance Law"), Tax Anticipation Note Resolution #944-2017, adopted by the County Legislature on November 21, 2017 and approved by the Chief Deputy County Executive on November 28, 2017, and other proceedings and determinations related thereto. Section 24.00 of the Local Finance Law authorizes the County to issue tax anticipation notes in anticipation of the collection of taxes or assessments levied, or to be levied, by the County for a fiscal year. Said notes may be issued within 30 days prior to the commencement of a fiscal year in anticipation of the collection of taxes to be levied in such fiscal year. Such notes may not be issued in an amount in excess of the amount of such respective taxes or assessments which is uncollected at the time of issuance of the Notes, less the outstanding amount of notes previously issued in anticipation of such taxes or assessments and the amount, if any, included in the annual budget for such fiscal year to offset in whole or in part, an anticipated deficiency in the collection before the end of such fiscal year of the taxes and assessments levied for such fiscal year. The proceeds of such notes may be used only for the purpose for which the taxes or assessments in anticipation of which they are issued were levied or are to be levied.

The Notes are being issued in anticipation of the collection of real property taxes or assessments for the County's fiscal year commencing January 1, 2018. The total amount of taxes and assessments levied, or to be levied, for County purposes for such period is expected to be $734,920,685. The County tax warrant was adopted by the County Legislature on December 5, 2017. None of such taxes and assessments have been received as of the date of this Official Statement, no notes have heretofore been issued in anticipation of the collection of such taxes and assessments nor has the County included in the annual budget for such fiscal year any amount to offset in whole or in part, an anticipated deficiency in the collection before the end of such fiscal year of the taxes and assessments levied for such fiscal year. (See “REAL PROPERTY TAXES – Real Property Tax Warrants and Collection Record” in Appendix A attached hereto.)

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 bond resolution #1025-2017 duly adopted by the County Legislature on November 21, 2017, and approved by the Chief Deputy County Executive on November 28, 2017, authorizing the issuance of up to $7,884,226 in bonds or notes to finance a portion of the cost of a monetary judgment in a general liability case against the County. The proceeds from the sale of the BANs will be used to provide original financing pursuant to this resolution.

THE BONDS AND THE NOTES

Optional Redemption

The Series C Bonds are not subject to optional redemption prior to maturity.

The Series D Bonds maturing on or before October 15, 2027 are not subject to redemption prior to their stated maturity. The Series D Bonds maturing on or after October 15, 2028 will be subject to redemption prior to their stated maturity, at the option of the County, on any date on or after October 15, 2027, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Series D Bonds to be redeemed, plus accrued interest to the date of redemption.

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

The Notes are not subject to 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. One 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 of the TANs and BANs, respectively, which bears the same rate of interest and CUSIP number, in the aggregate principal amount of such TANs and BANs, 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 of a particular maturity are to be redeemed, DTC's practice is to determine by lot the amount of the interest of all Direct Participants in such maturity 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 and, in the case of the Bonds, payments of redemption price, 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 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.

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 of the State of New York 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 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, 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.

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, TANs 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 TANs and the BANs in order that interest on the Bonds, the TANs 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 TANs 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 TANs 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 TANs 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 TANs 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 TANs 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 TANs 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 TANs 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 TANs or the BANs should consult their tax advisors concerning the computation of any alternative minimum tax.

Prospective purchasers of the Bonds, the TANs or the BANs should be aware that ownership of the Bonds, the TANs 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 TANs 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 TANs 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 TANs 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 TANs and the BANs may affect the tax status of interest on the Bonds, the TANs and/or the BANs.

No assurance can be given that current or future legislative proposals, if enacted into law, 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 TANs 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 TANs and/or the BANs for audit examination, or the course or result of any Internal Revenue Service examination of the Bonds, the TANs and/or the

BANs or of obligations which present similar tax issues, will not affect the market price or marketability of the Bonds, the TANs and/or the BANs. For example, legislation is currently pending in the United States Congress which, if enacted into law would, among other things, reduce corporate income tax rates, change individual income tax brackets, and eliminate the federal alternative minimum tax, effective for tax years beginning after December 31, 2017. It is not possible to predict whether and in what form this legislation will be enacted into law. Prospective purchasers of the Bonds, the TANs 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 TANS 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 TANS OR THE BANS.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of each of the Series C Bonds, the Series D Bonds, the TANs and the BANs 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 C Bonds, the Series D Bonds, the TANs or the BANs, 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 C Bonds, the Series D Bonds, the TANs or the BANs, 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.

DISCLOSURE UNDERTAKING

Disclosure Undertaking for the Bonds

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 series 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 (“MSRB”) 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,” “ADDITIONAL FINANCIAL INFORMATION,” “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, 2017 and (ii) the audited financial statement, if any, of the County for each fiscal year commencing with the fiscal year ending December 31, 2017 on or prior to the end of the sixth 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 TANs 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 TANs 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 TANs 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 TANs 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 TANs 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 TANs 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 undertakings or 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. For fiscal year 2012, the County filed its audited financial statements 4 days late. The County did not provide timely notice of such late filing. For fiscal year 2013, the County filed its annual financial information 130 days after the due date and filed a failure to timely file notice on October 8, 2014. On December 5, 2017, the County filed a voluntary notice to clarify statements made in prior official statements by the County with respect to the foregoing. 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. Although the Official Statement and escrow agreement which included all the required information were filed in a timely manner, the County filed the notice of defeasance with respect to its Refunding Serial Bonds – 2016 Series A one day late.

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 such 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.

BOND INSURANCE

As noted herein, concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds maturing in the years ____ through ____, inclusive (the "Insured Bonds"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included in Appendix D herein. (See "APPENDIX D – MUNICIPAL BOND INSURANCE AND SPECIMEN POLICY" herein.) The County has not made any independent investigation of BAM or its policy and reference should be made to Appendix D for a description thereof.

In the event that BAM is unable to make payments of principal of and interest on the Insured Bonds for which its policy has been issued, as such payments become due, the Insured Bonds are payable solely from County moneys.

The insured ratings on the Insured Bonds are dependent on the claims paying ability of BAM. BAM's current claims paying ability is predicated upon a number of factors which could change over time and could result in a downgrading of the insured ratings on the Insured Bonds. Such a downgrade could adversely affect the market price for, and marketability of, the Insured Bonds. BAM is not contractually bound to maintain its present claims paying ability in the future. (See "RATINGS" herein.)

RATINGS

Standard & Poor's Ratings Corporation ("S&P") is expected to assign an insured rating of "AA" (with a stable outlook) to the Insured Bonds based on the understanding that the insurance policy of BAM insuring the scheduled payment of principal of and interest on the Insured Bonds when due will be issued concurrently with the issuance of the Insured Bonds. (See "BOND INSURANCE" and "APPENDIX D – MUNICIPAL BOND INSURANCE AND SPECIMEN POLICY" herein.)

The County has applied to S&P Global Ratings ("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 October 6, 2017, Fitch affirmed the County's long-term underlying credit rating of 'A-' with a stable outlook.

On October 6, 2017, S&P affirmed the County's long-term underlying credit rating of 'A-' with a stable 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; S&P Global Ratings, 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 M&T Securities, Inc. ("M&T") as the senior manager, book-running underwriter for the Bonds, along with Citigroup Global Markets Inc. ("Citigroup") and Jefferies LLC ("Jefferies") as co-managers for the Bonds. M&T, Citigroup and Jefferies are herein collectively referred to as the "Bond Underwriters." M&T is serving as the representative of the Bond Underwriters.

The Bond Underwriters have agreed, subject to certain conditions, to purchase the Series C 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 C Bonds at the public offering price or prices set forth on the inside cover page hereof. The Bond Underwriters have agreed, subject to certain conditions, to purchase the Series D 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 D 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 Bond Underwriters. The Bond Underwriters' obligations are subject to certain conditions precedent, and they may be obligated to purchase all such Bonds if any such Bonds are purchased.

The County has selected Jefferies as the senior manager, book-running underwriter for the Notes, along with Roosevelt & Cross Incorporated ("R&C") and UBS Financial Services Inc. ("UBS") as co-managers for the Notes. Jefferies, R&C and UBS are herein collectively referred to as the "Note Underwriters." Jefferies is serving as the representative of the Note Underwriters.

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

Jefferies LLC, an underwriter of the Bonds and the Notes, has entered into an agreement (the "Agreement") with E*TRADE Securities LLC ("E*TRADE") for the retail distribution of municipal securities. Pursuant to the Agreement, Jefferies LLC will sell the Bonds and the Notes to E*TRADE and will share a portion of its selling concession compensation with E*TRADE.

FINANCIAL ADVISOR

Capital Markets Advisors, LLC, Great Neck and New York, New York, (the "Financial Advisor") is an independent municipal advisor registered 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: December ___, 2017

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 1,492,583 in 2016. 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 stable. According to the U.S. Census Bureau, the County had a population of 1,492,583 in 2016, a slight decrease of 767 persons since the 2010 Census figure. Between 2000 and 2010, the County's population increased by 5.2%. A slow rate of population growth is expected in 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 25th 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 $92,933 in 2016, ranking it in the top 1% out of all counties in the nation and placing it 61% higher than the median household income in the nation as a whole. The average annual pay for County residents in 2016 amounted to $57,360, 9.4% higher than in 2011. This increase was slightly greater than inflation over the same period, which increased by 6.3%.

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 September 2017 in the Nassau-Suffolk region consisted of 1.34 million jobs, an increase of 8,800 jobs (up 0.7%) since September 2016. The sectors that posted the largest employment gains for the period September 2016 to September 2017 were education & health services (up 3.7%), transportation, warehousing & utilities (up 3.7%) and leisure & hospitality (up 1.6%). Seven of the twelve major employment sectors experienced job gains during this period. However, the total number of jobs in the information sector declined by 2.6%, jobs in the manufacturing sector decreased by 2.5% and jobs in the construction sector declined by 2.9%.

As of September 2017, there were 785,900 employed residents in the County. This figure was 1.7% higher than the September 2016 figure but 1.5% lower than the peak in 2008, due to a lower labor force participation rate. The unemployment rate in the County was 4.3% in September 2017, lower than the 4.4% rate in September 2016. The County's low unemployment rate is similar to the overall rate in the United States (4.2%) and slightly lower than the rate in New York State (4.9%) for the same period.

The number of businesses situated in the County continues to rise modestly. As of the 1st quarter of 2017, there were 52,194 private business establishments located in the County. This represents an all-time high for the County and a 5.6% increase in the five years since 2012. 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 79% employ fewer than 10 persons. There are 22 businesses in the County that employ 1,000 or more persons. In addition, in 2015, the County had 127,010 "non-employer" firms, mostly self-employed individuals, the most recent year with such information available. The number of these businesses increased by 6.4% in the five years between 2010 and 2015.

Sales tax collections continue to increase modestly in the County, indicating an increase in retail sales. Through October 2017, sales tax receipts were 3.8% higher than the same period in 2016. County sales tax receipts in 2016 were 1.8% higher than in 2015. County sales tax receipts were up 0.9% in calendar year 2015 after increases of 1.3% in 2014 and 6.9% 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 2,700 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 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 3.0 million square feet of new office space constructed in the 10 years since 2007. 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 14.1% in the 2nd quarter of 2017, an improvement from the 16.4% rate in the same period in 2016. 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 $23.29 per square foot in the 2nd quarter of 2017, up 0.1% from the 2nd quarter 2016 figure.

The Route 110 Corridor in western Suffolk County is a hub of the Long Island business community. Melville, located on Route 110, has 9.6 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 8th 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 (3.8 million square feet), Islandia (1.9 million square feet), Bohemia (900,000 square feet), and Ronkonkoma (900,000 square feet).

The industrial market in the County remains strong. According to Newmark Knight Frank, a commercial real estate advisory firm, the County has significant industrial space totaling 105.3 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 3.3% industrial vacancy rate in the 3rd quarter of 2017 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. 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, nine building campus-style corporate center will total 440,000 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, and a 68,000 square foot building is under construction and will be completed in 2018.

There are 276 hotels, motels and inns located in the County. Together these lodging properties have 11,600 rooms. Approximately 20% 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 68.5% in 2016, slightly lower than the 69.1% figure in

2015 and average daily room rates in 2016 increased by 4.3% to $144. In the 10 years since 2007, 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 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 1,700 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 Outlets 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 3.6 million square feet of new space is proposed. 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 a new store in 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 North Bellport in 2014.

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 scheduled to be completed in 2018. Stony Brook University Hospital has also proposed constructing a new hospital on the University's Southampton campus in conjunction with Southampton Hospital. Peconic Bay Medical Center in Riverhead plans a $60 million expansion. A $60 million cardiac care center at Brookhaven Hospital opened in 2016 and a $53 million expansion of Huntington Hospital's emergency room opened in 2017.

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 10,692 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 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 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 change of zoning for a 116 acre portion of the site was approved by the Town of Islip in 2017.

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, on Route 58, 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 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 proposed three-story, mixed-use building with 66 residential units and 16,500 square feet of commercial space on the ground floor and Northridge, a three-story, mixed-use building of 16 residential units and 6,000 square feet of ground floor retail space currently under construction. 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 proposed to be constructed, known as Columbia Terrace.

In Lake Ronkonkoma, a 54 acre area adjacent to the Ronkonkoma LIRR station has been approved 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 in 2018. An extension of sewer service to the area has been approved for this proposal and $50 million in State funding has been earmarked for infrastructure at the site.

In other locations in the County, significant 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 by storm surge from events like Superstorm Sandy by reducing nitrogen loading from untreated wastewater that has contributed to the degradation of wetlands that provide a second line of defense after barrier beaches. The initial design and environmental review phase of the project was to be financed through $22 million in funding from the New York State Environmental Facilities Corporation's State Revolving Fund, which is expected to provide 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 advanced wastewater treatment technologies in the 43 homes that were awarded a free wastewater treatment system as part of the County's Septic Demonstration Pilot Program. In 2017, the County Legislature approved the Septic Improvement Program which provides grants to make voluntary replacement of cesspools and septic systems with new innovative alternative technologies affordable for homeowners.

Housing

As of 2016, there were 474,000 households situated in the County. In 2016, 79% 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 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. Home prices in the County increased by 3% between 2012 and 2014, and increased by 5% between 2014 and 2016. In September 2017, the median selling price of a home in the County was $360,000, an increase of 3.2% compared to the median price in September 2016 (but 11% lower than the peak September median price in 2006). County home prices in the 3rd quarter of 2017 were about 44% 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, 0.16% of homes in the County are in some stage of foreclosure, compared to 0.05% 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 2016, the airport had 597,000 passenger enplanements, a 24% decline in the five years since 2011 and a 49% decrease since the peak in 2007. In addition to flights provided by Southwest Airlines, the airport offers scheduled flights between Islip MacArthur Airport and Philadelphia by American Airlines. In 2017, Frontier Airlines began serving MacArthur airport with nonstop flights to five Florida cities and New Orleans. In 2018, Frontier Airlines will begin flights between MacArthur and five additional U.S. cities. 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 has recently reconstructed 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 2016, 80% 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 extensive commuter rail system in the County, 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 $10.2 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 encourages 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 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 2016-2017 school year, public school enrollment in school districts in the County was 236,750, a 5% decrease in the five years since 2011-2012. Current enrollment is 29% lower than the peak level reached in 1976. Public school enrollment is expected to continue to decline by 4% during the next three years. Birth rates have slowly decreased in the County, which will lead to slowly declining school enrollments in the near future.

Based on data from the 2016 American Community Survey, the County has a relatively well-educated population. Among residents age 25 and over, 91% were high school graduates, and 35% held a bachelor's degree or higher. These figures compare to 88% 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. 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 by 2019. 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. 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 2017 enrollment of 17,300 undergraduate and 8,600 graduate students. The University continues to expand its facilities. Construction on a new $63 million student services building began in 2017 and two new residence halls with a total of 759 dorm rooms were completed in 2017. In 2013, the University built a 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 contains the Center for Excellence in Wireless Information Technology and 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

Tourism is a multi-billion dollar industry in the County. 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 15.5 million attendees in 2016. The State parks located in the County that were most frequently visited in 2016 were Robert Moses State Park (with 4.3 million visitors), Sunken Meadow State Park (with 2.9 million visitors), Captree State Park (with 1.4 million visitors), Heckscher Park (with 1.0 million visitors) and Montauk State Park (with 1.0 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.

There are 68 golf courses located in the County. The U.S. Open will be held at the Shinnecock Hills Golf Club in Southampton again in 2018 and also in 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 scheduled to be played at the Black Course at Bethpage State Park 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 in the County 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 in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, 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, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; 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 aggregate outstanding 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
2014	$ 254,605,437,448
2015	255,389,963,430
2016	266,561,907,916
2017	275,268,903,698
2018	285,017,347,513
Total Five-Year Valuation	$1,336,843,560,005
Five-Year Average Valuation	267,368,712,001
Debt Limit - 7% of Average Five-Year Full Valuation	$ 18,715,809,840

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, 2016, 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, 2017 appearing therein.

Cash Flow Borrowings

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 matured on July 26, 2017.

On April 13, 2017, the County issued $45,000,000 in revenue anticipation notes in anticipation of the receipt of State and Federal aid. Such notes will mature on March 23, 2018.

On October 23, 2017, the County issued $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. Such notes will mature on September 27, 2018.

The County currently anticipates issuing approximately $45,000,000 in revenue anticipation notes in anticipation of the receipt of State and Federal aid in April 2018 and $100,000,000 in tax anticipation notes in anticipation of the receipt of delinquent real property taxes for the years 2015, 2016, 2017 and 2018 in October 2018. The County currently anticipates issuing approximately $410,000,000 in tax anticipation notes in anticipation of the receipt of real property taxes levied for the fiscal year 2019 in December 2018.

It is expected that the County's reliance on cash flow borrowings will continue into the foreseeable future due to the timing of receipt of tax revenues by the County pursuant to State law (the Suffolk County Tax Act) and the County's limited liquidity position.

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Calculation of Total Net Indebtedness
(as of December 6, 2017)

Inclusions:		
Outstanding General Obligation Bonds:		
General Purpose and Improvement Bonds and Refunding Bonds	$1,203,813,807	
General Purpose and Improvement Bonds Paid from Other Sources[1]	2,558,010	
General Purpose and Improvement Bonds Refunded	266,750,000	
Southwest Sewer District Bonds	97,221,540	
County Sewer District No. 1 (Port Jefferson)	442,134	
County Sewer District No. 5 (Strathmore-Huntington)	2,280,369	
County Sewer District No. 7 (Medford)	3,793,219	
County Sewer District No. 9 (College Park)	544,606	
County Sewer District No. 10 (Stony Brook)	261,800	
County Sewer District No. 11 (Selden)	5,707,716	
County Sewer District No. 13 (Windwatch)	238,579	
County Sewer District No. 14 (Parkland)	2,381,082	
County Sewer District No. 15 (Nob Hill)	95,432	
County Sewer District No. 18 (Hauppauge Industrial)	64,761,483	
County Sewer District No. 20 (William Floyd-Leisure Village)	387,862	
County Sewer District No. 21 (SUNY)	987,678	
County Sewer District No. 23 (Coventry Manor)	600,360	
Subtotal: Outstanding Bonds		$1,652,825,677
Outstanding General Obligation Notes:		
Bond Anticipation Notes – 2017	9,715,576	
Revenue Anticipation Notes – 2017	45,000,000	
Tax Anticipation Notes – 2017 (Series I)	100,000,000	
NYS EFC Clean Water Facility Note – 2015A	8,872,875	
NYS EFC Clean Water Facility Note – 2016A	1,369,021	
NYS EFC Clean Water Facility Note – 2016A	2,800,724	
Subtotal: Outstanding Notes		167,758,196
Total Inclusions		$1,820,583,873
Exclusions and Assets on Hand for Debt:		
Revenue Anticipation Notes – 2017	$ 45,000,000	
Tax Anticipation Notes – 2017 (Series I)	100,000,000	
Sewer District Bonds and Refunding Bonds [2]	3,625,101	
Subtotal: Exclusions		$ 148,625,101
Assets on Hand for Debt:		
Appropriations (other than for debt already excluded):		
Outstanding Bonds	0	
General Purpose and Improvement Bonds Paid from Other Sources [1]	2,558,010	
General Purpose and Improvement Bonds-Refunded [3]	266,750,000	
Subtotal: Assets on Hand		269,308,010
Total Exclusions and Assets on Hand for Debt:		$ 417,933,111
Total Net Indebtedness [4][5]		$1,402,650,762

(1) Being paid pursuant to an Escrow Contract dated April 1, 2013 between the County and Manufacturers & Traders Trust Company ("M&T Bank") 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 7.49% of the Debt Limit of $18,715,809,840.
(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 December 6, 2017)

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

	Dated	Maturity	Amount
NYS EFC Clean Water Facility Note – 2015A	09/24/15	09/24/20	$ 8,872,875(1)
NYS EFC Clean Water Facility Note – 2016A	09/15/16	09/15/21	1,369,021(2)
NYS EFC Clean Water Facility Note – 2016A	08/04/16	08/04/21	2,800,724(2)
Revenue Anticipation Notes – 2017	04/13/17	03/23/18	45,000,000(3)
Bond Anticipation Notes – 2017	04/13/17	04/13/18	9,715,576
Tax Anticipation Notes – 2017 (Series I)	10/23/17	09/27/18	100,000,000(3)

(1) Expected to be retired with the proceeds from the sale of bonds to EFC to be issued in 2020.
(2) Expected to be retired with the proceeds from the sale of bonds to EFC to be issued in 2021.
(3) Expected to be paid from State and Federal aid expected to be received by the County.
(4) Expected to be paid from the collection of real property taxes or assessments for fiscal years 2014, 2015, 2016 and 2017.

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 Bank 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 paragraph, 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 M&T Bank, 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 Bank 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 Bank 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 on EMMA with respect to this delinquency.

Authorized and Unissued Capital Indebtedness

As of October 23, 2017, the County had authorized and unissued indebtedness for general capital purposes of approximately $514,285,000. Included in that amount is approximately $253,637,000 of authorization for the issuance of bond anticipation notes that may be issued in anticipation of expected Federal and/or State aid.

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 December 6, 2017, the County has $548,760,000 remaining authorized and unissued pursuant to these resolutions. The Bonds are being issued pursuant to this authorization.

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 2018, the County anticipates issuing serial bonds of approximately $45,000,000 for general capital purposes which includes $2,300,000 for strengthening and improving County roads. During the Fall of 2018, 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 #1143-2010, #1203-2011, #1134-2012 and #426-2015 authorizing the issuance of $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 by the County as Suffolk County Sewer District Bonds and $58,944,800 of the above noted amounts was issued to the NYS Environmental Facilities Corporation (“EFC”) in the form of a drawdown bond anticipation note under EFC’s Short Term Loan Program or EFC’s Storm Mitigation Loan Program. As of November 9, 2017, $58,944,800 of the bond anticipation note relative to the EFC loan program was retired with proceeds from the issuance of the 2017C EFC Clean Water Serial Bonds – 2017 Series C and cash principal payments of $10,715,000. $62,336,969 of the above noted authorizations was issued to EFC in the form a draw down bond anticipation note under the Storm Mitigation Loan Program. As of December 6, 2017 the County has requisitioned $10,241,896 of the available proceeds of this short term loan.

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 October 19, 2017, the County has requisitioned $2,800,724 of the available proceeds of such short term loan from EFC.

The Legislature has adopted Resolutions #467-2016, 851-2016, 856-2016, 858-2016, 860-2016, 862-2016, 972-2016, 989-2016, 76-2017, 538-2017, 636-2017, 703-2017, 850-2017 and 852-2017 authorizing, in the aggregate, the issuance of $23,398,585 in serial bonds to finance projects under the New Enhanced Drinking Water Protection Program. $880,032 in bonds have been issued. (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	12/31/16	$ 1,398,576
Villages	Various 2016	99,360
School Districts	06/30/16	2,167,814
Fire Districts	12/31/16	75,917
	Totals	$ 3,741,667

(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)(4)]
2017	$ 135,318,607	$ 46,607,372	$ 181,925,979
2018	129,711,521	47,906,757	177,618,278
2019	125,446,146	43,206,724	168,652,870
2020	122,400,000	38,782,057	161,182,057
2021	114,840,000	34,624,627	149,464,627
2022	115,920,000	30,653,522	146,573,522
2023	119,390,000	26,510,898	145,900,898
2024	114,935,000	22,411,063	137,346,063
2025	118,920,000	18,404,152	137,324,152
2026	117,730,000	14,099,004	131,829,004
2027	98,195,000	9,798,763	107,993,763
2028	74,035,000	6,438,046	80,473,046
2029	34,160,000	4,327,169	38,487,169
2030	17,485,000	3,284,408	20,769,408
2031	18,035,000	2,693,701	20,728,701
2032	14,170,000	2,073,758	16,243,758
2033	11,635,000	1,613,970	13,248,970
2034	7,805,000	1,265,145	9,070,145
2035	3,045,000	1,074,252	4,119,252
2036	3,110,000	963,213	4,073,213
2037	3,175,000	846,023	4,021,023
2038	3,240,000	725,054	3,965,054
2039	3,315,000	600,015	3,915,015
2040	3,385,000	470,946	3,855,946
2041	3,460,000	337,953	3,797,953
2042	3,535,000	199,670	3,734,670
2043	1,205,000	104,115	1,309,115
2044	1,235,000	52,697	1,287,697
Totals	$1,518,836,274	$360,075,074	$1,878,911,348

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

(2) On August 20, 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) On November 9, 2017 the County issued $48,229,800 Environmental Facility Corporation Clean Water Bonds (the "EFC Bonds"). The gross debt service attributable for the term of the bonds, February 1, 2018 through and including February 1, 2042 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 October 1 commencing October 1, 2018.

(4) For the entire fiscal year.

Other Transactions

<u>New York State HEAL Grant</u>

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 Bank 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 6, 2017, the County Legislature adopted the 2018-2020 Capital Program and Budget which includes the following:

	2018-2020 Capital Program
General Government Support: Judicial	$ 6,500,000
General Government Support: Elections	0
General Government Support: Shared Services	31,243,950
Education: Community College	12,720,000(1)
Public Safety and Law Enforcement	75,566,500
Health: Public Health	6,515,000
Transportation: Highways	258,129,500(2)
Transportation: Waterways	14,880,000
Transportation: Other	103,698,752(3)
Social Services	0
Economic Assistance and Opportunity	18,000,000
Culture, Recreation and Preservation	23,255,000
Home & Community Services: Sanitation	491,717,675(4)(5)
Home & Community Services: Other	11,970,000
Total Program:	$ 1,054,196,377

(1) Community college projects receive 50% State aid.
(2) Includes $98,461,600 of projects for which it is anticipated that Federal aid will be received and State aid of $22,417,500 will be received.
(3) Includes anticipated Federal aid of $49,904,528 and State aid of $16,518,030.
(4) Includes anticipated Federal and State aid of $303,017,675.
(5) Proposes to fund Southwest Sewer District projects in the amount of $71,450,000 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 443-2017 waives, for fiscal 2017, 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 2018 is expected to be considered by the County Legislature in 2018.

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; and (*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.

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; or (*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 2018 Recommended Operating Budget was submitted to the County Legislature (the "2018 Recommended Budget") on September 15, 2017 and was adopted (the "2018 Adopted Budget") on November 8, 2017.

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.)

The following table shows the County's cash flow borrowings for the last five fiscal years:

Cash Flow Notes
($ in millions)

	2014	2015	2016	2017	2018*
Revenue Anticipation Notes	$ 85	$ 55	$ 45	$ 45	$ 45
Tax Anticipation Notes	510	510	510	510*	510**
Total	$595	$565	$555	$555	$555

* Projected.

Chapter 97 of the Laws of 2011 of the State of New York, as amended, (the "Tax Levy Limitation Law"), imposes a limitation on increases in the real property tax levies of the County, subject to certain exceptions outlined in the new law. The 2017 Adopted Budget and the 2018 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 2017 and 2018 Adopted Budgets is 22.2% 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).

The State receives a substantial amount of Federal aid. However, the State's current financial projections concerning Federal aid, and the assumptions on which they are based, are subject to revision as more information becomes available about Federal tax policy and legislation and other issues under the current presidential administration and Congress.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the current administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances and changes to Federal participation rates or others Medicaid rules.

The Enacted 2017-2018 State Budget allows the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected. If federal support is reduced by $850 million or more, the New York State Director of the Budget will develop a plan to make uniform spending reductions by the State. Such plan would take effect automatically unless the State Legislature passes its own plan within 90 days.

Medicaid

Medicaid expenses share of general fund expenditures in the 2017 and 2018 Adopted Budgets is 11.6% and 11.2%, 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 2017 and 2018. 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.

2017 ADOPTED BUDGET WITH UPDATES

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 projected 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. The County has received 20 of 27 payments for 2017 and the year to date sales tax revenue is currently 3.9% higher than the 2016 actual revenue. As long as sales tax collections for the remainder of the 2017 year are not more than 7.4% below 2016 collections for the same time period, the County will exceed the adopted amount budgeted for 2017 sales tax 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 contained 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 $21 million of the tax levy is shifted from the Southwest Sewer District to the Police District to better align with the County's operating needs. The revenue enhancements, coupled with constrained expenditure growth of less than 1%, have 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 deferrals of salary to be determined, such as raises, contractual annual holiday or overtime payouts ($23.6 million). While the County is still in active negotiation with the PBA union, the 2018 Recommended Budget prudently removed the $23.6 million in deferrals from the budget.

The County Legislature did not move forward with $8.1 million in new and increased fees included in the 2017 Adopted Budget. The Presiding Officer of the County Legislature formed an ad hoc budget committee to focus on ways to achieve supplemental expenditure cuts, which is currently in deliberations. In the interim, the County Executive issued Executive Order 2017-02 on April 26, 2017 to declare a fiscal emergency. Such order directed the Budget Office to embargo 10% of each department's unspent, non-encumbered discretionary budget appropriations to be held in reserve. The Budget Office has set aside $8.5 million pending the outcome of the Legislative report.

On November 9, 2017, the County Legislature adopted the 2018 Operating Budget (the "2018 Adopted Budget"). The 2018 Adopted Budget includes a transfer of $17.5 million from the Assessment Stabilization Reserve Fund in 2017 that was not part of the 2017 Adopted Budget. 2017 is the last year the County can exercise this transfer option and this tool was available and necessary to maintain balanced operations in 2017. (See "Sewer Tax Rate Stabilization"). The County has received $800,000 of guaranteed payments to date from the Suffolk Off-Track Betting Corporation and will likely exceed estimates in 2017. No revenues from casino operations have been included for 2017 or in the 2018 Adopted Budget. Better than expected operations related to traffic and parking violations have mitigated the loss of revenue when the County did not enact the driver responsibility fee. There is no residual shortfall and the Traffic and Parking Violations Agency Fund will transfer the full $44.9 million to the Police District Fund in 2017. All other initiatives outlined in the preceding chart and not discussed above are on track.

2018 ADOPTED BUDGET

On November 9, 2017, the County Legislature adopted the 2018 Operating Budget (the "2018 Adopted Budget"). The 2018 Adopted Budget is balanced and is in compliance with the Tax Levy Limitation Law and local budget cap laws.

The 2018 Adopted Budget projects sales tax revenue of $1,433,840,569, an increase of 2.84% over 2017 estimated collections. The County retains an outside economic firm to assist it in developing sales tax forecasts.

The 2018 Adopted Budget takes advantage of the State's Alternative Contribution Stabilization program relating to the employer contributions to the State Retirement System and the County will amortize $32.08 million of its employer pension contribution in 2018. There are no new fees in the 2018 Adopted Budget. The 2018 Adopted Budget includes no new fees and no monies from operations of the Video Lottery Terminals at Jakes 58.

The 2018 Adopted Budget recognizes that its self-insured Plan "Employee Medical Health Plan" ("EMHP") is growing at a rate which is above the Kaiser Northeast rate for 2018. As such, the County is in negotiation with all of its unions to garner either plan design changes or employee contributions equal to $30 million in 2018 to help mitigate this increase. Since 2013, the County has required new employees to pay 15% of the plan rates towards their health insurance coverage.

The 2018 Adopted Budget contained several initiatives:

2018 ADOPTED BUDGET
SUMMARY OF MAJOR INITIATIVES
($ IN MILLIONS)

Total Initiatives	
Pension Amortization	$ 32.08
Healthcare Plan Design Changes and/or Employee Contributions	30.00
Police District Tax Increase (includes redistribution from the Sewer District)	27.05
OTB Video Lottery Terminals (minimum contractual guarantee)	2.75
Total	$ 91.88

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 latest report issued in September 2017.

Strategic Fiscal Planning

As part of the Governor's Shared Services Initiative the County released "Suffolk Share" a comprehensive ten-point plan that would save approximately $37 million over a two-year period. All participating municipalities would share in the potential savings. This plan received unanimous approval amongst the participating towns and villages. This plan would foster intermunicipal sharing of services and will also include a "Virtual Municipal Service Store" which will provide a menu of municipal services and assets that would be available to participating municipalities. No savings associated with this plan has been included in the 2018 Recommended Budget.

After a successful roll out of Suffolk STAT in 2017, a pilot program at the Suffolk County Police Department which allows for data analysis and data driven decision making, the County will roll out the program in the Departments of Public Works and Social Services in 2018.

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. Resolution 775-2017 adopted September 6, 2017 extended the deadline for this report to March 15, 2018.

Suffolk County Executive Departmental Fiscal Manager Working Group

In 2017, the County Executive created a working group composed of approximately 50 departmental fiscal managers which is chaired by the Budget Director. This group meets monthly and acts as a fiscal hub of operations, allowing for coordinated implementation of fiscal policy and procedures and allows the County to autocorrect in "real time" when expenses and revenues are not performing or are not on target. This is the first time that these individuals have worked together across departmental lines to achieve common County fiscal goals.

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 2016 Tax Stabilization Reserve Fund balance was $49.4 million and can only be used for purposes enumerated in Section 6-e of the New York State General Municipal Law. In accordance with this provision, the 2018 Adopted Budget includes a transfer to the Debt Stabilization Reserve Fund in the amount of $5,260,682 which represents 25% of the audited discretionary fund balance in the General Fund in 2016. The $5.2 million will be used to defease debt in 2018.

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. The appeal is fully perfected and the County is waiting on an oral argument date.

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 created 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. In 2017, the County issued bonds for $1,268,242 under this 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 $32.8 million in 2015. The 2016 Adopted Budget included a $28.2 million transfer; however, included as part of the 2017 Adopted Budget, approved on November 9, 2016, the transfer of an additional $60 million in fiscal 2016 was approved. (See "2017 ADOPTED BUDGET WITH UPDATES" herein.) A transfer of $17.5 million from ASRF in 2017 is included in the 2018 Adopted Budget. The 2018 Adopted Budget includes a payback to the ASRF in the amount of $8.565 million which is required by the Charter Law and represents 5% of the amount borrowed.

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 2017 budget.

On May 16, 2017, Resolution 329-2017, "A Local Law to establish a grant assistance program for the installation of Innovative and Alternative Onsite Wastewater Treatment Systems" was adopted. This local law provides for the establishment of a grant assistance program to qualified residential property owners to be used for the installation of innovative and alternative onsite wastewater treatment systems. Depending upon income level, grant awardees will be provided grant funding of up to $11,000. Pursuant to the County charter, annual funding of $2 million will be provided from the ASRF for the years 2017-2021.

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 February 2017 shows the dominant source of County sales tax revenue is from retail sales. Excluding gasoline sales, the retail sector accounts for 50% of State Fiscal Year ("SFY") 2016-2017 collections and averaged 2.0% annual growth over the period SFY 2012-2013 through SFY 2016-2017. Sales tax revenue from utilities and gasoline stations accounts for 9.5% of SFY 2016-2017 collections. Declines in crude oil prices contributed to SFY 2016-2017 utility and gasoline station collections down $36.4 million compared to SFY 2012-2013. The most recent NYSERDA reports show significant improvements. Gasoline prices for October 2017 were 11.5% higher than prices in October 2016. Home heating oil was 10.7% higher and propane was 12.5% higher, respectively, for the same periods in 2017 than those periods in 2016.

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. Pursuant to Chapter 62 of the Laws of 2017, the County was authorized to continue to impose an additional sales and compensating use tax for a three year period, beginning December 1, 2017 and ending November 30, 2020. The County Legislature authorized this extension via Resolution 678-2017, which was adopted July 25, 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 2018 Adopted Budget estimates the program will receive sales tax revenues of $79.8 million in fiscal 2017 and $82.1 million in fiscal 2018 with resulting transfers to the general fund of $25.6 million in 2017 and $26.4 million in 2018.

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	2011	2012	2013	2014	2015	2016	2017	2018 [1]
Invoice Period	4/2010-3/2011	4/2011-3/2012	4/2012-3/2013	4/2013-3/2014	4/2014-3/2015	4/2015-3/2016	4/2016-3/2017	4/2017-3/2018
Gross Invoice Amounts (excluding Installments on Prior Deferrals)	136,045,644	182,737,273	203,604,694	233,895,448	228,960,795	195,059,113	195,346,037	205,491,960
Installments on Prior Deferrals	0	2,470,993	8,035,837	15,154,187	24,306,282	30,494,139	35,062,374	38,524,400
Gross Invoice Amount	136,045,644	185,208,266	211,640,531	249,049,635	253,267,077	225,553,252	230,408,411	244,016,360
Less: Pension amounts deferred[2]	(19,080,351)	(45,702,894)	(60,720,972)	(87,101,698)	(59,795,324)	(44,642,145)	(35,234,699)	(32,086,087) [3]
Pension Amount	116,965,293	139,505,372	150,919,559	161,947,937	193,471,753	180,911,107	195,173,712	211,930,273
Employees Retirement System (ERS)	58,994,854	65,934,963	76,854,241	84,793,660	114,096,596	95,752,292	99,577,355	107,823,626
Police and Fire Retirement System (PFRS)	57,970,439	73,570,409	74,065,318	77,154,277	79,375,157	85,158,815	95,596,357	104,106,647
Total Net Pension Costs	116,965,293	139,505,372	150,919,559	161,947,937	193,471,753	180,911,107	195,173,712	211,930,273

(1) Preliminary estimates, subject to change.
(2) Represents amounts deferred and paid over time.
(3) Amount to be amortized in 2018 Adopted 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, 2016. The Nyhart report determined that as of December 31, 2016, the County's actuarial accrued liability ("AAL") was approximately $5,060,690,000. For financial reporting purposes, the County has elected to amortize the AAL over 30 years. For the year ended December 31, 2016, the County's ARC was $444,930,000 and the County's cumulative net OPEB obligation at December 31, 2016 was approximately $2,856,930,000.

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 9,166 persons, approximately 94% are represented by collective bargaining units. A small uptick in total staffing is due to the completion of several classes of Police Officers who replace higher paid officers that are retiring. The Association of Municipal Employees represents approximately 51% of the County's employees, the Police Benevolent Association represents approximately 19% 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	12/31/18
Association of Municipal Employees	12/31/16 (1)
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 (2)
Faculty Association of Suffolk Community College	08/31/19
Guild of Administrative Officers of Suffolk County Community College	08/31/19

(1) In negotiations.
(2) 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)** – A three-year 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 are 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 included a no-layoff clause which is currently no longer in effect. The contract has expired and is currently in negotiations.

- **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%

In addition, raises were given January 1, 2017 which equate to approximately 4.4%, in settlement of lawsuits related to the highway patrol. 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. The contract expired December 31, 2016.

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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, 2016. 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.)

	2012
Revenues and other financing sources:	
Real property taxes and tax items	$ 614,118,935
Other taxes	1,217,074,425
Departmental	213,000,214
State aid	274,882,640
Federal aid	266,332,850
Other revenues	79,922,112
Total revenues	2,665,331,176
Transfers from other funds and other financing sources	509,638,698
Total revenues and other financing sources	3,174,969,874
Expenditures and other financing uses:	
General government support	226,603,138
Education	197,641,831
Public Safety	673,450,243
Health	152,585,905
Transportation	107,793,445
Economic assistance and opportunity	644,338,859
Culture and recreation	21,722,722
Home & community services	58,996,452
Employee Benefits	562,236,643
Debt Service	159,847,038
Capital Outlay	37,261,385
Total expenditures	2,842,477,661
Transfers to other funds	449,925,779
Total expenditures and other financing uses	3,292,403,440
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(117,433,566)
Fund balances, beginning of year	258,524,976
Fund balances, end of year	$ 141,091,410

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2013	2014	2015	2016
$ 654,375,416	$ 663,413,331	$ 701,630,731	$ 676,586,851
1,298,083,810	1,317,106,569	1,328,634,123	1,352,668,032
264,921,860	254,606,065	250,739,291	288,628,759
267,384,027	278,714,591	268,677,610	275,915,481
280,046,699	262,213,684	258,646,120	263,691,029
102,320,050	94,976,743	91,831,972	127,847,940
2,867,131,862	2,871,030,983	2,900,159,847	2,985,338,092
536,626,409	479,433,910	574,088,550	569,905,253
3,403,758,271	3,350,464,893	3,474,248,397	3,555,243,345
251,653,048	250,103,814	256,247,282	259,792,731
179,615,133	174,812,588	176,244,321	182,908,987
633,286,939	643,211,942	682,072,974	725,579,250
145,518,061	143,526,375	135,095,593	132,805,340
112,858,132	117,076,485	118,459,368	120,117,926
642,688,634	655,588,544	651,108,760	650,517,546
22,547,724	22,262,009	20,397,496	21,082,145
59,773,791	59,187,191	57,461,058	56,695,479
589,175,147	627,541,459	644,135,633	672,908,146
174,564,090	184,270,361	196,405,618	211,386,323
45,816,247	39,842,728	43,921,468	45,905,201
2,857,496,946	2,917,423,496	2,981,549,571	3,079,699,074
381,129,262	458,030,400	569,888,571	566,019,294
3,238,626,208	3,375,453,896	3,551,438,142	3,645,718,368
165,132,063	(24,989,003)	(77,189,745)	(90,475,023)
141,091,410	306,223,473	281,234,470	204,044,725
$ 306,223,473	$ 281,234,470	$ 204,044,725	$ 113,569,702

Sources: 2012-2016: Derived from audited financial statements. Summary itself is not audited.

County Budgets – 2017 Adopted Budget, 2017 Estimates, and 2018 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.)

	2017 Adopted Budget			
Revenues and other financing sources:	General Fund	Police District	Other Funds	All Funds
Real property taxes and tax items	$ 101,787,038	$ 549,678,671	$ 55,520,811	$ 706,986,520
Other taxes	1,240,183,054	39,897,687	94,091,940	1,374,172,681
Departmental	125,553,598	2,727,940	64,398,302	192,679,840
State Aid	241,199,482	200,000	31,848,281	273,247,763
Federal Aid	217,936,276	0	28,339,725	246,276,001
Other revenues	80,292,366	3,058,292	65,007,582	148,358,240
Total revenues	2,006,951,814	595,562,590	339,206,641	2,941,721,045
Transfers from other funds and other financing sources	64,613,146	45,968,060	105,527,151	216,108,357
Total revenues and other financing sources	2,071,564,960	641,530,650	444,733,792	3,157,829,402
Expenditures and other financing uses:				
General government support	189,584,472	1,251,487	12,972,056	203,808,465
Education	138,629,733	0	0	138,629,733
Public Safety	294,372,714	353,300,724	17,944,452	665,617,890
Health	68,198,579	0	1,281,279	69,479,858
Transportation	100,901,620	0	11,351,516	112,253,136
Economic assistance and opportunity	607,003,769	0	38,240,169	645,243,938
Culture and recreation	80,706,001	9,588,343	3,584,285	93,878,629
Contracts	8,721,074	0	5,824,911	14,545,985
Home & community services	5,086,936	0	52,239,276	57,326,212
Employee Benefits	139,348,729	111,035,172	6,665,407	257,049,308
Debt Service	141,166,166	8,230,215	31,407,880	180,804,261
Total expenditures	1,773,719,793	483,405,941	181,511,681	2,438,637,415
Transfers to other funds	307,616,952	151,157,816	258,862,624	717,637,392(1)
Total expenditures and other financing uses	2,081,336,745	634,563,757	440,374,305	3,156,274,807
Excess/(deficiency) of revenues and other financing sources over/under expenditures and other financing uses	(9,771,785)	6,966,893	4,359,487	1,554,595
Fund balances, beginning of year	9,771,785	(6,966,893)	247,756,918	250,561,810
Fund balances, end of year	$ 0	$ 0	$252,116,405	$252,116,405

(1) Includes transfers to the Employee Medical Health Fund totaling $328.5 million.

2017 Estimated Results[2]				2018 Adopted Budget[3]			
General Fund	Police District	Other Funds	All Funds	General Fund	Police District	Other Funds	All Funds
$ 95,250,000	$549,678,671	$ 56,370,799	$ 701,299,470	$ 101,587,038	$ 576,229,186	$ 48,751,853	$ 726,568,077
1,263,713,150	52,626,056	97,595,136	1,413,934,342	1,302,636,026	52,673,170	101,314,555	1,456,623,751
164,269,827	3,978,099	66,781,397	234,223,723	165,393,866	4,333,154	68,213,207	237,134,627
234,067,188	310,296	64,210,938	298,588,422	235,592,367	200,000	30,713,012	266,505,379
222,670,894	330,889	46,194,964	269,196,747	225,304,620	0	28,526,546	253,831,166
45,743,483	3,493,409	66,080,018	115,307,410	44,679,847	3,434,346	67,426,400	115,531,093
2,025,714,542	610,417,420	397,233,252	3,032,550,114	2,075,193,764	636,869,856	344,945,573	3,056,194,093
85,547,229	45,968,060	140,539,975	272,055,264	66,932,201	47,777,894	116,446,215	231,156,310
2,111,261,771	656,385,480	537,773,227	3,304,605,378	2,142,125,965	684,647,750	461,391,788	3,287,350,403
185,193,349	1,184,363	35,124,474	221,502,186	189,464,746	1,262,141	14,426,653	205,153,540
139,125,500	0	0	139,125,500	141,381,246	0	0	141,381,246
311,088,964	378,663,018	30,609,114	720,361,096	309,487,459	379,523,553	17,619,997	706,631,009
68,913,493	0	13,235,716	82,149,209	70,149,452	0	1,149,079	71,298,531
101,887,777	0	11,581,516	113,469,293	103,296,420	0	11,729,864	115,026,284
602,915,946	0	37,725,097	640,641,043	613,981,487	0	37,217,203	651,198,690
80,935,042	9,588,343	5,166,222	95,689,607	79,584,294	9,588,343	4,020,390	93,193,027
8,635,296	0	5,773,813	14,261,609	8,595,591	0	6,216,339	14,811,930
4,770,276	0	50,929,256	55,699,532	5,262,297	0	53,420,070	58,682,367
140,737,463	109,461,998	6,610,265	256,809,726	151,806,080	118,354,483	6,907,587	277,068,150
140,595,686	8,235,811	32,568,552	181,127,902	141,693,852	5,595,202	32,170,174	179,459,228
1,784,798,792	507,133,533	229,324,025	2,520,836,703	1,814,702,924	514,323,722	184,877,356	2,513,904,002
299,406,062	146,397,324	328,892,320	774,695,706	343,676,523	162,602,487	314,816,947	821,095,957[3]
2,084,204,854	653,530,857	558,216,345	3,295,532,409	2,158,379,447	676,926,209	499,694,303	3,334,999,959
27,056,917	2,854,623	(20,443,118)	9,072,969	(16,253,482)	7,721,541	(38,302,515)	(47,649,556)
(10,803,435)	(10,576,164)	248,814,445	227,434,846	16,253,482	(7,721,541)	227,975,874	236,507,815
$ 16,253,482	$ (7,721,541)	$228,371,327[2]	$236,507,815[2]	$ 0	$ 0	$189,673,359[3]	$188,858,259[3]

(2) Includes $22.9 million reserved for Local Law 35-1999 (Water Quality Protection Program, Open Space Acquisition and Farmland Acquisition) and Local Law 24-2007 (Water Quality Protection & Land Stewardship and Land Acquisition Programs) and excludes $2.0 million to be transferred to Fund 406 and used for certain enhanced nitrogen removal septic systems.

(3) Includes $33.2 million reserved for Local Law 35-1999 (Water Quality Protection Program, Open Space Acquisition and Farmland Acquisition) and Local Law 24-2007 (Water Quality Protection & Land Stewardship and Land Acquisition Programs) and excludes $2.0 million to be transferred to Fund 406 and used for certain enhanced nitrogen removal septic systems.

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 2018 for County purposes subject to the tax levy limit is $566,959,301.

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 2013 through 2018, 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]
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[4]	266,561,907,916[4]	0.18	152,510,232,027	3.42
2017	70,813,844,065[5]	275,268,903,698[5]	0.18	154,882,668,852	3.50
2018	73,998,850,034	285,017,347,513	0.18[6]	155,009,016,384	3.67

(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) Amended by Resolution No. 1189-2016.
(5) Amended by Resolution No. 1059-2016.
(6) Obtained from 2018 Recommended Operating Budget.

State Equalization Rates

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

Town	2012	2013	2014	2015	2016	2017
Babylon	1.21%	1.23%	1.25%	1.19%	1.18%	1.12%
Brookhaven	0.91	0.95	0.95	0.95	0.91	0.90
East Hampton	0.80	0.73	0.73	0.64	0.59	0.57
Huntington	0.90	0.90	0.89	0.86	0.85	0.84
Islip	12.90	13.20	13.20	12.70	12.70	12.12
Riverhead	15.27	15.98	15.40	14.58	14.66	13.87
Shelter Island	100.00	100.00	100.00	100.00	100.00	100.00
Smithtown	1.37	1.37	1.37	1.30	1.32	1.31
Southampton	100.00	100.00	100.00	100.00	100.00	100.00
Southold	1.15	1.18	1.17	1.10	1.08	1.01

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 2013 through 2016, and as available for 2017 and 2018, 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		
	2013	2014	2015
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	483,558,390	494,892,794	506,872,160
Sewer Districts	59,950,406	61,747,377	61,958,350
MTA Commuter Tax	2,852,204	2,852,204	2,852,204
Other Items(1)	130,841,822	120,781,367 (6)	139,241,788
Subtotal	731,490,327	734,561,247	765,212,007
Town Taxes	984,022,511 (3)	1,008,463,397 (6)	1,027,314,222
School District Taxes	$3,598,147,889 (3)	$3,713,638,630(4)(5)(6)	$3,790,829,553
Total Tax Warrant	$5,313,660,727	$5,456,663,274	$5,583,355,782
Collected During Year	$5,231,674,581	$5,372,989,951	$5,499,943,359
Uncollected End of Year(2):			
Amount	$81,986,146	$83,673,323	$83,412,423
Percent	1.54%	1.53%	1.49%
Uncollected as of October 31, 2017	$3,705,400	$15,170,634	$28,003,984

	Fiscal Year Ending December 31		
	2016	2017	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	5,250,466
Police District Tax	521,492,609	542,278,671	569,329,186
Sewer Districts	55,673,132	41,896,517	34,935,981
MTA Commuter Tax	2,852,204	2,852,204	2,852,204
Other Items(1)	130,166,857 (7)	119,619,239	73,515,810
Subtotal	764,472,307	760,934,136	734,920,685
Town Taxes	1,049,329,153	1,077,420,766	1,108,345,013
School District Taxes	$3,859,089,286 (7)	$3,912,016,695	$4,002,881,288
Total Tax Warrant	$5,672,890,746	$5,750,371,597	$5,846,146,986
Collected During Year	$5,589,898,061	N/A	N/A
Uncollected End of Year(2):			
Amount	$82,922,685	N/A	N/A
Percent	1.46%	N/A	N/A
Uncollected as of August 31, 2017	$51,412,909	N/A	N/A

(1) Includes various debits and credits, District Court taxes, relevied items, etc.
(2) Net of penalties and interest.
(3) Resolution 1229-2012 amended East Hampton Tax Warrant.
(4) Resolution 1233-2013 amended Brookhaven and Southold Tax Warrants.
(5) Resolution 162-2014 amended East Hampton and Southampton Tax Warrants.
(6) Resolution 309-2014 amended East Hampton Tax Warrant.
(7) 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	2013 Assessed Valuation(2)	2013 Full Valuation	2014 Assessed Valuation(3)	2014 Full Valuation
Babylon	$ 248,106,430	$ 20,504,663,636	$ 245,456,759	$ 19,955,834,065
Brookhaven	458,388,289(1)	50,372,339,452	457,831,888(1)	48,192,830,316
East Hampton	197,488,643	24,686,080,375	197,545,920	27,061,084,932
Huntington	328,724,473(1)	36,524,941,444	327,205,498(1)	36,356,166,444
Islip	4,370,889,765	33,882,866,395	4,364,057,892	33,061,044,636
Riverhead	806,966,933	5,284,655,750	809,995,644	5,068,808,786
Shelter Island	2,933,724,043	2,933,724,043	2,963,844,407	2,963,844,407
Smithtown	244,725,671	17,863,187,664	243,976,947	17,808,536,277
Southampton	55,221,082,152	55,221,082,152	55,020,138,093	55,020,138,093
Southold	107,743,788	9,369,025,043	107,582,364	9,117,149,492
Totals	$64,917,840,187	$256,642,565,954	$64,737,635,412	$254,605,437,448

Town	2015 Assessed Valuation(4)	2015 Full Valuation	2016 Assessed Valuation(5)	2016 Full Valuation
Babylon	$ 244,921,923	$ 19,593,753,840	$ 244,626,105	$ 20,556,815,546
Brookhaven	457,182,058	48,124,427,158	455,288,892	47,925,146,526
East Hampton	198,154,219	27,144,413,562	198,620,361	31,034,431,406
Huntington	325,971,798	36,626,044,719	325,198,542	37,813,783,953
Islip	4,336,052,345	32,848,881,402	4,335,576,442	34,138,397,181
Riverhead	821,458,520	5,334,146,234	826,725,035	5,670,267,730
Shelter Island	3,071,084,694	3,071,084,694	3,201,639,679	3,201,639,679
Smithtown	243,425,813	17,768,307,518	243,062,871	18,697,143,923
Southampton	55,696,406,525	55,696,406,525	57,712,943,608	57,712,943,608
Southold	107,435,224	9,182,497,778	107,924,722	9,811,338,364
Totals	$65,502,093,119	$255,389,963,430	$67,651,606,257	$266,561,907,916

Town	2017 Assessed Valuation(6)	2017 Full Valuation	2018 Assessed Valuation(7)	2018 Full Valuation
Babylon	$ 244,492,069	$ 20,719,666,864	$ 244,602,924	$ 21,839,546,786
Brookhaven	456,880,067	50,206,600,769	458,395,503	50,932,833,667
East Hampton	199,658,928	33,840,496,271	200,465,483	35,169,382,982
Huntington	324,495,014	38,175,884,000	323,690,602	38,534,595,476
Islip	4,333,832,701	34,124,666,937	4,353,090,717	35,916,590,074
Riverhead	831,467,682	5,671,675,866	834,398,413	6,015,850,129
Shelter Island	3,387,323,394	3,387,323,394	3,541,702,845	3,541,702,845
Smithtown	243,297,644	18,431,639,697	243,591,217	18,594,749,389
Southampton	60,684,106,659	60,684,106,659	63,690,013,293	63,690,013,293
Southold	108,289,907	10,026,843,241	108,899,037	10,782,082,871
Totals	$70,813,844,065	$275,268,903,698	$73,998,850,034	$285,017,347,513

(1) Amended by MA 144.
(2) Per Resolution 930 of 2012.
(3) Per Resolution 1069 of 2013.
(4) Per Resolution 1056 of 2014.
(5) Per Resolution 985 of 2015 amended by 1056-2016 and 1189-2016.
(6) Per Resolution 926-2016 amended by 1059-2016.
(7) Per Resolution 922-2017.
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.

Town	Area In Square Miles	U. S. Census 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
Veterans Memorial Plaza	Commack	Target, LA Fitness, 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 2017, as available, are set forth below (unemployment rates are not seasonally adjusted).

Year	Number of Persons Employed	Number of Persons Unemployed	Unemployment Rate County	Unemployment Rate New York State	Unemployment Rate United States
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	718,700	60,700	7.8	8.5	8.1
2013	728,000	51,300	6.6	7.7	7.4
2014	728,800	41,200	5.4	6.3	6.2
2015	741,700	36,700	4.7	5.3	5.3
2016	743,900	33,700	4.3	4.8	4.9
2017 Actual Employment Statistics					
January	732,600	36,100	4.7%	4.9%	5.1%
February	728,600	37,800	4.9	5.0	4.9
March	738,300	32,900	4.3	4.4	4.6
April	742,800	31,400	4.1	4.2	4.1
May	746,200	30,900	4.0	4.3	4.1
June	761,000	33,900	4.3	4.5	4.5
July	763,500	37,000	4.6	4.9	4.6
August	753,900	36,300	4.6	4.9	4.5
September	751,700	33,600	4.3	4.7	4.1
October	747,800	32,900	4.2	4.6	3.9

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 or the Notes.

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 on behalf of approximately 38 individuals in connection with the residual firefighting suppressant alleged to be a contaminant at the County Fire Academy (Firematics) in Yaphank. The New York State Department of Environmental Conservation ("NYDEC") has this matter under review. There is a consent order between the County and NYDEC, pertaining to the implementation of a remediation program, which calls for the initial expenditure by the County of not less than $1,200,000 to fund certain initial remedial measures. Further remediation efforts will thereafter likely be required of the County in addition to those initial remedial measures, including, but not be limited to, additional connection of certain affected properties to the public water supply or to alternative water supply filtration systems.

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.

Andersen, Danny v. Samuel D. Roberts, as Commissioner of the New York State Office of Temporary and Disability assistance, and John F. O'Neil, as Commissioner of the Suffolk County Department of Social Services: This is a hybrid Article 78/Declaratory Judgement Class Action brought against the Commissioner of the New York State Office of Temporary and Disability Assistance and the Commissioner of the Suffolk County Department of Social Services ("DSS") in Supreme Court, Albany County, on behalf of a former County recipient of public assistance. The claim asserted is that the named plaintiff (and those similarly situated for six years preceding commencement of the action), who was placed in the "Work Experience" program by DSS, as a condition of receiving benefits, is considered an "employee" under the Federal Fair Labor Standards and is therefore entitled to be credited for work performed at the rate of the minimum wage for purposes of calculating the amount he will owe to DSS via the mortgage on his real property that DSS required him to execute as a condition of receiving benefits. Submission of answering papers to the Court has been adjourned without date while the parties explore the possibility of a negotiated settlement. The parties met to discuss settlement on May 18, 2017, July 13, 2017 and August 8, 2017 and have been submitting periodic status reports to the Court, the last of which was on August 18, 2017. The status report due on November 30, 2017 has been filed and the deadline for the service of responsive papers by the State and the County is January 19, 2018.

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. All plaintiffs have amended their complaints to include a product defect claim against the stretch limousine company.

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. Following a court conference, the plaintiffs served an amended complaint seeking the return of a total of approximately $255 million and the County has answered, moved to dismiss the amended complaint, opposed the motions for summary judgement and class certification and cross-moved to disqualify plaintiffs' counsel. All motions were marked fully submitted on October 31, 2017.

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. Plaintiffs have made an $85 million settlement demand.

Calverton Hills Homeowners Association, et ano. v. Nugent Building Corp, et al. Despite Calverton Hills Homeowners Association's signed consent order with Suffolk County Department of Health Services to rebuild a sewer treatment plant in 2008, homeowners at the Calverton town house complex have filed a federal lawsuit against the County in a dispute over a sewage treatment system that serves the development's homes. Leaders of the Calverton Hills Homeowners Association say the County is requiring residents to install a new wastewater plant that would cost about $7 million, far more than many residents can afford. The plaintiffs are asking the federal court to order the County to repair or replace the sewage system. Briefing on the preliminary injunction motion was extended one week to November 29, 2017 for the County's opposing papers, which were filed, and to December 1 for the Plaintiffs' reply. The court has scheduled a motion hearing for December 8, 2017.

Cella et al v. Suffolk County. The plaintiffs' identify themselves as individuals who have paid a County "tax map verification fee" fixed in the County Code, suing on behalf of others similarly situated. The complaint does not demand any specific dollar amount, but instead generally demands a refund of fees paid under the Code. Plaintiffs seek (i) a declaratory judgment that fees collected under County Code § 18-3(G) are unlawful, invalid and unenforceable, (ii) an injunction preventing the County from charging and collecting fees not reasonably calculated to defray the cost of providing services related to the County Real Property Tax Service Agency, (iii) a refund of the fees paid, and attorney's fees. The complaint does not allege the size of the class or the amount of fees paid by putative class members.

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.

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. By summary order dated July 7, 2017, the Second Circuit affirmed the District Court's judgment. The parties subsequently entered into a stipulation for payment pursuant to which the County paid EDF $3,000,000 on July 14, 2017 and agreed to pay the balance on or before December 15, 2017. The County has commenced a declaratory judgment against all its excess liability insurers, seeking to compel them to pay the amount of the judgment over the County's self-insured retention. All parties have made motions for summary judgment, which are returnable January 10, 2018.

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.

Green, Isaac, et al. v County of Suffolk, et al.: A proposed class action suit was filed by fifteen individual plaintiffs in Suffolk County Supreme Court in connection with a residual firefighting suppressant alleged to be a contaminant that was used by the Air National Guard, a tenant at County-owned Gabreski Airport. In addition to the County, several corporate entities have been sued: the 3M Company; Tyco Fire Products; the Ansul Company; Angus Fire Company; National Foam; Buckeye Fire Protection Company and Chemguard. The defendants removed the case to Federal court. The plaintiffs have now made a motion to remand the case back to State court. The United States Department of Defense has recently indicated that it is suspending the negotiation of a cooperative agreement with the County regarding the suppressant pending additional legal review. The State Department of Environmental Conservation has this matter under review.

Johnson, Lashakem, as Parent and Natural Guardian of Z.A.J. an Infant v. Suffolk County Brentwood Family Health Center, et al.: A late Notice of Claim was served on the County in July 2017 in connection with an incident that allegedly occurred between April 1, 2013 and December 28, 2013 involving the claimants. It is alleged that claimant Lashakem Johnson received prenatal care and treatment at the Suffolk County Brentwood Family Health Center ("Health Center") from on or about April 1, 2013 through December 23, 2013 and labor and delivery care at Southside Hospital between December 23, 2013 and December 28, 2013 (date of discharge), and that such care resulted in injuries to the claimants. It is further alleged that the Health Center was negligent in, among other things, failing to treat the pregnancy as high risk, failing to timely perform sonograms, failing to monitor fetal growth, failing to take proper tests, failing to recognize fetal distress, failing to do proper blood counts, and failing to do a timely Cesarean section. The injuries alleged are global developmental delays, brain damage, cerebral palsy, motor delays and diminished earning capacity and enjoyment of life. The Notice of Claim was rejected as untimely.

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. The 50-h hearing has been held. The County is awaiting service of the complaint.

Long Island Pine Barrens Society, et al. v. County of Suffolk, et al.: 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 were 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. The appeal has been fully briefed and awaits a date for oral argument.

Long Island Power Authority and Long Island Lighting Company d/b/a LIPA v. County of Suffolk, Suffolk County Comptroller: LIPA has commenced this action seeking a declaratory judgment and permanent injunction declaring that purported tax liens and tax sales held by the County on LIPA properties are illegal and void and should be cancelled. LIPA seeks to permanently enjoin the County from taking liens, holding any tax sales and issuing any tax deeds regarding LIPA properties in the future. The County Comptroller has previously purchased tax liens and has indicated its intent to issue tax deeds to remedy partial remittances by LIPA to towns and/or school districts for sums owed as payments in lieu of taxes ("PILOTs"). Pursuant to the Public Authorities Law, the PILOT payments are to be made to the subject taxing jurisdictions, however, year over year increases are not to exceed two percent. As a result of an ongoing billing dispute between LIPA and the other taxing jurisdictions, the remitted PILOTs are less than the amounts actually charged. Due to the method by which payments are remitted and dispersed in the County under law, school districts and towns take one hundred percent of their respective amounts billed and the County is owed the difference between what was billed and what was actually paid by LIPA. Successful prosecution of this action by LIPA could render the unpaid PILOT charges for which the liens were issued uncollectable by the County.

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.

McGrath, Robert v. County of Suffolk: This is an action pending in Suffolk County Supreme Court wherein Plaintiff is challenging the constitutionality of the Traffic Violations Bureau's $30.00 administrative fee, which is added to the $50.00 fine for red light camera convictions. Plaintiff's compliant indicates that he will be requesting that the case be given "class action" status in the future. Plaintiff argues that the New York State Vehicle and Traffic Law prohibits the imposition of the thirty-dollar fee. Plaintiff argues that the fee is an improper revenue generating penalty, not a true administrative fee. Plaintiff seeks a declaration from the court that the imposition of the administrative fee is unconstitutional; that the defendants have committed fraud; and seeks an order directing restitution of the thirty-dollar fees to the putative class members. The County has submitted a motion for summary judgement, asking the court to find, as a matter of law that the fee is not unconstitutional. The Plaintiff has crossed-moved for summary judgment and has opposed the County's motion for summary judgment. In the County's reply, we advised the court of a similar case brought in Nassau County by the same attorneys, Guthart v. Nassau County, which was dismissed by Judge Palmieri and is up on appeal to Second Department. The motions were marked fully submitted on October 31, 2017 by Judge Asher.

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.

Montella, Nicole v. County of Suffolk: Federal lawsuit wherein plaintiff claims violations of Federal law (8^{th} and 14^{th} amendment of the Constitution) and a State law allegation of medical malpractice while plaintiff was an inmate at the Suffolk County Correctional Facility. Plaintiff claims that as a result of the Federal law violations and medical malpractice, she was caused to experience a stillborn delivery of a fetus at 37 weeks gestation at Peconic Bay Medical Center on August 27, 2015. The plaintiff claims psychological loss of income as a result of this occurrence. The matter is in discovery.

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. Plaintiffs filed a motion to compel and motion for protective order. The County prevailed on most issues. Discovery extended through January 2018, though it is anticipated that discovery will not be completed. Defendant Green has filed multiple motions for appointed counsel, which the Court continues to deny. Three depositions of SCPD witnesses have been completed.

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.

Ray v. County of Suffolk et al: This action is brought pursuant to General Municipal Law §51 seeking to recoup allegedly illegal payments made from New York State and or federal asset forfeiture funds as salary enhancements to assistant District Attorneys for the period of approximately 2012 to the present time in an estimated amount of $3.25 million dollars.

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. The 50-h hearing has been held and the County is awaiting service of a complaint.

Estate of Simmons, Dainell v. County of Suffolk: Federal civil rights case brought by the estate of Dainell Simmons, a 29 year old autistic and mentally ill man who died during a struggle with the police. Police were responding to a 911 call from a group home where Simmons resided. The employees of the home asked police to take Simmons for a psychiatric examination. A struggle ensued during which Simmons was tasered twice. During the struggle Simmons stopped breathing and ultimately passed away. Discovery is complete and the trial is scheduled for April 2018. The plaintiffs have demanded $3,250,000 to settle.

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 trial is expected to take place in the spring or summer of 2018.

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. The matter proceeded through discovery. Motion to dismiss was made by the County and granted by the court.

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 has been completed. The County made a summary judgment motion which was granted in part and denied in part. The Court has dismissed the Claims as to Plaintiffs Lucente, Culoso and Viola. The trial has been scheduled for January 2018.

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, 2016

(With Auditors' Report Thereon)

*** The County's financial statements for the year ended December 31, 2016 and opinion are intended to be representative only as of the date thereof. The financial statements referenced above are hereby incorporated by referral 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, 2016 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, 2016 are available on EMMA and can be viewed and downloaded at the following web address: (https://emma.msrb.org/EP1185238.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 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 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, 003, 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	236,412	62,783	47,281	9,819	18,561	21,164	134,995	55,493	21,655	14,607	60,169	48,715	
TOTAL CASH RECEIPTS	205,101	228,586	296,482	226,167	270,275	755,007	643,759	212,131	397,040	211,016	185,766	334,670	3,966,000
REAL PROPERTY TAX	7,510	6,893	11,111	4,880	5,298	555,158	79,821	22,473	12,369	13,000	16,000	26,487	761,000
PAYMENTS IN LIEU OF TAXES	782	3,127	291	1	67	2,417	1,127	0	195	100	100	793	9,000
INT AND PENALTIES	1,072	939	1,686	1,382	1,345	2,008	818	1,086	1,362	2,000	3,000	6,302	23,000
SALES TAX	81,137	97,671	80,021	117,938	93,685	145,217	85,623	111,025	106,076	138,250	93,000	127,357	1,277,000
DEPT. AND OTHER	16,972	18,986	14,771	19,995	26,971	31,440	23,844	19,576	19,989	18,000	19,000	19,456	249,000
INTERFUNDS - BUDGETARY	5,858	2,265	2,208	24,601	6,882	2,918	1,509	2,231	9,784	2,000	4,000	21,744	86,000
INTERFUNDS - NON-BUDGET	61,423	90,957	120,834	47,317	49,077	3,696	414,046	5,764	216,888	8,666	8,666	8,666	1,036,000
FEDERAL AND STATE AID	11,369	2,462	21,724	4,325	46,938	6,894	10,328	15,453	9,283	14,000	10,000	43,224	196,000
FEDERAL & STATE AID - SOCIAL SERVICES	16,853	957	38,221	985	35,468	1,052	23,379	31,312	19,246	13,000	30,000	63,527	274,000
SEWERS	2,125	4,329	5,615	4,743	4,544	4,207	3,264	3,211	1,848	2,000	2,000	17,114	55,000
TOTAL CASH AVAILABLE	441,513	291,369	343,763	235,986	288,836	776,171	778,754	267,624	418,695	225,623	245,935	383,385	
TOTAL CASH DISBURSEMENTS	378,730	244,088	288,944	262,425	267,672	641,176	313,261	245,969	304,088	265,454	197,220	549,301	3,958,328
PAYROLL	61,556	68,384	94,824	95,567	72,810	75,688	80,382	106,096	67,725	71,221	73,000	89,747	957,000
EQUIPMENT	225	499	11	79	91	89	132	130	113	1,218	200	1,213	4,000
SUPPLIES	3,464	6,466	2,687	3,202	1,501	3,205	2,229	2,601	2,751	4,194	2,000	2,700	37,000
UTILITIES & OTHER EXPENSES	4,145	8,580	3,622	3,152	2,716	5,156	3,330	6,482	7,761	5,157	2,000	3,899	56,000
FEES FOR SERVICES	2,056	2,552	1,128	1,281	1,139	1,705	972	1,210	1,183	2,427	1,000	2,347	19,000
CHILDREN WITH SPECIAL NEEDS	5,168	8,612	13,546	8,910	6,701	22,705	10,542	16,372	16,331	11,615	7,000	5,498	133,000
MISCELLANEOUS EXPENSE	1,706	3,923	3,937	5,675	1,156	1,424	3,145	2,691	2,257	6,285	2,000	801	35,000
CONTRACTED SERVICES	12,501	17,037	28,081	7,503	9,132	43,347	14,819	7,305	9,112	15,990	13,000	27,173	205,000
DEBT SERVICE	0	15,520	2,155	37,860	18,345	18,807	5,034	3,749	3,436	46,191	12,778	4,125	168,000
FRINGE BENEFITS	210,515	32,360	34,930	37,035	24,546	41,713	32,276	28,900	29,803	37,462	31,000	35,460	576,000
INTERFUNDS - BUDGETARY	7,720	2,374	2,458	3,869	19,066	29,063	5,476	1,623	0	4,000	1,000	12,351	89,000
INTERFUNDS - NON-BUDGET	9,174	26,598	46,136	24,867	40,807	343,284	107,924	13,113	104,713	3,666	3,666	302,380	1,026,328
FUND 16	4,681	3,230	2,931	2,951	1,922	3,480	2,960	2,783	2,427	2,407	3,000	2,228	35,000
SEWERS	7,435	6,096	5,504	4,532	3,331	5,652	3,742	5,059	4,369	4,737	4,000	19,543	74,000
SOCIAL SERVICES	19,967	18,859	24,729	3,772	39,199	20,064	19,620	23,568	32,159	20,058	19,000	16,005	257,000
MMIS	23,080	18,464	18,464	18,561	23,201	18,561	18,561	23,201	18,561	23,220	18,576	18,550	241,000
CERTIORARI PAYMENTS	5,337	4,534	3,801	3,609	2,009	7,233	2,117	1,086	1,387	5,606	4,000	5,281	46,000
TOTAL CASH	62,783	47,281	54,819	(26,439)	21,164	134,995	465,493	21,655	114,607	(39,831)	48,715	(165,916)	
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	62,783	47,281	9,819	18,561	21,164	134,995	55,493	21,655	14,607	60,169	48,715	244,084	
RESTRICTED CASH, ADDITIONS	0	7,000	38,000	0	0	315,000	95,000	6,405	93,595	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	7,000	0	0	0	315,000	0	6,405	0	0	0	0	
TOTAL CASH-RESTRICTED & NON	62,783	54,281	9,819	18,561	21,164	449,995	55,493	28,060	14,607	60,169	48,715	244,084	
ALTERNATIVE LIQUIDITY :	266,023	186,495	149,845	111,567	80,405	86,147	88,664	91,743	44,733	30,782	19,633	278,899	

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 projection has been prepared based on the 2016 cash flow and the latest available information of an adopted budge
Payroll is actual through October, 2017
Sales Tax is actual through October, 2017

SUFFOLK COUNTY
OPERATING CASH FLOW - FUNDS 001, 003, 016, 102, 105, 115, 121, 133, AND SEWERS
PROJECTED CASHFLOW FOR FISCAL YEAR 2018

ALL FIGURES IN THOUSANDS

	P R O J E C T E D 2 0 1 8												
	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC	CASH EST
CASH BALANCE	244,084	26,915	11,780	2,456	8,986	1,075	231,963	133,055	108,529	35,772	80,207	77,915	
TOTAL CASH RECEIPTS	179,667	220,667	328,667	226,767	240,267	801,667	640,667	234,267	315,766	198,766	191,766	267,066	3,846,000
REAL PROPERTY TAX	9,000	10,000	12,000	9,000	23,000	574,000	63,000	30,000	18,000	12,000	16,000	20,000	796,000
PAYMENTS IN LIEU OF TAXES	2,000	1,000	2,000	100	100	2,000	0	100	100	100	100	1,400	9,000
INT AND PENALTIES	2,000	2,000	2,000	1,000	2,500	2,000	3,000	4,500	3,000	2,000	3,000	4,000	31,000
SALES TAX	93,000	102,000	87,000	120,000	100,000	140,000	92,000	110,000	107,000	138,000	98,000	132,000	1,319,000
DEPT. AND OTHER	23,000	15,000	20,000	24,000	36,000	26,000	25,000	24,000	15,000	20,000	22,000	19,000	269,000
INTERFUNDS - BUDGETARY	14,000	8,000	5,000	2,000	8,000	3,000	1,000	2,000	6,000	3,000	7,000	25,000	84,000
INTERFUNDS - NON-BUDGET	3,667	53,667	128,667	58,667	23,667	3,667	413,667	3,667	103,666	3,666	3,666	3,666	804,000
FEDERAL AND STATE AID	10,000	9,000	22,000	3,000	19,000	21,000	16,000	21,000	28,000	9,000	15,000	25,000	198,000
FEDERAL & STATE AID - SOCIAL SERVICES	20,000	16,000	41,000	3,000	23,000	23,000	23,000	34,000	29,000	8,000	25,000	34,000	279,000
SEWERS	3,000	4,000	9,000	6,000	5,000	7,000	4,000	5,000	6,000	3,000	2,000	3,000	57,000
TOTAL CASH AVAILABLE	423,751	247,582	340,447	229,223	249,253	802,742	872,630	367,322	424,295	234,538	271,973	344,981	
TOTAL CASH DISBURSEMENTS	396,836	235,801	292,991	265,237	248,177	570,779	329,575	258,792	288,523	254,331	194,057	460,897	3,796,000
PAYROLL	63,000	71,000	94,000	98,000	73,500	75,000	80,000	107,000	68,000	68,000	74,000	99,500	971,000
EQUIPMENT	400	250	400	250	200	250	105	125	220	200	200	400	3,000
SUPPLIES	5,000	4,000	3,000	4,000	4,000	4,000	3,000	4,000	2,000	3,000	3,000	2,000	41,000
UTILITIES & OTHER EXPENSES	6,000	6,000	5,000	4,000	5,000	4,000	4,000	6,000	4,000	5,000	3,000	1,000	53,000
FEES FOR SERVICES	2,000	2,500	1,000	1,000	1,500	2,000	1,500	1,000	2,000	2,000	1,000	2,500	20,000
CHILDREN WITH SPECIAL NEEDS	9,000	12,000	12,000	11,000	9,000	14,000	12,000	9,000	5,000	9,000	8,000	9,000	119,000
MISCELLANEOUS EXPENSE	3,000	3,000	7,000	2,000	1,000	2,000	2,000	2,000	2,000	6,000	3,000	3,000	36,000
CONTRACTED SERVICES	17,000	24,000	15,000	16,000	10,000	18,000	22,000	27,000	13,000	18,000	14,000	13,000	207,000
DEBT SERVICE	0	16,769	1,309	25,705	29,041	21,247	5,034	3,385	5,022	43,196	6,576	9,716	167,000
FRINGE BENEFITS	215,000	34,000	42,000	42,000	32,000	36,000	34,000	38,000	37,000	42,000	29,000	39,000	620,000
INTERFUNDS - BUDGETARY	10,000	5,000	5,000	7,000	25,000	27,000	4,000	3,000	2,000	1,000	1,000	2,000	92,000
INTERFUNDS - NON-BUDGET	3,667	8,667	43,667	3,667	3,667	313,667	103,667	10,667	96,666	3,666	3,666	208,666	804,000
FUND 16	4,500	3,000	2,000	3,000	2,000	2,000	3,000	2,000	3,000	3,000	3,000	2,500	33,000
SEWERS	7,000	3,000	16,000	6,000	4,000	3,000	3,000	4,000	4,000	4,000	3,000	20,000	77,000
SOCIAL SERVICES	21,000	20,000	24,000	20,000	22,000	24,000	23,000	20,000	21,000	19,000	20,000	27,000	261,000
MMIS	23,269	18,615	18,615	18,615	23,269	18,615	23,269	18,615	18,615	23,269	18,615	18,615	242,000
CERTIORARI PAYMENTS	7,000	4,000	3,000	3,000	3,000	6,000	6,000	3,000	5,000	4,000	3,000	3,000	50,000
TOTAL CASH	26,915	11,780	47,456	(36,014)	1,075	231,963	543,055	108,529	135,772	(19,793)	77,915	(115,916)	
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	26,915	11,780	2,456	8,986	1,075	231,963	133,055	108,529	35,772	80,207	77,915	294,084	
RESTRICTED CASH, ADDITIONS	0	5,000	40,000	0	0	310,000	100,000	7,000	93,000	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	5,000	0	0	0	310,000	0	7,000	0	0	0	0	
TOTAL CASH-RESTRICTED & NON	26,915	16,780	2,456	8,986	1,075	541,963	133,055	115,529	35,772	80,207	77,915	294,084	
ALTERNATIVE LIQUIDITY :	278,055	228,278	150,251	96,108	74,315	76,289	78,263	79,535	81,509	50,841	23,051	233,173	

Beginning cash is estimate based on actual cashflow through September, 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 projection has been prepared based on the 2017 cash flow and the latest available information of an adopted budget.
However, it is subject to change based upon a reconciliation to the published adopted budget.

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APPENDIX D

MUNICIPAL BOND INSURANCE AND SPECIMEN POLICY

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BOND INSURANCE POLICY

Concurrently with the issuance of the Insured Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Insured Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included at the end of this Appendix D to the Official Statement.

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2017 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $508.7 million, $79.5 million and $429.2 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

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

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditinsights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Insured Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

BAM

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER] Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $_________
Member Surplus Contribution: $_________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)