



\$356,405,000			
DORMITORY AUTHORITY OF THE STATE OF NEW YORK			
SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS			
\$180,655,000	\$157,580,000	\$15,825,000	\$2,345,000
SERIES 2009B	SERIES 2009C	SERIES 2009D	SERIES 2009E
Dated: Date of Delivery		Due: As shown on the inside cover	

Payment and Security: The Series 2009B Bonds, the Series 2009C Bonds, the Series 2009D Bonds and the Series 2009E Bonds (collectively the "Series 2009 Bonds") will be special obligations of the Dormitory Authority of the State of New York (the "Authority"), payable solely from and secured by a pledge of payments to be made by certain School Districts (collectively, the "School Districts") in the State of New York (the "State") pursuant to the Financing Agreements (collectively the "Agreements"), dated as of May 1, 2009, between the Authority and such School Districts, and all funds and accounts (except the Arbitrage Rebate Fund) authorized under the Authority's Master School Districts Revenue Bond Financing Program Revenue Bond Resolution adopted May 29, 2002 (the "Master Resolution") and established by the Authority's Series Resolutions, adopted April 29, 2009, authorizing such Series (individually, the "Series 2009B Resolution," the "Series 2009C Resolution," the "Series 2009D Resolution," and the "Series 2009E Resolution," and, collectively, the "Series 2009 Resolutions"). None of the funds and accounts established under a Series Resolution to secure a Series of Bonds shall secure any other Series of Bonds. There is no debt service reserve fund securing the Series 2009 Bonds and no real property of any School District secures the Series 2009 Bonds.

Each School District is required under its Agreement to deliver its general obligation bonds (the "School District Bonds") to the Authority to evidence its obligation to repay the loan (the "Loan") to be made by the Authority to the School District from proceeds of the Series of Series 2009 Bonds relating to such Agreement. The principal and redemption price of and interest on the School District Bonds ("Loan Repayments") are scheduled to be sufficient to repay, when due, the principal and redemption price of and interest on the Loan. Each School District is also required under its Agreement to pay such amounts as are required to be paid under the Agreement, including the fees and expenses of the Authority and the Trustee. To secure its payment of all amounts due under its Agreement, each School District under its Agreement has assigned and pledged to the Authority a sufficient portion of public funds apportioned or otherwise made payable by the State to such School District (the "Pledged Revenues"). Each School District has directed and acknowledged that the Pledged Revenues are to be paid directly to the Trustee pursuant to an assignment by the Authority as provided in the Act (as defined herein) and the Memorandum of Understanding among the Authority, the Comptroller of the State and the Commissioner of Education of the State upon the occurrence of certain events of default under its Agreement. Each Series of the Series 2009 Bonds will be separately secured by the pledge and assignment to the Trustee of the payments to be made by each School District to the Authority under its Agreement and on the School District Bonds and the Authority's interest in the Pledged Revenues pledged and assigned to the Authority under the Agreements.

Each School District will pledge its full faith and credit to the payment of the principal of and interest on the School District Bonds it delivers to the Authority and has the power and is required under State statutes to levy and collect ad valorem taxes on all taxable property within the School District for such payment.

No School District is obligated to make payments on behalf of any other School District nor are the Pledged Revenues of any School District pledged to secure the obligation of any other School District. A default by any School District could cause a default on the Series 2009 Bonds. See "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS."

The Series 2009 Bonds will not be a debt of the State of New York nor will the State be liable thereon. The Authority has no taxing power.

Bond Insurance: The scheduled payment of principal of and interest on certain maturities of the Series 2009 Bonds as described on the inside cover (the "Insured Bonds") when due will be guaranteed under a financial guaranty insurance policy to be issued concurrently with the delivery of the Insured Bonds by Assured Guaranty Corp. ("Assured Guaranty").



Description: The Series 2009 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest (due each April 1 and October 1, commencing April 1, 2010) on the Series 2009 Bonds will be payable by check or draft mailed to the registered owners of the Series 2009 Bonds at their addresses as shown on the registration books held by the Trustee or, at the option of a registered owner of at least \$1,000,000 in principal amount of the Series 2009 Bonds, by wire transfer to such owner, each as of the close of business on the fifteenth day of the month next preceding an interest payment date. The principal and Redemption Price of the Series 2009 Bonds will be payable at the principal corporate trust office of U.S. Bank National Association, the Trustee and Paying Agent or, with respect to Redemption Price, at the option of a Holder of at least \$1,000,000 in principal amount of the Series 2009 Bonds, by wire transfer to the Holders of such Series 2009 Bonds as more fully described herein.

The Series 2009 Bonds will be issued initially under a Book-Entry Only System, registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Individual purchases of beneficial interests in the Series 2009 Bonds will be made in Book-Entry form without certificates. So long as DTC or its nominee is the registered owner of the Series 2009 Bonds, payments of the principal and interest on such Series 2009 Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See "PART 3 – THE SERIES 2009 BONDS – Book-Entry Only System" herein.

Redemption: *The Series 2009 Bonds are subject to redemption prior to maturity as more fully described herein.*

Tax Exemption: In the opinion of Winston & Strawn LLP, Bond Counsel to the Authority, based on existing statutes, regulations, rulings and court decisions, interest on the Series 2009 Bonds is not includable in gross income for federal income tax purposes, assuming continuing compliance with certain covenants and the accuracy of certain representations. In the further opinion of Bond Counsel, interest on the Series 2009 Bonds is not an "item of tax preference" for purposes of the federal alternative minimum tax on individuals and corporations; and such interest will not be includable in adjusted current earnings used to calculate the federal alternative minimum tax on corporations. Bond Counsel is also of the opinion that interest on the Series 2009 Bonds is under existing statutes exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2009 Bonds. See "PART 10–TAX MATTERS" herein.

The Series 2009 Bonds are offered when, as and if issued and received by the Underwriters. The offer of the Series 2009 Bonds may be subject to prior sale or may be withdrawn or modified at any time without notice. The offer is subject to the approval of legality by Winston & Strawn LLP, New York, New York, Bond Counsel to the Authority, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by their counsel, Hiscock & Barclay, LLP, Albany, New York and for each School District by its bond counsel as listed in Appendix B hereto. The Authority expects to deliver the Series 2009 Bonds in New York, New York, on or about June 17, 2009.

RBC Capital Markets
Cabrera Capital Markets, LLC
Loop Capital Markets, LLC

Jefferies & Company
M.R. Beal & Company
Wachovia Bank, N.A.

Roosevelt & Cross, Incorporated
J.P. Morgan
Merrill Lynch

\$356,405,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS

\$180,655,000
SERIES 2009B

<u>Due</u> <u>October 1,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>	<u>Due</u> <u>October 1,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>
2010	\$7,380,000	2.000%	1.220%	649905DH6	2021*	\$13,760,000	4.375%	4.590%	649905DU7
2011	9,845,000	2.500	1.920	649905DJ2	2022*	9,370,000	4.625	4.710	649905DV5
2012	10,095,000	2.500	2.430	649905DK9	2022*	5,000,000	5.250	4.450**	649905GH3
2013*	10,335,000	3.000	2.640	649905DL7	2023*	5,065,000	4.750	4.830	649905DW3
2014*	10,640,000	3.000	3.100	649905DM5	2023*	10,000,000	5.250	4.540**	649905GJ9
2015*	10,970,000	3.375	3.440	649905DN3	2024*	11,970,000	4.750	4.860	649905DX1
2016*	11,335,000	3.500	3.670	649905DP8	2025*	1,475,000	4.800	4.870	649905DY9
2017*	11,735,000	4.000	3.890	649905DQ6	2026*	895,000	4.800	4.880	649905DZ6
2018*	12,195,000	4.000	4.090	649905DR4	2027*	945,000	4.800	4.890	649905EA0
2019*	12,690,000	4.125	4.250	649905DS2	2028*	980,000	5.000	4.900**	649905EB8
2020*	13,200,000	4.250	4.470	649905DT0					

\$775,000 5.250% Term Bonds due October 1, 2037*, Yield 5.160% CUSIP⁽¹⁾ 649905EC6**

\$157,580,000
SERIES 2009C

<u>Due</u> <u>October 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>	<u>Due</u> <u>October 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>
2010	\$4,170,000	3.000%	1.170%	649905ED4	2019*	\$9,345,000	5.000%	4.020%	649905EN2
2011	6,480,000	4.000	1.870	649905EE2	2020*	9,815,000	5.000	4.180**	649905EP7
2012	6,740,000	4.000	2.410	649905EF9	2021	5,000,000	5.000	4.400**	649905GL4
2013*	5,030,000	4.000	2.590	649905EG7	2021*	4,485,000	5.000	4.300**	649905EQ5
2013*	2,000,000	5.000	2.590	649905GK6	2022*	9,855,000	5.000	4.390**	649905ER3
2014*	7,315,000	5.000	3.000	649905EH5	2023*	10,305,000	5.000	4.480**	649905ES1
2015*	7,670,000	5.000	3.260	649905EJ1	2024*	8,805,000	5.000	4.580**	649905ET9
2016*	8,070,000	5.000	3.460	649905EK8	2025*	3,355,000	5.000	4.620**	649905EU6
2017*	8,470,000	5.000	3.660	649905EL6	2026*	2,795,000	5.000	4.670**	649905EV4
2018*	8,900,000	5.000	3.850	649905EM4	2027*	2,930,000	5.000	4.760**	649905EW2

\$11,510,000 5.000% Term Bonds due October 1, 2031*, Yield 5.050% CUSIP⁽¹⁾ 649905EX0

\$13,380,000 5.125% Term Bonds due October 1, 2036*, Yield 5.140% CUSIP⁽¹⁾ 649905EY8

\$1,155,000 5.125% Term Bonds due October 1, 2039*, Yield 5.160% CUSIP⁽¹⁾ 649905EZ5

* Insured by Assured Guaranty Corp.

** Priced to the October 1, 2019 par call.

⁽¹⁾ CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are included solely for the convenience of the holders of the Series 2009 Bonds. Neither the Authority nor the Underwriters are responsible for the selection or uses of these CUSIP numbers and no representation is made to their correctness on the Series 2009 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2009 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2009 Bonds.

\$15,825,000
SERIES 2009D

<u>Due</u> <u>October 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>	<u>Due</u> <u>October 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>
2010	\$640,000	3.000%	1.070%	649905FA9	2018*	\$1,085,000	4.000%	3.670%	649905FJ0
2011	845,000	3.000	1.820	649905FB7	2019*	1,125,000	4.000	3.840	649905FK7
2012	870,000	3.000	2.250	649905FC5	2020*	1,175,000	4.000	4.000	649905FL5
2013*	900,000	3.250	2.480	649905FD3	2021*	1,220,000	5.000	4.160**	649905FM3
2014*	925,000	4.000	2.850	649905FE1	2022*	1,280,000	5.000	4.270**	649905FN1
2015*	965,000	4.000	3.100	649905FF8	2023*	1,345,000	5.000	4.380**	649905FP6
2016*	1,000,000	4.000	3.250	649905FG6	2024*	1,410,000	5.000	4.420**	649905FQ4
2017*	1,040,000	4.000	3.480	649905FH4					

\$2,345,000
SERIES 2009E

<u>Due</u> <u>October 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>	<u>Due</u> <u>October 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>
2010	\$95,000	2.000%	1.220%	649905FR2	2018*	\$155,000	4.000%	4.090%	649905FZ4
2011	120,000	2.500	1.920	649905FS0	2019*	160,000	4.125	4.250	649905GA8
2012	125,000	2.500	2.430	649905FT8	2020*	165,000	4.250	4.470	649905GB6
2013*	130,000	3.000	2.640	649905FU5	2021*	175,000	4.375	4.590	649905GC4
2014*	130,000	4.000	3.100	649905FV3	2022*	180,000	4.600	4.710	649905GD2
2015*	135,000	4.000	3.440	649905FW1	2023*	190,000	4.750	4.830	649905GE0
2016*	140,000	4.000	3.670	649905FX9	2024*	200,000	4.750	4.860	649905GF7
2017*	145,000	4.000	3.890	649905FY7	2025*	100,000	4.750	4.870	649905GG5

* Insured by Assured Guaranty Corp.

** Priced to the October 1, 2019 par call.

⁽¹⁾ CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are included solely for the convenience of the holders of the Series 2009 Bonds. Neither the Authority nor the Underwriters are responsible for the selection or uses of these CUSIP numbers and no representation is made to their correctness on the Series 2009 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2009 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2009 Bonds.

No dealer, broker, salesperson or other person has been authorized by the Authority, the School Districts, or the Underwriters to give any information or to make any representations with respect to the Series 2009 Bonds, other than the information and representations contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by any of the foregoing.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Series 2009 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Certain information in this Official Statement has been supplied or authorized by the School Districts, DTC, the Insurer and other sources that the Authority believes are reliable. The Authority does not guarantee the accuracy or completeness of such information, and such information is not to be construed as a representation of the Authority. See "PART 17 – SOURCES OF INFORMATION AND CERTIFICATIONS" of the Official Statement for a description of the various sources of information.

The Underwriters have reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities law, but the Underwriters do not guarantee the accuracy or completeness of such information.

Assured Guaranty makes no representation regarding the Series 2009 Bonds or the advisability of investing in the Series 2009 Bonds. In addition, Assured Guaranty has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding Assured Guaranty supplied by Assured Guaranty and presented under the heading "Bond Insurance" and "Appendix G - Specimen Financial Guaranty Insurance Policy".

References in this Official Statement to the Act, the Master Resolution, the Series 2009 Resolutions, the Agreements and the School District Bonds do not purport to be complete. Refer to the Act, the Master Resolution, the Series 2009 Resolutions, the Agreements, the School District Bonds and the Policy for full and complete details of their provisions. Copies of the Master Resolution, the Series 2009 Resolutions, the Agreements and the School District Bonds are on file with the Authority and/or the Trustee.

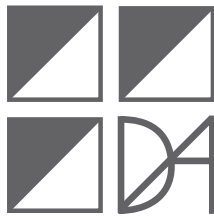
The order and placement of material in this Official Statement, including its appendices, are not to be deemed a determination of relevance, materiality or importance, and all material in this Official Statement, including its appendices, must be considered in its entirety.

Under no circumstances shall the delivery of this Official Statement or any sale made after its delivery create any implication that the affairs of the Authority and the School Districts have remained unchanged after the date of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2009 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF SUCH BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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DORMITORY AUTHORITY – STATE OF NEW YORK
PAUL T. WILLIAMS, JR. – EXECUTIVE DIRECTOR

515 BROADWAY, ALBANY, N.Y. 12207
ALFONSO L. CARNEY, JR. – CHAIR

OFFICIAL STATEMENT RELATING TO

\$356,405,000

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS

\$180,655,000	\$157,580,000	\$15,825,000	\$2,345,000
SERIES 2009B	SERIES 2009C	SERIES 2009D	SERIES 2009E

PART 1 – INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page and appendices, is to provide information about the Authority and the School Districts in connection with the offering by the Authority of \$180,655,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2009B (the “Series 2009B Bonds”), \$157,580,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2009C (the “Series 2009C Bonds”), \$15,825,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2009D (the “Series 2009D Bonds”), and \$2,345,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2009E (the “Series 2009E Bonds,” and, together with the Series 2009B Bonds, the Series 2009C Bonds and the Series 2009D Bonds, the “Series 2009 Bonds”).

The following is a brief description of certain information concerning each Series of the Series 2009 Bonds, the Authority and the participating School Districts. A more complete description of such information and additional information that may affect decisions to invest in the Series 2009 Bonds is contained throughout this Official Statement, which should be read in its entirety. Certain terms used in this Official Statement are defined in Appendix A hereto. Certain information pertaining to the participating School Districts is contained in Appendix B and Appendix C hereto.

Purpose of the Series

The Series 2009 Bonds are being issued and the proceeds will be used: (i) (a) to finance all or a portion of the costs of school district capital facilities and school district capital equipment for the School Districts identified in Appendix B and/or (b) to refinance certain bond anticipation notes of the School Districts identified in Appendix B issued to finance all or a portion of the costs of school district capital facilities and school district capital equipment (as described in each School District’s Agreement in respect of the Applicable Series of Series 2009 Bonds), and (ii) to pay the Costs of Issuance of the Applicable Series of Series 2009 Bonds. See “PART 5 – ESTIMATED SOURCES AND USES OF FUNDS.”

Authorization of Issuance

The Act, as amended by Chapter 383 of the Laws of 2001 of the State of New York (“Chapter 383”), empowers the Authority, among other things, to issue its bonds for the purpose of financing or refinancing all or a part of “school district capital facilities” and “school district capital equipment” (collectively, “school projects”) for certain school districts. The Act requires the Authority to enter into a lease, sublease or other agreement with a

school district before the Authority can undertake a financing and/or refinancing for such school district. Each School District obtaining a loan to be funded from the proceeds of the Series 2009 Bonds (a “Loan”) will enter into a Financing Agreement (each an “Agreement”) with the Authority and, pursuant to the Agreement, will deliver its School District Bonds to the Authority.

Each Series of the Series 2009 Bonds will be issued pursuant to the Master Resolution, the applicable Series 2009 Resolution and the Act. Each of the School Districts will enter into a separate Agreement with the Authority for the purpose of refinancing or financing as the case may be, its respective school projects from the proceeds of the applicable Series of Series 2009 Bonds. See “Appendix B – List of the School Districts and Principal Amount of Each School District’s Loan.”

The Master Resolution authorizes the issuance of multiple Series of Bonds. Each Series of Bonds is to be separately secured by (i) the funds and accounts established pursuant to a Series Resolution, (ii) certain payments to be made under the Agreement by each School District receiving a Loan to be funded from the proceeds of such Series, and (iii) the pledge and assignment by each such School District in its Agreement of the portion of certain public funds apportioned or otherwise made payable by the State to such School District (the “Pledged Revenues”). No School District will be responsible for the payment obligations of any other School District nor will the Pledged Revenues pledged and assigned by a School District be available to satisfy the obligations of any other School District. None of the funds and accounts established under any Series Resolution or the pledge of the Pledged Revenues to secure a Series of Bonds shall secure any other Series of Bonds. However, if more than one Series of Bonds has been or will be issued to finance or refinance projects for a particular School District, the Pledged Revenues assigned by such School District will be pledged to secure all such Series of Bonds on a parity basis. See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS – Issuance of Additional Bonds.”

The Authority

The Authority is a public benefit corporation of the State, created for the purpose of financing and constructing a variety of public-purpose facilities for certain educational, governmental and not-for-profit institutions. See “PART 7 – THE AUTHORITY.”

The School Districts

The School Districts are located in different areas of the State, are of varying geographic and demographic size and have varying economic, financial and indebtedness characteristics. See “PART 4 – THE SCHOOL DISTRICTS,” “Appendix B – List of the School Districts and Principal Amount of Each School District’s Loan” and “Appendix C – Certain Economic and Financial Information on the School Districts.” The financial statements as of June 30, 2008 of all of the School Districts and additional information regarding certain of the School Districts have been filed by the School Districts with nationally recognized municipal securities information repositories. Such financial statements are incorporated herein by reference and copies are on file at the principal office of the Authority.

The Series 2009 Bonds

The Series 2009 Bonds will be dated their date of delivery and will bear interest from such date of delivery at the rates and will mature on the dates set forth on the inside cover page of this Official Statement. Interest on the Series 2009 Bonds is payable each April 1 and October 1, commencing April 1, 2010. See “PART 3 – THE SERIES 2009 BONDS – Description of the Series 2009 Bonds.”

Payment of the Series 2009 Bonds

Each Series of the Series 2009 Bonds is a special obligation of the Authority payable solely from the payments to be made by the applicable School Districts under each of its respective Agreements and the Pledged Revenues of each School District. Payments due under each Agreement (“Loan Repayments”) are scheduled to be sufficient to pay the principal and redemption price of and interest on the Series of Series 2009 Bonds from the proceeds of which each School District will receive a Loan. Each Agreement also requires the School District to pay fees and expenses of the Authority and the Trustee. Pursuant to the Master Resolution, the Loan Repayments

and the Authority's right to receive the same under all the Agreements in respect of a Series of the Series 2009 Bonds and the Pledged Revenues in respect of such Series 2009 Bonds have been pledged to the Trustee to secure solely such Series 2009 Bonds and no other Series of Bonds.

No School District will be responsible for the payment obligations of any other School District nor will the Pledged Revenues pledged and assigned by a School District be available to satisfy the obligation of any other School District. A failure to pay an amount when due by a single School District under its Agreement in respect of a Series of the Series 2009 Bonds may result in an intercept of the Pledged Revenues of such School District in an amount required to pay such deficiency. If such Pledged Revenues are insufficient to pay the full amount of the deficiency, the only source of payment for the Insured Bonds of that Series will be the payment made by the Insurer under the Policy. If a School District fails to pay amounts due under its Agreement, the Authority's sole recourse will be against the defaulting School District and no other School District. Further, upon the occurrence of an event of default, neither the Authority, the Trustee nor the holders of the Series 2009 Bonds of such Series will have the right to accelerate the obligation of the defaulting School District under its Agreement.

See "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS – Payment of the Series 2009 Bonds" and "– Bond Insurance."

Security for the Series 2009 Bonds

Each Series of the Series 2009 Bonds will be secured by the pledge and assignment to the Trustee of payments due under the Agreement with the School District in respect of such Series 2009 Bonds, including Loan Repayments and all funds and accounts authorized by the Master Resolution and established by the applicable Series Resolution (with the exception of the Arbitrage Rebate Fund). Each School District will deliver its School District Bonds to the Authority to evidence its obligation to repay its Loan, will pledge its full faith and credit to the payment of the principal of and interest on its School District Bonds and has the power and is required under State statutes to levy and collect ad valorem taxes on all taxable property within the School District for such payment. The Authority, as the holder of such School District Bonds, will have the rights and remedies provided for by the State Constitution and applicable statutes to holders of school district general obligation bonds.

To secure payment of all amounts due under its Agreement in respect of a Series of the Series 2009 Bonds, each School District has assigned and pledged to the Authority its Pledged Revenues. Each School District under its Agreement has directed and acknowledged that its Pledged Revenues are to be paid directly to the Trustee as provided in the Act and the Memorandum of Understanding among the Authority, the Comptroller of the State and the Commissioner of Education of the State (the "MOU") upon the occurrence of an event of default resulting from the failure to pay the amounts due under its Agreement. The Act authorizes an intercept mechanism under which the State Comptroller shall pay the public funds assigned by a School District to the Authority directly to the Trustee pursuant to an assignment from the Authority.

The primary component of Pledged Revenues assigned and pledged by the School Districts to the Authority consists of State aid payable to the School Districts. The determination of the amount of State aid and the apportionment of such State aid are legislative acts and the State Legislature may amend or repeal the statutes relating to State aid and the formulas which determine the amount of State aid payable to the School Districts. Such amendments could result in the increase, decrease or elimination of the amount of the Pledged Revenues available for the payment of debt service on the Series 2009 Bonds. The financial condition of the State may affect the amount of State aid appropriated by the State Legislature and apportioned to School Districts in the State.

See "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS – Security for the Series 2009 Bonds" and "PART 4 – THE SCHOOL DISTRICTS – Special Provisions Affecting Remedies on Default" and "Financial Factors – *State Aid*."

Bond Insurance

The scheduled payment of principal of and interest on certain maturities of the Series 2009 Bonds as described on the inside covers (the "Insured Bonds"), will be guaranteed under a financial guaranty insurance policy (the "Policy") to be issued concurrently with the delivery of the Series 2009 Bonds by Assured Guaranty Corp. (the

“Insurer” or “Assured Guaranty”). See “PART 2- SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS – Bond Insurance.”

PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS

Set forth below is a narrative description of certain contractual and statutory provisions relating to the sources of payment and security for the Bonds, including each Series of the Series 2009 Bonds, issued under the Master Resolution. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Master Resolution, the Series 2009 Resolutions, the Agreements and the School District Bonds for a more complete description of such provisions. Copies of the Act, the Master Resolution, the Series 2009 Resolutions, each Agreement and the School District Bonds are on file with the Authority and/or the Trustee. See also “Appendix D – Summary of Certain Provisions of the Financing Agreements” and “Appendix E – Summary of Certain Provisions of the Master Resolution” for a more complete statement of the rights, duties and obligations of the parties thereto.

Payment of the Series 2009 Bonds

Each Series of the Series 2009 Bonds will be special obligations of the Authority. The principal and Redemption Price of and interest on each Series of the Series 2009 Bonds are payable solely from the Revenues pledged to such Series 2009 Bonds. The Revenues consist of the payments paid by the applicable School District under its Agreement in respect of such Series 2009 Bonds, including Loan Repayments and the Pledged Revenues. The Revenues and the right to receive them in respect of each Series of the Series 2009 Bonds have been pledged to the Trustee for the payment of such Series 2009 Bonds.

Loan Repayments in respect of each Series of the Series 2009 Bonds are to be paid by each School District on the dates and in the amounts specified in each Agreement and the School District Bonds, which loan payment dates are at least 45 days prior to the dates on which principal and interest are next due on such Series 2009 Bonds and which amounts in the aggregate are scheduled to be sufficient to pay principal and interest on such Series 2009 Bonds.

No School District will be responsible for the payment obligations of any other School District nor will the Pledged Revenues pledged and assigned by a School District be available to satisfy the obligation of any other School District. A failure to pay an amount when due by a single School District under its Agreement in respect of a Series of the Series 2009 Bonds may result in an intercept of the Pledged Revenues of such School District in an amount required to pay such deficiency. If such Pledged Revenues are insufficient to pay the full amount of the deficiency, then, to the extent such deficiency corresponds to the Insured Bonds, the only source of payment for such Insured Bonds will be the payment made by the Insurer under the Policy. If a School District fails to pay amounts due under its Agreement, the Authority’s sole recourse will be against the defaulting School District and no other School District. Further, upon the occurrence of an event of default, neither the Authority nor the holders of the Series 2009 Bonds will have the right to accelerate the obligation of the defaulting School District under its Agreement. See in this PART 2 – “Bond Insurance.”

The Resolutions and the MOU also provide that, to the extent that (i) the Authority issues more than one Series of Bonds to finance Loans to a particular School District, (ii) the Authority does not receive sufficient payments from the School District to meet the School District’s payment obligations with respect to all such Series of Bonds, and (iii) the State aid payable to the School District is insufficient to fully make up such deficiency, then the Comptroller will pay a proportionate amount of the available State aid to the trustee for each such Series of Bonds until such deficiency is made up.

Security for the Series 2009 Bonds

Each Series of the Series 2009 Bonds will be secured by the pledge and assignment to the Trustee of all payments payable by all School Districts under their Agreements in respect of such Series 2009 Bonds, all funds and accounts authorized by the Master Resolution and established by the applicable Series Resolution (with the exception of the Arbitrage Rebate Fund), and the Authority’s security interest in the Pledged Revenues in respect of such Series 2009 Bonds; provided however, that certain earnings on amounts held in the Debt Service Fund will be released to the applicable School District and prior to such release will secure only the proportionate amount of the

Series 2009 Bonds relating to the Loan of such School District. There is no debt service reserve fund securing the Series 2009 Bonds. Pursuant to the terms of the Master Resolution, the funds and accounts established by a Series Resolution secure only the Bonds of such Series and do not secure any other Series of Bonds issued under the Master Resolution. See in this PART 2 — “Issuance of Additional Bonds.”

Payments Under the Agreement and School District Bonds. Each School District will, pursuant to its Agreement, deliver its School District Bonds to the Authority to evidence its obligation to repay the Loan made by the Authority to such School District. The Series 2009 Bonds are not secured by any interest in any real property (including the school district capital facilities and school district capital equipment financed or refinanced by a Series of Bonds) of any School District. The School District Bonds are general obligations of the applicable School District. Each School District will pledge its full faith and credit to the payment of the principal of and interest on the School District Bonds and has the power and is required under State statutes to levy and collect ad valorem taxes on all taxable property within the School District for such payment. Each School District’s obligation to pay the amounts due under its respective Agreement is absolute and unconditional without any right of set-off, recoupment or counterclaim against the Authority.

The Authority has covenanted for the benefit of the Holders of each Series of the Series 2009 Bonds that it will not create or cause to be created any lien or charge upon the Revenues or its interest in the Pledged Revenues specifically pledged to secure such Series 2009 Bonds, the proceeds of such Series 2009 Bonds or the funds or accounts established under the applicable Series Resolution which is prior or equal to the pledge made by the Master Resolution for such Series 2009 Bonds, except for the Pledged Revenues pledged and assigned by any School District for which the Authority may in the future issue more than one Series of Bonds to finance Loans to such School District, which will secure all such Series of Bonds on a parity basis. The Authority has previously issued Series of Bonds in 2002 and lent a portion of the proceeds of such Series to the Canajoharie Central School District, the Carthage Central School District, the City School District of the City of Gloversville, the Niagara Falls City School District and the Perry Central School District. The Authority has previously issued Series of Bonds in 2007 and lent a portion of the proceeds of such Series to the City School District of the City of Gloversville. The Authority has previously issued Series of Bonds in 2008 and lent a portion of the proceeds of such Series to the City School District of the City of Albany. In addition, the Authority has previously issued Series of Bonds in 2009 and lent a portion of the proceeds of such Series to the City School District of the City of Hudson.

Pledged Revenues. As additional security for the payment of the amounts due under its Agreement to the Authority, each School District under its Agreement in respect of a Series of the Series 2009 Bonds has assigned and pledged to the Authority a sufficient portion of any and all Pledged Revenues. Each School District under its Agreement has directed and acknowledged that the Pledged Revenues are to be paid directly to the Trustee as provided in the Act and the MOU upon the occurrence of certain events of default under its Agreement. Each School District has further agreed under its Agreement that all State and local officials concerned are authorized to apportion and pay to or upon the order of the Authority all such Pledged Revenues upon the occurrence of certain events of default. The pledge and assignment will be irrevocable (in accordance with the Act) and will continue until the date on which the liabilities of the School District incurred, as a result of the issuance of the Series 2009 Bonds, have been paid or otherwise discharged. The Pledged Revenues pledged and assigned by one School District will not be available to satisfy the obligation of any other School District.

The Act authorizes an intercept mechanism under which the State Comptroller shall pay the State aid assigned by the School District to the Authority directly to the Authority upon the occurrence of certain events of default. Pursuant to this intercept mechanism, the Authority is required to certify annually to the Commissioner of Education a statement of all amounts due from the School District to the Authority. The Commissioner of Education, in turn, is required to include in the certificate filed with the State Comptroller, a statement showing the amount owed to the Authority by the School District. Pursuant to the MOU, the Authority has agreed to notify the State Comptroller and the Commissioner of Education within five business days after payment is due of any failure by the School District to pay (a “Delinquency Notice”). Upon receipt of such Delinquency Notice, the State Comptroller agrees to pay to the Trustee the amount set forth in the Delinquency Notice from any funds of the State that become due and payable to the defaulting School District. Until the amount set forth in the Delinquency Notice has been fully paid to the Trustee, the State Comptroller shall not pay any State funds to the defaulting School District.

Section 99-b of the State Finance Law and various State financing programs also provide a mechanism for the intercept of certain State aid or assistance for the payment of the principal of and interest on bonds and notes of a school district in default on such payment. Such intercept could also affect the extent to which State aid would be available to cure a default by a School District under its Agreement or School District Bonds, pursuant to the State aid intercept authorized under the Act. See “PART 4 – THE SCHOOL DISTRICTS – Special Provisions Affecting Remedies on Default.”

While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the School Districts can be paid only if the State has such monies available for such payment. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget in future years and the financial condition of the State. See “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*.”

There can be no assurance that the amount of the Pledged Revenues pledged and assigned by any School District will be sufficient to pay the amount of any deficiency in Loan Repayments payable by such School District.

Issuance of Additional Bonds

In addition to the Series 2009 Bonds, the Master Resolution authorizes the issuance of other Series of Bonds for other school districts and for specified purposes, including to refund Outstanding Bonds issued under the Master Resolution. Each Series of Bonds issued under the Master Resolution will be separately secured by the pledge and assignment of the Applicable Revenues, the Authority’s interest in the Applicable Pledged Revenues, the proceeds from the sale of such Series of Bonds and all funds and accounts (with the exception of the Arbitrage Rebate Fund) authorized by the Applicable Series Resolution.

The Resolutions and the MOU also provide that, to the extent that (i) the Authority issues more than one Series of Bonds to finance Loans to a particular School District, (ii) the Authority does not receive sufficient payments from the School District to meet such School District’s payment obligations with respect to all such Series of Bonds, and (iii) the State aid payable to such School District is insufficient to fully make up such deficiency, then the Comptroller will pay a proportionate amount of the available State aid to the trustee for each such Series of Bonds until such deficiency is made up.

General

The Series 2009 Bonds will not be a debt of the State of New York nor will the State be liable thereon. The Authority has no taxing power. The Authority has never defaulted in the timely payment of principal or sinking fund installments of or interest on its bonds or notes. See “PART 7 – THE AUTHORITY.”

Defaults and Remedies under the Agreement

Among the events which would constitute an “event of default” under an Agreement are the failure by the School District to pay the amounts due under the Agreement as evidenced by its School District Bonds or any other amounts due under the Agreement or to observe or perform any of the covenants, conditions or agreements contained in the Agreement which continues for the applicable grace period after notice of such failure has been given to such School District. In the event any such event of default happens as a result of a failure to pay the amounts due under the Agreement, the Authority may direct payment to the Trustee pursuant to the State aid intercept mechanism authorized by the Act and implemented by the MOU of certain State aid payable by the State to such School District. See in this PART 2 – “Security for the Series 2009 Bonds.” In the event any other event of default happens and continues, the Authority may exercise a number of remedies, including such remedies as are available to the holder of the School District Bonds, and any other remedies available at law or in equity. *In no event may any “event of default” under an Agreement cause an acceleration of the amounts due under such Agreement.*

Default and Remedies under the Master Resolution

“Events of Default” under the Master Resolution in respect of a Series of Bonds include: (i) the failure to pay principal, Sinking Fund Installments or Redemption Price of, and interest on the Bonds of such Series when due; (ii) the failure to comply with the provisions of the Code applicable to such Series necessary to maintain the exclusion of interest thereon from gross income under Section 103 of the Code, with the result that interest on the Bonds of such Series is no longer excludable from the gross income of the Holders thereof; and (iii) a default by the Authority in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Master Resolution or the Applicable Series Resolution or in the Bonds of such Series on the part of the Authority to be performed and such default continues for 30 days after written notice specifying such default and requiring same to be remedied is given to the Authority by the Trustee, which may give such notice in its discretion and must give such notice at the written request of the Holders of not less than 25% in principal amount of the Outstanding Bonds of such Series, unless, if such default is not capable of being cured within 30 days, the Authority has commenced to cure such default within said 30 days and diligently prosecutes the cure thereof.

The Resolutions provide that if an “event of default” occurs and continues, the Trustee may proceed, and upon the written request of an Applicable Facility Provider of a Series or of the Holders of not less than 25% in principal amount of the Outstanding Bonds of such Series will proceed (in either case, with the consent of an Applicable Facility Provider of such Series) or, in the case of a happening and continuance of an “event of default” specified in clause (ii) above, upon the written request of an Applicable Facility Provider of a Series or of the Holders of not less than 25% in principal amount of the Outstanding Bonds of such Series with the consent of the Applicable Facility Provider of such Series, will proceed (subject to the provisions of the Master Resolution), to protect and enforce its rights and the rights of the Bondholders or of such Applicable Facility Provider under the Resolutions or under the laws of the State by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained under the Resolutions or in aid or execution of any power therein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee deems most effectual to protect and enforce such rights. *In no event may an “event of default” cause an acceleration of any Series of Bonds under the Resolutions.*

In the enforcement of any remedy under the Resolutions, the Trustee may sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Authority for principal or interest or otherwise under any of the provisions of the Resolutions or of the Bonds of the applicable Series, with interest on overdue payments of the principal of or interest on the Bonds of such Series at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings under the Resolutions and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds, and to recover and enforce a judgment or decree against the Authority but solely as provided in the Resolutions and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable.

With respect to the Insured Bonds, so long as the Insurer is not in default under the Policy, the Trustee must exercise remedies at the direction of the Insurer and may not exercise remedies at the direction of the Holders without the consent of the Insurer.

Bond Insurance

The following information is not complete and reference is made to Appendix G for a specimen of the Policy of Assured Guaranty.

The Insurance Policy

Assured Guaranty has made a commitment to issue the Policy relating to the Insured Bonds, effective as of the date of issuance of such Insured Bonds. Under the terms of the Policy, Assured Guaranty will unconditionally and irrevocably guarantee to pay that portion of principal of and interest on the Insured Bonds that becomes Due for Payment but shall be unpaid by reason of Nonpayment (the “Insured Payments”). Insured Payments shall not include any additional amounts owing by the Authority solely as a result of the failure by the Trustee or the Paying

Agent to pay such amount when due and payable, including without limitation any such additional amounts as may be attributable to penalties or to interest accruing at a default rate, to amounts payable in respect of indemnification, or to any other additional amounts payable by the Trustee or the Paying Agent by reason of such failure. The Policy is non-cancelable for any reason, including without limitation the non-payment of premium.

“Due for Payment” means, when referring to the principal of the Insured Bonds, the stated maturity date thereof, or the date on which such Insured Bonds shall have been duly called for mandatory sinking fund redemption, and does not refer to any earlier date on which payment is due by reason of a call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless Assured Guaranty in its sole discretion elects to make any principal payment, in whole or in part, on such earlier date) and, when referring to interest on such Insured Bonds, means the stated dates for payment of interest.

“Nonpayment” means the failure of the Authority to have provided sufficient funds to the Trustee or the Paying Agent for payment in full of all principal and interest Due for Payment on the Insured Bonds. It is further understood that the term Nonpayment in respect of a Bond also includes any amount previously distributed to the Holder (as such term is defined in the Policy) of such Bond in respect of any Insured Payment by or on behalf of the Authority, which amount has been recovered from such Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction that such payment constitutes an avoidable preference with respect to such Holder. Nonpayment does not include nonpayment of principal or interest caused by the failure of the Trustee or the Paying Agent to pay such amount when due and payable.

Assured Guaranty will pay each portion of an Insured Payment that is Due for Payment and unpaid by reason of Nonpayment, on the later to occur of (i) the date such principal or interest becomes Due for Payment, or (ii) the business day next following the day on which Assured Guaranty shall have received a completed notice of Nonpayment therefor in accordance with the terms of the Policy.

Assured Guaranty shall be fully subrogated to the rights of the Holders of the Insured Bonds to receive payments in respect of the Insured Payments to the extent of any payment by Assured Guaranty under the Policy.

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

The Insurer

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

Assured Guaranty is subject to insurance laws and regulations in Maryland and in New York (and in other jurisdictions in which it is licensed) that, among other things, (i) limit Assured Guaranty’s business to financial guaranty insurance and related lines, (ii) prescribe minimum solvency requirements, including capital and surplus requirements, (iii) limit classes and concentrations of investments, (iv) regulate the amount of both the aggregate and individual risks that may be insured, (v) limit the payment of dividends by Assured Guaranty, (vi) require the maintenance of contingency reserves, and (vii) govern changes in control and transactions among affiliates. Certain state laws to which Assured Guaranty is subject also require the approval of policy rates and forms.

Assured Guaranty’s financial strength is rated “AAA” (stable) by Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. (“S&P”), “Aa2” (on review for possible downgrade) by Moody’s Investors Service, Inc. (“Moody’s”) and “AA” (evolving) by Fitch, Inc. (“Fitch”). Each rating of Assured Guaranty should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies. Any downward revision or

withdrawal of any of the above ratings may have an adverse effect on the market price of any security guaranteed by Assured Guaranty. Assured Guaranty does not guaranty the market price of the securities it guarantees, nor does it guaranty that the ratings on such securities will not be revised or withdrawn.

Recent Developments

Ratings

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

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

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

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

Agreement to Purchase FSA

On November 14, 2008, AGL announced that it had entered into a definitive agreement to purchase Financial Security Assurance Holdings Ltd. ("FSA"), the parent of financial guaranty insurance company Financial Security Assurance, Inc. For more information regarding the proposed acquisition by AGL of FSA, see the Annual Report on Form 10-K filed by AGL with the SEC on February 26, 2009.

Capitalization of Assured Guaranty Corp.

As of March 31, 2009, Assured Guaranty had total admitted assets of \$1,926,329,505 (unaudited), total liabilities of \$1,570,615,119 (unaudited), total surplus of \$355,714,386 (unaudited) and total statutory capital (surplus plus contingency reserves) of \$1,109,717,908 (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. As of December 31, 2008, Assured Guaranty had total admitted assets of \$1,803,146,295 (unaudited), total liabilities of \$1,425,012,944 (unaudited), total surplus of \$378,133,351 (unaudited) and total statutory capital (surplus plus contingency reserves) of \$1,090,288,113 (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. The Maryland Insurance Administration recognizes only statutory accounting practices for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Maryland Insurance Code, and for determining whether its financial condition warrants the payment of a dividend to its stockholders. No consideration is given by the Maryland Insurance Administration to financial statements prepared in accordance with accounting principles generally accepted in the United States in making such determinations.

Incorporation of Certain Documents by Reference

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

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

- The Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009 (which was filed by AGL with the SEC on May 11, 2009); and
- The Current Reports on Form 8-K filed by AGL with the SEC, as they relate to Assured Guaranty.

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

Any statement contained in a document incorporated herein by reference or contained herein in this Part 2 under the heading “Bond Insurance – The Insurer” shall be modified or superseded for purposes of this Official Statement to the extent that a statement contained herein or in any subsequently filed document which is incorporated by reference herein also modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement.

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

Assured Guaranty makes no representation regarding the Series 2009 Bonds or advisability of investing in the Series 2009 Bonds. In addition, Assured Guaranty has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding Assured Guaranty supplied by Assured Guaranty and presented in this Part 2 under the heading “Bond Insurance”.

PART 3 – THE SERIES 2009 BONDS

Description of the Series 2009 Bonds

The Series 2009 Bonds will be dated their date of delivery and will bear interest at the rates and mature at the times set forth on the inside cover page of this Official Statement. Interest on the Series 2009 Bonds is payable each April 1 and October 1, commencing April 1, 2010.

The Series 2009 Bonds will be issued as fully registered bonds. The Series 2009 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. The Series 2009 Bonds will be registered in the name of Cede & Co., as nominee of DTC, pursuant to DTC’s Book-Entry Only System. Purchases of beneficial interests in the Series 2009 Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only System is discontinued for the Series 2009 Bonds, the Series 2009 Bonds will be exchangeable for other fully registered Series 2009 Bonds in any other authorized denominations of the same maturity without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Master Resolution. See in this PART 3 “–Book-Entry Only System” and “Appendix E — Summary of Certain Provisions of the Master Resolution.”

Interest on the Series 2009 Bonds will be payable by check or draft mailed to the registered owners thereof at the address thereof as it appears on the registration books held by the Trustee, or, at the option of a Holder of at least \$1,000,000 in principal amount of the Series 2009 Bonds by wire transfer to the Holder of the Series 2009 Bonds, each as of the close of business on the fifteenth day of the month next preceding an interest payment date. The principal or redemption price of the Series 2009 Bonds will be payable in lawful money of the United States of

America at the principal corporate trust office of U. S. Bank National Association, the Trustee and Paying Agent. As long as the Series 2009 Bonds are registered in the name of Cede & Co., as nominee of DTC, such payments will be made directly to DTC. See “– Book-Entry Only System” herein.

For a more complete description of the Series 2009 Bonds, see “Appendix E – Summary of Certain Provisions of the Master Resolution.”

Redemption Provisions

The Series 2009 Bonds are subject to optional and mandatory redemption as described below.

Optional Redemption

The Series 2009 Bonds maturing on or before October 1, 2019 are not subject to optional redemption prior to maturity. The Series 2009 Bonds maturing after October 1, 2019 are subject to redemption prior to maturity on or after October 1, 2019 in any order of maturity, at the option of the Authority, as a whole or in part at any time, at a Redemption Price of 100% of the principal amount of the Series 2009 Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

Mandatory Redemption

The Series 2009B Bonds maturing on October 1, 2037 are subject to mandatory sinking fund redemption, in part, on October 1 of each of the years and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem the principal amounts of Series 2009B Bonds specified for each of the dates shown below:

<u>Year</u>	<u>Principal Amount</u>
2029	\$70,000
2030	75,000
2031	75,000
2032	80,000
2033	85,000
2034	90,000
2035	95,000
2036	100,000
2037 [†]	105,000

[†] Stated maturity.

The Series 2009C Bonds maturing October 1, 2031, October 1, 2036 and October 1, 2039 are subject to mandatory sinking fund redemption, in part, on October 1, of each of the years and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem the principal amounts of Series 2009C Bonds specified for each of the dates shown below:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2028	\$3,080,000	2032	\$2,805,000
2029	3,225,000	2033	2,950,000
2030	2,540,000	2034	3,040,000
2031 [†]	2,665,000	2035	2,690,000
		2036 [†]	1,895,000

[†] Stated maturity.

<u>Year</u>	<u>Principal Amount</u>
2037	\$365,000
2038	385,000
2039 [†]	405,000

[†] Stated maturity.

Notice of Redemption

Whenever Series 2009 Bonds are to be redeemed, the Trustee will give notice of the redemption of the Series 2009 Bonds in the name of the Authority. Such notice will be given by mailing a copy of such notice not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. Such notice will be sent by first class mail, postage prepaid, to the registered owners of the Series 2009 Bonds which are to be redeemed, at their last known addresses, if any, appearing on the registration books not more than ten (10) Business Days prior to the date such notice is given. Upon giving such notice, the Trustee will promptly certify to the Authority that it has mailed or caused to be mailed such notice to the registered owners of the Series 2009 Bonds to be redeemed in the manner provided in the Master Resolution. Such certificate will be conclusive evidence that such notice was given in the manner required by the Master Resolution. The failure of any Holder of a Series 2009 Bond to be redeemed to receive such notice will not affect the validity of the proceedings for the redemption of the Series 2009 Bonds.

Any notice of redemption, unless moneys are received by the Trustee prior to giving such notice sufficient to pay the principal of and premium, if any, and interest on the Series 2009 Bonds to be redeemed, may state that such redemption is conditional upon the receipt of such moneys by the Trustee by 1:00 P.M. (New York time) on the date fixed for redemption. If such moneys are not so received said notice will be of no force and effect, the Authority will not redeem such Series 2009 Bonds and the Trustee will give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2009 Bonds. The Series 2009 Bonds will be issued as fully-registered securities 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 Series 2009 Bond will be issued for each maturity of each Series of the Series 2009 Bonds, each in the aggregate principal amount of such maturity of such Series, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. 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, and 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 Series 2009 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2009 Bonds on DTC’s records. The ownership interest of each actual

purchaser of each Series 2009 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2009 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2009 Bonds, except in the event that use of the book-entry system for the Series 2009 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2009 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2009 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2009 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2009 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the Series 2009 Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2009 Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority 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 Series 2009 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2009 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Authority or the Trustee 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, the Trustee, the Bank or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, 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.

The Authority and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2009 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2009 Bonds, giving any notice permitted or required to be given to registered owners under the Resolution, registering the transfer of the Series 2009 Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Authority and the Trustee shall not have any responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Series 2009 Bonds under or through DTC or any Direct or Indirect Participant, or any other person which is not shown on the registration books of the Authority (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal, redemption premium, if any, or interest on the Series 2009 Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by the Authority; or other action taken by DTC as registered

owner. Interest, redemption premium, if any, and principal will be paid by the Trustee to DTC, or its nominee. Disbursement of such payments to the Direct or Indirect Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct or Indirect Participants.

DTC may discontinue providing its service as depository with respect to the Series 2009 Bonds at any time by giving reasonable notice to the Authority and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Series 2009 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Series 2009 Bond certificates will be printed and delivered to DTC.

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

Each person for whom a Participant acquires an interest in the Series 2009 Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2009 BONDS.

So long as Cede & Co. is the registered owner of the Series 2009 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2009 Bonds (other than under the caption "PART 10 — TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2009 Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference only relates to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they will be sent by the Trustee to DTC only.

For every transfer and exchange of Series 2009 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

NEITHER THE AUTHORITY NOR THE INSURER NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT, (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2009 BONDS UNDER THE RESOLUTIONS; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2009 BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE SERIES 2009 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2009 BONDS; OR (VI) ANY OTHER MATTER.

Principal and Interest Requirements

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2009B Bonds during each twelve-month period ending October 1 of the years shown.

12-Month Period Ending October 1	Principal of the Series 2009B Bonds	Interest on the Series 2009B Bonds	Total Debt Service on the Series 2009B Bonds⁽¹⁾
2010	\$ 7,380,000	\$8,976,863	\$16,356,863
2011	9,845,000	6,817,208	16,662,208
2012	10,095,000	6,571,083	16,666,083
2013	10,335,000	6,318,708	16,653,708
2014	10,640,000	6,008,658	16,648,658
2015	10,970,000	5,689,458	16,659,458
2016	11,335,000	5,319,220	16,654,220
2017	11,735,000	4,922,495	16,657,495
2018	12,195,000	4,453,095	16,648,095
2019	12,690,000	3,965,295	16,655,295
2020	13,200,000	3,441,833	16,641,833
2021	13,760,000	2,880,833	16,640,833
2022	14,370,000	2,278,833	16,648,833
2023	15,065,000	1,582,970	16,647,970
2024	11,970,000	817,382	12,787,382
2025	1,475,000	248,807	1,723,807
2026	895,000	178,006	1,073,007
2027	945,000	135,047	1,080,047
2028	980,000	89,687	1,069,687
2029	70,000	40,687	110,687
2030	75,000	37,012	112,012
2031	75,000	33,075	108,075
2032	80,000	29,137	109,137
2033	85,000	24,937	109,937
2034	90,000	20,475	110,475
2035	95,000	15,750	110,750
2036	100,000	10,762	110,762
2037	105,000	5,512	110,512

⁽¹⁾ Totals may not add due to rounding.

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2009C Bonds during each twelve-month period ending October 1 of the years shown.

<u>12-Month Period Ending October 1</u>	<u>Principal of the Series 2009C Bonds</u>	<u>Interest on the Series 2009C Bonds</u>	<u>Total Debt Service on the Series 2009C Bonds⁽¹⁾</u>
2010	\$4,170,000	\$9,835,858	\$14,005,858
2011	6,480,000	7,506,169	13,986,169
2012	6,740,000	7,246,968	13,986,969
2013	7,030,000	6,977,369	14,007,369
2014	7,315,000	6,676,169	13,991,169
2015	7,670,000	6,310,419	13,980,419
2016	8,070,000	5,926,919	13,996,919
2017	8,470,000	5,523,419	13,993,419
2018	8,900,000	5,099,919	13,999,919
2019	9,345,000	4,654,919	13,999,919
2020	9,815,000	4,187,669	14,002,669
2021	9,485,000	3,696,919	13,181,919
2022	9,855,000	3,222,669	13,077,669
2023	10,305,000	2,729,919	13,034,919
2024	8,805,000	2,214,669	11,019,669
2025	3,355,000	1,774,419	5,129,419
2026	2,795,000	1,606,669	4,401,669
2027	2,930,000	1,466,919	4,396,919
2028	3,080,000	1,320,419	4,400,419
2029	3,225,000	1,166,419	4,391,419
2030	2,540,000	1,005,169	3,545,169
2031	2,665,000	878,169	3,543,169
2032	2,805,000	744,919	3,549,919
2033	2,950,000	601,163	3,551,163
2034	3,040,000	449,975	3,489,975
2035	2,690,000	294,175	2,984,175
2036	1,895,000	156,313	2,051,313
2037	365,000	59,194	424,194
2038	385,000	40,487	425,487
2039	405,000	20,756	425,756

⁽¹⁾ Totals may not add due to rounding.

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2009D Bonds during each twelve-month period ending October 1 of the years shown.

<u>12-Month Period Ending October 1</u>	<u>Principal of the Series 2009D Bonds</u>	<u>Interest on the Series 2009D Bonds</u>	<u>Total Debt Service on the Series 2009D Bonds⁽¹⁾</u>
2010	\$640,000	\$844,544	\$1,484,544
2011	845,000	636,050	1,481,050
2012	870,000	610,700	1,480,700
2013	900,000	584,600	1,484,600
2014	925,000	555,350	1,480,350
2015	965,000	518,350	1,483,350
2016	1,000,000	479,750	1,479,750
2017	1,040,000	439,750	1,479,750
2018	1,085,000	398,150	1,483,150
2019	1,125,000	354,750	1,479,750
2020	1,175,000	309,750	1,484,750
2021	1,220,000	262,750	1,482,750
2022	1,280,000	201,750	1,481,750
2023	1,345,000	137,750	1,482,750
2024	1,410,000	70,500	1,480,500

⁽¹⁾ Totals may not add due to rounding.

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2009E Bonds during each twelve-month period ending October 1 of the years shown.

<u>12-Month Period Ending October 1</u>	<u>Principal of the Series 2009E Bonds</u>	<u>Interest on the Series 2009E Bonds</u>	<u>Total Debt Service on the Series 2009E Bonds⁽¹⁾</u>
2010	\$95,000	\$119,801	\$214,801
2011	120,000	91,049	211,049
2012	125,000	88,049	213,049
2013	130,000	84,924	214,924
2014	130,000	81,024	211,024
2015	135,000	75,824	210,824
2016	140,000	70,424	210,424
2017	145,000	64,824	209,824
2018	155,000	59,024	214,024
2019	160,000	52,824	212,824
2020	165,000	46,224	211,224
2021	175,000	39,211	214,211
2022	180,000	31,555	211,555
2023	190,000	23,275	213,275
2024	200,000	14,250	214,250
2025	100,000	4,750	104,750

⁽¹⁾ Totals may not add due to rounding.

PART 4 – THE SCHOOL DISTRICTS

The principal amount of the Loans to the School Districts, the financial advisor to the School Districts and the bond counsel to the School Districts are listed in Appendix B hereto. Summaries of the constitutional and

statutory debt structure and tax and revenue collections which are generally applicable to all school districts in the State are included in this PART 4. Certain financial and economic information for each School District is included in Appendix C. The financial statements as of June 30, 2008 of all the School Districts and additional information on certain of the School Districts have been filed by the School Districts with nationally recognized municipal securities information repositories. Such financial statements are incorporated herein by reference and copies are on file at the principal office of the Authority.

Summaries of Constitutional and Statutory Debt Provisions

The New York State Constitution and Local Finance Law limit the power of municipalities and school districts of the State, including the School Districts, to issue obligations and to contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to each School District and the School District Bonds. A school district may contract indebtedness only for a school district purpose and must pledge its faith and credit for the payment of principal of and interest thereon. School district indebtedness must be amortized in accordance with constitutional and statutory requirements. A school district must provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes. A school district has the power to levy taxes on real property for the payment of interest on or principal of indebtedness contracted by it, and under the State Constitution the State Legislature may not restrict such power.

Pursuant to the Local Finance Law, a school district has the power to contract indebtedness for any school district purpose authorized by the Legislature of the State, provided the aggregate principal amount of such indebtedness must not exceed the applicable percentage of the applicable valuation of the taxable real estate of the school district and subject to certain enumerated deductions from Indebtedness such as State aid for building purposes. The applicable percentages depend on the type of school district. For a school district other than a school district in a city, the percentage is 10% of the “full valuation”; for a school district in a city with a population of less than 125,000, 5% of the “average full valuation”; and for a school district in a city with a population of 125,000 or more other than the City of New York, 9% of the “average full valuation.” There are constitutional and statutory methods for determining full valuation and average full valuation. The Local Finance Law also provides exceptions by which a school district may incur indebtedness in excess of the normal debt limit. See Appendix C for the calculation of the debt limit applicable to each School District.

In general, the State Legislature has authorized the power and procedure for school districts to incur indebtedness by the enactment of the Local Finance Law subject to the Constitutional provisions described above. A school district may issue bonds for any purpose authorized by the Local Finance Law. No principal installment may be more than 50% in excess of the smallest prior principal installment unless the school district has elected to issue obligations with substantially level or declining annual debt service. If a school district issues bonds with a substantially level or declining annual debt service schedule, then the aggregate amount of debt service payable in each year may not exceed the lowest aggregate amount of debt service payable in any prior year by more than the greater of 5% or \$10,000. Such school districts are required to provide an annual appropriation for the payment of interest due during the year on their indebtedness and for the amounts required in such year for amortization and redemption of their bonds and required annual installments on their notes. The power of school districts to spend money, however, generally derives from other State and local laws. Bond anticipation notes may be issued for up to a five year term or may be renewed each year provided that such renewals, subject to some exceptions, do not exceed five years beyond the original date of borrowing. The Local Finance Law also contains provisions providing school districts with the power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget and capital notes.

Special Provisions Affecting Remedies on Default

Section 99-b of the State Finance Law provides a mechanism for the intercept of certain State aid or assistance for the payment of the principal of and interest on bonds and notes of a school district in default on such payment. The intercept mechanism provides procedures for giving of default notices to the State Comptroller, payment by the State Comptroller to the paying agent or agents for the bonds and notes in default of all or a portion of the amount then due and allotment, apportionment or payment by the State Comptroller of such State aid or assistance due to such school district.

The Act also authorizes an intercept mechanism under which the State Comptroller shall pay the State aid assigned by the School District to the Authority directly to the Authority. Pursuant to this intercept mechanism, the Authority is required to certify annually to the Commissioner of Education a statement of all amounts due from each school district to the Authority. The Commissioner of Education, in turn, is required to include in the certificate filed with the State Comptroller, a statement showing the amount owed to the Authority by each school district. Pursuant to the MOU, the Authority has agreed to notify the State Comptroller and the Commissioner of Education within five (5) business days after payment is due of any failure by the School District to pay (a “Delinquency Notice”). Upon receipt of such Delinquency Notice, the State Comptroller agrees to pay to the Trustee the amount set forth in the Delinquency Notice from any funds of the State that become due and payable to the defaulting School District. Until the amount set forth in the Delinquency Notice has been fully paid to the Trustee, the State Comptroller shall not pay any State funds to the defaulting School District.

Other State financing programs incorporate similar procedures for the withholding of State aid as security for the repayment of financial assistance provided to various program participants. Moreover, the State has the power to create other State aid intercept provisions as well as the power to reduce or eliminate State aid paid to the School Districts. Pursuant to the Agreements, each School District is permitted to pledge its State aid to secure subsequent Series of Authority Bonds or to secure bonds issued by any agency or instrumentality of the United States of America or the State of New York or any authority, agency or political subdivision of the State of New York, or as otherwise consented to in writing by the Authority. If a School District is or becomes a participant in any such other program or otherwise pledges its State aid, the extent to which State aid would be available to cure a default by such School District under its Agreement or School District Bonds, pursuant to the State aid intercept authorized under the Act, could be affected by the timing and the existence of defaults under such other program, and the withholding of State aid to the School District in whole or in part, pursuant to the withholding procedures of such other program, to cure such defaults. As described above, Section 99-b of the State Finance Law also provides a mechanism for the intercept of certain State aid or assistance for the payment of the principal of and interest on bonds and notes of a school district in default on such payment. Such intercept could also affect the extent to which State aid would be available to cure a default by such School District under its Agreement or School District Bonds, pursuant to the State aid intercept authorized under the Act.

Under current law, provision is made for contract creditors (including the Authority as the holder of the School District Bonds delivered pursuant to the Agreement) of the school district to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of current funds or the proceeds of a tax levy.

The State has consented that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debts including judicial control over identifiable and unidentifiable creditors. Such provision is not applicable to school districts. However, there can be no assurance that State law will not be amended in the future to extend such authorization to school districts.

In recent times, certain events and legislation affecting remedies on default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in municipalities of the State require the exercise by the State of its emergency and police powers to assure the continuation of essential public services.

Financial Factors

School district finances are generally accounted primarily through the General Fund of the school district. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. The School District derives the bulk of its annual revenues from a tax on real property and from State aid. See

Appendix C for certain financial and economic information for each School District and the financial statements filed by the School Districts with nationally recognized municipal securities information repositories.

Real Property Tax Collections. Depending on the school district, real property taxes are typically due on a fixed date in each year or are payable in installments over the course of a year. Penalties on unpaid taxes vary by school district, and generally begin to be imposed a month to six weeks after the taxes are due. The counties and/or cities in which school districts are located pay school districts the amount of their uncollected taxes by the end of the fiscal year of the school districts in some cases or before the end of the second fiscal year in other cases, thus assuring the school districts of receipt of their full levy. Because there is no uniform procedure for tax collection throughout the State, the procedure for tax collection in some school districts may vary from the general procedure described above. See Appendix C for a discussion of procedures for collection of real property taxes levied by each School District.

STAR - School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household incomes of \$73,000 or less are eligible for a “full value” exemption of \$60,100. Other homeowners are eligible for a \$30,000 “full value” exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR Program by the first business day in January of each year.

State Aid. Each school district receives State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. State aid is a substantial percentage of the revenues of each School District. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the School Districts can be paid only if the State has such monies available for such payment.

The amount of State aid to school districts is dependent in part upon the financial condition of the State. Current and future State budgetary restrictions could result in the delays in the payment of or reductions in the amount of State aid payable to school districts. The recent economic downturn and global financial crisis have had and are anticipated to continue to have an adverse impact on the State’s financial condition and may adversely affect the amount and payment of State aid to school districts. Proposals to address potential State budget deficits have included reductions in State aid to school districts. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget. Reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

Pension Payments. All non-teaching and non-certified administrative employees of school districts eligible for pension or retirement benefits under the Retirement and Social Security Law of the State are members of the New York and Local Employees’ Retirement System (“ERS”). All teachers and certified administrators of school districts eligible for pension or retirement benefits under the Retirement and Social Security Law of the State are members of the New York State Teachers’ Retirement System (“TRS” and, collectively with ERS, the “Retirement Systems”). Payments to the TRS are deducted from each school district’s State aid payments.

In September 2008, the State Comptroller announced that the strength of the Common Retirement Fund had allowed him to lower the ERS contribution rates paid by municipalities and school districts for 2010. However, the State Comptroller cautioned that if the current economic conditions result in continued economic performance below the 8% actuarial assumption, municipalities and school districts should be prepared for employer contributions to ERS to rise. The Comptroller advised that in doing long-term budget planning, it would be appropriate to assume that contribution rates for employer contributions to ERS will be rising.

See Appendix C for a table of payments made by each School District to ERS and TRS for the 2005-2006 through 2007-2008 fiscal years, the estimated amount of such payments made and to be made to ERS and TRS in the 2008-2009 fiscal year and the budgeted amount of such payments to be made to ERS and TRS in the 2009-2010 fiscal year.

GASB 45 and OPEB. OPEB refers to “other post-employment benefits,” meaning post retirement benefits other than pension benefits. OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits generally have been administered on a pay-as-you-go basis and have not been reported as a liability on the financial statements of municipalities and school districts.

It also should be noted that school districts provide post-retirement healthcare benefits to various categories of former employees and, unlike other municipal units of government in the State, school districts are prohibited by law from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees.

GASB Statement No. 45 (“GASB 45”) of the Governmental Accounting Standards Board (“GASB”) requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability.

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

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

See Appendix C for a discussion of the impact of GASB 45 on each of the School Districts.

Litigation

Except as described in Appendix C hereto, each School District represents that there are no suits pending or, to the knowledge of such School District, threatened against such School District wherein an unfavorable result would have a material adverse effect on the financial condition of such School District and any litigation pending is generally of a routine nature which does not affect the right of such School District to conduct its business or affect the validity of its obligations.

PART 5 – ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are as follows:

Estimated Sources of Funds	Series 2009B	Series 2009C	Series 2009D	Series 2009E
	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>
Principal Amount	\$180,655,000	\$157,580,000	\$15,825,000	\$2,345,000
Net Original Issue Premium	<u>123,099</u>	<u>8,362,362</u>	<u>614,897</u>	<u>1,890</u>
Total Estimated Sources	<u>\$180,778,099</u>	<u>\$165,942,362</u>	<u>\$16,439,897</u>	<u>\$2,346,890</u>
 Estimated Uses of Funds				
Deposit to Project Account.....	\$174,935,023	\$161,269,511	\$16,000,000	\$2,230,413
Costs of Issuance*	4,580,384	3,669,793	340,239	100,115
Underwriter’s Discount	<u>1,262,692</u>	<u>1,003,058</u>	<u>99,658</u>	<u>16,362</u>
Total Estimated Uses.....	<u>\$180,778,099</u>	<u>\$165,942,362</u>	<u>\$16,439,897</u>	<u>\$2,346,890</u>

* Includes Bond Insurance and other costs.

PART 6 – THE PLAN OF FINANCE

A portion of the proceeds of each Series of the Series 2009 Bonds will be used to provide for the financing of all or a portion of the costs of school district capital facilities and school district capital equipment of the School Districts and/or the refinancing of certain bond anticipation notes of the School Districts the proceeds of which were used to finance all or a portion of the costs of school district capital facilities and school district capital equipment of such School District. Additional information regarding the indebtedness of each School District is included in Appendix C.

PART 7 – THE AUTHORITY

Background, Purposes and Powers

The Authority is a body corporate and politic constituting a public benefit corporation. The Authority was created by the Act for the purpose of financing and constructing a variety of facilities for certain independent colleges and universities and private hospitals, certain not-for-profit institutions, public educational institutions including The State University of New York, The City University of New York and Boards of Cooperative Educational Services (“BOCES”), certain school districts in the State, facilities for the Departments of Health and Education of the State, the Office of General Services, the Office of General Services of the State on behalf of the Department of Audit and Control, facilities for the aged and certain judicial facilities for cities and counties. The Authority is also authorized to make and purchase certain loans in connection with its student loan program. To carry out this purpose, the Authority was given the authority, among other things, to issue and sell negotiable bonds and notes to finance the construction of facilities of such institutions, to issue bonds or notes to refund outstanding bonds or notes and to lend funds to such institutions.

On September 1, 1995, the Authority through State legislation (the “Consolidation Act”) succeeded to the powers, duties and functions of the New York State Medical Care Facilities Finance Agency (the “Agency”) and the Facilities Development Corporation (the “Corporation”), each of which will continue its corporate existence in and through the Authority. Under the Consolidation Act, the Authority has also acquired by operation of law all assets and property, and has assumed all the liabilities and obligations, of the Agency and the Corporation, including, without limitation, the obligation of the Agency to make payments on its outstanding bonds, and notes or other obligations. Under the Consolidation Act, as successor to the powers, duties and functions of the Agency, the Authority is authorized to issue and sell negotiable bonds and notes to finance and refinance mental health services facilities for use directly by the New York State Department of Mental Hygiene and by certain voluntary agencies. As such successor to the Agency, the Authority has acquired additional authorization to issue bonds and notes to provide certain types of financing for certain facilities for the Department of Health, not-for-profit corporations providing hospital, medical and residential health care facilities and services, county and municipal hospitals and nursing homes, not-for-profit and limited profit nursing home companies, qualified health maintenance organizations and health facilities for municipalities constituting social services districts. As successor to the Corporation, the Authority is authorized, among other things, to assume exclusive possession, jurisdiction, control and supervision over all State mental hygiene facilities and to make them available to the Department of Mental Hygiene, to provide for construction and modernization of municipal hospitals, to provide health facilities for municipalities, to provide health facilities for voluntary non-profit corporations, to make its services available to the State Department of Correctional Services, to make its services available to municipalities to provide for the design and construction of local correctional facilities, to provide services for the design and construction of municipal buildings, and to make loans to certain voluntary agencies with respect to mental hygiene facilities owned or leased by such agencies.

The Authority has the general power to acquire real and personal property, give mortgages, make contracts, operate dormitories and other facilities and fix and collect rentals or other charges for their use, contract with the holders of its bonds and notes as to such rentals and charges, make reasonable rules and regulations to assure the maximum use of facilities, borrow money, issue negotiable bonds or notes and provide for the rights of their holders and adopt a program of self-insurance.

In addition to providing financing, the Authority offers a variety of services to certain educational, governmental and not-for-profit institutions, including advising in the areas of project planning, design and construction, monitoring project construction, purchasing of furnishings and equipment for projects, designing interiors of projects and designing and managing projects to rehabilitate older facilities. In succeeding to the powers, duties and functions of the Corporation as described above, the scope of design and construction services afforded by the Authority has been expanded.

Outstanding Indebtedness of the Authority (Other than Indebtedness Assumed by the Authority)

At March 31, 2009, the Authority had approximately \$37.9 billion aggregate principal amount of bonds and notes outstanding, excluding indebtedness of the Agency assumed by the Authority on September 1, 1995 pursuant to the Consolidation Act. The debt service on each such issue of the Authority’s bonds and notes is paid from moneys received by the Authority or the trustee from or on behalf of the entity having facilities financed with the proceeds from such issue or from borrowers in connection with its student loan program.

The Authority’s bonds and notes include both special obligations and general obligations of the Authority. The Authority’s special obligations are payable solely from payments required to be made by or for the account of the institution for which the particular special obligations were issued or from borrowers in connection with its student loan program. Such payments are pledged or assigned to the trustees for the holders of respective special obligations. The Authority has no obligation to pay its special obligations other than from such payments. The Authority’s general obligations are payable from any moneys of the Authority legally available for the payment of such obligations. However, the payments required to be made by or for the account of the institution for which general obligations were issued generally have been pledged or assigned by the Authority to trustees for the holders of such general obligations. The Authority has always paid the principal of and interest on its special and general obligations on time and in full.

The total amounts of the Authority bonds and notes (excluding debt of the Agency assumed by the Authority on September 1, 1995 pursuant to the Consolidation Act) outstanding at March 31, 2009 were as follows:

Public Programs	Bonds Issued	Bonds Outstanding	Notes Outstanding	Bonds and Notes Outstanding
State University of New York Dormitory Facilities.....	\$ 2,250,196,000	\$ 974,760,000	\$ 0	\$ 974,760,000
State University of New York Educational and Athletic Facilities	12,287,697,999	5,284,232,634	0	5,284,232,634
Upstate Community Colleges of the State University of New York.....	1,431,000,000	604,840,000	0	604,840,000
Senior Colleges of the City University of New York	9,663,821,762	2,934,864,213	0	2,934,864,213
Community Colleges of the City University of New York	2,364,178,350	508,140,787	0	508,140,787
BOCES and School Districts	2,000,366,208	1,488,605,000	0	1,488,605,000
Judicial Facilities	2,161,277,717	731,557,717	0	731,557,717
New York State Departments of Health and Education and Other.....	5,198,240,000	3,551,125,000	0	3,551,125,000
Mental Health Services Facilities	6,811,595,000	3,676,845,000	0	3,676,845,000
New York State Taxable Pension Bonds	773,475,000	0	0	0
Municipal Health Facilities Improvement Program	985,555,000	782,980,000	0	782,980,000
Totals Public Programs.....	<u>\$ 45,927,403,036</u>	<u>\$ 20,537,950,351</u>	<u>\$ 0</u>	<u>\$ 20,537,950,351</u>

<u>Non-Public Programs</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>	<u>Notes Outstanding</u>	<u>Bonds and Notes Outstanding</u>
Independent Colleges, Universities and Other Institutions.....	\$ 16,855,471,020	\$ 8,270,366,644	\$191,005,000	\$ 8,461,371,644
Voluntary Non-Profit Hospitals.....	13,459,114,309	7,866,030,000	0	7,866,030,000
Facilities for the Aged.....	1,996,020,000	1,002,860,000	0	1,002,860,000
Supplemental Higher Education Loan Financing Program.....	<u>95,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals Non-Public Programs.....	<u>\$ 32,405,605,329</u>	<u>\$ 17,139,256,644</u>	<u>\$191,005,000</u>	<u>\$ 17,330,261,644</u>
Grand Totals Bonds and Notes	<u>\$ 78,333,008,365</u>	<u>\$ 37,677,206,995</u>	<u>\$191,005,000</u>	<u>\$ 37,868,211,995</u>

Outstanding Indebtedness of the Agency Assumed by the Authority

At March 31, 2009, the Agency had approximately \$370.4 million aggregate principal amount of bonds outstanding, the obligations as to all of which have been assumed by the Authority. The debt service on each such issue of bonds is paid from moneys received by the Authority (as successor to the Agency) or the trustee from or on behalf of the entity having facilities financed with the proceeds from such issue.

The total amounts of the Agency's bonds (which indebtedness was assumed by the Authority on September 1, 1995) outstanding at March 31, 2009 were as follows:

<u>Public Programs</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>
Mental Health Services Improvement Facilities.....	\$ 3,817,230,725	\$ <u>0</u>
<u>Non-Public Programs</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>
Hospital and Nursing Home Project Bond Program.....	\$ 226,230,000	\$ 3,255,000
Insured Mortgage Programs	6,625,079,927	359,484,720
Revenue Bonds, Secured Loan and Other Programs.....	<u>2,414,240,000</u>	<u>7,670,000</u>
Total Non-Public Programs.....	<u>\$ 9,265,549,927</u>	<u>\$ 370,409,720</u>
Total MCFFA Outstanding Debt.....	<u>\$ 13,082,780,652</u>	<u>\$ 370,409,720</u>

Governance

The Authority carries out its programs through an eleven-member board, a full-time staff of approximately 660 persons, independent bond counsel and other outside advisors. Board members include the Commissioner of Education of the State, the Commissioner of Health of the State, the State Comptroller or one member appointed by him or her who serves until his or her successor is appointed, the Director of the Budget of the State, one member appointed by the Temporary President of the State Senate, one member appointed by the Speaker of the State Assembly and five members appointed by the Governor, with the advice and consent of the Senate, for terms of three years. The Board member position that is filled by an appointment from the Temporary President of the State Senate is currently vacant. The Commissioner of Education of the State, the Commissioner of Health of the State and the Director of the Budget of the State each may appoint a representative to attend and vote at Authority meetings. The members of the Authority serve without compensation, but are entitled to reimbursement of expenses incurred in the performance of their duties.

The Governor of the State appoints a Chair from the members appointed by him or her and the members of the Authority annually choose the following officers, of which the first two must be members of the Authority: Vice-Chair, Secretary, Treasurer, Assistant Secretaries and Assistant Treasurers.

The current members of the Authority are as follows:

ALFONSO L. CARNEY, Jr., Esquire, *Chair*, New York

Alfonso L. Carney, Jr. was appointed as a Member of the Authority by the Governor on May 20, 2009. Mr. Carney is a principal of Rockwood Partners, LLC, which provides medical and legal consulting services in New York City. Consulting for the firm in 2005, he served as Acting Chief Operating Officer and Corporate Secretary for the Goldman Sachs Foundation in New York where, working with the President of the Foundation, he directed overall staff management of the foundation, and provided strategic oversight of the administration, communications and legal affairs teams, and developed selected foundation program initiatives. Prior to this, Mr. Carney held several positions with Altria Corporate Services, Inc., most recently as Vice President and Associate General Counsel for Corporate and Government Affairs. Prior to that, Mr. Carney served as Assistant Secretary of Philip Morris Companies Inc. and Corporate Secretary of Philip Morris Management Corp. For eight years, Mr. Carney was Senior International Counsel first for General Foods Corporation and later for Kraft Foods, Inc. and previously served as Trade Regulation Counsel, Assistant Litigation Counsel and Federal Government Relations Counsel for General Foods, where he began his legal career in 1975 as a Division Attorney. Mr. Carney is a trustee of Trinity College, the University of Virginia Law School Foundation, the Riverdale Country School and the Virginia Museum of Fine Arts in Richmond. In addition, he is a trustee of the Burke Rehabilitation Hospital in White Plains. Mr. Carney holds a Bachelors degree in Philosophy from Trinity College and a Juris Doctor degree from the University of Virginia School of Law. His current term expires on March 31, 2010.

JOHN B. JOHNSON, JR., *Vice-Chair*, Watertown.

John B. Johnson, Jr. was appointed as a Member of the Authority by the Governor on April 26, 2004. Mr. Johnson is Chairman of the Board and Chief Executive Officer of the Johnson Newspaper Corporation, which publishes the Watertown Daily Times, Batavia Daily News, Malone Telegram, Catskill Daily Mail, Hudson Register Star, Ogdensburg Journal, Massena-Potsdam Courier Observer, seven weekly newspapers and three shopping newspapers. He is director of the New York Newspapers Foundation, a member of the Development Authority of the North Country and the Fort Drum Regional Liaison Committee, a trustee of Clarkson University and president of the Bugbee Housing Development Corporation. Mr. Johnson has been a member of the American Society of Newspaper Editors since 1978, and was a Pulitzer Prize juror in 1978, 1979, 2001 and 2002. He holds a Bachelor's degree from Vanderbilt University, and Master's degrees in Journalism and Business Administration from the Columbia University Graduate School of Journalism and Business. Mr. Johnson was awarded an Honorary Doctor of Science degree from Clarkson University. Mr. Johnson's term expires on March 31, 2010.

JACQUES JIHA, Ph.D., Woodbury.

Jacques Jiha was appointed as a Member of the Authority by the Governor on December 15, 2008. Mr. Jiha is an Executive Vice President and the Chief Financial Officer of Earl G. Graves, Ltd., a multi-media company that includes *Black Enterprise* magazine. He is also a member of the Investment Advisory Committee of the New York Common Retirement Fund. Mr. Jiha has previously served as Deputy Comptroller for Pension Investment and Public Finance in the Office of the New York State Comptroller and as Co-Executive Director of the New York Local Government Assistance Corporation (LGAC). Prior thereto, Mr. Jiha was Nassau County Deputy Comptroller for Audits and Finances. He also worked for the New York City Office of the Comptroller in increasingly responsible positions: first as Chief Economist and later as Deputy Comptroller for Budget. Mr. Jiha has served as Executive Director of the New York State Legislative Tax Study Commission and as Principal Economist for the New York State Assembly Committee on Ways and Means. He holds a Ph.D. and a Master's degree in Economics from the New School University and a Bachelor's degree in Economics from Fordham University. His current term expires on March 31, 2010.

BRIAN RUDER, Scarsdale.

Mr. Ruder was appointed as a Member of the Authority on June 23, 2006. He is Chief Executive Officer of Skylight Partners, a strategic marketing and business development consulting group that he founded in 2001. Prior to Skylight Partners, Mr. Ruder served for four years as Executive Vice President of Global Marketing for

Citigroup. He spent 16 years at the H.J. Heinz Co. in progressively responsible positions, including President of Heinz USA, President of Weight Watchers Food Company and corporate Vice President of Worldwide Infant Feeding. He also served as Director of Marketing, New Products and Sales for Pepsi USA in the mid-1980s. Mr. Ruder is a member of the board of the New York State Foundation for Science, Technology and Academic Research (NYSTAR), and also serves as chair of the board of the Adirondack Council, board member and secretary of the New York Metro Chapter of the World Presidents' Organization, and an advisory board member of PNC Private Client Advisors. Mr. Ruder earned a Bachelor of Arts degree in American History in 1976 from Washington University in St. Louis, Mo., and a Master of Business Administration degree in Marketing in 1978 from the Tuck School at Dartmouth College. His current term expired on March 31, 2009 and by law he continues to serve until a successor shall be chosen and qualified.

ANTHONY B. MARTINO, CPA, Buffalo.

Mr. Martino was appointed as a Member of the Authority by the Governor on April 26, 2004. A certified public accountant with more than 37 years of experience, Mr. Martino is a retired partner of the Buffalo CPA firm Lumsden & McCormick, LLP. He began his career at Price Waterhouse where he worked in the firm's Buffalo and Washington, DC, offices. Mr. Martino is a member of the American Institute of CPAs and the New York State Society of CPAs. Long involved in community organizations, he serves on the boards of the Buffalo Niagara Medical Campus as Vice Chairman, Mount Calvary Cemetery as Chair of the Investment Committee, Cradle Beach Camp of which he is a former Chair, the Kelly for Kids Foundation and Key Bank. Mr. Martino received a Bachelor of Science degree in accounting from the University at Buffalo. Mr. Martino's current term expires on August 31, 2010.

SANDRA M. SHAPARD, Delmar.

Ms. Shapard was appointed as a Member of the Authority by the State Comptroller on January 21, 2003. Ms. Shapard served as Deputy Comptroller for the Office of the State Comptroller from January, 1995 until her retirement in 2001, during which time she headed the Office of Fiscal Research and Policy Analysis and twice served as Acting First Deputy Comptroller. Previously, Ms. Shapard held the positions of Deputy Director and First Deputy Director for the New York State Division of Budget, from 1991 to 1994, and Deputy Assistant Commissioner for Transit for the State Department of Transportation, from 1988 to 1991. She began her career in New York State government with the Assembly in 1975 where, over a thirteen year period, she held the positions of Staff Director of the Office of Counsel to the Majority, Special Assistant to the Speaker, and Deputy Director of Budget Studies for the Committee on Ways and Means. Ms. Shapard also served as Assistant to the County Executive in Dutchess County. A graduate of Mississippi University for Women, Ms. Shapard received a Masters of Public Administration from Harvard University, John F. Kennedy School of Government, where she has served as visiting lecturer, and has completed graduate work at Vanderbilt University.

ROMAN B. HEDGES, Ph.D., Delmar.

Dr. Hedges was appointed as a Member of the Authority by the Speaker of the State Assembly on February 24, 2003. Dr. Hedges serves on the Legislative Advisory Task Force on Demographic Research and Reapportionment. He is the former Deputy Secretary of the New York State Assembly Committee on Ways and Means. Dr. Hedges previously served as the Director of Fiscal Studies of the Assembly Committee on Ways and Means. He was an Associate Professor of Political Science and Public Policy at the State University of New York at Albany where he taught graduate and undergraduate courses in American politics, research methodology, and public policy. Dr. Hedges holds a Doctor of Philosophy and a Master of Arts degree from the University of Rochester and a Bachelor of Arts degree from Knox College.

RICHARD P. MILLS, *Commissioner of Education of the State of New York, Albany; ex-officio.*

Dr. Mills became Commissioner of Education on September 12, 1995. Prior to his appointment, Dr. Mills served as Commissioner of Education for the State of Vermont since 1988. From 1984 to 1988, Dr. Mills was Special Assistant to Governor Thomas H. Kean of New Jersey. Prior to 1984, Dr. Mills held a number of positions within the New Jersey Department of Education. Dr. Mills' career in education includes teaching and administrative

experience at the secondary and postsecondary education levels. Dr. Mills holds a Bachelor of Arts degree from Middlebury College and a Master of Arts, a Master of Business Administration and a Doctor of Education degree from Columbia University.

LAURA L. ANGLIN, *Budget Director of the State of New York, Albany; ex-officio.*

Ms. Anglin was appointed Budget Director on January 1, 2008. As Budget Director, she is responsible for the overall development and management of the State's fiscal policy, including overseeing the preparation of budget recommendations for all State agencies and programs, economic and revenue forecasting, tax policy, fiscal planning, capital financing and management of the State's debt portfolio, as well as pensions and employee benefits. Ms. Anglin previously served as First Deputy Budget Director from January 2007 to December 2007. She was appointed Deputy Comptroller of the Division of Retirement Services in January 2003 and was responsible for overseeing the administration and managing the operations of the New York State and Local Retirement System. From 1996-2003, Ms. Anglin worked in the New York State Assembly where she served as Director of Budget Studies for the Assembly Ways and Means Committee and as First Deputy Fiscal Director for the Committee. Ms. Anglin has also held the position of Econometrician in the Department of Taxation and Finance from 1992-1996 and began her career as an Economist for the Department of Environmental Conservation. Ms. Anglin holds a Bachelor of Arts degree and a Masters degree in Economics from the State University of New York at Albany.

RICHARD F. DAINES, M.D., *Commissioner of Health, Albany; ex-officio.*

Richard F. Daines, M.D., became Commissioner of Health on March 21, 2007. Prior to his appointment he served as President and CEO at St. Luke's-Roosevelt Hospital Center since 2002. Before joining St. Luke's-Roosevelt Hospital Center as Medical Director in 2000, Dr. Daines served as Senior Vice President for Professional Affairs of St. Barnabas Hospital in the Bronx, New York since 1994 and as Medical Director from 1987 to 1999. Dr. Daines received a Bachelor of History degree from Utah State University in 1974 and served as a missionary for the Church of Jesus Christ of Latter-day Saints in Bolivia, 1970-1972. He received his medical degree from Cornell University Medical College in 1978. He served a residency in internal medicine at New York Hospital and is Board Certified in Internal Medicine and Critical Care Medicine.

The principal staff of the Authority is as follows:

PAUL T. WILLIAMS, JR. is the Executive Director and chief administrative and operating officer of the Authority. Mr. Williams is responsible for the overall management of the Authority's administration and operations. He most recently served as Senior Counsel in the law firm of Nixon Peabody LLP. Prior to working at Nixon Peabody, Mr. Williams helped to establish a boutique Wall Street investment banking company. Prior thereto, Mr. Williams was a partner in, and then of counsel to, the law firm of Bryan Cave LLP. He was a founding partner in the law firm of Wood, Williams, Rafalsky & Harris, which included a practice in public finance and served there from 1984-1998. Mr. Williams began his career as an associate at the law firm of Walker & Bailey in 1977 and thereafter served as a counsel to the New York State Assembly. Mr. Williams is licensed to practice law in the State of New York and holds professional licenses in the securities industry. He holds a Bachelor's degree from Yale University and a Juris Doctor degree from Columbia University School of Law.

MICHAEL T. CORRIGAN is the Deputy Executive Director of the Authority, and assists the Executive Director in the administration and operation of the Authority. Mr. Corrigan came to the Authority in 1995 as Budget Director, and served as Deputy Chief Financial Officer from 2000 until 2003. He began his government service career in 1983 as a budget analyst for Rensselaer County, and served as the County's Budget Director from 1986 to 1995. Immediately before coming to the Authority, he served as the appointed Rensselaer County Executive for a short period. Mr. Corrigan holds a Bachelor's degree in Economics from the State University of New York at Plattsburgh and a Master's degree in Business Administration from the University of Massachusetts.

PORTIA LEE is the Managing Director of Public Finance and Portfolio Monitoring. She is responsible for supervising and directing Authority bond issuance in the capital markets, through financial feasibility analysis and financing structure determination for Authority clients; as well as implementing and overseeing financing programs, including interest rate exchange and similar agreements; overseeing the Authority's compliance with continuing

disclosure requirements and monitoring the financial condition of existing Authority clients. Ms. Lee previously served as Senior Investment Officer at the New York State Comptroller's Office where she was responsible for assisting in the administration of the long-term fixed income portfolio of the New York State Common Retirement Fund, as well as the short-term portfolio, and the Securities Lending Program. From 1995 to 2005, Ms. Lee worked at Moody's Investors Service where she most recently served as Vice President and Senior Credit Officer in the Public Finance Housing Group. In addition, Ms. Lee has extensive public service experience working for over 10 years in various positions in the Governor's Office, NYS Department of Social Services, as well as the New York State Assembly. She holds a Bachelor's degree from the State University of New York at Albany.

JOHN G. PASICZNYK is the Chief Financial Officer of the Authority. Mr. Pasicznyk is responsible for investment management and accounting, as well as the development of the financial policies for the Authority. Before joining the Authority in 1985, Mr. Pasicznyk worked in audit positions at KPMG Peat Marwick and Deloitte & Touche. He holds a Bachelor's degree from Syracuse University and a Master of Business Administration degree from the Fuqua School of Business at Duke University.

JEFFREY M. POHL is General Counsel to the Authority. Mr. Pohl is responsible for all legal services including legislation, litigation, contract matters and the legal aspects of all Authority financings. He is a member of the New York State Bar, and most recently served as a counsel in the public finance group of a large New York law firm. Mr. Pohl had previously served in various capacities in State government with the Office of the State Comptroller and the New York State Senate. He holds a Bachelor's degree from Franklin and Marshall College and a Juris Doctor degree from Albany Law School of Union University.

STEPHEN D. CURRO, P.E. is the Managing Director of Construction. In that capacity, he is responsible for the Authority's construction groups, including design, project management, purchasing, contract administration, interior design, and engineering and other technology services. Mr. Curro joined the Authority in 2001 as Director of Technical Services, and most recently served as Director of Construction Support Services. He is a registered Professional Engineer in New York and Rhode Island and has worked in the construction industry for over 20 years as a consulting structural engineer and a technology solutions provider. Mr. Curro is also an Adjunct Professor at Hudson Valley Community College and Bryant & Stratton College. He holds a Bachelor of Science in Civil Engineering from the University of Rhode Island, a Master of Engineering in Structural Engineering from Rensselaer Polytechnic Institute and a Master of Business Administration from Rensselaer Polytechnic Institute's Lally School of Management.

CARRA WALLACE is the Managing Director of the Office of Executive Initiatives (OEI). In that capacity, she oversees the Authority's Communications and Marketing, Opportunity Programs, Environmental Initiatives, Client Outreach, Training, Executive Projects, and Legislative Affairs units. Ms. Wallace is responsible for strategic efforts in developing programs, maximizing the utilization of Minority and Women Owned Businesses, and communicating with Authority clients, the public and governmental officials. She possesses more than twenty years of senior leadership experience in diverse private sector businesses and civic organizations. Ms. Wallace most recently served as Executive Vice President at Telwares, a major telecommunications service firm. Prior to her service at Telwares, Ms. Wallace served as Executive Vice President of External Affairs at the NYC Leadership Academy. She holds a Bachelor of Science degree in management from the Pepperdine University Graziadio School of Business and Management.

Claims and Litigation

Although certain claims and litigation have been asserted or commenced against the Authority, the Authority believes that these claims and litigation are covered by the Authority's insurance or by bonds filed with the Authority should the Authority be held liable in any of such matters, or that the Authority has sufficient funds available or the legal power and ability to seek sufficient funds to meet any such claims or judgments resulting from such litigation.

Other Matters

New York State Public Authorities Control Board

The New York State Public Authorities Control Board (the “PACB”) has authority to approve the financing and construction of any new or reactivated projects proposed by the Authority and certain other public authorities of the State. The PACB approves the proposed new projects only upon its determination that there are commitments of funds sufficient to finance the acquisition and construction of the projects. The Authority has obtained the approval of the PACB for the issuance of the Series 2009 Bonds.

Legislation

From time to time, bills are introduced into the State Legislature which, if enacted into law, would affect the Authority and its operations. The Authority is not able to represent whether such bills will be introduced or become law in the future. In addition, the State undertakes periodic studies of public authorities in the State (including the Authority) and their financing programs. Any of such periodic studies could result in proposed legislation which, if adopted, would affect the Authority and its operations.

Environmental Quality Review

The Authority complies with the New York State Environmental Quality Review Act and with the New York State Historic Preservation Act of 1980, and the respective regulations promulgated thereunder respecting the Project to the extent such acts and regulations are applicable.

Independent Auditors

The accounting firm of KPMG LLP audited the financial statements of the Authority for the fiscal year ended March 31, 2008. Copies of the most recent audited financial statements are available upon request at the offices of the Authority.

PART 8 – LEGALITY OF THE SERIES 2009 BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2009 Bonds are securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees, committees, conservators and other fiduciaries of the State may properly and legally invest funds in their control. However, enabling legislation or bond resolutions of individual public benefit corporations and authorities of the State may limit the investment of funds of such public benefit corporations and authorities in the Series 2009 Bonds.

The Series 2009 Bonds may be deposited with the State Comptroller to secure deposits of State moneys in banks, trust companies and industrial banks.

PART 9 – NEGOTIABLE INSTRUMENTS

The Series 2009 Bonds shall be negotiable instruments as provided in the Act, subject to the provisions for registration and transfer contained in the Master Resolution and in the Series 2009 Bonds.

PART 10 – TAX MATTERS

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Series 2009 Bonds in order that interest on the Series 2009 Bonds will be and remain not includable in gross income under Section 103 of the Code. Included among these continuing requirements are certain restrictions and prohibitions on the use of proceeds of the Series 2009 Bonds and the facilities financed or refinanced by such proceeds, restrictions on the investment of such proceeds and other amounts, the rebate to the United States of certain earnings with respect to investments, and required ownership by a governmental unit of the facilities financed or refinanced by the Series 2009 Bonds. Failure to

comply with the continuing requirements may cause interest on the Series 2009 Bonds to be includable in gross income for federal income tax purposes retroactive to the date of their issuance irrespective of the date on which such noncompliance occurs. In the Master Resolution, the Agreements, and in other documents and certificates contained in the transcript of proceedings, the Authority and the School Districts have covenanted to comply with certain procedures, and have made certain representations and certifications, designed to assure compliance with the requirements of the Code.

In the opinion of Winston & Strawn LLP, New York, New York (“Bond Counsel”), based upon an analysis of existing statutes, regulations, rulings and court decisions, interest on the Series 2009 Bonds is not includable in gross income for federal income tax purposes, assuming continuing compliance by the Authority and the School Districts (and their successors) with the covenants, and the accuracy of the representations (as to which Bond Counsel has made no independent investigation) referenced above. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix F hereto.

Certain requirements and procedures contained or referred to in the Master Resolution, the Series 2009 Resolutions, the Agreements and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Series 2009 Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Winston & Strawn LLP.

Bond Counsel is further of the opinion that interest on the Series 2009 Bonds is not an “item of tax preference” for purposes of the federal alternative minimum tax on individuals and corporations. Pursuant to the American Recovery and Reinvestment Act, which was signed into law on February 17, 2009, interest on the Series 2009 Bonds owned by corporations will not be included in the calculation of adjusted current earnings, a portion of which is an adjustment to corporate alternative minimum taxable income for purposes of calculating the alternative minimum tax imposed on corporations (but not individuals). Corporate purchasers of the Series 2009 Bonds should consult their tax advisors concerning the computation of any alternative minimum tax.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel’s legal judgment as to the exclusion of interest on the Series 2009 Bonds from gross income for federal income tax purposes, but is not a guaranty of that conclusion. The opinion is not binding on the IRS or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2009 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification”, or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding”, which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2009 Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2009 Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the IRS.

Certain maturities of the Series 2009 Bonds (and in the case of Series 2009B Bonds maturing in 2022 and 2023, Series 2009 Bonds having the same coupon) are initially offered to the public at prices less than the principal amount thereof payable at maturity. If the first price at which a substantial amount of the Series 2009 Bonds of the same maturity (and in the case of Series 2009B Bonds maturing in 2022 and 2023, Series 2009 Bonds having the same coupon) is sold in the initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) is less than the principal

amount thereof payable at maturity, the difference between such price and principal amount constitutes original issue discount with respect to each Series 2009 Bond of the same maturity (the “Discount Bonds”). Bond Counsel is of the opinion that original issue discount, as it accrues, is excludable from gross income for federal income tax purposes and is not subject to the alternative minimum tax to the same extent as is interest on the Series 2009 Bonds. Original issue discount accrues in each taxable year over the term of the Discount Bonds under the “constant yield method” described in regulations interpreting Section 1272 of the Code, with certain adjustments. Original issue discount may be treated as continuing to accrue in each taxable year even if payment of the Discount Bonds becomes doubtful. Accruals of original issue discount are treated as tax-exempt interest earned by owners on the accrual basis of tax accounting and as tax-exempt interest received by owners on the cash basis of tax accounting even though no cash corresponding to the accrual is received in the year of accrual. The tax basis of a Discount Bond if held by an original purchaser, can be determined by adding to such owner’s purchase price of such Discount Bond the original issue discount that has accrued. Holders of Discount Bonds should consult their own tax advisors with respect to the calculation of the amount of the original issue discount that will be treated for federal income tax purposes as having accrued for any taxable year (or portion thereof) of such owners and with respect to other federal, state and local tax consequences of owning and disposing of the Discount Bonds.

Certain maturities of the Series 2009 Bonds are initially offered to the public at prices in excess of their principal amounts (the “Premium Series 2009 Bonds”). An initial purchaser (other than a purchaser who holds such Series 2009 Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) with an initial adjusted basis in a Premium Series 2009 Bond in excess of its principal amount will have amortizable bond premium that is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of such Premium Series 2009 Bond based on the purchaser’s yield to maturity (or, in the case of Premium Series 2009 Bonds callable prior to their maturity, over the period to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Series 2009 Bond, an initial purchaser is required to decrease such purchaser’s adjusted basis in such Premium Series 2009 Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning Premium Series 2009 Bonds. Owners of Premium Series 2009 Bonds are advised that they should consult with their own advisors with respect to the federal, state and local tax consequences of owning Premium Series 2009 Bonds.

Prospective purchasers of the Series 2009 Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of tax-exempt obligations may have collateral federal income tax consequences for certain taxpayers, including financial institutions, certain subchapter S corporations, United States branches of foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, taxpayers eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. The foregoing is not intended as an exhaustive list of potential tax consequences. Prospective purchasers should consult their tax advisors regarding any possible collateral consequences with respect to the Series 2009 Bonds. Bond Counsel expresses no opinion regarding any such collateral consequences.

In the opinion of Bond Counsel, the interest on the Series 2009 Bonds is exempt under existing statutes from personal income taxes imposed by the State of New York and its political subdivisions (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 date of issuance of the Series 2009 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2009 Bonds. Future tax legislation, administrative actions taken by tax authorities, and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2009 Bonds under federal or state law and could affect the market price or marketability of the Series 2009 Bonds. Prospective purchasers of the Series 2009 Bonds should consult their own tax advisers regarding any pending or proposed federal or state tax legislation and prospective purchasers of the Series 2009 Bonds at other than their original issuance at the respective prices indicated on the inside cover of this Official Statement should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Series 2009 Bonds ends with the issuance of the Series 2009 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the School Districts or the beneficial owners regarding the tax status of interest on the Series 2009 Bonds in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the IRS does audit the Series 2009 Bonds, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the Series 2009 Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2009 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market prices for the Series 2009 Bonds.

PART 11 – STATE NOT LIABLE ON THE SERIES 2009 BONDS

The Act provides that notes and bonds of the Authority shall not be a debt of the State nor shall the State be liable thereon, nor shall such notes or bonds be payable out of any funds other than those of the Authority. The Master Resolution specifically provides that the Series 2009 Bonds shall not be a debt of the State nor shall the State be liable thereon.

PART 12 – COVENANT BY THE STATE

The Act states that the State pledges and agrees with the holders of the Authority's notes and bonds that the State will not limit or alter the rights vested in the Authority to provide projects, to establish and collect rentals therefrom and to fulfill agreements with the holders of the Authority's notes and bonds or in any way impair the rights and remedies of the holders of such notes or bonds until such notes or bonds and interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of the holders of such notes or bonds are fully met and discharged. Notwithstanding the State's pledges and agreements contained in the Act, the State may, in the exercise of its sovereign power, enact or amend its laws which, if determined to be both reasonable and necessary to serve an important public purpose, could have the effect of impairing these pledges and agreements with the Authority and with the holders of the Authority's notes or bonds.

PART 13 – LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2009 Bonds by the Authority are subject to the approval of Winston & Strawn LLP, New York, New York, Bond Counsel to the Authority, whose approving opinion will be delivered with the Series 2009 Bonds. The proposed form of Bond Counsel's opinion is set forth in Appendix F.

Certain legal matters will be passed upon for the Underwriters by their counsel, Hiscock & Barclay, LLP, Albany, New York and for each School District by its bond counsel as listed in Appendix B hereto.

Counsel to the Underwriters also serve as bond counsel to certain school districts as listed in Appendix B – List of School Districts and Principal Amount of Each School District's Loan.

There is no pending litigation restraining or enjoining the issuance or delivery of the Series 2009 Bonds or questioning or affecting the validity of the Series 2009 Bonds or the proceedings and authority under which they are to be issued. There is no litigation pending which in any manner questions the right of the Authority to finance or refinance the Cost of the Projects in accordance with the provisions of the Act, the Master Resolution and the Agreements.

PART 14 – UNDERWRITING

The Underwriters have agreed, subject to certain conditions, to purchase the Series 2009B Bonds from the Authority at an aggregate purchase price, including net original issue premium and less underwriters discount, of \$179,515,406.19 and to make a public offering of the Series 2009B Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement. The Underwriters have agreed, subject to certain conditions, to purchase the Series 2009C Bonds from the Authority at an aggregate purchase price, including net original issue premium and less underwriters discount, of \$164,939,303.51 and to make a public

offering of the Series 2009C Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement. The Underwriters have agreed, subject to certain conditions, to purchase the Series 2009D Bonds from the Authority at an aggregate purchase price, including net original issue premium and less underwriters discount, of \$16,340,238.40 and to make a public offering of the Series 2009D Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement. The Underwriters have agreed, subject to certain conditions, to purchase the Series 2009E Bonds from the Authority at an aggregate purchase price, including net original issue premium and less underwriters discount, of \$2,330,528.17 and to make a public offering of the Series 2009E Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement.

The Series 2009 Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

J.P. Morgan Securities Inc., one of the underwriters of the Series 2009 Bonds, has entered into an agreement (the "Distribution Agreement") with UBS Financial Services Inc. for the retail distribution of certain municipal securities offerings at the original issue prices. Pursuant to the Distribution Agreement (if applicable for this transaction), J.P. Morgan Securities Inc. will share a portion of its underwriting compensation with respect to the Series 2009 Bonds with UBS Financial Services Inc.

PART 15 – CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12"), each School District has undertaken in a written agreement (a "Continuing Disclosure Agreement") for the benefit of the Bondholders of the applicable Series of the Series 2009 Bonds to provide on an annual basis to the Authority and the Municipal Securities Rulemaking Board (the "MSRB") and its Electronic Municipal Market Access system (the "EMMA System"), on or before 180 days after the end of each fiscal year of such School District, commencing with the fiscal year ending June 30, 2009, operating data and financial information of the type hereinafter described which is included in Appendix C to this Official Statement (the "Annual Information"), together with such School District's annual financial statements prepared in accordance with generally accepted accounting principles and audited by an independent firm of certified public accountants in accordance with generally accepted accounting standards.

The Annual Information for each School District will consist of the following: (a) operating data and financial information of the type included in Appendix C to this Official Statement (only to the extent that this information is not included in the audited financial statements of such School District), together with (b) a narrative explanation, if necessary to avoid misunderstanding, regarding the presentation of financial and operating data concerning such School District and in judging the financial and operating condition of such School District.

In addition, the Authority has undertaken, for the benefit of the Series 2009 Bondholders, to provide to each nationally recognized municipal securities information repository or to the MSRB, and to the State Information Depository, if any, and effective on or after July 1, 2009, only to the MSRB and its EMMA System, in a timely manner, the notices required to be provided by Rule 15c2-12 and described below (the "Notices").

The Notices include notice of any of the following events with respect to the Series 2009 Bonds, if material: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the Series 2009 Bonds; (7) modifications to rights of the Holders of the Series 2009 Bonds; (8) bond calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2009 Bonds and (11) rating changes. Each School District has undertaken to provide to the Authority, in a timely manner, notices similar to the ones described above with respect to its School District Bonds.

The sole and exclusive remedy for breach or default under a Continuing Disclosure Agreement is an action to compel specific performance of the undertakings of the defaulting School District and/or the Authority, and no person, including any Holder and any Beneficial Owner of the Series 2009 Bonds, may recover monetary damages

thereunder under any circumstances. The Authority or such defaulting the School District may be compelled to comply with their respective obligations under a Continuing Disclosure Agreement (i) in the case of enforcement of their obligations to provide information required thereunder, by any Holder and any Beneficial Owner of Outstanding Series 2009 Bonds or by the Trustee on behalf of the Holders of Outstanding Series 2009 Bonds or (ii) in the case of challenges to the adequacy of the information provided, by the Trustee on behalf of the Holders of Outstanding Series 2009 Bonds. However, the Trustee is not required to take any enforcement action unless so directed by the Holders of not less than 25% in aggregate principal amount of Outstanding Series 2009 Bonds. A breach or default under a Continuing Disclosure Agreement will not constitute an Event of Default under the Master Resolution. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under a Continuing Disclosure Agreement, insofar as the provision of Rule 15c2-12 no longer in effect required the providing of such information, will no longer be required to be provided.

The foregoing undertakings are intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data; and where an undertaking calls for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. Any Continuing Disclosure Agreement, however, may under certain circumstances be amended or modified without the consent of Holders of the Series 2009 Bonds. Copies of all of the Continuing Disclosure Agreements when executed by the parties thereto upon the delivery of the Series 2009 Bonds will be on file at the principal office of the Authority.

Each of the School Districts has in the previous five years complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

PART 16 – RATINGS

With the exception of the Insured Bonds, Moody's Investors Service Inc. ("Moody's"), Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("Standard & Poor's") and Fitch Ratings ("Fitch") are each expected to assign a rating of "A2", "A+" and "A", respectively, to the Series 2009B Bonds, "A1", "A+" and "A", respectively, to the Series 2009C Bonds, "Aa3", "A+" and "A+", respectively, to the Series 2009D Bonds, and "A2", "A+" and "A+", respectively, to the Series 2009E Bonds. Moody's, Standard & Poor's and Fitch are each expected to assign a rating of "Aa2", "AAA" and "AA", respectively, to the Insured Bonds, based on the Policy to be issued by the Insurer. 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 agencies at the following addresses: Standard & Poor's, 55 Water Street, New York, New York 10041; Fitch, One State Street Plaza, New York, New York 10004 and Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating agencies if, in the judgment of any or all of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Series 2009 Bonds.

PART 17 – SOURCES OF INFORMATION AND CERTIFICATIONS

Certain information concerning each School District and DTC included in this Official Statement has been furnished or reviewed and authorized for use by the Authority by such sources as described below. While the Authority believes that these sources are reliable, the Authority has not independently verified this information and does not guarantee the accuracy or completeness of the information furnished by the respective sources. The Authority is relying on certificates from each source, to be delivered at or prior to the time of delivery of the Series 2009 Bonds, as to the accuracy of such information provided or authorized by it.

School Districts. The information in "PART 4 – THE SCHOOL DISTRICTS," "PART 6 – THE PLAN OF FINANCE" and "Appendix C – Certain Financial and Economic Information on the School Districts" was supplied by each of the School Districts. The Authority believes that this information is reliable, but the Authority makes no representations or warranties whatsoever to the accuracy or completeness of this information.

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DEFINITIONS

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CERTAIN DEFINITIONS

The following are definitions of certain of the terms defined herein, or in the Master Resolution or the Agreement and used in this Official Statement.

Accreted Value means with respect to any Capital Appreciation Bond (i) as of any Valuation Date, the amount set forth for such date in the Series Resolution authorizing such Capital Appreciation Bond or the Bond Series Certificate relating to such Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Accreted Values for such Valuation Dates.

Act means the Dormitory Authority Act, being and constituting Title 4 of Article 8 of the Public Authorities Law of the State of New York.

Allocable Portion means each School District's proportionate share of certain obligations arising under the Applicable Series of Bonds from time to time and the respective Agreements, particularly with respect to the Applicable Arbitrage Rebate Fund, the Costs of Issuance of such Series of Bonds, and the payment of principal, interest and redemption price of such Series of Bonds as particularly determined by the Applicable Series Resolution.

Applicable means (i) with respect to any Series Resolution, the Series Resolution relating to particular Bonds, (ii) with respect to any Series of Bonds, the Series of Bonds issued under a Series Resolution for a particular School District or School Districts, (iii) with respect to any Agreement, the Agreement entered into by and between a School District and the Authority, (iv) with respect to a School District, the School District for which a Series of Bonds is issued, (v) with respect to any Construction Fund, Debt Service Fund, Arbitrage Rebate Fund or Costs of Issuance Account in a Construction Fund, the Fund or Account established in a particular Series Resolution and with respect to a particular Construction Account in a Construction Fund, means the Construction Account established and undertaken with respect to each Applicable School District, (vi) with respect to a Trustee or Paying Agent, the Trustee or Paying Agent accepting the responsibility to perform the obligations set forth therefor with respect to a particular Series of Bonds, (vii) with respect to a Credit Facility or Liquidity Facility, the Credit Facility or Liquidity Facility, (if any), identified in the Applicable Series Resolution, (viii) with respect to a Bond Series Certificate, such certificate authorized pursuant to an Applicable Series Resolution, (ix) with respect to Revenues and Pledged Revenues, the amounts payable to the Authority on account of a School District and (x) with respect to School District Bonds, the School District Bonds issued and delivered to the Authority by a School District as required by the Agreement.

Appreciated Value means with respect to any Deferred Income Bond (i) as of any Valuation Date, the amount set forth for such date in the Applicable Series Resolution authorizing such Deferred Income Bond or in the Bond Series Certificate relating to such Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

Arbitrage and Use of Proceeds Certificate means the certificate of the School District to be delivered pursuant to the Financing Agreement and to be dated the date of delivery of the Authority Bonds.

Arbitrage Rebate Fund means each such fund so designated, created and established by the Applicable Series Resolution.

Authority means the Dormitory Authority of the State of New York a body corporate and politic constituting a public benefit corporation of the State created by the Act, or any body, agency or instrumentality of the State which may succeed to the rights, powers, duties and functions of the Authority.

Authority Bonds means the series of bonds of the Authority issued in whole or in part to finance the Loans made under the Agreements, together with any bonds of the Authority issued to refinance such bonds.

Authorized Officer means (i) in the case of the Authority, the Chairman, the Vice-Chairman, the Treasurer, an Assistant Treasurer, the Secretary, an Assistant Secretary, the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the General Counsel, the Chief Information Officer, and a Managing Director, and when used with reference to any act or document also means any other person authorized by a resolution or the by-laws of the Authority to perform such act or execute such document; (ii) in the case of a School District, when used with reference to any act or document, means the person identified in the Agreement or in the Applicable Agreement as authorized to perform such act or execute such document, and in all other cases means the President of the Board of Education or an officer or employee of a School District authorized in a written instrument signed by the President of the Board of Education; and (iii) in the case of the Trustee, the President, a Vice President, a Corporate Trust Officer, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee.

Bank means U.S. Bank National Association, in its capacity as depository for each School District pursuant to the Applicable Financing Agreement, and any successor depository in such capacity.

Basic Debt Service Payment means all amounts payable pursuant to the Applicable Agreement, including in particular the Applicable School District Bonds.

Bond or Bonds means any of the bonds of the Authority, including the Series 2009 Bonds authorized and issued pursuant to the Master Resolution and to an Applicable Series Resolution.

Bond Counsel means an attorney or a law firm, appointed by the Authority with respect to a particular Series of Bonds, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

Bond Series Certificate means the certificate of an Authorized Officer of the Authority fixing terms, conditions and other details of Bonds of an Applicable Series in accordance with the delegation of power to do so under the Master Resolution or under the Applicable Series Resolution authorizing the issuance of such Bonds.

Bond Year means a period of twelve (12) consecutive months beginning October 1 in any calendar year and ending on September 30 of the succeeding calendar year.

Bondholder, Holder of Bonds or Holder or any similar term, when used with reference to a Bond or Bonds, means the registered owner of any Bond.

Business Day means any day which is not a Saturday, Sunday or a day on which banking institutions chartered by the State or the United States of America are legally authorized to close in The City of New York; provided, however, that, with respect to Option Bonds or Variable Interest Rate Bonds of a Series, such term means any day which is not a Saturday, Sunday or a day on which the New York Stock Exchange, banking institutions chartered by the State or the United States of America, the Trustee or the issuer of a Credit Facility or Liquidity Facility for such Bonds are legally authorized to close in The City of New York.

Capital Appreciation Bond means any Bond as to which interest is compounded on each Valuation Date therefor and is payable only at the maturity or prior redemption thereof.

Code means the Internal Revenue Code of 1986 and the applicable Treasury regulations promulgated thereunder.

Construction Account means each such account in a Construction Fund so designated, created and established for each Applicable School District by the Applicable Series Resolution pursuant to the Master Resolution.

Construction Fund means each such fund so designated, created and established by the Applicable Series Resolution pursuant to the Master Resolution.

Continuing Disclosure Agreement means the Continuing Disclosure Agreement, dated as of the date of issuance of the Authority Bonds, among the Authority, the Trustee and the Applicable School District.

Cost or *Costs of Issuance* means the items of expense incurred in connection with the authorization, sale and issuance of an Applicable Series of Bonds, which items of expense will include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee or a Depository, legal fees and charges, professional consultants' fees, fees and charges for execution, transportation and safekeeping of such Bonds, premiums, fees and charges for insurance on Bonds, commitment fees or similar charges of a Remarketing Agent or relating to a Credit Facility or a Liquidity Facility, costs and expenses of refunding such Bonds and other costs, charges and fees, including those of the Authority, in connection with the foregoing.

Cost or *Costs of the Project* means with respect to an Applicable Project costs and expenses or the refinancing of costs and expenses determined by the Authority to be necessary in connection with such Project, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of such Project, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of such Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising such Project, (v) costs and expenses required for the acquisition and installation of furnishings, equipment, machinery and apparatus, (vi) all other costs which the Applicable School District or the Authority will be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of such Project, (vii) any sums required to reimburse the Applicable School District or the Authority for advances made by them for any of the above items or for other costs incurred and for work done by them in connection with such Project (including interest on borrowed money), (viii) interest on the Bonds prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of such Project, and (ix) fees, expenses and liabilities of the Authority incurred in connection with such Project or pursuant hereto or to the Applicable Agreement, a Credit Facility, a Liquidity Facility or a Remarketing Agreement.

Credit Facility means an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement, municipal bond insurance policy or other agreement, facility or insurance or guaranty arrangement issued or extended by a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Authority, pursuant to which the Authority is entitled to obtain moneys to pay the principal, purchase price or Redemption Price of Bonds due in accordance with their terms or tendered for purchase or redemption, plus accrued interest thereon to the date of payment, purchase or redemption thereof, in accordance with the Master Resolution and with the Series Resolution authorizing such Bonds or a Bond Series Certificate, whether or not the Authority is in default under the Master Resolution.

Debt Service Fund means the fund so designated, created and established by the Applicable Series Resolution.

Defeasance Security means (a) a Government Obligation of the type described in clauses (i), (ii), (iii) or (iv) of the definition of Government Obligations, (b) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligations and (c) an Exempt Obligation, provided such Exempt Obligation (i) is not subject to redemption prior to maturity other than at the option of the holder thereof or as to which irrevocable instructions have been given to the trustee of such Exempt Obligation by the obligor thereof to give due notice of redemption and to call such Exempt Obligation for redemption on the date or dates specified in such instructions and such Exempt Obligation is not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (ii) is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in clause (i) above, (iii) as to which the principal of and interest on the direct obligations of the United States of America which have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay the principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, and (iv) is rated by at least two nationally recognized Rating Agencies in the highest rating category for such Exempt Obligation; provided, however, that (1) such term will not include any interest in a unit investment trust or mutual fund or (2) any obligation that is subject to redemption prior to maturity other than at the option of the holder thereof.

Deferred Income Bond means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Deferred Income Bond, and as to which interest accruing after the Interest Commencement Date is payable semiannually on each Interest Payment Date.

Depository means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other person, firm, association or corporation designated in the Series Resolution authorizing a Series of Bonds or a Bond Series Certificate relating to a Series of Bonds to serve as securities depository for the Bonds of such Series.

Exempt Obligation means (i) an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision, the interest on which is excludable from gross income under Section 103 of the Code, which is not a “specified private activity bond” within the meaning of Section 57(a)(5) of the Code, and which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Master Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, no lower than the second highest rating category for such obligation by at least two nationally recognized Rating Agencies, (ii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing and (iii) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

Existing Indebtedness means the bonds or notes, if any, of the Applicable School District described in Exhibit B of the Applicable Financing Agreement, which bonds or notes have financed all or a portion of the Project.

Facility Provider means the issuer of a Credit Facility or a Liquidity Facility delivered to the Applicable Trustee pursuant to the Master Resolution.

Federal Agency Obligation means (i) an obligation issued by any federal agency or instrumentality approved by the Authority, (ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by a federal agency approved by the Authority, (iii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing and (iv) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

Financing Agreement or Agreement means the Financing Agreement relating to the Series 2009 Bonds, dated as of May 1, 2009, by and between the Authority and the Applicable School District.

Fitch means Fitch, Inc., a corporation organized and created under the laws of the State of Delaware and its successors and assigns.

Government Obligation means (i) a direct obligation of the United States of America, (ii) an obligation the principal of and interest on which are fully insured or guaranteed or as to payment of principal and interest by the United States of America, (iii) an obligation to which the full faith and credit of the United States of America are pledged, (iv) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing and (v) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

Interest Commencement Date means, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the Applicable Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond, after which interest accruing on such Bond will be payable on the Interest Payment Date immediately succeeding such Interest Commencement Date and semi-annually thereafter on each Interest Payment Date.

Interest Payment Date means, unless otherwise provided in the Applicable Series Resolution, April 1 and October 1 of each Bond Year.

Investment Agreement means a repurchase agreement or other agreement for the investment of moneys with a Qualified Financial Institution.

Liquidity Facility means an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement, line of credit or other agreement or arrangement issued or extended by a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a savings bank, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Authority, pursuant to which moneys are to be obtained upon the terms and conditions contained therein for the purchase or redemption of Option Bonds tendered for purchase or redemption in accordance with the terms hereof and of the Applicable Series Resolution authorizing such Bonds or the Applicable Bond Series Certificate relating to such Bonds.

Maximum Rate means the interest rate per annum identified as such in the Schedule of Additional Provisions attached as Exhibit C to the Financing Agreements.

Memorandum of Understanding means the Memorandum of Understanding, among the Authority, the New York State Department of Education and the Comptroller of the State of New York.

Moody's means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, or its successors and assigns.

Notice of Terms means a notice setting forth and confirming the definitive principal amounts, maturity dates and interest rates of the School District Bonds and certain other terms of the Loans which, to the extent such terms are inconsistent with the parameters set forth in the Applicable Financing Agreement, will be subject to the approval of the Applicable School District.

Option Bond means any Bond which by its terms may be tendered by and at the option of the Holder thereof for redemption by the Authority prior to the stated maturity thereof or for purchase thereof, or the maturity of which may be extended by and at the option of the Holder thereof in accordance with the Series Resolution authorizing such Bonds or the Bond Series Certificate related to such Bonds.

Outstanding, when used in reference to Bonds, means, as of a particular date, all Bonds authenticated and delivered under the Master Resolution and under any Applicable Series Resolution except: (i) any Bond cancelled

by the Applicable Trustee at or before such date; (ii) any Bond deemed to have been paid in accordance with the Master Resolution; (iii) any Bond in lieu of or in substitution for which another Bond has been authenticated and delivered pursuant to the Master Resolution; and (iv) Option Bonds tendered or deemed tendered in accordance with the provisions of the Series Resolution authorizing such Bonds or the Bond Series Certificate related to such Bonds on the applicable adjustment or conversion date, if interest thereon has been paid through such applicable date and the purchase price thereof has been paid or amounts are available for such payment as provided in the Agreement and in the Series Resolution authorizing such Bonds.

Paying Agent means, with respect to the Bonds of any Series, the Trustee and any other bank or trust company and its successor or successors, appointed pursuant to the provisions of the Master Resolution or of a Series Resolution, a Bond Series Certificate or any other resolution of the Authority adopted prior to authentication and delivery of the Series of Bonds for which such Paying Agent or Paying Agents are so appointed.

Permitted Collateral means (i) Government Obligations described in clauses (i), (ii) or (iii) of the definition of Government Obligations, (ii) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligations, (iii) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) is rated in the highest short term rating category by at least one nationally recognized Rating Agency and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least one nationally recognized Rating Agency no lower than in the second highest rating category or (iv) financial guaranty agreements, surety or other similar bonds or other instruments of an insurance company that has an equity capital of at least \$125,000,000 and is rated by Bests Insurance Guide or a nationally recognized Rating Agency in the highest rating category.

Permitted Investments means any of the following: (i) Government Obligations; (ii) Federal Agency Obligations; (iii) Exempt Obligations; (iv) Uncollateralized certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation and issued by a banking organization authorized to do business in the State; (v) Collateralized certificates of deposit that are (a) issued by a banking organization authorized to do business in the State that has an equity capital of not less than \$125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter or credit, contract, agreement or surety bond issued by it, are rated by at least one nationally recognized Rating Agency in at least the second highest rating category, and (b) are fully collateralized by Permitted Collateral; and (vi) Investment Agreements that are fully collateralized by Permitted Collateral.

Pledged Revenues means the public funds that are pledged and assigned by the Applicable School District to the Authority pursuant to the Applicable Agreement to secure such School District's obligations under such Agreement.

Principal Amount means the original aggregate principal amount of the Loan and of the Applicable School District Bonds.

Projects means "school district capital facilities" and/or "school district capital equipment" as defined in the Act and described in Exhibit A to each Financing Agreement.

Proportionate Share means the proportion that the outstanding principal amount of the Applicable School District Bonds bears to the outstanding principal amount of the Authority Bonds.

Qualified Financial Institution means any of the following entities that has an equity capital of at least \$125,000,000 or whose obligations are unconditionally guaranteed by an affiliate or parent having an equity capital of at least \$125,000,000: (i) a securities dealer, the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and (a) that is on the Federal Reserve Bank of New York list of primary government securities dealers and (b) whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one nationally recognized Rating Agency no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one nationally recognized Rating Agency no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Agency or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds; (ii) a bank, a trust company, a national banking association, a corporation subject to registration

with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, an insurance company or association chartered or organized under the laws of the United States of America, any state of the United States of America or any foreign nation, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one nationally recognized Rating Agency no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one nationally recognized Rating Agency no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Agency or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds; (iii) a corporation affiliated with or which is a subsidiary of any entity described in (i) or (ii) above or which is affiliated with or a subsidiary of a corporation which controls or wholly owns any such entity, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one nationally recognized Rating Agency no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one nationally recognized Rating Agency no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Agency or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds; (iv) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Authority or (v) a corporation whose obligations, including any investment of any moneys held under the Master Resolution purchased from such corporation, are insured by an insurer that meet the applicable rating requirements set forth above.

Rating Agency means each of Fitch, Moody's and S&P, in each case, which has assigned a rating to Outstanding Bonds at the request of the Authority, or their respective successors and assigns.

Redemption Price, when used with respect to a Bond, means the principal amount of such Bond plus the applicable premium, if any, payable upon redemption prior to maturity thereof pursuant to the Master Resolution or to the Applicable Series Resolution or Bond Series Certificate.

Refunded Obligations means all or a portion of the Existing Indebtedness which is to be refunded with the proceeds of the Authority Bonds.

Revenues means (i) the Basic Debt Service Payment paid by the Applicable School District pursuant to the Applicable Agreement, which includes amounts payable by such School District under the Applicable School District Bonds, (ii) the Applicable Pledged Revenues and (iii) the right to receive the same and the proceeds thereof and of such right.

S&P means Standard & Poor's Ratings Services, a division of The McGraw-Hill Corporation, or its successors and assigns.

School District or *School Districts* means with respect to an Applicable Series of Bonds, each or all of the School Districts for whose benefit the Authority has issued all or a portion of such Series and with whom the Authority has executed one or more Agreements.

School District Resolution means, collectively, the ordinances and resolutions of the applicable School District authorizing the execution and delivery of the Financing Agreement, the borrowing of the Loan proceeds, and the issuance and delivery to the Authority of the School District Bonds.

Series means all of the Bonds authenticated and delivered on original issuance and pursuant to the Master Resolution and to the Applicable Series Resolution authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Master Resolution, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

Series Resolution means a resolution of the Authority, including the Series 2009 Resolution, authorizing the issuance of a Series of Bonds adopted by the Authority pursuant to the Master Resolution.

Series 2009B Bond Series Certificate means the Certificate of an authorized officer of the Authority, fixing terms, conditions and other details of the Series 2009B Bonds.

Series 2009C Bond Series Certificate means the Certificate of an authorized officer of the Authority, fixing terms, conditions and other details of the Series 2009C Bonds.

Series 2009D Bond Series Certificate means the Certificate of an authorized officer of the Authority, fixing terms, conditions and other details of the Series 2009D Bonds.

Series 2009E Bond Series Certificate means the Certificate of an authorized officer of the Authority, fixing terms, conditions and other details of the Series 2009E Bonds.

Series 2009B Resolution means the Series Resolution of the Authority authorizing the issuance of the Series 2009 Bonds adopted by the Authority on April 29, 2009.

Series 2009C Resolution means the Series Resolution of the Authority authorizing the issuance of the Series 2009C Bonds adopted by the Authority on April 29, 2009.

Series 2009D Resolution means the Series Resolution of the Authority authorizing the issuance of the Series 2009D Bonds adopted by the Authority on April 29, 2009.

Series 2009E Resolution means the Series Resolution of the Authority authorizing the issuance of the Series 2009E Bonds adopted by the Authority on April 29, 2009.

Sinking Fund Installment means, as of any date of calculation, when used with respect to any Bonds of a Series, other than Option Bonds or Variable Interest Rate Bonds, so long as any such Bonds are Outstanding, the amount of money required hereby or by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto, to be paid on a single future April 1 or October 1 for the retirement of any Outstanding Bonds of said Series which mature after said future April 1 or October 1, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future April 1 or October 1 is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be Bonds entitled to such Sinking Fund Installment, and when used with respect to Option Bonds or Variable Interest Rate Bonds of a Series, so long as such Bonds are Outstanding, the amount of money required by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto, to be paid on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Option Bonds or Variable Rate Interest Bonds of such Series are deemed to be Bonds entitled to such Sinking Fund Installment.

State means the State of New York.

State Approvals means the approvals (i) by the State Public Authorities Control Board of the issuance of Authority Bonds, (ii) by the Comptroller of the State of the terms of sale of School District Bonds, if required, and (iii) by the Commissioner of Education of the State of the execution of the Financing Agreements.

Supplemental Resolution means any resolution of the Authority amending or supplementing the Master Resolution, any Applicable Series Resolution or any Supplemental Resolution adopted and becoming effective in accordance with the terms and provisions of the Master Resolution.

Tax Certificate means the Tax Certificate concerning certain matters pertaining to the use of proceeds of the Bonds executed by and delivered to the Authority and the Trustee on the date of issuance of the Bonds, including any and all exhibits attached thereto.

Tax-Exempt Securities means a certificate of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 CFR part 344 and any bond (other than a qualified private activity bond), the interest on which is excluded from federal gross income under Section 103 of the Code.

Term Bonds means the Bonds so designated in an Applicable Series Resolution or an Applicable Bond Series Certificate and payable from Sinking Fund Installments.

Trustee means the bank or trust company appointed as Trustee for the Bonds pursuant to the Applicable Series Resolution or Applicable Bond Series Certificate and having the duties, responsibilities and rights provided for in the Master Resolution with respect to such Series, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant to the Master Resolution.

Valuation Date means (i) with respect to any Capital Appreciation Bond, the date or dates set forth in the Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond on which specific Accreted Values are assigned to such Capital Appreciation Bond, and (ii) with respect to any Deferred Income Bond, the date or dates prior to the Interest Commencement Date and the Interest Commencement Date set forth in the Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond on which specific Appreciated Values are assigned to such Deferred Income Bond.

Variable Interest Rate means the rate or rates of interest to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds which is or may be varied from time to time in accordance with the method of computing such interest rate or rates specified in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds, which will be based on (i) a percentage or percentages or other function of an objectively determinable interest rate or rates (e.g., a prime lending rate) which may be in effect from time to time or at a particular time or times or (ii) a stated interest rate that may be changed from time to time as provided in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bond; provided, however, that such variable interest rate may be subject to a Maximum Interest Rate and a Minimum Interest Rate and that there may be an initial rate specified, in each case as provided in such Series Resolution or a Bond Series Certificate; provided, further, that such Series Resolution or Bond Series Certificate will also specify either (x) the particular period or periods of time or manner of determining such period or periods of time for which each variable interest rate will remain in effect or (y) the time or times at which any change in such variable interest rate will become effective or the manner of determining such time or times.

Variable Interest Rate Bond means any Bond which bears a Variable Interest Rate; provided, however, that a Bond the interest rate on which has been fixed for the remainder of the term thereof will no longer be a Variable Interest Rate Bond.

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**LIST OF THE SCHOOL DISTRICTS AND
PRINCIPAL AMOUNT OF EACH
SCHOOL DISTRICT'S LOAN**

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**LIST OF THE SCHOOL DISTRICTS AND PRINCIPAL AMOUNT
OF EACH SCHOOL DISTRICT'S LOAN**

Listed below are the School Districts receiving loans from the proceeds of the Series 2009 Bonds, their financial advisors, their bond counsel and the principal amount being loaned to each School District, exclusive of original issue premium.

<u>School District</u>	<u>Financial Advisor</u>	<u>Bond Counsel</u>	<u>Principal Amount of Series 2009B Loan</u>	<u>Principal Amount of Series 2009C Loan</u>	<u>Principal Amount of Series 2009D Loan</u>	<u>Principal Amount of Series 2009E Loan</u>
Series 2009B:						
Alexander Central School District	BPD	McGill	\$3,770,000			
Andover Central School District	BPD	McGill	3,285,000			
City School District of the City of Auburn	BPD	McGill	11,695,000			
Avoca Central School District	BPD	McGill	20,210,000			
Churchville-Chili Central School District	BPD	McGill	8,285,000			
Cincinnatus Central School District	BPD	H&B	16,185,000			
Dalton-Nunda Central School District	BPD	McGill	8,370,000			
Dansville Central School District	BPD	McGill	3,400,000			
Dolgeville Central School District	BPD	McGill	6,860,000			
East Irondequoit Central School District	BPD	Orrick	4,015,000			
Hinsdale Central School District	BPD	Orrick	1,920,000			
City School District of the City of Hudson	BPD	Rapport	9,130,000			
Hudson Falls Central School District	BPD	Bartlett	17,905,000			
Newfield Central School District	BPD	McGill	10,560,000			
Perry Central School District	BPD	McGill	5,935,000			
Sauquoit Valley Central School District	BPD	McGill	2,885,000			
Spencerport Central School District	BPD	McGill	9,355,000			
Thousand Islands Central School District	BPD	Trespaz	8,395,000			
Warrensburg Central School District	BPD	H&B	1,970,000			
Warsaw Central School District	BPD	Hodgson	3,740,000			
Waterloo Central School District	BPD	McGill	12,205,000			
Wayland-Cohocton Central School District	BPD	McGill	10,580,000			
Series 2009C:						
City School District of the City of Albany	FA	H&B		\$69,895,000		
Canajoharie Central School District	FA	Lemery		9,140,000		
Carthage Central School District	FA	Orrick		19,740,000		
Central Square Central School District	FA	Trespaz		10,345,000		
City School District of the City of Gloversville	FA	H&B		8,680,000		
Hempstead Union Free School District	CMA	Hawkins		6,050,000		
City School District of the City of Niagara Falls	NYMAC	Orrick		18,870,000		
Tioga Central School District	FA	Orrick		14,860,000		
Series 2009D:						
City School District of the City of Ithaca	FA	Orrick			\$15,825,000	
Series 2009E:						
Marion Central School District	BPD	McGill				\$2,345,000

Abbreviations for Financial Advisor

BPD	Bernard P. Donegan, Inc.
FA	Fiscal Advisors and Marketing, Inc.
NYMAC	New York Municipal Advisors Corporation
CMA	Capital Markets Advisors, LLC

Abbreviations for Bond Counsel

Bartlett	Bartlett, Pontiff, Stewart & Rhodes, P.C.
H&B	Hiscock & Barclay, LLP
Hawkins	Hawkins Delafield & Wood LLP
Hodgson	Hodgson Russ LLP
Lemery	Lemery Greisler
McGill	Law Offices of Timothy R. McGill
Orrick	Orrick, Herrington & Sutcliffe, LLP
Rapport	Rapport, Meyers, Whitbeck, Shaw & Rodenhausen, LLP
Trespaz	Trespaz & Marquardt, LLP

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**CERTAIN FINANCIAL AND ECONOMIC
INFORMATION ON THE SCHOOL DISTRICTS**

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**APPENDIX C-1
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF ALBANY**

There follows in this Appendix C-1 a brief description of the City School District of the City of Albany (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District is located in Albany County, in the Eastern portion of New York State. The District lies entirely within the City of Albany (the “City”), which lies on the western bank of the Hudson River and is approximately 140 miles north of New York City. The District encompasses a land area of about 19 square miles and has an estimated population of 94,301. The District became fiscally independent of the City, pursuant to Chapter 65 of the Laws of 1972, after the population of the City was determined to be below 125,000 according to the 1970 U.S. Census.

Population

The current estimated population of the District is 94,301.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
State of New York ⁽¹⁾⁽²⁾	Government	33,283
United States ⁽¹⁾	Government	8,600
Albany Medical Center	Hospital	5,766
St. Peter’s Hospital	Hospital	4,500
University at Albany	Education	4,402

⁽¹⁾ Includes employees at facilities located outside of the District, but within the County.

⁽²⁾ Does not include public authorities.

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$183,002,506
625 Broadway LLC	Commercial	60,236,300
99 Washington Ave LC	Commercial	43,200,000
Verizon Communications	Utility	42,980,172
Crossgates Commons	Commercial	36,832,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 9.03% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Albany County. The data set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the County and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Albany County	4.1%	3.9%	4.0%	3.9%	4.9%
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>Projected 2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>
K-12	9,263	8,783	8,760	8,418	8,016	7,926	7,740	7,590

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
920	Albany Public School Teachers' Association	June 30, 2011
47	Albany Public School Administrators' Association	June 30, 2011
660	Albany Public School United Employees' Association	June 30, 2008 ⁽¹⁾
32	Non-Union	N/A

⁽¹⁾ The District is currently negotiating with the Association.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

	Based on Conventional Equalization Rates	Based on Special Equalization Rates
Five-Year Average Full Valuation of Taxable Real Property.....	\$4,631,934,448	\$5,713,310,819
Debt Limit (5% of Five-Year Average Full Valuation) ⁽²⁾	231,596,722	285,665,541
Outstanding Indebtedness		
<u>Inclusions⁽³⁾</u>		
Bonds	\$45,405,000	\$45,405,000
NYPA Bonds	1,292,548	1,292,548
Bond Anticipation Notes.....	<u>124,636,660</u>	<u>124,636,660</u>
Total Inclusions.....	\$171,334,208	\$171,334,208
<u>Exclusions</u>		
Appropriations	\$1,900,000	\$1,900,000
NYPA	1,292,548	1,292,548
EPA Loan.....	<u>305,576</u>	<u>305,576</u>
Total Exclusions.....	\$3,498,124	\$3,498,124
Total Net Indebtedness ⁽³⁾	\$167,836,084	\$167,836,084
Net Debt Contracting Margin	\$63,760,638	\$117,829,457
Percentage of Debt Contracting Power Exhausted	72.47%	58.75%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law. "Conventional" State equalization rates are also established by the State Board, and are used for all other purposes.

⁽³⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the constitutional debt limit of the District. The District expects to deliver \$69,895,000 School District Bonds to the Authority in connection with the refunding of \$59,909,605 of the District's outstanding \$124,636,660 bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of: Albany	\$199,967,590	\$2,249,112	\$197,718,478	23.9%	\$ 47,254,716
City of: Albany	116,657,849	12,250,000	104,407,849	100.00	<u>104,407,849</u>
				Total	\$151,662,565

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller’s Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 13, 2009.

**Debt Ratios
As of May 13, 2009⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$171,334,208	\$1,816.89	2.62%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	322,996,773	3,425.17	4.95

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District’s current estimated population of 94,301.

(3) Based on the District’s full value of taxable real estate for 2008-09 of \$6,531,005,485.

(4) The District expects to deliver \$69,895,000 School District Bonds to the Authority in connection with the refunding of \$59,909,605 of the District’s outstanding \$124,636,660 bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The following is a history of Tax Anticipation Note (“TAN”) and Revenue Anticipation Note (“RAN”) borrowings for the last five years.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2004-2005	\$10,000,000	TAN	3/24/05	10/28/05
	8,500,000	RAN	3/24/05	10/28/05
2005-2006	10,000,000	TAN	4/07/06	10/18/06
	8,500,000	RAN	4/06/07	10/17/07
2006-2007	10,000,000	TAN	4/06/07	10/17/07
	8,500,000	RAN	4/06/07	10/17/07
2007-2008	5,450,000	TAN	4/10/08	10/10/08
	13,000,000	RAN	4/10/08	10/10/08
2008-2009	10,000,000	TAN	5/07/09	10/07/09
	8,500,000	RAN	5/07/09	10/07/09

Capital Project Plans

On October 25, 2001, April 2, 2002 and April 1, 2003 bond resolutions were adopted authorizing the issuance of \$185,240,000 principal amount of serial bonds to finance the acquisition of real property, construction of two new elementary schools and a new middle school, the acquisition of land and a building to be used as an alternative high school and the construction of additions to and reconstruction of various District buildings (the “Facilities Improvement Project”). On December 21, 2006 a bond resolution was adopted authorizing the issuance of \$19 million principal amount of serial bonds to finance the completion of the Facilities Improvement Project. Future borrowings will be forthcoming to meet the Facilities Improvement Project cash flow demands. The Facilities Improvement Project is being undertaken in six phases. \$22,265,000 of bonds remain authorized but unissued as of the date hereof of which \$7,800,009 will be financed with EXCEL monies and \$710,666 will be financed with Rescue I and II monies. The District expects to issue \$11,579,296 of new money bond anticipation notes in June, 2009.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Taxes are collected by the School District and are due on September 1st. There is no interest charged for the first thirty days after taxes are due, but if paid during the month of October there is a 3% interest charge imposed; if paid from November 1st to November 15th a 4% interest charge is imposed. After November 15th, uncollected taxes are turned over to the Director of Finance of Albany County for collection and additional interest at the rate of 1% per month plus a 5% penalty thereto. The County guarantees the School District’s tax levy and continues to collect delinquent taxes, paying the same to the School District as collected. At the end of the following tax year, the County buys the entire unpaid tax roll amount plus 34% interest.

Valuations and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

		Assessed Valuation Years Ending June 30,				
		<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City of:						
Albany		\$3,600,134,575	\$3,529,826,528	\$3,505,983,087	\$5,208,770,416 ⁽²⁾	\$5,222,191,986

		State Equalization Rates Years Ending June 30,				
		<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City of:						
Albany		97.17%	85.00%	71.00%	100.00%	101.30%
Taxable Full Valuation		\$3,704,985,669	\$4,152,737,091	\$4,938,004,348	\$5,208,770,416	\$5,155,174,715

		Special Equalization Ratios Years Ending June 30,				
		<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City of:						
Albany		69.78%	63.00%	64.34%	89.41%	79.96%
Taxable Full Valuation		\$5,157,785,924	\$5,602,899,251	\$5,449,149,964	\$5,825,713,473	\$6,531,005,485

		Total District Property Tax Collections Years Ending June 30,				
		<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy		\$87,762,945	\$90,234,247	\$95,573,452	\$98,116,752	\$100,561,391 ⁽¹⁾
% Uncollected When Due ⁽²⁾		7.21%	6.58%	6.16%	6.20%	6.25%

⁽¹⁾ Does NOT include public library tax.

⁽²⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year..

State Aid			
<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2003-04	\$41,637,597	\$134,356,028	30.99%
2004-05	48,587,951	151,288,942	32.12
2005-06	47,993,426	153,439,298	31.28
2006-07	53,943,262	163,906,980	32.91
2007-08	70,156,241	183,936,569	38.14
2008-09 (Estimated)	84,054,372	200,545,600	41.91
2009-10 (Budgeted)	84,320,502	200,465,950	42.06

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$1,778,220	\$5,495,503
2006-2007	1,900,675	5,906,977
2007-2008	1,556,190	6,721,905
2008-2009 (Estimated)	2,299,927	5,198,732
2009-2010 (Budgeted)		

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District contracted with Milliman to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$15,024,981 at June 30, 2008. The School District's annual required contribution ("ARC") is \$22,100,800, of which \$7,075,819 is paid annually to over 800 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the School District's 2008 financial statements.

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB.*"

Recent Operating Results

The District's revenues exceeded its expenditures by \$7,709,764 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$7,683,462 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$4,353,396	\$ --	\$4,353,396
2009-2010	4,133,919	5,581,958	9,715,877
2010-2011	3,916,494	5,577,000	9,493,494
2011-2012	3,207,219	5,574,600	8,781,819
2012-2013	3,129,481	5,578,800	8,708,281
2013-2014	3,118,556	5,570,250	8,688,806
2014-2015	3,140,331	5,572,250	8,712,581
2015-2016	3,138,206	5,578,000	8,716,206
2016-2017	3,136,943	5,577,000	8,713,943
2017-2018	2,882,456	5,579,250	8,461,706
2018-2019	2,824,294	5,584,250	8,408,544
2019-2020	2,831,619	5,581,500	8,413,119
2020-2021	2,830,381	4,766,000	7,596,381
2021-2022	2,730,813	4,658,000	7,388,813
2022-2023	2,731,913	4,658,750	7,390,663
2023-2024	2,734,450	4,657,750	7,392,200
2024-2025	2,738,013	4,664,750	7,402,763
2025-2026	2,742,144	3,974,000	6,716,144
2026-2027	2,750,963	3,970,000	6,720,963
2027-2028	2,750,400	3,974,750	6,725,150
2028-2029	2,754,713	3,967,500	6,722,213
2029-2030	2,755,338	3,118,500	5,873,838
2030-2031	2,755,888	3,119,500	5,875,388
2031-2032	2,761,100	3,124,750	5,885,850
2032-2033	--	3,125,600	3,125,600
2033-2034	--	3,064,788	3,064,788
2034-2035	--	2,560,131	2,560,131
2035-2036	<u>--</u>	<u>1,624,181</u>	<u>1,624,181</u>
TOTAL	<u>\$72,849,030</u>	<u>\$120,383,809</u>	<u>\$193,232,839</u>

⁽¹⁾ Schedule does not include payments due under a \$1,427,972 New York State Power Authority Loan.

⁽²⁾ Totals may not add due to rounding.

**APPENDIX C-2
DESCRIPTION OF
ALEXANDER CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-2 a brief description of the Alexander Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 80 square miles in the Towns of Alexander, Batavia, Bethany and Darien in Genesee County and the Towns of Attica, Bennington and Middlebury in Wyoming County. The Village of Alexander is located within the District.

Population

The current estimated population of the District is 7,500.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Alexander Central School District	Public Education	179
Lor-Rob LLC	Farm	60
Goodridge Farm Supply	Lawn, Garden & Farm Equipment	25
Nutrena Feed	Agricultural Feed	20
McCormick Farm	Farm	10

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$3,735,665
Texas Brine	Pipeline	2,774,412
Lor-Rob LLC	Farm	2,124,520
Norfolk Southern/Penn Lines	Railroad	2,122,114
National Fuel Gas	Utility	2,113,573

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.02% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Genesee County and Wyoming County. The data set forth below with respect to the Counties and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the Counties and State are necessarily representative of the District or vice versa.

	<u>Year Average</u>				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Genesee County	5.6%	4.9%	4.7%	4.6%	5.7%
Wyoming County	6.2	5.3	5.0	5.0	6.3
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District’s historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
K-12	1,026	1,011	1,001	986	989	985	980	980

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
93	Alexander United Teachers	June 30, 2010
68	Alexander Service Employees’ Association	June 30, 2010

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

Full Valuation of Taxable Real Property.....	\$241,111,320
Debt Limit (10% of Full Valuation).....	24,111,132
Gross Indebtedness ⁽²⁾	\$ 14,050,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	9,923,789
Total Net Indebtedness.....	\$ 4,126,211
Net Debt Contracting Margin.....	\$19,984,921
Percentage of Debt Contracting Power Exhausted.....	17.11%

- (1) The District has not incurred any indebtedness since the date of this table.
- (2) Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$3,770,000 School District Bonds to the Authority in connection with the financing of the District’s capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- (3) Represents estimate of moneys receivable by the District from the Sate as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Genesee	\$20,080,000	\$20,080,000	\$ 0	10.47%	\$ 0
Wyoming	7,402,000	0	7,402,000	0.18	13,324
Towns of:					
Alexander	28,000	0	28,000	96.23	26,944
Attica	115,000	0	115,000	0.06	69
Batavia	1,942,258	1,773,300	168,958	6.58	11,117
Bennington	0	0	0	1.47	0
Bethany	0	0	0	63.81	0
Darien	782,400	0	782,400	49.24	385,254
Middlebury	0	0	0	0.06	0
Village of:					
Alexander	0	0	0	100.00	0
				Total	<u>\$436,708</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$14,050,000	\$1,873.33	5.83%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	14,486,708	1,931.56	6.01

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 7,500.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$241,111,320.

(4) The District expects to deliver \$3,770,000 School District Bonds to the Authority in connection with the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

In addition to the issuance of the School District Bonds, on May 19, 2009, the voters of the District approved the issuance of \$198,014 of general obligation bonds to finance the costs of the acquisition of school buses.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2%. All taxes remaining unpaid after November 15 are turned over to the Genesee County and Wyoming County (collectively, the "Counties"), respectively, for collection. The respective Counties reimburse the District in full before the end of the District's fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

	Assessed Valuation				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Alexander	\$72,515,292	\$72,394,323 ⁽¹⁾	\$86,000,746 ⁽¹⁾	\$85,669,349	\$86,051,203
Attica	82,000	82,000 ⁽¹⁾	90,000 ⁽¹⁾	90,000	90,000
Batavia	16,761,115	17,888,313	18,127,705	18,934,667	19,099,028
Bennington	1,535,134	1,532,188	1,529,173	1,532,634	1,537,467
Bethany	33,145,532 ⁽¹⁾	36,671,130 ⁽¹⁾	37,192,080	37,413,817 ⁽¹⁾	43,781,471 ⁽¹⁾
Darien	58,089,963 ⁽¹⁾	71,339,758 ⁽¹⁾	72,087,248	72,334,895 ⁽¹⁾	84,499,465 ⁽¹⁾
Middlebury	59,812	59,012	50,376	51,571	42,752 ⁽¹⁾
Total Assessed Valuation	\$182,188,848	\$199,966,724	\$215,077,328	\$216,026,933	\$235,101,386

⁽¹⁾ Difference due to townwide revaluation.

**State Equalization Rates
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Alexander	91.00%	82.49%	100.00%	100.00%	95.00%
Attica	100.00	97.00	100.00	99.00	96.00
Batavia	100.00	100.00	100.00	100.00	100.00
Bennington	60.00	55.00	53.00	52.00	51.00
Bethany	93.00	100.00	100.00	90.00	100.00
Darien	92.00	100.00	100.00	90.00	100.00
Middlebury	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$197,930,237	\$216,589,877	\$216,433,387	\$229,636,881	\$241,111,320

(1) Difference due to townwide revaluation.

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$4,994,122	\$5,243,507	\$5,375,633	\$5,424,014	\$5,424,014
% Uncollected When Due ⁽¹⁾	6.71%	7.07%	7.90%	7.06%	7.24%

(1) See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2003-04	\$8,312,588	\$13,402,776	62.02%
2004-05	8,190,649	13,949,343	58.72
2005-06	8,675,379	14,417,515	60.17
2006-07	9,236,722	15,427,416	59.87
2007-08	9,911,574	15,895,693	62.35
2008-09 (Estimated)	10,263,106	16,465,870	62.33
2009-10 (Budgeted)	10,335,526	16,836,586	61.39

(1) General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$172,597	\$425,082
2006-2007	180,878	445,567
2007-2008	196,821	485,303
2008-2009 (Estimated)	218,786	537,081
2009-2010 (Budgeted)	242,853	603,250

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District contracted with First Niagara Benefits Consulting to calculate its "other post-employment benefits" ("OPEB") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$51,672 at June 30, 2009. The School District's annual required contribution ("ARC") is \$9,027, of which \$8,150 is paid annually to one employee. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the School District's 2008 financial statements. The School District has set aside \$51,672 toward its OPEB liability. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Recent Operating Results

The District's revenues exceeded its expenditures by \$58,687 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$299,497 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – State Aid."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$1,901,907	\$ --	\$1,901,907
2009-2010	1,858,645	192,911	2,051,556
2010-2011	1,814,350	354,673	2,169,023
2011-2012	1,707,442	354,548	2,061,990
2012-2013	1,630,789	354,298	1,985,087
2013-2014	1,548,989	357,848	1,906,837
2014-2015	586,964	356,098	943,062
2015-2016	591,545	358,335	949,880
2016-2017	589,185	354,935	944,120
2017-2018	590,425	355,135	945,560
2018-2019	--	354,935	354,935
2019-2020	--	354,004	354,004
2020-2021	--	357,316	357,316
2021-2022	--	354,629	354,629
2022-2023	--	354,973	354,973
2023-2024	--	353,835	353,835
2024-2025	--	<u>178,160</u>	<u>178,160</u>
TOTAL	<u>\$12,820,241</u>	<u>\$5,346,630</u>	<u>\$18,166,871</u>

⁽¹⁾ Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

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**APPENDIX C-3
DESCRIPTION OF
ANDOVER CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-3 a brief description of the Andover Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 51 square miles in the Towns of Andover, Alfred, Independence, Ward, and Wellsville in Allegany County, the Town of Greenwood in Steuben County. The Village of Andover is located within the District.

Population

The current estimated population of the District is 1,800.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Andover Central School District	Public Education	86
Village/Town of Andover	Municipal Government	35
Certified Traffic	Traffic Control	20 ⁽¹⁾
Maier’s Market	Grocery Store	20
Steuben Trust Company	Commercial Banking	4

⁽¹⁾ Includes seasonal employees.

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Fuel	Utility	\$18,789,930
National Grid	Utility	2,744,584
Citizens Telecom	Utility	1,090,243
Paula Galbraith	Store	536,338
Kent Farms	Agriculture	373,192

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 29.21% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Allegany County and Steuben County. The data set forth below with respect to the Counties and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the Counties and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Allegany County	6.4%	5.9%	5.3%	5.5%	6.5%
Steuben County	6.4	5.7	5.4	5.3	6.2
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>Projected 2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>
PK-12	427	409	405	405	425	415	415	415

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
46	Andover Central Teachers' Association	June 30, 2013
34	Educational Support Personnel	June 30, 2009 ⁽¹⁾
6	Individual Contracts	various

⁽¹⁾ The District is currently negotiating with the Association.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

Net Debt Contracting Margin As of May 13, 2009⁽¹⁾

Full Valuation of Taxable Real Property.....	\$84,454,809
Debt Limit (10% of Full Valuation).....	8,445,480
Gross Indebtedness ⁽²⁾	\$7,065,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	5,740,361
Total Net Indebtedness	\$1,324,639
Net Debt Contracting Margin.....	\$7,120,841
Percentage of Debt Contracting Power Exhausted.....	15.68%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$3,285,000 School District Bonds to the Authority in connection with the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Allegany	\$32,911,725	\$32,911,725	\$ 0	5.40%	\$ 0
Steuben	29,246,873	0	29,246,873	0.03	8,774
Towns of:					
Alfred	0	0	0	9.05	0
Andover	0	0	0	100.00	0
Independence	37,300	0	37,300	39.66	14,793
Ward	31,200	0	31,200	0.25	78
Wellsville	669,202	425,540	243,662	2.33	5,677
Greenwood	144,534	144,534	0	3.13	0
Village of:					
Andover	0	0	0	100.00	<u>0</u>
				Total	<u>\$ 29,322</u>

⁽¹⁾ Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 13, 2009.

**Debt Ratios
As of May 13, 2009⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$7,065,000	\$3,925.00	8.37%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	7,094,322	3,941.29	8.40

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 1,800.
- (3) Based on the District’s full value of taxable real estate for 2008-09 of \$84,454,809.
- (4) The District expects to deliver \$3,285,000 School District Bonds to the Authority in connection with the financing of the District’s capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- (5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2%. All taxes remaining unpaid after October 31 are turned over to the respective Counties for collection. The respective Counties reimburse the District in full before the end of the District’s fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

	Assessed Valuation				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Alfred	\$6,221,905	6,312,289	\$6,332,199 ⁽¹⁾	\$8,019,756 ⁽¹⁾	\$8,031,522
Andover	46,508,824	46,570,520	46,804,159	47,736,679 ⁽¹⁾	50,009,071 ⁽¹⁾
Independence	16,287,975	16,345,974	16,530,067	16,987,219	17,004,702
Ward	24,300	24,300	24,300 ⁽¹⁾	46,700 ⁽¹⁾	46,700
Wellsville	4,485,695	4,685,813	4,731,495	4,649,371	4,665,084
Greenwood	40,155	40,155	40,155	42,155	42,705
Total Assessed Valuation	\$73,568,854	\$73,979,051	\$74,462,375	\$77,481,880	\$79,799,784

	State Equalization Rates				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Alfred	100.00%	95.00%	90.00%	100.00%	100.00%
Andover	100.00	100.00	100.00	94.37	100.00
Independence	100.00	100.00	86.00	85.00	84.00
Ward	98.00	93.00	90.00	100.00	100.00
Wellsville	100.00	100.00	100.00	100.00	95.00
Greenwood	4.85	4.25	4.25	4.00	3.52
Taxable Full Valuation	\$74,357,132	\$75,217,773	\$78,764,261	\$84,339,256	\$84,454,809

⁽¹⁾ Difference due to townwide revaluation.

	Total District Property Tax Collections				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$2,271,342	\$2,337,397	\$2,422,511	\$2,422,511	\$2,318,257
% Uncollected When Due ⁽¹⁾	22.49%	12.85%	15.39%	15.07%	10.66%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

<u>Fiscal Year</u>	State Aid		Percentage of Total Revenues Consisting of State Aid⁽¹⁾
	Total State Aid⁽¹⁾	Total Revenues⁽¹⁾	
2003-04	\$4,773,400	\$7,189,482	66.39%
2004-05	3,916,591	6,359,772	61.58
2005-06	4,089,945	6,691,455	61.12
2006-07	4,388,573	7,047,944	62.27
2007-08	4,585,595	7,260,346	63.16
2008-09 (Estimated)	5,275,890	7,780,205	67.81
2009-10 (Budgeted)	5,471,150	8,549,661	63.99

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$ 42,835	\$ 175,913
2006-2007	65,588	200,266
2007-2008	73,901	218,074
2008-2009 (Estimated)	65,054	240,416
2009-2010 (Budgeted)	134,109	255,345

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District contracted with Alliance Benefit Group to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$581,509 at July 1, 2008. The School District's annual required contribution ("ARC") is \$54,973, of which \$35,363 is paid annually to over 12 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the School District's 2008 financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's expenditures exceeded its revenues by \$76,450 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$550,128 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$2,818,965	\$ --	\$2,818,965
2009-2010	5,198,748	168,361	5,367,109
2010-2011	5,178,281	310,625	5,488,906
2011-2012	4,870,462	311,125	5,181,587
2012-2013	4,836,619	311,500	5,148,119
2013-2014	4,801,356	310,800	5,112,156
2014-2015	3,519,470	309,950	3,829,420
2015-2016	3,485,175	308,200	3,793,375
2016-2017	1,828,011	311,025	2,139,036
2017-2018	956,800	307,425	1,264,225
2018-2019	931,644	308,625	1,240,269
2019-2020	906,488	309,138	1,215,626
2020-2021	881,331	308,938	1,190,269
2021-2022	856,175	308,000	1,164,175
2022-2023	831,019	310,038	1,141,057
2023-2024	805,863	310,975	1,116,838
2024-2025	780,706	157,200	937,906
2025-2026	755,550	--	755,550
2026-2027	730,250	--	730,250
2027-2028	704,375	--	704,375
2028-2029	678,500	--	678,500
2029-2030	652,625	--	652,625
2030-2031	626,750	--	626,750
2031-2032	<u>600,875</u>	<u>--</u>	<u>600,875</u>
TOTAL	<u>\$48,236,038</u>	<u>\$4,661,924</u>	<u>\$52,897,962</u>

⁽¹⁾ Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

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**APPENDIX C-4
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF AUBURN**

There follows in this Appendix C-4 a brief description of the City School District of the City of Auburn (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 38 square miles in the City of Auburn and the Towns of Aurelius, Fleming, Owasco, and Sennett in Cayuga County.

Population

The current estimated population of the District is 42,500.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Cayuga County	Municipality	980
Auburn Memorial Hospital	Health/Medical	840
Auburn Correctional Facility	New York State Prison	780
City School District of the City of Auburn	Public Education	714
McQuay, Inc.	Manufacturer	475

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric & Gas Corp.	Utility	\$50,209,523
Nucor Steel Auburn, Inc.	Steel Mill	33,667,263
Buckeye Pipeline Company	Gas Pipeline	13,088,832
Verizon New York Inc.	Utility	11,466,624
Auburn Associates LLC	Retail	10,750,842

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 10.22% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Cayuga County. The data set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the County and State are necessarily representative of the District or vice versa.

	<u>Year Average</u>				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Cayuga County	5.1%	4.9%	4.8%	4.5%	5.7%
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District’s historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
K-12	4,887	4,854	4,801	4,618	4,524	4,461	4,351	4,274

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
433	Auburn Teachers’ Association	June 30, 2008 ⁽¹⁾
22	General Services/SEIU	June 30, 2009 ⁽¹⁾
22	Auburn Administrators	June 30, 2010
164	Auburn Educational Secretaries & Para-Professionals	June 30, 2009 ⁽¹⁾
56	Civil Service Employees Association	June 30, 2010

⁽¹⁾ The District is currently negotiating with the Association.

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

	Based on Conventional Equalization Rates	Based on Special Equalization Rates
Five Year Average Full Valuation of Taxable Real Property	\$1,304,945,874	\$1,454,289,315
Debt Limit (5% of Five Year Average Full Valuation) ⁽²⁾	65,247,293	72,714,465
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds	\$42,280,000	\$42,280,000
Energy Performance Contracts	4,164,589	4,164,589
Bond Anticipation Notes	13,353,000	13,353,000
Total Inclusions	\$59,797,589	\$59,797,589
<u>Exclusions</u>		
Bonds Previously Refunded	\$ 5,250,000	\$ 5,250,000
Appropriations	2,560,244	2,560,244
Total Exclusions	\$ 7,810,244	\$ 7,810,244
Total Net Indebtedness	\$51,987,345	\$51,987,345
Net Debt Contracting Margin	\$13,259,948	\$20,727,120
Percentage of Debt Contracting Power Exhausted	79.68%	71.50%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ The District’s constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law. “Conventional” State equalization rates are also established by the State Board, and are used for all other purposes.

⁽³⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$11,695,000 School District Bonds to the Authority in connection with the refunding of \$12,883,000 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Cayuga	\$30,585,665	\$0	\$30,585,665	42.18%	\$12,901,033
Towns of:					
Aurelius	682,550	484,550	198,000	0.01	19
Fleming	2,142,000	1,942,000	200,000	85.30	170,600
Owasco	6,031,200	2,210,200	3,821,000	100.00	3,821,000
Sennett	2,350,212	660,212	1,690,000	47.48	802,412
City of:					
Auburn	59,004,654	37,001,774	22,002,880	100.00	<u>22,002,880</u>
				Total	<u>\$39,697,944</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$59,797,589	\$1,407.00	4.11%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	99,495,533	2,341.07	6.84

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 42,500.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$1,454,289,315.

(4) The District expects to deliver \$11,695,000 School District Bonds to the Authority in connection with the refunding of \$12,883,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

In addition to the issuance of the School District Bonds, on May 19, 2009, the voters of the District approved the issuance of \$310,000 of general obligation bonds to finance the costs of the acquisition of school buses. The District anticipates that it will issue obligations pursuant to such approval in August, 2009.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Taxes of the School District are collected by the School District Tax Collector during the collection periods. Real property taxes are levied not later than September 1 and may be paid in full until October 1 without penalty; or, may be paid in two installments, with the first payment due October 1 and the second installment due December 1. If taxes are not paid by October 1, or in installments, penalties are 1% if paid by October 31, 2% if paid by December 8, and 3% if paid by December 15. By December 20 the uncollected portions are returned to the City and County tax enforcement officers and an additional 5% fee is added to unpaid taxes.

Taxes remaining uncollected after the expiration of the second collection period are returned to the County Treasurer and City Treasurer, who reimburse the School District in full for uncollected taxes prior to the end of the fiscal year for which taxes are levied.

The respective tax enforcement officers will pay to the School District all moneys realized from the collection of unpaid taxes, including interest, less the 5% amount added thereto. If the City or County bids on any property with taxes due, the School District shall receive the amount of unpaid taxes, plus interest, less 5% added thereto.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

	Assessed Valuation				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City of:					
Auburn	\$651,914,559	\$658,789,379 ⁽¹⁾	\$805,724,988 ⁽¹⁾	\$845,917,389	\$853,305,967
Towns of:					
Aurelius	5,800	5,800 ⁽¹⁾	11,100 ⁽¹⁾	11,100	11,100
Fleming	59,871,491	60,354,985	61,009,748	61,081,377	60,623,768
Owasco	252,719,759	255,851,846	262,275,736	265,574,986	268,725,206
Sennett	79,518,409	\$84,787,515	85,346,640	86,314,729	87,871,241
Total Assessed Valuation	\$1,044,030,018	\$1,059,789,525	\$1,214,368,212	\$1,258,899,581	\$1,270,537,282

⁽¹⁾ Difference due to townwide revaluation.

State Equalization Rates Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City of:					
Auburn	93.64%	90.00%	100.00%	100.00%	95.00%
Towns of:					
Aurelius	96.00	87.00	100.00	98.00	92.50
Fleming	60.00	55.00	47.65	41.52	41.52
Owasco	100.00	100.00	89.63	83.00	81.75
Sennett	100.00	97.00	95.00	88.00	79.00
Taxable Full Valuation	\$1,128,222,422	\$1,184,992,855	\$1,316,232,381	\$1,411,096,639	\$1,484,185,074

⁽¹⁾ Difference due to townwide revaluation.

Total District Property Tax Collections Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$21,642,911	\$22,721,223	\$23,742,357	\$25,210,090	\$25,443,540
% Uncollected When Due ⁽¹⁾	7.80%	7.60%	7.56%	8.26%	6.78%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2003-04	\$26,968,019	\$50,141,484	53.78%
2004-05	27,965,335	52,221,183	53.55
2005-06	29,846,094	55,387,010	53.89
2006-07	32,082,148	58,860,733	54.51
2007-08	34,791,009	62,670,339	55.51
2008-09 (Estimated)	37,380,568	65,896,428	56.72
2009-10 (Budgeted)	37,795,679	66,447,313	56.88

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$507,122	\$1,530,797
2006-2007	567,148	2,223,168
2007-2008	457,432	2,362,365
2008-2009 (Estimated)	502,153	2,592,057
2009-2010 (Budgeted)	443,710	1,900,626

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District has contracted with First Niagara Benefits Consulting to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Recent Operating Results

The District's expenditures exceeded its revenues by \$41,372 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$1,491,152 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – State Aid.

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$2,818,965	\$ --	\$2,818,965
2009-2010	5,198,748	1,094,909	6,293,657
2010-2011	5,178,281	1,090,650	6,268,931
2011-2012	4,870,462	1,094,275	5,964,737
2012-2013	4,836,619	1,092,400	5,929,019
2013-2014	4,801,356	1,091,700	5,893,056
2014-2015	3,519,470	1,090,400	4,609,870
2015-2016	3,485,175	1,090,763	4,575,938
2016-2017	1,828,011	1,094,338	2,922,349
2017-2018	956,800	1,092,938	2,049,738
2018-2019	931,644	1,095,338	2,026,982
2019-2020	906,488	1,090,275	1,996,763
2020-2021	881,331	1,092,875	1,974,206
2021-2022	856,175	1,092,625	1,948,800
2022-2023	831,019	1,091,350	1,922,369
2023-2024	805,863	780,388	1,586,251
2024-2025	780,706	--	780,706
2025-2026	755,550	--	755,550
2026-2027	730,250	--	730,250
2027-2028	704,375	--	704,375
2028-2029	678,500	--	678,500
2029-2030	652,625	--	652,625
2030-2031	626,750	--	626,750
2031-2032	<u>600,875</u>	<u>--</u>	<u>600,875</u>
TOTAL	<u>\$48,236,038</u>	<u>\$16,075,221</u>	<u>\$64,311,259</u>

⁽¹⁾ Schedule does not include payments due under a \$3,440,949 energy performance contract dated September 6, 2007 and a \$902,891 energy performance contract dated September 15, 2005.

The School District has received a zero-interest loan from the U.S. Environmental Protection Agency. The loan is being repaid in semi-annual payments of \$7,659, with the final payments being made in fiscal year ending June 30, 2009.

Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

**APPENDIX C-5
DESCRIPTION OF
AVOCA CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-5 a brief description of the Avoca Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 92 square miles in the Towns of Avoca, Bath, Cohocton, Fremont, Howard, Prattsburgh, and Wheeler in Steuben County. The Village of Avoca is located within the District.

Population

The current estimated population of the District is 3,584.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Avoca Central School District	Public Education	118
C.L. Haines Manufacturing	Manufacturer – Farm Equip.	65
Bombardier Mass Transit Corporation	Manufacturer	35
Town of Avoca	Municipal Government	28
Village of Avoca	Municipal Government	13

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Tennessee Gas Pipeline Co.	Utility	\$17,580,909
New York State Electric & Gas Corp.	Utility	5,802,004
Bombardier Mass Transit Corp.	Manufacturer	3,131,313
Verizon New York Inc.	Utility	2,421,502
Steuben Rural Electric Corp.	Utility	1,413,496

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 21.19% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Steuben County. The data set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the County and State are necessarily representative of the District or vice versa.

Year Average

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Steuben County	6.4%	5.7%	5.4%	5.3%	6.2%
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>Projected 2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>
K-12	626	607	597	597	601	586	571	565

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
61	Avoca Central School Teachers' Association	June 30, 2011
46	Avoca Central School Unit	June 30, 2009 ⁽¹⁾

⁽¹⁾ The District is currently negotiating with the Association.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾

Full Valuation of Taxable Real Property.....	\$161,020,833
Debt Limit (10% of Full Valuation).....	16,102,083
Gross Indebtedness ⁽²⁾	\$30,381,264
Less: Exclusions – Estimated Building Aid ⁽³⁾	17,923,905
Total Net Indebtedness	\$12,457,359
Net Debt Contracting Margin.....	\$ 3,644,724
Percentage of Debt Contracting Power Exhausted.....	77.36%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$20,210,000 School District Bonds to the Authority in connection with the refunding of \$21,154,264 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Steuben	\$29,246,873	\$0	\$29,246,873	3.80%	\$1,111,381
Towns of:					
Avoca	370,866	50,000	320,866	100.00%	320,866
Bath	0	0	0	0.28%	0
Cohocton	989,961	0	989,961	6.85%	67,812
Fremont	0	0	0	13.62%	0
Howard	113,484	0	113,484	52.58%	59,670
Prattsburgh	0	0	0	6.77%	0
Wheeler	0	0	0	38.27%	0
Village of:					
Avoca	1,167,423	1,006,734	160,689	100.00%	<u>160,689</u>
				Total	<u>\$1,720,418</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$30,381,264	\$8,476.92	18.87%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	32,101,682	8,956.94	19.94

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 3,584.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$161,020,833.

(4) The District expects to deliver \$20,210,000 School District Bonds to the Authority in connection with the refunding of \$21,154,264 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2%. All taxes remaining unpaid after October 31 are turned over to the respective County for collection. The respective County reimburse the District in full before the end of the District's fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

	Assessed Valuation				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Avoca	\$61,991,333	\$63,061,175	\$66,013,202	\$70,748,164 ⁽¹⁾	\$85,698,382 ⁽¹⁾
Bath	558,027	547,476	545,323	548,437	588,017
Cohocton	2,392,676	2,364,386	2,837,860 ⁽¹⁾	6,065,794 ⁽¹⁾	6,052,125
Fremont	4,791,337	4,777,251	5,264,372	5,374,525	5,370,354
Howard	20,848,563	21,008,032	21,210,746	21,447,065	21,751,365
Prattsburgh	4,319,039 ⁽¹⁾	5,268,281 ⁽¹⁾	5,450,257 ⁽¹⁾	6,131,227 ⁽¹⁾	6,156,130
Wheeler	12,670,856	12,704,491	12,926,305 ⁽¹⁾	19,241,190 ⁽¹⁾	19,472,953
Total Assessed Valuation	\$107,571,831	\$109,731,092	\$114,248,065	\$129,556,402	\$145,089,326

⁽¹⁾ Difference due to townwide revaluation.

**State Equalization Rates
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Avoca	100.00%	100.00%	100.00%	100.00%	99.00%
Bath	55.00	55.00	55.00	54.00	51.00
Cohocton	50.16	50.00	50.00	100.00	100.00
Fremont	100.00	100.00	100.00	100.00	100.00
Howard	76.00	64.33	61.92	63.00	60.00
Prattsburgh	100.00	100.00	100.00	100.00	100.00
Wheeler	81.50	78.00	71.43	100.00	100.00
Taxable Full Valuation	\$119,865,771	\$127,775,361	\$135,746,592	\$142,619,484	\$161,020,833

⁽¹⁾ Difference due to townwide revaluation.

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$2,026,989	\$2,101,000	\$2,223,509	\$2,223,509	\$2,356,919
% Uncollected When Due ⁽¹⁾	14.09%	14.58%	14.00%	9.99%	8.96%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2003-04	\$5,864,819	\$8,203,075	71.50%
2004-05	5,966,470	8,428,447	70.79
2005-06	6,471,417	8,927,885	72.49
2006-07	6,915,762	9,476,775	72.98
2007-08	7,273,697	9,910,535	73.39
2008-09 (Estimated)	8,854,326	11,447,815	77.34
2009-10 (Budgeted)	9,629,849	12,718,453	75.71

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$96,909	\$261,125
2006-2007	91,661	354,284
2007-2008	87,372	309,934
2008-2009 (Estimated)	79,454	260,332
2009-2010 (Budgeted)	78,558	254,287

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District has contracted with Milliman to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Recent Operating Results

The District's expenditures exceeded its revenues by \$101,400 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$369,213 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – State Aid."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$610,923	\$ --	\$610,923
2009-2010	610,810	1,903,516	2,514,326
2010-2011	614,610	1,850,590	2,465,200
2011-2012	612,610	1,853,340	2,465,950
2012-2013	615,010	1,855,340	2,470,350
2013-2014	611,610	1,850,840	2,462,450
2014-2015	612,610	1,855,440	2,468,050
2015-2016	607,191	1,854,265	2,461,456
2016-2017	610,516	1,850,165	2,460,681
2017-2018	612,110	1,848,165	2,460,275
2018-2019	611,910	1,854,165	2,466,075
2019-2020	--	1,856,003	1,856,003
2020-2021	--	1,853,528	1,853,528
2021-2022	--	1,856,590	1,856,590
2022-2023	--	1,859,090	1,859,090
2023-2024	--	1,013,690	1,013,690
2024-2025	--	289,990	289,990
2025-2026	--	288,470	288,470
2026-2027	--	291,470	291,470
2027-2028	--	288,750	288,750
TOTAL	<u>\$6,729,910</u>	<u>\$28,173,406</u>	<u>\$34,903,316</u>

⁽¹⁾ Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

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**APPENDIX C-6
DESCRIPTION OF
CANAJOHARIE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-6 a brief description of the Canajoharie Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District is situated in upstate New York in the central portion of Montgomery County, and northern portion of Schoharie County about 40 miles west of the City of Albany. It encompasses approximately 30 square miles, and is located primarily within the Village of Canajoharie. Additionally, the School District encompasses various portions of the Towns of Canajoharie, Carlisle, Charleston, Minden, Mohawk, Palatine, Root and Sharon.

Population

The current estimated population of the District is 9,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Beech Nut Nutrition Corporation	Baby Food, Juice and Cereal Processing	460
Richardson Brands	Candy Manufacturing	250
Canajoharie Central School District	Education	160
LaSalle Labs	Plastic Products	100
W.W. Custom Clad	Metal Finishing	100

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Iroquois Gas Trans System	Utility	\$18,115,007
Beechnut Nutrition Corporation	Manufacturing	9,271,884
National Grid	Utility	6,724,515
Cng Transmission Corp.	Utility	6,706,354
Niagara Power Corp.	Utility	4,973,790

The total estimated assessed valuation of the **ten (10)** largest taxpayers represents approximately 19% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Montgomery County and Schoharie County. The data set forth below with respect to the Counties and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the Counties and State are necessarily representative of the District or vice versa.

Year Average

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Montgomery County	5.9%	5.4%	5.9%	5.9%	7.2%
Schoharie County	5.5	5.1	5.2	5.8	6.9
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment. The figures below include home-schooled enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
K-12	1,300	1,170	1,176	1,148	1,330	1,330	1,330	1,330

District Employees

The School District employs approximately 160 full-time employees. The following table sets forth a breakdown of employee representation by collective bargaining agent and the dates of expiration of the various collective bargaining agreements:

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
96	C.U.S.E. – Instructional Staff	June 30, 2009 ⁽¹⁾
64	C.U.S.E. – Support Staff	June 30, 2010

⁽¹⁾ The District is currently negotiating with the Association.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

Full Valuation of Taxable Real Property	\$325,109,452
Debt Limit (10% of Full Valuation)	32,510,945
Gross Indebtedness ⁽²⁾	
Bonds	\$16,518,088
Bond Anticipation Notes.....	8,950,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness.....	\$25,468,088
Net Debt Contracting Margin	\$ 7,042,857
Percentage of Debt Contracting Power Exhausted	78.34%

- (1) The District has not incurred any indebtedness since the date of this table.
- (2) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. However, the District expects to deliver \$9,140,000 School District Bonds to the Authority in connection with the refunding of \$8,950,000 of the District’s outstanding bond anticipation notes and the financing of the District’s capital construction project. Such School District Bonds, when issued, will alter the percentage of debt contracting power exhausted accordingly.
- (3) Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the Gross Indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Net Indebtedness</u>
Counties of:					
Montgomery	34,282,585	4,365,085	29,917,500	13.69%	\$4,095,706
Schoharie	0	0	0	0.08	0
Towns of:					
Cobleskill	99,704	0	99,704	31.42	31,327
Carlisle	0	0	0	97.81	0
Charleston	0	0	0	40.71	0
Minden	0	0	0	24.39	0
Mohawk	0	0	0	100.00	0
Palatine	0	0	0	41.59	0
Root	0	0	0	55.50	0
Sharon	0	0	0	100.00	0
Village of:					
Canajoharie	5,531,406	3,872,000	1,659,406	100.00	<u>1,659,406</u>
				Total	\$5,786,439

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$25,468,088	\$2,829.79	7.83%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	31,254,527	3,472.73	9.61

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 9,000.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$325,190,452.

(4) The District expects to deliver \$9,140,000 School District Bonds to the Authority in connection with the refunding of \$8,950,000 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The following is a history of Revenue Anticipation Note (“RAN”) borrowings for the last five years.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2003-2004	N/A	N/A	N/A	N/A
2004-2005	N/A	N/A	N/A	N/A
2005-2006	N/A	N/A	N/A	N/A
2006-2007	\$3,000,000	RAN	6/26/07	6/26/08
2007-2008	2,650,000	RAN	6/26/08	6/26/09

The District, historically, does not issue Tax Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged for the next 30 days and a 3% penalty is charged from November 1st to November 15th. On November 15th, uncollected taxes are returnable to Montgomery County for collection. The School District receives this amount from said County on April 1st, thereby assuring 100% tax collection annually. Tax sales are held annually by said County.

Valuations and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

	Assessed Valuation				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Canajoharie	\$108,546,976	\$108,262,989	\$107,647,419	\$106,720,197	\$107,493,208
Carlisle	793,821	835,132	1,019,621	990,062	988,226
Charleston	758,705	754,991	1,753,067	1,782,910	2,146,515
Minden	376,012	383,100	378,247	373,851	373,667
Mohawk	344,310	356,640	330,464	388,574	402,662
Palatine	44,386,916	44,237,654	45,828,673	45,333,622	45,526,428
Root	49,346,825	51,336,691	59,966,417	64,226,112	70,741,298
Sharon	418,757	423,542	428,516	29,391 ⁽¹⁾	30,428
Total Assessed Valuation	\$204,972,322	\$206,590,739	\$217,352,424	\$219,844,719	\$227,702,432

⁽¹⁾ Decrease due to taxpayer who currently makes payments in lieu of taxes.

	State Equalization Rates				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Canajoharie	89.86%	88.29%	73.99%	66.00%	62.00%
Charleston	52.12	45.31	100.00	100.00	100.00
Minden	92.61	91.73	78.32	70.37	65.28
Mohawk	50.00	50.00	41.23	40.00	36.00
Palatine	88.00	88.00	74.16	65.63	60.00
Root	100.00	100.00	100.00	100.00	100.00
Sharon	100.00	108.17	93.94	90.00	75.00
Taxable Full Valuation	\$224,345,061	\$228,189,586	\$217,352,424	\$219,844,719	\$325,109,452

	Total District Property Tax Collections				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$4,421,088	\$4,726,143	\$5,510,848	\$5,839,927	\$5,977,646
% Uncollected When Due ⁽¹⁾	7.8%	7.1%	9.7%	9.6%	9.8%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid			
<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Total Revenues Consisting of State Aid⁽¹⁾</u>
2003-04	\$ 8,266,054	\$13,487,073	61.3%
2004-05	8,822,773	14,517,979	60.8
2005-06	8,787,162	14,729,177	59.7
2006-07	9,656,704	15,985,517	60.4
2007-08	9,894,158	16,523,422	59.9
2008-09 (Estimated)	11,081,209	17,677,932	62.7
2009-10 (Budgeted)	11,870,936	18,803,142	63.3

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$181,584	\$312,938
2006-2007	170,952	500,841
2007-2008	137,691	477,628
2008-2009 (Estimated)	175,000	517,471
2009-2010 (Budgeted)	175,000	535,319

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District has contracted with Milliman, Inc. to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Recent Operating Results

Over the past two years, the District has been recovering from a deficit that at the end of fiscal year 2005-06 was \$675,000. This deficit was the result of shortfalls in anticipated revenue over three years and a State aid withdrawal amounting to \$407,525. In response, the District cut over \$500,000 in positions and raised property taxes 11 percent. These steps reduced the deficit to \$312,000 at the end of the 2006-07 fiscal year.

In the fiscal year 2007-08, the District took further steps to eliminate the deficit. It joined with three other districts to form a single business office housed at the HFM BOCES. The District wrote and procured a Shared Municipal Services Grant from the State to offset the startup costs of the Central Business Office (CBO). The District also joined with several other school districts and municipalities to form a consortium for bidding and purchasing natural gas and electricity. As a result, the deficit was reduced to \$76,314.

The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial Statements. See also, “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – State Aid.”

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District’s debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$1,554,083	\$ --	\$1,554,083
2009-2010	1,369,094	893,373	2,262,467
2010-2011	1,371,116	887,200	2,258,316
2011-2012	1,376,669	888,800	2,265,469
2012-2013	1,376,531	894,600	2,271,131
2013-2014	1,380,951	893,250	2,274,201
2014-2015	1,380,361	887,000	2,267,361
2015-2016	1,377,866	889,750	2,267,616
2016-2017	1,375,466	891,000	2,266,466
2017-2018	1,158,001	890,750	2,048,751
2018-2019	916,786	889,000	1,805,786
2019-2020	919,170	890,750	1,809,920
2020-2021	920,775	890,750	1,811,525
2021-2022	917,548	894,000	1,811,548
2022-2023	919,600	845,250	1,764,850
2023-2024	916,000	847,000	1,763,000
2024-2025	917,750	36,750	954,500
2025-2026	918,525	--	918,525
2026-2027	117,275	--	117,275
2027-2028	113,000	--	113,000
2028-2029	113,725	--	113,725
2029-2030	109,225	--	109,225
2030-2031	<u>109,725</u>	<u>--</u>	<u>109,725</u>
TOTAL	<u>\$21,629,242</u>	<u>\$13,309,223</u>	<u>\$34,938,465</u>

(1) Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

(2) Totals may not add due to rounding.

**APPENDIX C-7
DESCRIPTION OF
CARTHAGE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-7 a brief description of the Carthage Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 270 square miles and is located in Jefferson and Lewis Counties about 18 miles from the City of Watertown. The District includes the Towns of Champion, LeRay, Rutland and Wilna in Jefferson County, Croghan, Denmark, and Diana in Lewis County and the incorporated Villages of Black River, Carthage, Deferiet, Herrings and West Carthage in Jefferson County.

Population

The current estimated population of the District is 14,672.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Fort Drum ⁽¹⁾	Military Installation	16,082 Military 4,200 Civilian
New York State	Government	1,800 ⁽²⁾
Samaritan Medical Center	Hospital	1,228
Carthage Central School District	Education	564
Carthage Area Hospital	Hospital	342

⁽¹⁾ Actual number employed at any time will be dependent on the number of personnel deployed.

⁽²⁾ Includes two regional offices and two correctional facilities.

Note: Larger employers located in and in close proximity to the School District.

Fort Drum

Fort Drum, home to the U. S. Army’s 10th Mountain Division (light infantry-LI), employs some 16,082 soldiers. Family members of these soldiers add an approximately 15,000 additional residents to Jefferson County’s population. In addition, Fort Drum employs some 4,200 civilian workers.

Most of the growth associated with the transformation of the 10th Mountain Division LI has been obtained. Fort Drum will see the addition of some tenant units related to logistics, engineering, and MP’s over the next few years to try and house more of the military families on post or as near to post as possible. As deployed troops return home additional soldiers may be in these units as they are built through 2010.

The Army has authorized a Residential Communities Initiative at Fort Drum, which will bring at least 845 new housing units on post over the next five years and a supplemental project expected to generate an additional 554 units after that. These units are expected to be built on post. These units are expected to be exempt from property taxes under a payment in lieu of tax agreement. In addition, the Army’s housing market study and an independent study commissioned by the Fort Drum Regional Liaison (the “FDRLO”), a not-for-profit organization devoted to strengthening ties between the military and civilian populations and promoting Fort Drum, shows a significant need for off-post (market) housing for soldiers of approximately 1,700 units. The Army is also implementing an extended tour of duty for its soldiers (from an average of 2 years to 7 years), which will stabilize the population and increase the likelihood of soldiers opting for home ownership. It is expected that housing values will rise as a result of this increased demand.

Fort Drum also receives millions of dollars in federal funding for construction projects annually. The current Military Construction program (“MILCON”) calls for the following construction projects: 2009 - \$203 million; 2010 - \$212 million; and 2011 and beyond upwards of \$900 million. In 2006 approximately \$260 million was spent on construction projects, in 2007 approximately \$310 million was spent and in 2008 over \$200 million. These projects were designed to provide for the administrative, training and single soldier billeting needs to accommodate the Fort Drum growth. In addition, on post non-military construction projects totaled \$60.9 million for 2006, \$111.3 million for 2007 and \$74.4 million for 2008. It is anticipated that approximately \$70 million in projects will be completed/undertaken during 2009.

The Base Realignment and Closure Commission made recommendations to the President in the fall of 2005 that expanded the role of Fort Drum as a power projection platform and made the additional 3rd brigade permanent. FDRLO continues to advocate for issues that affect the Fort. The County has provided \$600,000 to the FDRLO and is committed to assist in the FDRLO’s promotion efforts. The State of New York has also pledged substantial resources toward this effort.

The community is confident about the continuing positive impacts of Fort Drum on the local economy.

Note: Actual numbers of troops at Fort Drum generally fluctuate depending on deployment of soldiers stationed at the base.

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$40,648,957
Black River Generation LLC	Utility	33,000,000
DC West Carthage & Carthage Associates	Apartments	11,412,000
Verizon Telecommunications	Utility	6,789,553
Carthage Industrial Dev. (West End Dam)	Commercial	4,651,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 14.9% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Jefferson and Lewis Counties. The data set forth below with respect to the Counties and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the Counties and State are necessarily representative of the District or vice versa.

	<u>Year Average</u>				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Jefferson County	6.9%	6.2%	5.6%	5.5%	6.9%
Lewis County	6.6	6.0	5.5	5.5	6.8
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District’s historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>Projected 2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>
K-12	3,007	3,040	3,100	3,200	3,500	3,700	3,790	3,880

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
303	Carthage Teachers' Association (NYSUT Affiliate)	June 30, 2011
223	Carthage School Related Personnel (NYSUT Affiliate)	June 30, 2011
11	Carthage Administrators' Association	June 30, 2010
10	Carthage District Office Personnel	June 30, 2011
5	Carthage Association of Middle Level Managers	June 30, 2010
4	Carthage Central Office Administrative Support Staff	June 30, 2011

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

Full Valuation of Taxable Real Property	\$719,999,275
Debt Limit (10% of Full Valuation)	71,999,927
Gross Indebtedness ⁽²⁾	\$ 52,189,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	23,969,097
Total Net Indebtedness	\$ 28,219,903
Net Debt Contracting Margin	\$ 43,780,024
Percentage of Debt Contracting Power Exhausted	60.81%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$19,740,000 School District Bonds to the Authority in connection with the refunding of \$20,853,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Jefferson	\$29,530,000	\$0	\$29,530,000	2.93%	\$865,229
Lewis	14,940,000		14,940,000	11.90	1,777,860
Towns of:					
Champion	2,465,313	1,194,013	1,271,300	97.13	1,234,814
Croghan	0	0	0	7.64	0
Denmark	860,000	0	860,000	24.18	207,948
Diana	0	0	0	8.03	0
LeRay	7,109,676	1,738,342	5,371,334	47.86	2,570,720
Rutland	3,720,837	2,234,783	1,486,054	68.94	1,024,486
Wilna	781,450	281,450	500,000	100.00	500,000
Villages of:					
Black River	303,109	303,109	0	100.00	0
Carthage	3,334,905	2,701,495	633,410	100.00	633,410
Deferiet	0	0	0	100.00	0
Herrings	103,576	103,576	0	100.00	0
West Carthage	2,519,430	2,279,430	240,000	100.00	<u>240,000</u>
				Total	\$9,054,467

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$28,219,903	\$1,923.84	3.91%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	37,274,370	2,540.51	5.18

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 14,672.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$719,999,275.

(4) The District expects to deliver \$19,740,000 School District Bonds to the Authority in connection with the refunding of \$20,853,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The following is a history of Revenue Anticipation Note (“RAN”) borrowings for the last five years.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2003-2004	\$4,000,000	RAN	6/26/03	6/25/04
2004-2005	4,000,000	RAN	6/25/04	6/24/05
2005-2006	4,000,000	RAN	6/24/05	6/24/06
2006-2007	N/A	N/A	N/A	N/A
2007-2008	N/A	N/A	N/A	N/A

The District has not issued Revenue Anticipation Notes for the last two fiscal years and does not expect to issue such notes in the current fiscal year. The District, historically, does not issue Tax Anticipation Notes.

Capital Project Plans

In addition to the issuance of the School District Bonds, on May 19, 2009, the voters of the District approved the issuance of \$1,312,500 of general obligation bonds to finance the costs of the acquisition of school buses.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or about November 1st, uncollected taxes are returnable to the Counties of Jefferson and Lewis for collection. The School District receives this amount from said Counties prior to the end of the School District’s fiscal year, thereby assuring 100% tax collection annually. Taxes unpaid after October 31 are re-levied at an additional 7% penalty with the Town and County taxes which are due on January 1 and, therefore, such taxes may not be paid between October 31 and January 1.

Valuations and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, equalization rates and the District's real property tax levy for the last five years.

	Assessed Valuation				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Champion	\$106,458,072	\$103,834,653	\$164,394,723 ⁽¹⁾	\$195,029,530	\$206,472,766
Croghan	16,302,463	16,386,616	16,867,195	16,950,470	17,079,668
Denmark	18,778,732	20,303,035	24,351,199	30,759,475	34,661,771
Diana	5,120,004	5,595,932	6,724,492	7,172,893	8,303,996
LeRay	31,337,666	43,982,830	59,586,114	74,327,226	92,428,281
Rutland	52,885,167	64,541,511	66,834,594	66,897,038	70,598,295
Wilna	<u>157,599,934</u>	<u>158,268,504</u>	<u>154,311,050</u>	<u>158,049,976</u>	<u>260,547,973⁽¹⁾</u>
Totals	\$388,482,038	\$412,913,081	\$493,069,367	\$549,186,608	\$690,092,750

⁽¹⁾ Significant change from previous year due to Town-wide revaluation.

Note: The District's assessed value have increased substantially due to the increased presence at Fort Drum and the growth in residential and commercial building associated with it.

	State Equalization Rates				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Champion	94.00%	87.50%	100.00% ⁽¹⁾	100.00%	100.00%
Croghan	100.00	98.00	90.00	86.00	77.00
Denmark	100.00	100.00	100.00	100.00	100.00
Diana	100.00	100.00	100.00	100.00	100.00
LeRay	100.00	100.00	100.00	100.00	100.00
Rutland	85.00	100.00	90.00	80.00	74.00
Wilna	100.00	98.00	83.00	70.00	100.00 ⁽¹⁾
Taxable Full Valuation	\$404,609,911	\$431,310,993	\$533,975,444	\$640,155,950	\$719,999,275

⁽¹⁾ Significant change from previous year due to Town-wide revaluation.

	Total District Property Tax Collections				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy ⁽¹⁾	\$7,658,775	\$7,927,547	\$7,933,047	\$8,460,051	\$8,815,939
Amount Returned to the Counties	534,075	470,309	470,620	467,151	461,581
% Uncollected when Due ⁽¹⁾	6.97%	5.93%	5.93%	5.52%	5.24%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid			Percentage of Total Revenues Consisting of State Aid⁽¹⁾
<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	
2003-04	\$24,143,786	\$33,215,877	72.69%
2004-05	24,464,214	35,018,327	69.86
2005-06	26,622,205	37,353,549	71.27
2006-07	27,749,924	40,082,154	69.23
2007-08	30,026,354	41,731,840	71.95
2008-09 (Estimated)	34,236,537	46,968,429	72.89
2009-10 (Budgeted)	34,056,188	48,565,789	70.12

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$436,346	\$1,067,885
2006-2007	498,668	1,187,802
2007-2008	425,402	1,381,700
2008-2009	496,919	1,436,322
2009-2010 (Budgeted)	764,188	1,570,170

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District contracted with Harbridge Consulting Group to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's revenues were less than its expenditures by \$1,505,990 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$5,703,951 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$4,529,455	\$ --	\$4,529,455
2009-2010	4,639,982	2,010,653	6,650,635
2010-2011	4,440,240	2,010,300	6,450,540
2011-2012	4,252,794	2,011,500	6,264,294
2012-2013	4,040,306	2,010,900	6,051,206
2013-2014	3,014,161	2,011,000	5,025,161
2014-2015	2,728,936	2,009,250	4,738,186
2015-2016	2,729,666	2,009,500	4,739,166
2016-2017	2,734,126	2,011,500	4,745,626
2017-2018	2,731,921	2,010,000	4,741,921
2018-2019	1,712,981	2,010,000	3,722,981
2019-2020	1,713,919	2,011,250	3,725,169
2020-2021	--	2,008,500	2,008,500
2021-2022	--	2,006,750	2,006,750
2022-2023	--	<u>2,010,750</u>	<u>2,010,750</u>
TOTAL	<u>\$39,268,488</u>	<u>\$28,141,853</u>	<u>\$67,410,341</u>

⁽¹⁾ Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

**APPENDIX C-8
DESCRIPTION OF
CENTRAL SQUARE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-8 a brief description of the Central Square Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District, incorporated in 1953, is located in upstate New York. The District is made up of portions of the Towns of Amboy, Constantia, Hastings, Mexico, Palermo, Parish, Schroepel and West Monroe in Oswego County; portions of the Towns of Cicero and Clay in Onondaga County; and a portion of the Town of Vienna in Oneida County.

Population

The current estimated population of the District is 19,500.

Five Largest Employers

Many of the residents are employed in the various industries, service companies or commercial establishments that constitute the diverse economic base of the Syracuse metropolitan area:

<u>Name</u>	<u>Type</u>	<u>Employees</u>
SUNY Health Science Center at Syracuse	Higher Education	6,880
Syracuse University	Higher Education	6,455
Wegmans Food Markets	Grocery Store	4,300
St. Joseph's Hospital Health Center	Healthcare	3,145
Magna Drivetrain - New Process Gear	Manufacturing	2,700

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$17,353,264
Alltel of New York	Utility	5,142,640
Verizon	Utility	3,703,475
Pittsford Mobile Home	Mobile Home Park	2,804,823
Northway Manor	Mobile Home Park	2,474,486

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 5.8% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Oswego County. The data set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the County and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Oswego County	6.9%	6.3%	5.9%	5.7%	7.1%
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>Projected 2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>
K-12	5,004	4,920	4,889	4,802	4,721	4,650	4,550	4,500

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
365	Central Square Teachers' Association	June 30, 2010
23	Clerical	June 30, 2012
63	Service and Maintenance	June 30, 2012
92	Bus Drivers and Monitors	June 30, 2012
8	Nurses	June 30, 2012
14	Administrators - Principals	June 30, 2008 ⁽¹⁾
14	District Office Clerical Staff	June 30, 2012
44	School Lunch	June 30, 2012
120	Aides and Assistants	June 30, 2008 ⁽¹⁾
12	Non-Instructional Supervisors	June 30, 2011
40	Monitors	June 30, 2012
5	Management Confidential	June 30, 2009 ⁽¹⁾
2	Confidential Clerical Staff	June 30, 2012

⁽¹⁾ The District is currently negotiating with the Associations.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

Full Valuation of Taxable Real Property	\$1,288,668,320
Debt Limit (10% of Full Valuation)	128,866,832
Gross Indebtedness ⁽²⁾	\$37,356,650
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness.....	\$37,356,650
Net Debt Contracting Margin	\$91,510,182
Percentage of Debt Contracting Power Exhausted	28.99%

- ⁽¹⁾ The District has not incurred any indebtedness since the date of this table.
- ⁽²⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$10,345,000 School District Bonds to the Authority in connection with the refunding of \$8,000,000 of the District’s outstanding bond anticipation notes and financing of the District’s capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- ⁽³⁾ Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the Gross Indebtedness of the District is within the debt limit, the District is not required to apply for a Build Aid Estimate and therefore is not permitted to deduct Estimated Building Aid.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Oswego	\$6,550,000	\$0	\$6,550,000	13.97%	\$915,035
Towns of:					
Amboy	51,390	51,390	0	1.86	0
Constantia	0	0	0	100.00	0
Hastings	0	0	0	100.00	0
Mexico	894,459	894,459	0	0.59	0
Palermo	0	0	0	5.13	0
Parish	0	0	0	4.80	0
Schroepfel	1,089,600	781,600	308,000	1.29	3,973
West Monroe	846,818	846,818	0	100.00	0
Cicero	3,329,658	14,906	3,314,752	14.06	466,054
Clay	5,825,383	1,353,310	4,472,073	1.57	70,212
Vienna	6,079,754	6,079,754	0	11.80	0
Village of:					
Cleveland	1,197,664	1,197,664	0	100.00	0
Central Square	2,128,274	0	2,218,274	100.00	2,218,274
				Total	<u>\$3,673,548</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$35,106,650	\$1,800.34	2.72%
Gross Indebtedness Plus Net Overlapping Indebtedness	38,780,198	1,988.73	3.01

(6) The District has not incurred any indebtedness since the date of the above table.

(7) Based on the District's current estimated population of 19,500.

(8) Based on the District's full value of taxable real estate for 2008-09 of \$1,288,668,320.

(4) The District expects to deliver \$10,345,000 School District Bonds to the Authority in connection with the refunding of \$8,000,000 of the District's outstanding bond anticipation notes and financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

In addition to the issuance of the School District Bonds, on May 19, 2009, the voters of the District approved the issuance of \$649,302 of general obligation bonds to finance the costs of the acquisition of school buses.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2%. All taxes remaining unpaid after October 30 are turned over to the respective Counties for collection. The respective Counties reimburse the District in full before the end of the District's fiscal year.

Valuations and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District's real property tax levy for the last five years.

	Valuations and Tax Levy				
	Assessed Valuation				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Amboy	\$728,609	\$771,759	\$803,817	\$1,272,289	1,336,063
Constantia	147,940,718	171,234,278	153,573,952	265,468,596	268,052,600
Hastings	326,379,713	384,549,947	373,006,242	377,708,248	416,479,334
Mexico	86,865	87,775	1,123,046	1,162,530	1,170,831
Palermo	5,442,000	5,962,839	5,871,434	6,103,545	6,409,047
Parish	4,063,589	4,124,383	4,087,546	4,053,943	4,105,224
Schroeppel	3,544,523	3,691,361	3,931,388	3,840,068	3,899,388
West Monroe	6,745,340	7,020,749	6,983,118	7,042,197	7,081,626
Cicero	11,776,342	13,682,753	13,343,989	13,866,092	14,141,840
Clay	2,040,768	2,042,208	2,130,676	2,214,383	2,278,907
Vienna	22,371,343	23,335,080	22,597,063	22,349,761	22,424,006
Total Assessed Valuation	\$531,119,810	\$616,503,132	\$587,452,271	\$705,081,652	\$747,378,866

**State Equalization Rates
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Amboy	100.00%	92.00%	86.00%	100.00%	100.00%
Constantia	82.00	82.00	75.00	100.00	100.00
Hastings	100.00	100.00	100.00	95.00	100.00
Mexico	9.20	100.00	100.00	100.00	100.00
Palermo	100.00	100.00	100.00	85.82	91.47
Parish	91.95	91.06	87.88	77.69	75.50
Schroepfel	100.00	100.00	100.00	88.00	88.00
West Monroe	4.70	4.10	3.95	3.65	3.40
Cicero	5.98	5.70	5.20	5.10	4.90
Clay	5.50	5.00	4.64	4.45	4.36
Vienna	90.00	86.00	77.50	65.00	63.00
Taxable Full Valuation	\$924,282,475	\$1,087,746,436	\$1,102,763,544	\$1,231,151,615	\$1,288,668,320

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$17,553,542	\$18,753,432	\$19,625,209	\$19,818,865	\$19,818,865
% Uncollected When Due ⁽¹⁾	8.2%	7.2%	8.0%	8.5%	8.5%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2003-04	\$28,980,333	\$46,374,047	62.5%
2004-05	29,335,634	48,524,229	60.5
2005-06	31,154,880	51,628,312	60.3
2006-07	34,451,742	55,560,018	62.0
2007-08	38,069,284	58,801,785	64.7
2008-09 (Estimated)	40,583,048	63,244,418	64.2
2009-10 (Budgeted)	41,702,876	65,192,124	64.0

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$781,709	\$2,007,200
2006-2007	789,266	2,301,603
2007-2008	627,307	2,555,150
2008-2009 (Estimated)	579,121	2,514,827
2009-2010 (Budgeted)	910,520	2,699,503

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District has contracted with Milliman to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Recent Operating Results

The District's revenues were less than its expenditures by \$306,700 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$2,131,762 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

The 2009-10 budget was approved by the voters on May 19, 2009

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽³⁾	Total Debt Service⁽³⁾
2008-2009	\$2,670,000	\$ --	\$2,670,000
2009-2010	2,861,650	1,007,871	3,869,521
2010-2011	2,995,000	1,003,800	3,998,800
2011-2012	3,130,000	1,003,000	4,133,000
2012-2013	3,250,000	1,006,400	4,256,400
2013-2014	3,380,000	1,007,500	4,387,500
2014-2015	3,365,000	1,003,000	4,368,000
2015-2016	3,505,000	1,007,250	4,512,250
2016-2017	3,690,000	1,004,750	4,694,750
2017-2018	930,000	1,005,750	1,935,750
2018-2019	--	1,005,000	1,005,000
2019-2020	--	1,007,500	1,007,500
2020-2021	--	1,003,000	1,003,000
2021-2022	--	1,006,750	1,006,750
2022-2023	--	1,003,250	1,003,250
2023-2024	--	<u>1,002,750</u>	<u>1,002,750</u>
TOTAL	<u>\$29,776,650</u>	<u>\$15,077,571</u>	<u>\$44,854,221</u>

- (1) Schedule does not include payments due for bonds that were refunded. Refunded bonds are paid by the escrow agent.
(2) Schedule does not include payments due under a \$5,221,500 energy performance contract. As of June 30, 2008, the present value of minimum lease payments is \$3,282,147.
(3) Totals may not add due to rounding.

**APPENDIX C-9
DESCRIPTION OF
CHURCHVILLE-CHILI CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-9 a brief description of the Churchville-Chili Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 54 square miles in the Towns of Riga, Ogden, Chili, and Sweden in Monroe County. The Village of Churchville is located within the District.

Population

The current estimated population of the District is 29,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Churchville-Chili Central School District	Public Education	752
Roberts Wesleyan College	Higher Education	375
Home Trends Catalog	Catalog Sales	180
Town of Chili	Municipality	138
Churchville Fire Equipment	Sales	35

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Rochester Gas & Electric Corporation	Utility	\$26,554,118
Blueberry Hill Associates	Apartments	15,552,600
Windsor at Ogdenshire Associates	Apartments	9,170,500
Honitt Enterprises	Apartments	6,800,100
Chili Plaza Properties LLC	Shopping Plaza	6,785,600

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 6.92% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Monroe County. The data set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the County and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Monroe County	5.2%	4.6%	4.4%	4.5%	5.5%
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>Projected 2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>
K-12	4,419	4,429	4,435	4,247	4,172	4,074	3,985	3,902

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
379	Churchville-Chili Education Association	June 30, 2009 ⁽¹⁾
99	Churchville-Chili Professional Association	June 30, 2008 ⁽¹⁾
107	Churchville-Chili Bus Drivers' Association	June 30, 2010
37	Churchville-Chili Nutritional Services Association	June 30, 2011
54	Churchville-Chili Maintenance Association	June 30, 2011
18	Certified Administrators' Group	June 30, 2011
14	Civil Service Administrators' Group	June 30, 2009 ⁽¹⁾
6	Churchville-Chili Nurses' Association	June 30, 2009 ⁽¹⁾

⁽¹⁾ The District is currently negotiating with the Associations.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

Net Debt Contracting Margin As of May 13, 2009⁽¹⁾	
Full Valuation of Taxable Real Property	\$1,291,560,924
Debt Limit (10% of Full Valuation)	129,156,092
Gross Indebtedness ⁽²⁾	\$ 43,635,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	29,833,851
Total Net Indebtedness	\$ 13,801,149
Net Debt Contracting Margin	\$ 115,354,943
Percentage of Debt Contracting Power Exhausted	10.69%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$8,285,000 School District Bonds to the Authority in connection with the refunding of \$8,875,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Monroe	\$581,474,498	\$173,521,191	\$407,953,307	3.52%	\$14,359,956
Towns of:					
Riga	401,450	221,450	180,000	98.61	177,498
Ogden	2,460,000	170,000	2,290,000	30.78	704,862
Chili	3,580,000	1,175,000	2,405,000	56.82	1,366,521
Sweden	2,467,595	2,467,595	0	0.42	0
Village of:					
Churchville	690,000	0	690,000	100.00	690,000
				Total	<u>\$17,298,837</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$43,635,000	\$1,504.66	3.38%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	60,933,837	2,101.17	4.72

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 29,000.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$1,291,560,924.

(4) The District expects to deliver \$8,285,000 School District Bonds to the Authority in connection with the refunding of \$8,875,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

In addition to the issuance of the School District Bonds, on May 19, 2009, the voters of the District approved the issuance of \$800,000 of general obligation bonds to finance the acquisition of school buses.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

There are two plans for payment of taxes in the School District, which are as follows:

Option A – Full Payment – Taxes are due September 1 and may be paid through September 30 with no penalty. For payments made between October 1 and November 1, an interest penalty is added. Unpaid taxes are turned over to the County Treasurer on November 1 each year. Payments under Option A made from November 1 to November 15 include an interest penalty which is dependent upon the date paid and amount due. No payments are accepted after November 15. School taxes which remain unpaid after November 15 are relieved on Town and County tax bills.

Option B - Installment Payments - Taxes under Option B are due in three equal payments to be made on September 15, October 15 and November 15. The taxpayer who chooses Option B automatically incurs a service charge computed on the total tax amount. If an installment is not paid on or before the 15th of the month due, an interest charge for each month or fraction thereof is added to the total amount due. As in Option A, unpaid taxes are turned over to the County Treasurer on November 1, payable to said County Treasurer through November 15 with an interest penalty dependent upon the date paid and amount due.

The District is reimbursed by the County for all unpaid taxes each year and is therefore assured of 100% collection of its annual tax levy.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

	Assessed Valuation				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Riga	\$225,680,582	\$227,503,711 ⁽¹⁾	\$254,794,509 ⁽¹⁾	\$255,219,768	\$259,237,189
Ogden	230,206,485	235,359,005	250,632,686	254,339,017 ⁽¹⁾	281,306,473 ⁽¹⁾
Chili	594,274,435	622,394,591	659,320,399	711,589,287	738,048,177
Sweden	2,129,220	2,105,699	2,136,510	2,142,867	2,167,536
Total Assessed Valuation	\$1,052,290,722	\$1,087,363,006	\$1,166,884,104	\$1,223,290,939	\$1,280,759,375

⁽¹⁾ Difference due to townwide revaluation.

**State Equalization Rates
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Riga	98.00%	94.00%	100.00%	99.00%	96.00%
Ogden	100.00	100.00	100.00	96.00	100.00
Chili	100.00	100.00	100.00	100.00	100.00
Sweden	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$1,056,896,448	\$1,101,884,519	\$1,166,884,104	\$1,236,466,375	\$1,291,560,924

⁽¹⁾ Difference due to townwide revaluation.

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$26,061,309	\$27,229,630	\$29,031,923	\$29,542,902	\$29,534,051
% Uncollected When Due ⁽¹⁾	3.10%	3.49%	3.80%	4.00%	4.39%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2003-04	\$24,493,135	\$53,436,212	45.84%
2004-05	25,878,304	56,541,732	45.77
2005-06	27,457,746	59,947,307	45.80
2006-07	28,720,936	63,440,525	45.27
2007-08	30,613,924	65,330,810	46.86
2008-09 (Estimated)	33,398,468	67,300,000	49.63
2009-10 (Budgeted)	33,983,134	68,755,030	49.43

⁽¹⁾ General Fund only.

Pension Payments

The District’s payments to the New York State Employee Retirement System (“ERS”) and the Teachers Retirement System (“TRS”) since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$447,624	\$1,789,440
2006-2007	627,373	2,039,968
2007-2008	552,639	2,045,389
2008-2009 (Estimated)	760,500	1,725,000
2009-2010 (Budgeted)	624,384	2,144,152

See also, “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*”

GASB 45 and OPEB

The District contracted with First Niagara Benefits Consulting to calculate its “other post-employment benefits” (“OPEB”) in accordance with GASB 45. The District’s present value OPEB liability has been determined to be \$23,457,611 at July 1, 2008. The School District’s annual required contribution (“ARC”) is \$1,881,614, of which \$683,874 is paid annually to over 241 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the School District’s 2008 financial statements. The School District has set aside \$2,215,392 toward its OPEB liability. See also, “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*”

Recent Operating Results

The District’s revenues exceeded its expenditures by \$4,856,595 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$2,661,057 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – State Aid.”

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$4,236,500	\$ --	\$4,236,500
2009-2010	4,336,597	780,339	5,116,936
2010-2011	4,147,544	781,988	4,929,532
2011-2012	3,929,312	780,113	4,709,425
2012-2013	3,683,386	782,988	4,466,374
2013-2014	3,194,266	782,988	3,977,254
2014-2015	2,493,853	782,538	3,276,391
2015-2016	2,495,943	779,650	3,275,593
2016-2017	2,497,740	780,575	3,278,315
2017-2018	2,493,625	782,975	3,276,600
2018-2019	1,859,175	779,375	2,638,550
2019-2020	--	779,213	779,213
2020-2021	--	782,225	782,225
2021-2022	--	783,131	783,131
2022-2023	--	779,550	779,550
2023-2024	--	<u>392,813</u>	<u>392,813</u>
TOTAL	<u>\$35,367,941</u>	<u>\$11,330,458</u>	<u>\$46,698,399</u>

⁽¹⁾ Schedule does not include payments due under a \$2,313,126 energy performance contract and for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

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**APPENDIX C-10
DESCRIPTION OF
CINCINNATUS CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-10 a brief description of the Cincinnatus Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 150 square miles in the Towns of Cincinnatus, Cuyler, Freetown, Marathon, Solon, Taylor, Truxton, and Willet in Cortland County, the Towns of German, Lincklaen, McDonough, Pharsalia, and Pitcher in Chenango County and the Town of Triangle in Broome County.

Population

The current estimated population of the District is 5,200.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Cincinnatus Central School District	Public Education	207
Magro's Pizza	Restaurant	25
Cincinnatus Marketplace	Grocery Store	20
Bennett Hotel	Restaurant/Bar	15
Cincinnatus True Value	Hardware/Lumber Store	8

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric & Gas Corp.	Utility	\$5,393,067
Citizens Telecom	Utility	2,749,794
Aldrich Farms	Farm	1,237,917
R. Henry Knickerbocker	Golf Club	664,688
Gutchess Timberland	Private Forest	567,100

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 6.56% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Cortland County, Chenango County and Broome County. The data set forth below with respect to the Counties and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the Counties and State are necessarily representative of the District or vice versa.

Year Average

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Cortland County	6.2%	5.5%	5.4%	5.2%	6.5%
Chenango County	5.6	5.0	5.0	5.0	6.5
Broome County	5.4	4.9	4.7	4.5	5.7
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>Projected 2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>
PK-12	724	659	689	719	685	680	660	652

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
110	Cincinnatus Educators' Association	June 30, 2008 ⁽¹⁾
45	Cincinnatus Support Staff Association	June 30, 2009 ⁽¹⁾
3	Cincinnatus Administrators Association	June 30, 2009 ⁽¹⁾

⁽¹⁾ The District is currently negotiating with the Associations.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾

Full Valuation of Taxable Real Property.....	\$193,070,416
Debt Limit (10% of Full Valuation).....	19,307,041
Gross Indebtedness ⁽²⁾	\$15,093,014
Less: Exclusions – Estimated Building Aid ⁽³⁾	12,131,216
Total Net Indebtedness.....	\$ 2,961,798
Net Debt Contracting Margin.....	\$16,345,243
Percentage of Debt Contracting Power Exhausted.....	15.34%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$16,185,000 School District Bonds to the Authority in connection with the refunding of \$13,941,000 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Cortland	\$0	\$0	\$0	6.46%	\$0
Chenango	5,863,332	0	5,863,332	4.10	240,397
Broome	139,030,310	107,275	138,923,035	0.01	13,892
Towns of:					
Cincinnatus	263,858	263,858	0	100.00	0
Cuyler	171,991	16,800	155,191	5.43	8,427
Freetown	0	0	0	20.29	0
Marathon	0	0	0	0.15	0
Solon	0	0	0	14.32	0
Taylor	0	0	0	100.00	0
Truxton	40,966	0	40,966	0.61	250
Willet	0	0	0	100.00	0
German	0	0	0	100.00	0
Lincklaen	0	0	0	4.28	0
McDonough	0	0	0	0.16	0
Pharsalia	0	0	0	29.92	0
Pitcher	0	0	0	83.90	0
Triangle	100,000	0	100,000	0.73	730
				Total	<u>\$263,696</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$15,093,014	\$2,902.50	7.82%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	15,356,710	2,953.21	7.95

⁽¹⁾ The District has not incurred any indebtedness since the date of the above table.

⁽²⁾ Based on the District's current estimated population of 5,200.

⁽³⁾ Based on the District's full value of taxable real estate for 2008-09 of \$193,070,416.

⁽⁴⁾ The District expects to deliver \$16,185,000 School District Bonds to the Authority in connection with the refunding of \$13,941,000 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽⁵⁾ Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

In addition to the issuance of the School District Bonds, on May 19, 2009, the voters of the District approved the issuance of \$172,206 of general obligation bonds to finance the costs of the acquisition of school buses.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2%. All taxes remaining unpaid after November 15 are turned over to the respective Counties for collection. The respective Counties reimburse the District in full before the end of the District's fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

	Assessed Valuation				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Cincinnatus	\$30,376,899	\$30,908,068	\$31,420,978 ⁽¹⁾	\$43,648,717 ⁽¹⁾	\$43,892,09
Cuyler	1,746,061	1,742,166	1,738,177	1,748,098	1,750,204
Freetown	3,200,103 ⁽¹⁾	4,063,494 ⁽¹⁾	4,018,213	4,029,196	4,161,185
Marathon	55,000	53,200	50,700 ⁽¹⁾	99,300 ⁽¹⁾	100,500
Solon	4,324,561	4,328,757	4,413,053	4,401,307	4,530,154
Taylor	17,504,873 ⁽¹⁾	21,011,506 ⁽¹⁾	22,291,774	24,419,559	24,887,097
Truxton	134,894 ⁽¹⁾	342,900 ⁽¹⁾	336,040	329,140	321,950
Willet	23,010,522	23,296,420	23,685,155	23,942,699 ⁽¹⁾	33,721,052 ⁽¹⁾
German	14,203,059	14,502,979	14,621,004	15,078,580	15,872,676
Lincklaen	543,241	545,415	557,741	573,901	576,130
McDonough	68,500	68,500	68,500	68,500	68,500
Pharsalia	6,749,572	6,770,225	6,780,734	7,070,246	6,999,001
Pitcher	11,278,395 ⁽¹⁾	12,394,529 ⁽¹⁾	12,862,873	13,183,031	13,281,908
Triangle	471,300	430,475	440,850	440,850	440,850
Total Assessed Valuation	\$113,666,980	\$120,458,634	\$123,285,792	\$139,033,124	\$150,603,306

	State Equalization Rates				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Cincinnatus	98.00%	92.00%	86.00%	100.00%	96.00%
Cuyler	100.00	100.00	92.00	84.00	76.00
Freetown	91.00	100.00	99.00	92.00	88.00
Marathon	89.00	82.00	75.00	100.00	96.00
Solon	100.00	96.00	90.00	86.00	82.00
Taylor	91.00	100.00	100.00	100.00	100.00
Truxton	85.00	100.00	100.00	90.38	90.00
Willet	100.00	96.00	88.00	75.00	100.00
German	59.48	62.50	60.50	52.00	48.00
Lincklaen	90.00	87.91	88.00	71.00	64.00
McDonough	100.00	98.70	89.21	83.00	75.00
Pharsalia	80.00	80.00	75.73	70.00	61.05
Pitcher	51.53	53.92	49.00	47.00	45.00
Triangle	91.50	91.50	81.00	71.50	64.50
Taxable Full Valuation	\$138,441,100	\$145,411,618	\$157,624,274	\$180,687,810	\$193,070,416

⁽¹⁾ Difference due to townwide revaluation.

	Total District Property Tax Collections				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$2,223,063	\$2,374,609	\$2,607,784	\$2,867,395	\$3,038,419
% Uncollected When Due ⁽¹⁾	17.60%	18.52%	18.25%	13.89%	32.62%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

<u>Fiscal Year</u>	State Aid		Percentage of Total Revenues Consisting of State Aid⁽¹⁾
	Total State Aid⁽¹⁾	Total Revenues⁽¹⁾	
2003-04	\$6,165,378	\$ 8,420,638	73.22%
2004-05	6,279,921	8,828,912	71.13
2005-06	6,631,713	9,456,732	70.13
2006-07	7,205,429	10,334,721	69.72
2007-08	7,527,535	10,756,436	69.98
2008-09 (Estimated)	9,701,797	13,398,214	72.41
2009-10 (Budgeted)	10,003,073	13,821,606	72.37

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$64,208	\$322,291
2006-2007	73,672	398,575
2007-2008	71,158	415,476
2008-2009 (Estimated)	56,393	381,411
2009-2010 (Budgeted)	88,265	466,428

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District has contracted with Questar III – GASB 45 Services to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Recent Operating Results

The District's expenditures exceeded its revenues by \$123,132 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$93,837 at the end of the fiscal year. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

Fiscal Year	Existing Debt Service	New Debt Service⁽¹⁾	Total Debt Service⁽¹⁾
2008-2009	\$53,603	\$ --	\$ 53,603
2009-2010	60,706	1,346,597	1,407,303
2010-2011	58,919	1,508,988	1,567,907
2011-2012	56,994	1,506,738	1,563,732
2012-2013	--	1,503,988	1,503,988
2013-2014	--	1,506,088	1,506,088
2014-2015	--	1,507,288	1,507,288
2015-2016	--	1,503,875	1,503,875
2016-2017	--	1,503,175	1,503,175
2017-2018	--	1,505,975	1,505,975
2018-2019	--	1,506,975	1,506,975
2019-2020	--	1,504,744	1,504,744
2020-2021	--	1,504,169	1,504,169
2021-2022	--	1,504,919	1,504,919
2022-2023	--	1,507,400	1,507,400
2023-2024	--	453,550	453,550
2024-2025	--	285,738	285,738
2025-2026	--	109,938	109,938
2026-2027	--	112,058	112,058
2027-2028	--	108,938	108,938
2028-2029	--	110,688	110,688
2029-2030	--	112,013	112,013
2030-2031	--	108,075	108,075
2031-2032	--	109,138	109,138
2032-2033	--	109,938	109,938
2033-2034	--	110,475	110,475
2034-2035	--	110,750	110,750
2035-2036	--	110,763	110,763
2036-2037	--	110,513	110,513
TOTAL	<u>\$230,222</u>	<u>\$22,983,486</u>	<u>\$23,213,708</u>

⁽¹⁾ Totals may not add due to rounding.

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**APPENDIX C-11
DESCRIPTION OF
DALTON-NUNDA CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-11 a brief description of the Dalton-Nunda Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 118 square miles in the Towns of Nunda, Mt. Morris, Portage, and West Sparta in Livingston County, the Towns of Granger and Grove in Allegany County and the Town of Genesee Falls in Wyoming County. The Village of Nunda is located within the District.

Population

The current estimated population of the District is 4,800.

Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Keshequa School District	Public Education	274
Nunda Lumber Company	Retail – Lumber	40
Shurfine Grocery Store	Grocery Store	40
Once Again Nut Butter Collective	Manufacturer	25
Bugman's Inc.	Bulk Milk Hauler	20
Dalton Builder Inc.	General Construction	20

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Rochester Gas & Electric Corporation	Utility	\$4,921,350
New York State Electric & Gas Corporation	Utility	4,419,603
Pennsylvania Lines LLC	Railroad	1,989,352
Frontier Telephone, Inc.	Utility	1,752,558
Dominion Transmission Corporation	Utility	1,307,879

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.76% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Livingston County, Allegany County and Wyoming County. The data set forth below with respect to the Counties and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the Counties and State are necessarily representative of the District or vice versa.

Year Average

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Livingston County	5.8%	5.0%	4.9%	5.0%	6.0%
Allegany County	6.4	5.9	5.3	5.5	6.5
Wyoming County	6.2	5.3	5.0	5.0	6.3
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>Projected 2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>
K-12	890	868	877	850	847	840	840	840

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
98	Keshequa Teachers' Association	June 30, 2011
20	Bus Drivers Association	June 30, 2010
10	Cafeteria Workers Association	June 30, 2009 ⁽¹⁾
12	Cleaners	June 30, 2009 ⁽¹⁾
9	Secretarial Association	June 30, 2009 ⁽¹⁾
6	Administrative Association	June 30, 2010
3	Middle Managers	June 30, 2009 ⁽¹⁾
3	Maintenance Workers	June 30, 2010
1	Superintendent	June 30, 2010
1	Confidential Secretary	June 30, 2009 ⁽¹⁾
2	Nurses' Agreement	June 30, 2010
28	Teaching Assistants	June 30, 2010
28	Teacher Aides	June 30, 2009 ⁽¹⁾
2	Mechanics	June 30, 2009 ⁽¹⁾
1	District Treasurer	June 30, 2009 ⁽¹⁾

⁽¹⁾ The District is currently negotiating with the Associations.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

Full Valuation of Taxable Real Property.....	\$208,534,386
Debt Limit (10% of Full Valuation).....	20,853,438
Gross Indebtedness ⁽²⁾	\$30,005,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	15,765,384
Total Net Indebtedness.....	\$14,239,616
Net Debt Contracting Margin.....	\$ 6,613,822
Percentage of Debt Contracting Power Exhausted.....	68.28%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$8,370,000 School District Bonds to the Authority in connection with the refunding of \$8,540,000 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Livingston	\$54,734,700	\$13,994,700	\$40,740,000	6.19%	\$2,521,806
Allegany	32,911,725	32,911,725	0	1.35	0
Wyoming	7,402,000	0	7,402,000	0.49	36,270
Towns of:					
Nunda	105,000	105,000	0	100.00	0
Mt. Morris	194,500	0	194,500	17.96	34,932
Portage	151,318	0	151,318	100.00	151,318
West Sparta	75,000	0	75,000	6.46	4,845
Grove	0	0	0	43.66	0
Granger	0	0	0	30.12	0
Genesee Falls	125,000	0	125,000	39.21	49,013
Village of:					
Nunda	2,050,000	2,050,000	0	100.00	0
				Total	<u>\$2,798,184</u>

⁽¹⁾ Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 13, 2009.

**Debt Ratios
As of May 13, 2009⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$30,005,000	\$6,251.04	14.39%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	32,803,184	6,834.00	15.73

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 4,800.
- (3) Based on the District’s full value of taxable real estate for 2008-09 of \$208,534,386.
- (4) The District expects to deliver \$8,370,000 School District Bonds to the Authority in connection with the refunding of \$8,540,000 of the District’s outstanding bond anticipation notes and the financing of the District’s capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- (5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

In addition to the issuance of the School District Bonds, on May 19, 2009, the voters of the District approved the issuance of \$200,000 of general obligation bonds to finance the costs of the acquisition of school buses.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2% and a 3% penalty is imposed from November 1 through November 15. All taxes remaining unpaid after November 15 are turned over to the respective Counties for collection. The respective Counties reimburse the District in full before the end of the District’s fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

	Assessed Valuation				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Nunda	\$86,618,039	\$87,517,170 ⁽¹⁾	\$111,278,942 ⁽¹⁾	\$112,715,329	\$114,910,292
Mt. Morris	19,819,794	20,225,012 ⁽¹⁾	24,414,394 ⁽¹⁾	24,719,761	25,127,773
Portage	26,516,898	26,046,794 ⁽¹⁾	31,309,233 ⁽¹⁾	31,532,165	32,214,688
West Sparta	2,478,419	2,602,946 ⁽¹⁾	3,132,291 ⁽¹⁾	3,233,831	3,314,413
Grove	11,307,342	11,398,589	11,835,566	12,628,806	13,388,651
Granger	5,335,897 ⁽¹⁾	6,507,454 ⁽¹⁾	6,521,787	6,563,088	6,604,092
Genesee Falls	7,529,577	7,515,447	7,984,365	8,184,301	8,609,402
Total Assessed Valuation	\$159,605,966	\$161,813,412	\$196,476,578	\$199,577,281	\$204,169,311

	State Equalization Rates				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Nunda	92.00%	90.00%	100.00%	100.00%	98.00%
Mt. Morris	92.00	90.00	100.00	100.00	98.00
Portage	92.00	90.00	100.00	100.00	98.00
West Sparta	97.00	95.00	100.00	100.00	99.00
Grove	100.00	100.00	100.00	100.00	100.00
Granger	87.00	100.00	93.00	93.00	89.00
Genesee Falls	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$172,041,215	\$176,815,850	\$196,967,465	\$200,071,276	\$208,534,386

⁽¹⁾ Difference due to townwide revaluation.

	Total District Property Tax Collections				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$4,085,083	\$4,210,842	\$4,331,147	\$4,420,365	\$4,381,200
% Uncollected When Due ⁽¹⁾	15.76%	14.99%	14.06%	12.43%	11.94%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid			Percentage of Total Revenues Consisting of State Aid⁽¹⁾
<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	
2003-04	\$10,595,600	\$14,537,091	72.89%
2004-05	11,104,709	15,573,501	71.31
2005-06	11,104,633	15,671,939	70.86
2006-07	11,450,839	16,219,932	70.60
2007-08	12,062,497	16,768,329	71.94
2008-09 (Estimated)	12,850,000	17,307,600	74.24
2009-10 (Budgeted)	13,366,800	17,680,500	75.60

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$135,537	\$435,480
2006-2007	143,337	511,732
2007-2008	115,598	543,445
2008-2009 (Estimated)	125,000	475,000
2009-2010 (Budgeted)	225,000	401,000

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District contracted with Questar III BOCES to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$3,863,653 at July 1, 2008. The School District's annual required contribution ("ARC") is \$224,898, of which \$111,463 is paid annually to over 27 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the School District's 2008 financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's revenues exceeded its expenditures by \$788,984 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$723,104 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – State Aid."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$2,313,141	\$ --	\$2,313,141
2009-2010	2,437,695	774,313	3,212,008
2010-2011	2,399,197	774,250	3,173,447
2011-2012	2,362,675	772,750	3,135,425
2012-2013	2,277,117	771,000	3,048,117
2013-2014	2,190,929	771,600	2,962,529
2014-2015	2,074,249	771,750	2,845,999
2015-2016	2,012,005	774,538	2,786,543
2016-2017	1,943,325	770,988	2,714,313
2017-2018	1,877,925	774,188	2,652,113
2018-2019	--	771,388	771,388
2019-2020	--	772,050	772,050
2020-2021	--	770,913	770,913
2021-2022	--	772,913	772,913
2022-2023	--	770,488	770,488
2023-2024	--	<u>769,913</u>	<u>769,913</u>
TOTAL	<u>\$21,888,258</u>	<u>\$11,583,038</u>	<u>\$33,471,296</u>

⁽¹⁾ Schedule does not include payments due under a \$2,032,455 energy performance contract and payments for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

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**APPENDIX C-12
DESCRIPTION OF
DANSVILLE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-12 a brief description of the Dansville Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 126 square miles in the Towns of Conesus, Groveland, North Dansville, Ossian, Sparta, Springwater, and West Sparta in Livingston County, and the Towns of Dansville and Wayland in Steuben County. The Village of Dansville is located within the District.

Population

The current estimated population of the District is 10,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Noyes Memorial Hospital	Hospital	560
Dansville Central School District	Public Education	340
LMC Industrial Contractors	Manufacturer	165
Forbes, Inc.	Manufacturer	150
Tops Market	Grocery Store	120

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric & Gas Corp.	Utility	\$19,458,446
Frontier Telephone, Inc.	Utility	4,672,265
BG Dansville Stop	Developer	4,014,141
Philip E. Saunders	Agriculture	2,489,100
Springcreek Properties, LLC	Apartments	2,118,283

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 9.85% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Livingston County and Steuben County. The data set forth below with respect to the Counties and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the Counties and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Livingston County	5.8%	5.0%	4.9%	5.0%	6.0%
Steuben County	6.4	5.7	5.4	5.3	6.2
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District’s historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
K-12	1,749	1,700	1,736	1,731	1,728	1,729	1,716	1,701

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
178	Dansville Teachers’ Association	June 30, 2009 ⁽¹⁾
138	Dansville Support Staff Association	June 30, 2008 ⁽¹⁾
8	Dansville Administrators’ Association	June 30, 2008 ⁽¹⁾

⁽¹⁾ The District is currently negotiating with the Associations.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

Full Valuation of Taxable Real Property.....	\$409,814,308
Debt Limit (10% of Full Valuation).....	40,981,430
Gross Indebtedness ⁽²⁾	\$ 42,658,514
Less: Exclusions – Estimated Building Aid ⁽³⁾	30,524,145
Total Net Indebtedness.....	\$ 12,134,369
Net Debt Contracting Margin.....	\$ 28,847,061
Percentage of Debt Contracting Power Exhausted.....	29.61%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$3,400,000 School District Bonds to the Authority in connection with the refunding of \$3,465,000 of the District’s outstanding bond anticipation notes and the financing of the District’s capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Livingston	\$54,734,700	\$13,994,700	\$40,740,000	12.78%	\$5,206,572
Steuben	29,246,873	0	29,246,873	0.94	274,921
Towns of:					
Conesus	0	0	0	5.31	0
Groveland	738,800	738,800	0	1.20	0
North Dansville	2,726,601	1,500,000	1,226,601	100.00	1,226,601
Ossian	172,739	0	172,739	100.00	172,739
Sparta	0	0	0	100.00	0
Springwater	2,201,910	0	2,201,910	1.32	29,065
West Sparta	75,000	0	75,000	98.38	73,785
Dansville	0	0	0	54.01	0
Wayland	194,095	0	194,095	2.64	5,124
Village of:					
Dansville	8,860,230	6,582,000	2,278,230	100.00	<u>2,278,230</u>
				Total	<u>\$9,267,037</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$42,658,514	\$4,265.85	10.41%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	51,925,551	5,192.56	12.67

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 10,000.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$409,814,308.

(4) The District expects to deliver \$3,400,000 School District Bonds to the Authority in connection with the refunding of \$3,465,000 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The following is a history of Revenue Anticipation Note (“RAN”) borrowings for the last five years.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2004-2005	\$2,200,000	RAN	6/30/04	6/30/05
2005-2006	1,900,000	RAN	6/30/05	6/30/06
2006-2007	1,900,000	RAN	6/30/06	6/29/07
2007-2008	1,700,000	RAN	6/29/07	6/27/08
2008-2009	1,200,000	RAN	6/27/08	6/26/09

Historically, the District does not issue Tax Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2%. All taxes remaining unpaid after October 31 are turned over to the respective Counties for collection. The respective Counties reimburse the District in full before the end of the District’s fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District’s real property tax levy and collection rates for the last five years.

	Assessed Valuation				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Conesus	\$5,995,492	\$6,038,594 ⁽¹⁾	\$7,309,791 ⁽¹⁾	\$7,366,729	\$7,492,407
Groveland	895,644	891,265 ⁽¹⁾	1,085,928 ⁽¹⁾	1,089,631	1,228,015
North Dansville	165,712,982	167,010,601 ⁽¹⁾	196,222,695 ⁽¹⁾	199,045,051	199,857,735
Ossian	32,165,914	32,651,978	32,389,667 ⁽¹⁾	37,846,760 ⁽¹⁾	38,208,974
Sparta	52,881,490	53,028,834 ⁽¹⁾	66,123,423 ⁽¹⁾	66,947,586	67,572,166
Springwater	1,144,883	1,182,133 ⁽¹⁾	1,252,240 ⁽¹⁾	1,248,865	1,281,021
West Sparta	43,150,231	42,855,545 ⁽¹⁾	49,228,782 ⁽¹⁾	49,802,739	50,456,361
Dansville	28,166,300	28,487,829	30,982,581	31,379,810	36,151,440
Wayland	2,740,914	2,748,837	2,717,064	2,770,268	2,733,376
Total Assessed Valuation	\$332,853,850	\$334,895,616	\$387,312,171	\$397,497,439	\$404,981,495

⁽¹⁾ Difference due to townwide revaluation.

**State Equalization Rates
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Conesus	92.00%	90.00%	100.00%	100.00%	93.50%
Groveland	92.00	90.00	100.00	100.00	98.00
North Dansville	97.00	95.00	100.00	100.00	99.00
Ossian	100.00	100.00	100.00	100.00	100.00
Sparta	92.00	90.00	100.00	100.00	99.00
Springwater	92.00	90.00	100.00	100.00	99.00
West Sparta	97.00	95.00	100.00	100.00	99.00
Dansville	100.00	100.00	100.00	100.00	100.00
Wayland	77.30	78.00	75.00	72.00	72.00
Taxable Full Valuation	\$345,415,609	\$353,509,938	\$388,217,859	\$398,574,765	\$409,814,308

⁽¹⁾ Difference due to townwide revaluation.

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$5,963,337	\$6,335,205	\$6,668,789	\$6,924,065	\$7,071,805
% Uncollected When Due ⁽¹⁾	11.83%	10.86%	12.17%	12.21%	9.86%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2003-04	\$17,438,497	\$23,598,644	73.90%
2004-05	16,331,398	22,961,520	71.13
2005-06	16,851,120	23,981,581	70.27
2006-07	17,113,218	24,469,052	69.94
2007-08	19,134,654	26,582,598	71.98
2008-09 (Estimated)	19,799,123	27,436,958	72.16
2009-10 (Budgeted)	20,361,346	28,044,286	72.60

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$290,713	\$718,760
2006-2007	277,252	885,771
2007-2008	233,309	816,468
2008-2009 (Estimated)	234,112	832,033
2009-2010 (Budgeted)	246,126	678,101

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District has contracted with First Niagara Benefits Consulting to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Recent Operating Results

The District's revenues exceeded its expenditures by \$1,403,715 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$1,060,629 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$3,788,185	\$ --	\$3,788,185
2009-2010	3,807,505	321,412	4,128,917
2010-2011	3,757,841	321,013	4,078,854
2011-2012	3,720,658	321,138	4,041,796
2012-2013	3,723,815	321,138	4,044,953
2013-2014	3,676,256	319,988	3,996,244
2014-2015	3,683,804	318,688	4,002,492
2015-2016	3,688,235	321,431	4,009,666
2016-2017	3,684,450	318,556	4,003,006
2017-2018	3,686,713	319,356	4,006,069
2018-2019	--	319,756	319,756
2019-2020	--	319,444	319,444
2020-2021	--	318,394	318,394
2021-2022	--	316,581	316,581
2022-2023	--	318,038	318,038
2023-2024	--	<u>178,075</u>	<u>178,075</u>
TOTAL	<u>\$37,217,462</u>	<u>\$4,653,005</u>	<u>\$41,870,467</u>

⁽¹⁾ Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

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**APPENDIX C-13
DESCRIPTION OF
DOLGEVILLE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-13 a brief description of the Dolgeville Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 176 square miles in the Towns of Ephratah, Oppenheim and Stratford in Fulton County, and the Towns of Fairfield, Manheim and Salisbury in Herkimer County.

Population

The current estimated population of the District is 5,800.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Dolgeville Central School District	Public Education	212
Gehring-Tricot Corporation	Manufacturer – Textiles	125
North Hudson Woodcraft Corporation	Furniture Dimension Stock & Piano Parts	101
Rawlings Adirondack	Manufacturer – Sporting Goods	70
Tumble Forms, Inc.	Manufacturer – Therapeutic Equipment	41

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
State of New York	State Land	\$33,219,863
National Grid	Utility	7,286,620
City of Little Falls	Utility	5,111,025
Iroquois Gas Co.	Utility	4,320,598
Fortisus Energy Corporation	Utility	3,951,692

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 22.53% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Herkimer County and Fulton County. The data set forth below with respect to the Counties and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the Counties and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Herkimer County	5.6%	5.3%	5.1%	5.0%	6.2%
Fulton County	5.7	5.6	5.4	5.5	6.9
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District’s historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
PK-12	958	950	936	932	970	970	965	967

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
93	Dolgeville Teachers’ Association	June 30, 2010
24	Dolgeville Teaching Assistants’ Association	June 30, 2010
38	Dolgeville Non-Instructional Personnel	June 30, 2010

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

Full Valuation of Taxable Real Property.....	\$288,140,558
Debt Limit (10% of Full Valuation).....	28,814,055
Gross Indebtedness ⁽²⁾	\$ 14,205,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	11,066,459
Total Net Indebtedness.....	\$ 3,138,541
Net Debt Contracting Margin.....	\$ 25,675,514
Percentage of Debt Contracting Power Exhausted.....	10.89%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$6,860,000 School District Bonds to the Authority in connection with the refunding of \$7,000,000 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Herkimer	\$8,365,000	\$8,365,000	\$ 0	4.97%	\$ 0
Fulton	2,530,000	0	2,530,000	3.59	90,827
Towns of:					
Ephratah	40,800	40,800	0	1.44	0
Oppenheim	67,500	67,500	0	9.67	0
Stratford	0	0	0	100.00	0
Fairfield	411,425	0	411,425	0.01	41
Manheim	280,000	0	280,000	71.19	199,332
Salisbury	24,548	0	24,548	100.00	24,548
Total					<u>\$314,748</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$14,205,000	\$2,449.14	4.93%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	14,519,748	2,503.40	5.04

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 5,800.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$288,140,558.

(4) The District expects to deliver \$6,860,000 School District Bonds to the Authority in connection with the refunding of \$7,000,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2%. All taxes remaining unpaid after October 30 are turned over to the respective Counties for collection. The respective Counties reimburse the District in full before the end of the District's fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

	Assessed Valuation				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Ephratah	\$524,196	\$659,491	\$621,326	\$627,289	\$625,510
Oppenheim	4,258,127	3,923,330	4,067,738	4,116,291	4,080,602
Stratford	54,934,050	57,779,378	57,639,252	57,680,802	58,537,606
Fairfield	4,257 ⁽¹⁾	6,118 ⁽¹⁾	6,118	6,118	6,118
Manheim	62,862,122	63,421,022	63,213,770	63,349,002	63,671,520
Salisbury	82,721,208	85,050,738	92,076,501	105,408,429	106,346,627
Total Assessed Valuation	\$205,303,960	\$210,840,077	\$217,624,705	\$231,187,931	\$233,267,983

	State Equalization Rates				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Ephratah	94.25%	81.47%	73.33%	63.07%	62.75%
Oppenheim	82.62	72.87	66.58	59.77	54.92
Stratford	100.00	100.00	82.60	78.17	71.04
Fairfield	87.00	100.00	97.00	93.00	90.00
Manheim	100.00	90.00	85.00	80.00	70.00
Salisbury	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$206,232,318	\$219,497,537	\$243,189,975	\$266,271,658	\$288,140,558

⁽¹⁾ Difference due to townwide revaluation.

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$3,117,634	\$3,420,467	\$3,791,267	\$3,939,875	\$4,018,123
% Uncollected When Due ⁽¹⁾	27.41%	27.43%	26.94%	27.22%	8.65%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2003-04	\$8,112,713	\$11,221,993	72.29%
2004-05	8,332,104	11,775,336	70.76
2005-06	8,915,839	12,519,749	71.21
2006-07	9,452,419	13,582,187	69.59
2007-08	10,016,721	14,241,532	70.33
2008-09 (Estimated)	10,815,143	14,985,766	72.17
2009-10 (Budgeted)	11,687,707	15,938,142	73.33

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$35,458	\$414,485
2006-2007	98,907	500,660
2007-2008	63,971	525,880
2008-2009 (Estimated)	88,920	567,441
2009-2010 (Budgeted)	79,626	593,429

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District contracted with Armory Associates, LLC to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$18,274,082 at June 30, 2009. The School District's annual required contribution ("ARC") is \$1,193,638, of which \$321,410 is paid annually to over 200 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the School District's 2008 financial statements. The School District has set aside \$811,374 toward its OPEB liability. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's revenues exceeded its expenditures by \$864,060 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$1,450,586 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – State Aid."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service⁽²⁾</u>	<u>Total Debt Service⁽²⁾</u>
2008-2009	\$582,855	\$ --	\$582,855
2009-2010	582,443	473,996	1,056,439
2010-2011	586,043	649,294	1,235,337
2011-2012	583,843	649,669	1,233,512
2012-2013	586,043	649,794	1,235,837
2013-2014	581,986	647,644	1,229,630
2014-2015	582,026	650,194	1,232,220
2015-2016	585,710	650,681	1,236,391
2016-2017	582,913	650,106	1,233,019
2017-2018	133,819	646,706	780,525
2018-2019	133,869	647,706	781,575
2019-2020	93,713	647,288	741,001
2020-2021	--	650,400	650,400
2021-2022	--	646,775	646,775
2022-2023	--	649,375	649,375
2023-2024	--	649,450	649,450
TOTAL	<u>\$5,615,263</u>	<u>\$9,559,078</u>	<u>\$15,174,341</u>

⁽¹⁾ Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

**APPENDIX C-14
DESCRIPTION OF
EAST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-14 a brief description of the East Irondequoit Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 10 square miles in the Town of Irondequoit in Monroe County.

Population

The current estimated population of the District is 33,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
East Irondequoit Central School District	Public Education	567
Wegmans Enterprises	Retail/Grocery Store	365
Town of Irondequoit	Local Government	338
Macy's	Department Store	250
Sears Roebuck & Co.	Department Store	170

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Rochester Gas & Electric Corporation	Utility	\$31,476,764
Hub Properties Trust	Office Building	19,318,181
DDR Culver Ridge LLC	Shopping Center	13,979,886
Woodridge Apartments	Apartment Complex	9,521,363
Hidden Creek	Apartment Complex	7,512,386

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.39% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Monroe County. The data set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the County and State are necessarily representative of the District or vice versa.

	<u>Year Average</u>				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Monroe County	5.2%	4.6%	4.4%	4.5%	5.5%
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
K-12	3,456	3,424	3,451	3,330	3,276	3,203	3,143	3,111

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
322	East Irondequoit Teachers' Association	June 30, 2011
102	East Irondequoit Clerical Organization	June 30, 2010
44	East Irondequoit Custodial-Maintenance Organization	June 30, 2012
31	East Irondequoit Cafeteria Association	June 30, 2012
23	East Irondequoit Association of Administrators	June 30, 2011
29	Association of East Irondequoit Support Staff	June 30, 2010
10	Association of East Irondequoit School Nurses	June 30, 2012
6	East Irondequoit Management Association	June 30, 2011

DISTRICT INDEBTEDNESS**Debt Limit**

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

Net Debt Contracting Margin As of May 13, 2009⁽¹⁾	
Full Valuation of Taxable Real Property.....	\$1,362,802,835
Debt Limit (10% of Full Valuation).....	136,280,283
Gross Indebtedness ⁽²⁾	\$ 52,350,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	35,536,037
Total Net Indebtedness.....	\$ 16,813,963
Net Debt Contracting Margin.....	\$ 119,466,320
Percentage of Debt Contracting Power Exhausted.....	12.34%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$4,015,000 School District Bonds to the Authority in connection with the refunding of \$5,090,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Monroe	\$581,474,498	\$173,521,191	\$407,953,307	3.87%	\$15,787,793
Towns of:					
Irondequoit	26,485,000	2,775,000	23,710,000	57.77	<u>13,697,267</u>
				Total	<u>\$29,485,060</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$52,350,000	\$1,586.36	3.84%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	81,835,060	2,479.86	6.00

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 33,000.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$1,362,802,835.

(4) The District expects to deliver \$4,015,000 School District Bonds to the Authority in connection with the refunding of \$5,090,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2%. All taxes remaining unpaid after October 31 are turned over to the respective County for collection. The respective County reimburses the District in full before the end of the District's fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

	Assessed Valuation Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Irondequoit	\$1,155,015,499	\$1,126,757,447	\$1,134,519,420	\$1,139,237,102 ⁽¹⁾	\$1,362,802,835 ⁽¹⁾
Total Assessed Valuation	\$1,155,015,499	\$1,126,757,447	\$1,134,519,420	\$1,139,237,102	\$1,362,802,835

	State Equalization Rates Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Irondequoit	100.00%	100.00%	100.00%	88.00%	100.00%
Taxable Full Valuation	\$1,155,015,499	\$1,126,757,447	\$1,134,519,420	\$1,294,587,615	\$1,362,802,835

⁽¹⁾ Difference due to townwide revaluation.

	Total District Property Tax Collections Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$30,061,077	\$30,675,483	\$32,405,582	\$33,463,047	\$35,354,491
% Uncollected When Due ⁽¹⁾	4.56%	5.90%	5.12%	4.63%	4.11%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid			Percentage of Total Revenues Consisting of State Aid⁽¹⁾
<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	
2003-04	\$13,113,956	\$45,290,468	28.96%
2004-05	14,264,137	49,513,167	28.81
2005-06	16,242,144	53,342,973	30.45
2006-07	17,581,867	55,316,375	31.78
2007-08	20,255,859	58,962,642	34.35
2008-09 (Estimated)	21,964,392	60,860,445	36.01
2009-10 (Budgeted)	23,080,571	63,565,443	36.31

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$432,939	\$1,348,969
2006-2007	360,442	1,483,317
2007-2008	376,709	1,603,869
2008-2009 (Estimated)	519,947	2,000,588
2009-2010 (Budgeted)	590,990	1,861,257

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District contracted with First Niagara Benefits Corporation to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$69,003,527 at July 1, 2008. The School District's annual required contribution ("ARC") is \$5,544,002. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the School District's 2008 financial statements. The School District has set aside \$3,711,981 toward its OPEB liability. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's revenues exceeded its expenditures by \$5,358,925 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$2,399,057 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$3,746,194	\$ --	\$3,746,194
2009-2010	3,742,795	381,354	4,124,149
2010-2011	3,546,048	378,644	3,924,692
2011-2012	3,019,938	377,894	3,397,832
2012-2013	2,914,910	377,019	3,291,929
2013-2014	2,926,015	379,819	3,305,834
2014-2015	2,925,815	377,319	3,303,134
2015-2016	2,916,891	378,713	3,295,604
2016-2017	2,921,819	379,438	3,301,257
2017-2018	2,459,592	378,438	2,838,030
2018-2019	2,448,859	377,038	2,825,897
2019-2020	2,447,953	379,869	2,827,822
2020-2021	2,444,011	376,694	2,820,705
2021-2022	2,446,443	377,694	2,824,137
2022-2023	2,215,154	381,513	2,596,667
2023-2024	2,199,448	188,550	2,387,998
2024-2025	2,189,265	--	2,189,265
2025-2026	2,191,238	--	2,191,238
2026-2027	2,184,363	--	2,184,363
2027-2028	<u>548,550</u>	<u>--</u>	<u>548,550</u>
TOTAL	<u>\$51,886,751</u>	<u>\$5,489,992</u>	<u>\$57,376,743</u>

⁽¹⁾ Schedule does not include payments due under a \$3,727,332 energy performance contract and payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

**APPENDIX C-15
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF GLOVERSVILLE**

There follows in this Appendix C-15 a brief description of the City School District of the City of Gloversville (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District is situated in upstate New York in the south central portion of Fulton County, about 35 miles northwest of the City of Albany. It encompasses approximately 90 square miles, and is located primarily within the City of Gloversville. Additionally, the School District encompasses various portions of the Towns of Johnstown, Bleeker, Caroga and Mayfield.

Population

The current estimated population of the District is 19,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Lexington Center (Fulton Co. ARC)	Residential & Day Treatment	1,350
Nathan Littauer Hospital	Health Care	880
Gloversville School District	Education	650
Frontier	Phone Company	481
Taylor Made Custom Products	Manufacturing	400

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$15,819,538
State of New York	Government	13,253,237
Wal-Mart Stores, Inc.	Retail	6,307,400
Gloversville Partners Alb	Commercial	4,261,200
Clark Trading	Commercial	3,924,225

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 6.9% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Fulton County. The data set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the County and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Fulton County	5.6%	5.6%	5.4%	5.5%	6.9%
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
K-12	3,326	3,264	3,281	3,239	3,229	3,235	3,235	3,235

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
291	Gloversville Teachers' Association	June 30, 2009 ⁽¹⁾
28	Office Personnel Association	June 30, 2012
108	Teachers' Aide Association	June 30, 2011
13	Gloversville Administrative Supervisory Staff Association	June 30, 2010
44	Cafeteria Employees Association	June 30, 2011
37	Gloversville School Transportation Association	June 30, 2009 ⁽¹⁾
41	Buildings and Grounds Association	June 30, 2011
9	Gloversville Administrative Support Staff Association	June 30, 2011
5	Gloversville Non-Instructional Support Staff Association	June 30, 2011
21	Teaching Assistants	June 30, 2009 ⁽¹⁾

Note: The District employs approximately 509 full-time and 80 hourly employees.

⁽¹⁾ The District is currently negotiating with the Associations.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Rates
Five Year Average Full Valuation of Taxable Real Property	\$550,775,790	\$640,717,566
Debt Limit (5% of Five Year Average Full Valuation) ⁽²⁾	27,538,789	32,035,878
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds	\$67,525,000	\$67,525,000
Refunded Bonds	550,000	550,000
Bond Anticipation Notes	<u>9,000,000</u>	<u>9,000,000</u>
Total Inclusions.....	\$77,075,000	\$77,075,000
<u>Exclusions</u>		
Bonds Previously Refunded	\$550,000	\$550,000
Appropriations.....	<u>2,586,000</u>	<u>2,586,000</u>
Total Exclusions	\$3,136,000	\$3,136,000
Total Net Indebtedness	\$73,939,000	\$73,939,000
Net Debt Contracting Margin	<u>\$(46,400,211)</u> ⁽⁴⁾	<u>\$(41,903,122)</u> ⁽⁴⁾
Percentage of Debt Contracting Power Exhausted	268.49%	230.80%

(1) The District has not incurred any indebtedness since the date of this table.

(2) The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law. "Conventional" State equalization rates are also established by the State Board, and are used for all other purposes.

(3) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$8,680,000 School District Bonds to the Authority in connection with the refunding of \$9,000,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(4) The District is authorized to exceed its debt limit pursuant to Section 104.00 of the Local Finance Law based upon voter approval and the consent of the Board of Regents and the Office of the State Comptroller.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Fulton	\$2,530,000	\$ 0	\$2,530,000	27.10%	\$ 685,630
City of:					
Gloversville	7,408,000	469,000	6,939,000	100.00	6,939,000
Towns of:					
Johnstown	215,101	215,101	0	47.40	0
Bleecker	0	0	0	99.80	0
Caroga	144,416	144,416	0	0.70	0
Mayfield	0	0	0	0.10	\$ 0
				Total	\$7,624,630

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

**Debt Ratios
As of May 13, 2009⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$73,939,000	\$3,891.53	8.98%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	81,563,630	4,292.82	9.91

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 19,000.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$823,081,411.

(4) The District expects to deliver \$8,680,000 School District Bonds to the Authority in connection with the refunding of \$9,000,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The following is a history of Revenue Anticipation Note (“RAN”) borrowings for the last five years.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2004-2005	N/A	N/A	N/A	N/A
2005-2006	N/A	N/A	N/A	N/A
2006-2007	N/A	N/A	N/A	N/A
2007-2008	\$5,215,000	RAN	2/21/08	10/31/08
2008-2009	5,000,000	RAN	12/3/08	10/30/09

The District, historically, does not issue Tax Anticipation Notes

Capital Project Plans

A capital improvement project in the amount of \$24,885,200 million was approved by the voters on February 8, 2007. The District issued \$9,000,000 bond anticipation notes for the first phase of financing which mature on September 11, 2009 and which will be refinanced through issuance of the School District Bonds. Issuance of the bonds represents the first phase of permanent financing for this authorization. The timing of future borrowings will be dependent upon State Education Department approval and cash flow needs.

In addition, on May 19, 2009, the voters of the District approved the issuance of \$332,676.77 of general obligation bonds to finance the costs of the acquisition of school buses.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Taxes are collected by the City School District Tax Collector. Delinquent taxes are collected by the County Tax Enforcement Officer.

School taxes are due September 1, payable without penalty during the month of September. If paid during the month of October, a 2% penalty is added. After October, unpaid taxes are turned over to the respective enforcement officers for collection and additional penalties of 1% per month or fraction thereof are imposed.

Section 1332 of the Real Property Tax Law states that the City and County tax officers shall proceed to enforce such unpaid taxes in the same manner as though they were unpaid City and County taxes, with 5% of the principal and interest added thereto. The respective tax enforcement officers will pay to the School District all monies realized from the collection of unpaid taxes including interest, less the amount of 5% added thereto. If the City or County bids in on any property, the School District shall receive the amount of unpaid taxes due, plus interest, less the 5% added thereto.

Valuations and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

	Assessed Valuation					
	Years Ending June 30,					
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City of:						
Gloversville	\$269,105,126	\$271,543,726	\$272,417,687	\$274,697,427	\$274,268,721	\$354,522,831
Towns of:						
Johnstown	110,947,599	134,591,156	136,675,469	135,811,892	138,520,256	139,175,174
Bleecker	40,271,972	62,057,654	77,007,717	81,896,054	86,744,796	97,102,722
Caroga	723,604	724,928	706,578	701,648	689,395	681,855
Mayfield	560,390	741,890	731,200	731,740	751,200	751,340
Total Assessed						
Valuation	\$421,608,691	\$469,659,354	\$487,538,651	\$493,838,761	\$500,974,368	\$592,233,922

Regular State Equalization Rates

City of:						
Gloversville	98.00%	100.00%	94.84%	100.00%	83.04%	100.00%
Towns of:						
Johnstown	100.00	100.00	93.23	84.00	74.00	73.00
Bleecker	100.00	100.00	100.00	100.00	100.00	100.00
Caroga	100.00	92.42	75.95	59.92	54.97	53.00
Mayfield	88.28	100.00	84.72	80.00	75.00	67.00
Taxable Full						
Valuation	\$427,175,029	\$469,718,810	\$512,640,657	\$520,359,954	\$606,475,129	\$644,684,398

Special State Equalization Ratios

City of:						
Gloversville	99.97%	93.11%	98.17%	81.96%	79.90%	77.95%
Towns of:						
Johnstown	91.91	87.94	80.89	72.12	65.09	59.92
Bleecker	83.72	73.60	72.21	83.13	78.33	73.06
Caroga	92.98	71.22	57.08	52.91	45.70	38.90
Mayfield	80.95	57.38	75.21	70.65	62.82	55.90
Taxable Full						
Valuation	\$463,800,241	\$531,314,676	\$555,314,665	\$624,351,607	\$669,525,473	\$823,081,411

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$9,882,002	\$10,376,102	\$10,899,678	\$11,292,992	\$11,292,992	\$12,076,162
Adjusted Tax Levy	6,810,682	7,138,939	7,753,731	8,154,044	8,065,884	8,600,486
Total Collections	5,977,725	6,318,658	6,866,289	7,247,441	6,956,642	6,841,296
Amount Uncollected ⁽¹⁾	832,957	820,281	887,443	906,603	1,109,242	1,759,190
% Uncollected When Due ⁽²⁾	12.0%	11.0%	12.9%	11.12%	13.75%	14.57%

⁽¹⁾ As of the end of the local collection period.

⁽²⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2003-04	\$21,346,458	\$34,133,518	62.54%
2004-05	23,092,831	35,657,022	64.76
2005-06	23,490,790	36,756,506	63.91
2006-07	28,120,838	41,906,536	67.10
2007-08	31,846,396	46,195,137	68.94
2008-09 (Estimated)	35,540,170	50,478,584	70.41
2009-10 (Budgeted)	36,418,944	50,689,660	71.85

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$517,735	\$1,224,787
2006-2007	356,954	1,580,678
2007-2008	325,594	1,718,107
2008-2009 (Estimated)	330,388	1,833,026
2009-2010 (Budgeted)	631,572	1,631,132

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District has contracted with Milliman, Inc. to calculate its “other post-employment benefits” (“OBEP”) in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*”

Recent Operating Results

The District’s revenues were below its expenditures by \$512,728 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$1,831,533 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*”

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District’s debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service⁽¹⁾</u>	<u>Total Debt Service⁽¹⁾</u>
2008-2009	\$6,790,014	\$ --	\$6,790,014
2009-2010	6,744,632	845,211	7,589,843
2010-2011	6,721,815	840,950	7,562,765
2011-2012	6,688,481	843,550	7,532,031
2012-2013	6,681,153	845,350	7,526,503
2013-2014	6,572,939	840,250	7,413,189
2014-2015	6,567,664	840,750	7,408,414
2015-2016	6,365,740	845,000	7,210,740
2016-2017	6,366,888	842,750	7,209,638
2017-2018	6,328,646	844,250	7,172,896
2018-2019	6,319,790	844,250	7,164,040
2019-2020	6,330,739	842,750	7,173,489
2020-2021	6,171,579	844,750	7,016,329
2021-2022	3,574,510	845,000	4,419,510
2022-2023	3,576,850	843,500	4,420,350
2023-2024	1,272,550	845,250	2,117,800
2024-2025	562,275	--	562,275
2025-2026	557,200	--	557,200
2026-2027	561,675	--	561,675
2027-2028	555,250	--	555,250
2028-2029	561,250	--	561,250
2029-2030	556,500	--	556,500
2030-2031	560,750	--	560,750
2031-2032	553,750	--	553,750
2032-2033	556,000	--	556,000
2033-2034	557,000	--	557,000
2034-2035	561,750	--	561,750
TOTAL	<u>\$99,217,389</u>	<u>\$12,653,561</u>	<u>\$111,870,950</u>

⁽¹⁾ Totals may not add due to rounding.

**APPENDIX C-16
DESCRIPTION OF
HEMPSTEAD UNION FREE SCHOOL DISTRICT**

There follows in this Appendix C-16 a brief description of the Hempstead Union Free School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 3.2 square miles. The District is located in the central portion of Nassau County in the Town of Hempstead.

Population

The current estimated population of the District is 43,809.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Town of Hempstead	Town government	2,400
Hempstead UFSD	Public school	802
Nassau Extended Care Center	Nursing home	405
Village of Hempstead	Village government	351
Anchor Security and Investigations	Guard service	104

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Heritage Place LLC	Real Estate	\$249,764,000
Jackson Terrace Assoc	Real Estate	235,116,000
Benroal Realty Associates LP	Real Estate	217,690,000
Greenwich Nursing Homes Assoc.	Nursing Home	211,746,667
Fulton Nursing Home Inc	Nursing Home	202,580,667

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 14.17% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is the Town of Hempstead. The data set forth below with respect to the Town and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the Town and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Town of Hempstead	4.7%	4.3%	4.0%	3.8%	4.9%
Nassau County	4.5	4.1	3.8	3.6	4.7
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>Projected 2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>
K-12	6,856	6,323	6,250	5,964	6,014	6,064	6,114	6,164

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
554	Hempstead Classroom Teachers' Association	6/30/10
198	Hempstead School Civil Service Association	6/30/10
126	Hempstead Teaching Assistants' Association	6/30/10
81	United Public Service Employees Union Local 424	6/30/09 ⁽¹⁾
37	Hempstead School Administrators' Association	6/30/10

⁽¹⁾ The District is currently negotiating with the Association.

DISTRICT INDEBTEDNESS**Debt Limit**

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

Full Valuation of Taxable Real Property	\$3,660,540,333
Debt Limit (10% of Full Valuation)	366,054,033
Gross Indebtedness ⁽²⁾	\$ 32,025,000
Less: Exclusions for estimated building aid ⁽³⁾	0
Total Net Indebtedness	32,025,000
Net Debt Contracting Margin	\$ 334,029,033
Percentage of Debt Contracting Margin Exhausted.....	8.74%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$6,050,000 School District Bonds to the Authority in connection with the refunding of \$6,500,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the Gross Indebtedness of the District is within the debt limit, the District is not required to apply for a Build Aid Estimate and therefore is not permitted to deduct Estimated Building Aid.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u>	<u>Exclusions</u>	<u>Inclusions</u>	<u>% Within District</u>	<u>Amount Applicable To District</u>
Counties of:					
Nassau	\$3,426,994,935	\$42,645,000	\$3,384,349,935	1.50	\$50,765,249
Towns of:					
Hempstead	312,817,880	20,560,925	292,256,955	3.30	9,644,479
Villages of:					
Hempstead	45,474,507	441,362	45,033,145	75	33,774,858
Total Net Overlapping Debt					<u>\$94,184,586</u>
Total Net Direct Debt					<u>32,025,000</u>
Net Direct and Overlapping Debt					<u>\$126,209,586</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

**Debt Ratios
As of May 13, 2009⁽¹⁾**

	<u>Amount</u>	<u>Debt Per Capita⁽²⁾</u>	<u>Debt to Full Value⁽³⁾</u>
Net Direct Debt.....	\$32,025,000	\$731	0.87%
Net Direct and Overlapping Debt	115,022,264	2,626	3.14

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 43,809.

(3) Based on the District's full value of taxable real estate for 2007-08 of \$3,660,540,333.

(4) The District expects to deliver \$6,050,000 School District Bonds to the Authority in connection with the financing of the District's capital construction project. Such Bond, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year

Cash Flow Borrowing

The following is a history of Tax Anticipation Note (“TAN”) borrowings for the last five years.

<u>Fiscal Year</u>	<u>Type</u>	<u>Issue Date</u>	<u>Amount Issued</u>	<u>Maturity Date</u>
2003-04	TAN	7/01/03	\$12,400,000	6/29/04
	TAN	3/04/04	3,000,000	6/29/04
2004-05	TAN	7/08/04	18,000,000	6/29/05
	TAN	3/02/05	6,300,000	6/29/05
2005-06	TAN	8/17/05	23,000,000	6/29/06
2006-07	TAN	8/03/06	24,000,000	6/28/07
2007-08	TAN	7/06/07	28,000,000	6/24/08
2008-09	TAN	7/10/08	24,760,000	6/24/09

The District, historically, does not issue Revenue Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

In the County, property taxes for the school districts are levied by the County, and are collected by the town tax receivers. Such taxes are due and payable in equal installments on October 1 and April 1, but may be paid without penalty by November 10 and May 10, respectively. The town tax receiver pays to each school district the amounts collected therefor on the first day of each month from October 1 to June 1.

Penalties on unpaid taxes are 1% per month from the date such taxes are due and payable. A 1% discount for prepayment of second half taxes is given if received by November 10. Any such discount is a town charge.

On or before June 1, the town tax receiver files a report of any uncollected school district taxes with the County. The County thereafter on or before June 15 pays to each school district the amount of its uncollected taxes. Thus, each school district receives its full levy prior to the end of its fiscal year.

Valuations and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District’s real property tax levy for the last five years.

Valuations and Tax Levy

Real Property Tax Assessments and Rates Years Ending June 30,

	<u>2004⁽²⁾</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Assessed Value	\$17,333,139	\$16,933,587	\$13,083,686	\$10,310,883	\$10,981,621
Equalization Rate	0.90%	0.82%	0.50%	0.30%	0.30%
Full Value	\$1,925,904,333	\$2,065,071,585	\$2,616,737,200	\$3,436,961,000	\$3,660,540,333

Total District Property Tax Collections Years Ending June 30,

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$60,156,869	\$67,234,156	\$62,246,889	\$56,791,645	\$58,415,710	\$61,091,884
% Uncollected When Due ⁽¹⁾	0%	0%	0%	0%	0%	0%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2003-04	\$111,892,538	\$49,847,277	44.55%
2004-05	122,926,736	52,690,666	42.86
2005-06	123,452,344	58,081,369	47.05
2006-07	127,508,296	67,303,186	52.78
2007-08	139,591,020	77,059,712	55.20
2008-09 (Estimated)	150,616,862	87,198,452	57.89
2009-10 (Budgeted)			

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$1,077,152	\$5,148,789
2006-2007	1,183,661	5,613,177
2007-2008	1,239,217	5,788,863
2008-2009 (Estimated)	1,156,328	6,283,702
2009-2010 (Budgeted)	1,248,834	6,763,148

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District contracted with BOCES Questar to calculate its “other post-employment benefits” (“OBEP”) in accordance with GASB 45. The District’s present value OPEB liability has been determined to be \$268,520,489 at July 1, 2008. The School District’s annual required contribution (“ARC”) is \$18,878,177, of which \$4,484,988 is paid annually to over 1,283 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the School District’s 2008 financial statements. The School District has set aside \$1,170,000 toward its OPEB liability. See also, “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*”

Recent Operating Results

The District’s revenues exceeded its expenditures by \$4,648,812 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$632,602 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*”

The 2009-10 budget was approved by the voters on May 19, 2009.

Litigation

ALGUERA v. HEMPSTEAD UFSD: The District has been served with a notice of claim related to a wrongful death action associated with the 2008 death of a male student on school grounds. The District cannot predict the outcome of the matter at this time. In the event that the liability exceeds the District’s Insurance Policy limit, the District would be permitted to issue bonds or notes to fund the excess liability.

Principal and Interest Requirements

A schedule of the District’s debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service⁽¹⁾</u>	<u>Total Debt Service⁽¹⁾</u>
2008-2009	\$1,905,681	\$ --	\$1,905,681
2009-2010	2,050,000	588,069	2,638,069
2010-2011	1,986,250	588,000	2,574,250
2011-2012	1,750,000	585,800	2,335,800
2012-2013	1,750,000	588,200	2,338,200
2013-2014	1,750,000	589,250	2,339,250
2014-2015	1,750,000	587,000	2,337,000
2015-2016	1,750,000	589,000	2,339,000
2016-2017	1,750,000	590,000	2,340,000
2017-2018	1,750,000	585,000	2,335,000
2018-2019	1,750,000	589,250	2,339,250
2019-2020	1,750,000	587,250	2,337,250
2020-2021	1,750,000	589,250	2,339,250
2021-2022	1,750,000	585,000	2,335,000
2022-2023	2,000,000	589,750	2,589,750
2023-2024	--	588,000	588,000
TOTAL	<u>\$27,191,931</u>	<u>\$8,818,819</u>	<u>\$36,010,750</u>

⁽¹⁾ Totals may not add due to rounding.

**APPENDIX C-17
DESCRIPTION OF
HINSDALE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-17 a brief description of the Hinsdale Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 54 square miles in the Towns of Hinsdale, Olean, Ischua, and Humphrey in Cattaraugus County and the Town of Clarksville in Allegany County.

Population

The current estimated population of the District is 2,100.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Hinsdale Central School District	Public Education	102
Team Chevrolet	Auto Dealership	45
Sanzo Beverage	Beverage Distributor	40
Town of Hinsdale	Municipality	30
Kent's Auction Service	Auction Services	20

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$6,194,185
National Fuel	Utility	1,777,462
Verizon New York Inc.	Utility	1,395,216
T&T Future Corporation	Automotive Dealership	763,500
Sanzo Specialties, Inc.	Marketing Supplier	610,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 12.43% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Cattaraugus County and Allegany County. The data set forth below with respect to the Counties and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the Counties and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Cattaraugus County	6.0%	5.4%	5.2%	5.2%	6.2%
Allegany County	6.4	5.9	5.3	5.5	6.5
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
PK-12	500	477	482	486	485	488	480	480

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
50	Hinsdale United Teachers' Association	June 30, 2009 ⁽¹⁾
30	Hinsdale Non-Instructional Group Association	June 30, 2010

⁽¹⁾ The District is currently negotiating with the Association.

DISTRICT INDEBTEDNESS**Debt Limit**

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾

Full Valuation of Taxable Real Property.....	\$105,418,504
Debt Limit (10% of Full Valuation).....	10,541,850
Gross Indebtedness ⁽²⁾	\$ 8,267,516
Less: Exclusions – Estimated Building Aid ⁽³⁾	6,673,610
Total Net Indebtedness	\$ 1,593,906
Net Debt Contracting Margin.....	\$ 8,947,944
Percentage of Debt Contracting Power Exhausted.....	15.12%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$1,920,000 School District Bonds to the Authority in connection with the refunding of \$2,012,500 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Cattaraugus	\$57,858,846	\$ 0	\$57,858,846	3.17%	\$1,834,125
Allegany	32,911,725	32,911,725	0	0.03	0
Towns of:					
Hinsdale	457,800	399,000	58,800	96.96	57,012
Olean	629,406	532,000	97,406	21.31	20,757
Ischua	0	0	0	46.20	0
Humphrey	199,067	0	199,067	3.68	7,326
Clarksville	0	0	0	1.28	0
				Total	<u>\$1,919,220</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$8,267,516	\$3,936.91	7.84%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	10,186,736	4,850.83	9.66

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 2,100.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$105,418,504.

(4) The District expects to deliver \$1,920,000 School District Bonds to the Authority in connection with the refunding of \$2,012,500 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

In addition to the issuance of the School District Bonds, on May 19, 2009, the voters of the District approved the issuance of \$102,000 of general obligation bonds to finance the costs of the acquisition of school buses.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2%. All taxes remaining unpaid after October 31 are turned over to the respective Counties for collection. The respective Counties reimburse the District in full before the end of the District's fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

Valuations, Rates and Tax Levy					
Assessed Valuation					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Hinsdale	\$57,369,968	\$56,217,400	\$56,260,255 ⁽¹⁾	\$66,855,719 ⁽¹⁾	\$66,843,277
Olean	15,367,864	15,576,584	15,620,363	15,292,572	15,583,439
Ischua	1,525,539	1,533,125	1,571,775	1,595,954	1,561,952
Humphrey	653,743	636,475	634,187	586,948	583,098
Clarksville	363,200	363,200	365,200	365,200	365,200
Total Assessed					
Valuation	\$75,280,314	\$74,326,784	\$74,451,780	\$84,696,393	\$84,936,966
State Equalization Rates					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Hinsdale	89.09%	89.00%	84.00%	100.00%	100.00%
Olean	100.00	95.00	90.00	85.00	80.00
Ischua	11.21	11.00	10.00	9.50	9.00
Humphrey	73.88	75.00	73.00	57.00	47.00
Clarksville	83.00	83.00	80.00	73.00	73.00
Taxable Full					
Valuation	\$94,694,577	\$94,785,744	\$101,375,451	\$103,176,501	\$105,418,504

⁽¹⁾ Difference due to townwide revaluation.

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$1,496,716	\$1,600,071	\$1,679,913	\$1,769,196	\$1,769,298
% Uncollected When Due ⁽¹⁾	13.71%	16.26%	13.97%	14.66%	13.77%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2003-04	\$5,094,476	\$6,731,728	75.68%
2004-05	5,014,606	6,764,537	74.13
2005-06	5,313,405	7,322,623	72.56
2006-07	6,027,515	7,857,962	76.71
2007-08	5,857,905	7,908,935	74.07
2008-09 (Estimated)	5,857,749	7,709,000	75.99
2009-10 (Budgeted)	6,728,770	8,660,116	77.70

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$90,000	\$177,000
2006-2007	76,000	218,000
2007-2008	62,000	236,000
2008-2009 (Estimated)	42,000	185,000
2009-2010 (Budgeted)	100,000	255,000

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District has contracted with Alliance Benefit Group to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's revenues exceeded its expenditures by \$429,416 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$1,058,660 at the end of the fiscal year.

The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – State Aid."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$765,073	\$ --	\$765,073
2009-2010	764,388	179,967	944,355
2010-2011	772,975	176,981	949,956
2011-2012	769,475	179,356	948,831
2012-2013	769,187	176,606	945,793
2013-2014	557,912	178,306	736,218
2014-2015	559,050	174,856	733,906
2015-2016	189,400	175,975	365,375
2016-2017	188,400	176,775	365,175
2017-2018	187,200	176,775	363,975
2018-2019	185,800	176,575	362,375
2019-2020	189,200	176,006	365,206
2020-2021	187,200	175,056	362,256
2021-2022	--	178,713	178,713
2022-2023	--	176,200	176,200
2023-2024	--	178,075	178,075
TOTAL	<u>\$6,085,260</u>	<u>\$2,656,223</u>	<u>\$8,741,483</u>

⁽¹⁾ Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

**APPENDIX C-18
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF HUDSON**

There follows in this Appendix C-18 a brief description of the City School District of the City of Hudson (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 67 square miles. The District includes the Towns of Stockport, Greenport, Claverack, Livingston, Taghkanic, and Ghent and the City of Hudson located in Columbia County.

Population

The current estimated population of the District is 17,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Columbia Memorial Hospital	Health Care Facility	1,200
Columbia County	Municipal Government	763
Columbia Greene Community College	Higher Education	400
City School District of the City of Hudson	Public Education	342
Hudson Correctional Facility	State Prison	300

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$26,740,154
Woodvale Holdings LLC	Apartments	13,121,556
Fairview Plaza, Inc.	Shopping Plaza	11,448,555
Iroquois Gas Corp.	Utility	10,664,829
Livingston Hills	Nursing Home	10,415,968

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 7.87% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Columbia County. The data set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the County and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Columbia County	4.4%	3.9%	3.8%	3.9%	4.9%
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>Projected 2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>
K-12	2,293	2,121	2,088	2,040	1,992	1,992	1,992	1,992

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>	<u>Affiliation</u>
212	Hudson Teachers' Association	June 30, 2011	NYSUT
66	Teacher Aides	June 30, 2010	CSEA
26	Hudson Educational Secretaries Association	June 30, 2010	CSEA
38	Custodial & Maintenance Unit	June 30, 2010	CSEA

The School District has 335 full-time and 7 part-time employees.

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾

	<u>Based on Conventional Equalization Rates</u>	<u>Based on Special Equalization Rates</u>
Five Year Average Full Valuation of Taxable Real Property	\$1,118,445,014	\$1,561,591,589
Debt Limit (5% of Five Year Average Full Valuation) ⁽²⁾	\$55,922,250	\$78,079,579
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds	\$39,565,000	\$39,565,000
Bond Anticipation Notes	\$9,995,000	\$9,995,000
Total Inclusions	\$49,560,000	\$49,560,000
<u>Exclusions</u>		
Appropriations	\$460,000	\$460,000
Total Exclusions	\$460,000	\$460,000
Total Net Indebtedness	\$49,100,000	\$49,100,000
Net Debt Contracting Margin	\$6,822,250	\$28,979,579
Percentage of Debt Contracting Power Exhausted	87.80%	62.88%

(1) The District has not incurred any indebtedness since the date of this table.

(2) The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law. "Conventional" State equalization rates are also established by the State Board, and are used for all other purposes.

(3) Tax anticipation notes and revenue anticipation notes are not included in the computation of the constitutional debt limit of the District. The District expects to deliver \$9,130,000 School District Bonds to the Authority in connection with the refunding of \$9,995,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Outstanding Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Columbia	\$10,771,000	\$0	\$10,771,000	20.81%	\$2,241,445
Towns of:					
Stockport	5,683,573	5,614,000	69,573	39.16	27,245
Greenport	5,298,104	5,298,104	0	100.00	0
Claverack	4,082,173	4,082,173	0	48.26	0
Livingston	0	0	0	42.90	0
Taghkanic	104,809	0	104,809	38.56	40,414
Ghent	0	0	0	5.35	0
City of:					
Hudson	10,803,370	7,121,695	3,681,675	100.00	<u>3,681,675</u>
				Total	<u>\$5,990,779</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$49,560,000	\$2,915.29	3.41%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	55,550,779	3,267.69	3.82

⁽¹⁾ The District has not incurred any indebtedness since the date of the above table.

⁽²⁾ Based on the District's current estimated population of 17,000.

⁽³⁾ Based on the District's full value of taxable real estate for 2008-09 of \$1,455,297,770.

⁽⁴⁾ The District expects to deliver \$9,130,000 School District Bonds to the Authority in connection with the refunding of \$9,995,000 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽⁵⁾ Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The following is a history of Revenue Anticipation Note ("RAN") borrowings for the last five years.

<u>Fiscal Year</u>	<u>Type</u>	<u>Issue Date</u>	<u>Amount Issued</u>	<u>Maturity Date</u>
2003-04	RAN	6/23/04	\$1,200,000	8/30/04
2004-05	N/A	N/A	N/A	N/A
2005-06	N/A	N/A	N/A	N/A
2006-07	RAN	6/20/06	1,000,000	8/30/06
2007-08	N/A	N/A	N/A	N/A
2008-09	RAN	12/30/08	8,590,000	4/15/09

The District, historically, does not issue Tax Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due beginning July 15 and may be paid through August 15 without penalty. Taxpayers may also elect to make payments in installments, with payments due August 15 and October 15. Penalties accrue at varying

rates depending on the payment schedule selected, but generally at the rate of 1% per month. No payments are accepted after October 31.

Taxes remaining uncollected after the expiration of the second collection period are returned to the Treasurer of the City of Hudson (the "City") and the Treasurer of Columbia County (the "County") who, by law, must reimburse the School District in full for uncollected taxes prior to the end of the second fiscal year for which the taxes are levied.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

Valuations, Rates and Tax Levy					
Assessed Valuation					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Stockport	\$28,728,982	\$30,680,384	\$33,909,683	\$39,119,796	\$39,655,222
Greenport	284,319,189	310,258,318	364,977,141	415,217,678	415,601,751
Claverack	122,149,840 ⁽¹⁾	146,827,756 ⁽¹⁾	153,685,588	156,525,108	159,087,099
Livingston	59,896,933	63,286,158 ⁽¹⁾	94,201,766 ⁽¹⁾	97,939,110	100,614,898
Taghkanic	50,277,351	57,831,868	70,443,225	84,650,203	93,559,900
Ghent	12,526,342	12,959,903	13,197,686	13,714,607 ⁽¹⁾	26,554,095 ⁽¹⁾
City of:					
Hudson	197,811,052	245,274,158 ⁽¹⁾	295,004,421 ⁽¹⁾	290,855,389	303,403,938
Total Assessed Valuation	\$755,709,689	\$867,118,545	\$1,025,419,510	\$1,098,021,891	\$1,138,476,903

State Equalization Rates					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Stockport	100.00%	90.00%	80.09%	80.00%	75.00%
Greenport	100.00	100.00	100.00	100.00	90.00
Claverack	85.48	90.80	74.55	67.57	61.76
Livingston	79.32	67.75	85.00	74.79	69.02
Taghkanic	100.00	100.00	100.00	88.43	100.00
Ghent	87.28	75.00	63.79	63.03	100.00
City of:					
Hudson	100.00	100.00	100.00	78.92	72.73
Taxable Full Valuation	\$793,900,240	\$919,849,409	\$1,110,430,159	\$1,312,747,495	\$1,455,297,770

⁽¹⁾ Difference due to townwide revaluation.

Total District Property Tax Collections					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$14,875,662	\$14,691,098	\$15,388,348	\$16,017,096	\$16,257,352
% Uncollected When Due ⁽¹⁾	9.61%	9.82%	3.96%	10.80%	9.00%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

<u>Fiscal Year</u>	<u>State Aid</u>		<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	
2003-04	\$12,889,030	\$28,282,220	45.57%
2004-05	13,562,732	29,849,216	45.44
2005-06	14,565,299	31,708,111	45.94
2006-07	15,714,406	33,333,700	47.14
2007-08	17,476,790	35,717,891	48.93
2008-09 (Estimated)	18,607,350	37,243,363	49.96
2009-10 (Budgeted)	21,930,162	41,141,824	53.30

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$464,445	\$1,248,055
2006-2007	413,141	1,431,713
2007-2008	366,371	1,567,062
2008-2009 (Estimated)	375,000	1,296,936
2009-2010 (Budgeted)	375,000	1,296,936

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District has contracted with Questar III, the BOCES for Rensselaer, Columbia and Greene Counties, to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's expenditures exceeded its revenues by \$446,773 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$892,850 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

Fiscal Year	Existing Debt Service	New Debt Service⁽¹⁾	Total Debt Service⁽¹⁾
2008-2009	\$638,554	\$ --	\$638,554
2009-2010	3,577,738	744,508	4,322,246
2010-2011	3,575,835	745,711	4,321,546
2011-2012	3,575,435	746,336	4,321,771
2012-2013	3,570,473	741,711	4,312,184
2013-2014	3,578,638	745,011	4,323,649
2014-2015	3,577,350	747,861	4,325,211
2015-2016	3,574,956	743,686	4,318,642
2016-2017	2,935,356	748,636	3,683,992
2017-2018	2,937,756	745,636	3,683,392
2018-2019	2,935,825	742,036	3,677,861
2019-2020	2,937,625	747,236	3,684,861
2020-2021	2,939,125	740,774	3,679,899
2021-2022	2,936,125	743,024	3,679,149
2022-2023	2,938,625	741,255	3,679,880
2023-2024	2,941,125	671,655	3,612,780
2024-2025	2,833,375	676,480	3,509,855
2025-2026	2,832,156	674,600	3,506,756
2026-2027	2,834,188	676,520	3,510,708
2027-2028	2,833,906	672,000	3,505,906
2028-2029	<u>2,836,031</u>	<u>--</u>	<u>2,836,031</u>
TOTAL	<u>\$63,340,197</u>	<u>\$13,794,676</u>	<u>\$77,134,873</u>

⁽¹⁾ Totals may not add due to rounding.

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**APPENDIX C-19
DESCRIPTION OF
HUDSON FALLS CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-19 a brief description of the Hudson Falls Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 55 square miles in the Towns of Argyle, Fort Ann, Fort Edward, Hartford, and Kingsbury in Washington County, the Town of Moreau in Saratoga County and the Town of Queensbury in Warren County. The Village of Hudson Falls is located within the District.

Population

The current estimated population of the District is 13,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Hudson Falls Central School District	Public Education	445
General Electric Corporation	Manufacturer – Capacitors	260
Valmet – Sandy Hill, Inc.	Paper Mill	60
Hannaford	Grocery Store	55
Doty Maching Shop	Machine Shop	30

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$15,703,873
General Electric Corporation	Industrial	10,687,223
Kingswood Village LLC	Apartments	7,020,000
Spurlock Adhesive	Manufacturing	5,700,937
Dix Avenue Properties	Apartments	4,432,400

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 7.54% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Washington County, Saratoga County and Warren County. The data set forth below with respect to the Counties and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the Counties and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Washington County	4.7%	4.5%	4.3%	4.3%	5.5%
Saratoga County	3.9	3.7	3.6	3.7	4.6
Warren County	4.9	4.6	4.7	4.6	5.8
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
K-12	2,363	2,349	2,351	2,336	2,302	2,301	2,285	2,283

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
200	Hudson Falls Teachers' Association	June 30, 2009 ⁽¹⁾
72	Teaching Aides & Assistants' Unit	June 30, 2010
159	Hudson Falls-School Related Employees	June 30, 2009 ⁽¹⁾

⁽¹⁾ The District is currently negotiating with the Associations.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

Full Valuation of Taxable Real Property.....	\$764,335,477
Debt Limit (10% of Full Valuation).....	76,433,547
Gross Indebtedness ⁽²⁾	\$ 43,797,754
Less: Exclusions – Estimated Building Aid ⁽³⁾	36,507,693
Total Net Indebtedness.....	\$ 7,290,061
Net Debt Contracting Margin.....	\$ 69,143,486
Percentage of Debt Contracting Power Exhausted.....	9.54%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$17,905,000 School District Bonds to the Authority in connection with the refunding of \$3,900,000 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Washington	\$12,808,000	\$11,833,000	\$ 975,000	20.70%	\$201,825
Saratoga	13,865,000	0	13,865,000	0.06	8,319
Warren	24,620,000	0	24,620,000	0.09	22,158
Towns of:					
Argyle	0	0	0	1.01	0
Fort Ann	7,202,750	0	7,202,750	2.64	190,153
Fort Edward	589,391	589,391	0	55.23	0
Hartford	72,984	72,984	0	1.36	0
Kingsbury	80,000	0	80,000	100.00	80,000
Moreau	0	0	0	1.14	0
Queensbury	14,504,900	14,092,150	412,750	0.27	1,114
Village of:					
Hudson Falls	657,000	657,000	0	100.00	<u>0</u>
				Total	<u>\$503,569</u>

⁽¹⁾ Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 13, 2009.

**Debt Ratios
As of May 13, 2009⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$43,797,754	\$3,369.06	5.73%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	44,301,323	3,407.79	5.80

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 13,000.
- (3) Based on the District’s full value of taxable real estate for 2008-09 of \$764,335,477.
- (4) The District expects to deliver \$17,905,000 School District Bonds to the Authority in connection with the refunding of \$3,900,000 of the District’s outstanding bond anticipation notes and the financing of the District’s capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- (5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid from October 6 through November 4 are subject to a penalty fee of 2%. All taxes remaining unpaid after November 14 are turned over to the respective Counties for collection. The respective Counties reimburse the District in full before the end of the District’s fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

Valuations, Rates and Tax Levy					
Assessed Valuation					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Argyle	\$1,127,271	\$1,338,237	\$1,502,367 ⁽¹⁾	\$1,825,746 ⁽¹⁾	\$1,896,944
Fort Ann	8,130,556 ⁽¹⁾	8,747,720 ⁽¹⁾	9,378,801	9,801,237	9,886,705
Fort Edward	74,864,353	76,100,292 ⁽¹⁾	109,065,349 ⁽¹⁾	108,909,439	109,841,552
Hartford	68,974	68,778 ⁽²⁾	1,369,907 ⁽²⁾	1,515,366	1,584,842
Kingsbury	358,126,037	406,367,390	474,559,497	530,896,856	595,831,117
Moreau	3,189,850	3,433,525	3,433,525	3,433,525	3,419,866
Queensbury	3,739,050 ⁽¹⁾	5,265,100 ⁽¹⁾	5,400,400	5,509,700	6,257,600
Total Assessed Valuation	\$449,246,091	\$501,321,042	\$604,709,846	\$661,891,869	\$728,718,626

State Equalization Rates					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Argyle	100.00%	100.00%	100.00%	100.00%	100.00%
Fort Ann	88.66	100.00	88.71	77.00	74.00
Fort Edward	100.00	90.00	100.00	90.96	82.96
Hartford	7.23	6.72	100.00	100.00	100.00
Kingsbury	100.00	100.00	100.00	100.00	100.00
Moreau	47.00	43.00	36.00	32.00	32.00
Queensbury	84.00	100.00	89.00	79.00	73.00
Taxable Full Valuation	\$455,480,311	\$515,282,750	\$612,674,982	\$684,404,247	\$764,335,477

⁽¹⁾ Difference due to townwide revaluation.

⁽²⁾ Difference due to change in assessment procedures to "market" or "full" value.

Total District Property Tax Collections					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$9,458,217	\$9,952,144	\$10,859,418	\$11,516,888	\$11,413,343
% Uncollected When Due ⁽¹⁾	10.43%	10.39%	11.29%	10.74%	10.70%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid			Percentage of Total Revenues Consisting of State Aid⁽¹⁾
<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	
2003-04	\$15,874,043	\$26,044,842	60.95%
2004-05	\$16,829,258	\$27,951,587	60.21
2005-06	\$17,483,210	\$29,649,112	58.97
2006-07	\$18,410,461	\$31,190,461	59.03
2007-08	\$20,438,075	\$35,288,048	57.92
2008-09 (Estimated)	\$25,750,580	\$38,789,368	66.38
2009-10 (Budgeted)	\$26,142,118	\$39,580,878	66.05

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$353,874	\$ 751,482
2006-2007	335,311	969,609
2007-2008	315,567	1,026,979
2008-2009 (Estimated)	324,298	1,024,457
2009-2010 (Budgeted)	378,736	799,312

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District has contracted with Harbridge Consulting Group to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's revenues exceeded its expenditures by \$1,943,298 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$835,608 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$4,095,140	\$ --	\$4,095,140
2009-2010	4,008,088	1,650,789	5,658,877
2010-2011	4,024,800	1,651,950	5,676,750
2011-2012	4,026,663	1,652,450	5,679,113
2012-2013	3,764,263	1,652,325	5,416,588
2013-2014	3,775,831	1,651,425	5,427,256
2014-2015	3,786,306	1,654,625	5,440,931
2015-2016	3,788,756	1,652,669	5,441,425
2016-2017	3,009,869	1,653,119	4,662,988
2017-2018	3,013,031	1,651,319	4,664,350
2018-2019	1,890,881	1,652,719	3,543,600
2019-2020	1,873,031	1,650,538	3,523,569
2020-2021	1,833,531	1,649,650	3,483,181
2021-2022	1,838,331	1,649,713	3,488,044
2022-2023	1,775,331	1,651,013	3,426,344
2023-2024	--	<u>1,649,813</u>	<u>1,649,813</u>
TOTAL	<u>\$42,408,712</u>	<u>\$24,774,114</u>	<u>\$71,277,969</u>

⁽¹⁾ Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

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**APPENDIX C-20
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF ITHACA**

There follows in this Appendix C-20 a brief description of the City School District of the City of Ithaca (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District, with a land area of approximately 160 square miles and is located in upstate New York, in the Counties of Tompkins and Tioga, and centers around the City of Ithaca. The City of Syracuse is located 45 miles northeast, the City of Binghamton 40 miles southeast and the City of Elmira 35 miles southwest. The School District includes the entire City of Ithaca as well as parts of the Towns of Caroline, Danby, Dryden, Enfield, Ithaca, Lansing, Newfield, Ulysses in Tompkins County and Candor and Richford in Tioga County.

Population

The current estimated population of the District is 55,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Cornell University	Education	10,000
Ithaca College	Education	1,600
Cayuga Medical Center at Ithaca	Health Center	1,200
Ithaca City School District	Education	1,200
Borg Warner	Manufacturing	900

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Pyramid Mall of Ithaca	Shopping Mall	\$ 59,200,000
N.Y.S. Electric & Gas Corporation	Utility	58,075,856
Cornell University	Education	33,366,200
Kendall at Ithaca, Inc.	Senior Housing	32,500,000
Buffalo-Ithaca Associates	Development Company (Malls)	24,747,500

The total estimated assessed valuation of the top **ten (10)** taxpayers represents approximately 6.1% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Tompkins and Tioga Counties. The data set forth below with respect to the Counties and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the Counties and State are necessarily representative of the District or vice versa.

Year Average

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Tompkins County	4.0%	3.6%	3.4%	3.4%	4.1%
Tioga County	5.2	4.8	4.4	4.6	5.4
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>Projected 2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>
K-12	5,524	5,457	5,549	5,458	5,333	5,300	5,300	5,300

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
607	Ithaca Teachers' Association	June 30, 2009 ⁽¹⁾
237	Ithaca Para-Professional Association	June 30, 2010
330	Ithaca Service Employees' Association	June 30, 2011
22	Principals' and Directors' Association	June 30, 2011
500	Ithaca Substitutes Association	June 30, 2011

⁽¹⁾ The District is currently negotiating with the Association.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Rates
Five Year Average Full Valuation of Taxable Real Property	\$3,535,423,774	\$4,191,407,735
Debt Limit (5% of full valuation) ⁽²⁾	\$176,771,189	\$209,570,387
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds	\$12,665,000	\$12,665,000
Bond Anticipation Notes	30,000,000	30,000,000
Total Inclusions	\$42,665,000	\$42,665,000
<u>Exclusions</u>		
Appropriations	\$995,000	\$995,000
Total Exclusions	\$995,000	\$995,000
Total Net Indebtedness	\$41,670,000	\$41,670,000
Net Debt Contracting Margin	\$135,101,189	\$167,900,387
Percentage of Debt Contracting Power Exhausted	23.57%	19.88%

- (1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$15,825,000 School District Bonds to the Authority in connection with the refunding of \$16,000,000 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- (2) The District’s constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law. “Conventional” State equalization rates are also established by the State Board, and are used for all other purposes.
- (3) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the constitutional debt limit of the District.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

Unit	Outstanding Indebtedness⁽¹⁾	Exclusions⁽²⁾	Net Indebtedness	% With District	Applicable Net Indebtedness
Counties of:					
Tompkins	\$41,750,000	\$0 ⁽²⁾	\$41,750,000	65.54%	\$27,362,950
Tioga	5,000,000	5,000,000 ⁽²⁾	0	0.11	0
City of:					
Ithaca	42,753,481	9,861,124	32,892,357	100.0	32,892,357
Towns of:					
Candor	0	0	0	0.64	0
Caroline	0	0	0	0	0
Danby	250,000	0	250,000	80.48	201,200
Dryden	987,500	489,000 ⁽²⁾	498,500	33.09	164,954
Enfield	0	0	0	69.73	0
Ithaca	6,140,000	6,020,000 ⁽²⁾	120,000	100.00	120,000
Lansing	2,795,419	2,310,000 ⁽²⁾	485,419	35.23	171,013
Newfield	3,835,061	3,635,061 ⁽²⁾	200,000	0.44	880
Richford	0	0	0	2.88	0
Ulysses	2,235,065	2,235,065	0	33.79	0
Village of					
Cayuga Heights	1,995,600	237,600 ⁽²⁾	1,758,000	100.00	<u>1,758,000</u>
				Total	<u>\$62,671,354</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

**Debt Ratios
As of May 13, 2009⁽¹⁾**

	Amount	Per Capita⁽²⁾	Percentage of Full Value⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$ 42,665,000	\$ 775.73	.88%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	105,336,345	1,915.21	2.17

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 55,000.

(3) Based on the District's 2008-2009 full value of taxable real estate using Special Equalization Rates of \$4,852,362,305.

(4) The District expects to deliver \$15,825,000 School District Bonds to the Authority in connection with the refunding of \$16,000,000 of the District's \$25,000,000 outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The following is a history of Revenue Anticipation Note (“RAN”) borrowings for the last five years.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2004-2005	\$4,900,000	RAN	7/20/04	6/30/05
2005-2006	4,900,000	RAN	8/4/05	6/30/06
2006-2007	3,000,000	RAN	8/4/06	6/30/07
2007-2008	4,900,000	RAN	7/12/07	6/24/08
2008-2009	N/A	N/A	N/A	N/A

The District, historically, does not issue Tax Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

The District levies its own taxes prior to the end of September, and collects such taxes, which are due during October without penalty. Penalties for delinquent taxes are as follows:

2% in November and 3% in December after which the delinquent taxes are turned over to the City Tax Collector for those properties within the City and to the respective County Treasurers for those properties outside the City. The School District receives the full amount of all the uncollected taxes on property outside the City from the Counties by the end of its fiscal year, and the full amount of uncollected taxes on property within the City during the next fiscal year.

Valuations and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

Valuations and Tax Levy Assessed Valuation Years Ending June 30,

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Assessed Valuation</u>					
City of:					
Ithaca	\$1,027,975,029	\$1,144,463,351	\$1,186,905,508	\$1,196,410,893	\$1,433,739,021
Town of:					
Candor	182,228	188,041	190,631	199,095	208,641
Caroline	107,625,232	117,752,291	122,327,318	124,248,128	155,855,915
Danby	137,949,623	154,326,818	160,469,821	162,317,586	201,730,206
Dryden	191,359,854	216,016,220	221,452,436	223,892,444	256,242,990
Enfield	86,518,393	90,187,855	92,180,644	93,228,540	109,252,009
Ithaca	943,375,147	1,025,310,267	1,045,439,196	1,059,151,579	1,244,700,393
Lansing	325,699,518	350,415,161	346,548,927	353,280,211	410,126,651
Newfield	370,191	370,535	387,905	387,097	433,958
Richford	876,003	870,603	870,703	1,776,611	1,753,745
Ulysses	90,587,119	107,829,854	120,540,971	121,906,614	142,512,154
Total Assessed Valuation	\$2,912,518,337	\$3,207,730,996	\$3,297,314,060	\$3,336,798,798	\$3,956,555,683

State Equalization Rates Years Ending June 30,

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City of:					
Ithaca	100.00%	100.00%	90.00%	85.00%	100.00%
Town of:					
Candor	10.00	9.16	8.24	7.90	7.12
Caroline	100.00	100.00	90.00	85.00	100.00
Danby	100.00	100.00	90.00	85.00	100.00
Dryden	100.00	100.00	90.00	85.00	100.00
Enfield	100.00	100.00	90.00	85.00	100.00
Ithaca	100.00	100.00	90.00	85.00	100.00
Newfield	100.00	100.00	90.00	85.00	100.00
Richford	85.00	80.00	68.00	100.00	100.00
Ulysses	100.00	100.00	90.00	85.00	100.00
Total Full Valuation	\$2,914,312,978	\$3,209,813,455	\$3,666,096,957	\$3,927,618,086	\$3,959,277,393

**Special Equalization Rates
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City of:					
Ithaca	79.87%	80.41%	81.73%	75.44%	81.60%
Town of:					
Candor	7.44	7.24	6.55	5.99	5.55
Caroline	79.87	80.41	81.73	75.44	81.60
Danby	79.87	80.41	81.73	75.44	81.60
Dryden	79.87	80.41	81.73	75.44	81.60
Enfield	79.87	80.41	81.73	75.44	81.60
Ithaca	79.87	80.41	81.73	75.44	81.60
Lansing	79.87	80.41	81.73	75.44	81.60
Newfield	79.87	80.41	81.73	75.44	81.60
Richford	64.04	54.40	54.50	85.36	76.66
Ulysses	79.87	80.41	81.73	75.44	81.60
Total Full Valuation	\$3,649,065,862	\$3,992,100,065	\$4,037,608,135	\$4,425,902,311	\$4,852,362,305

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$48,788,763	\$51,386,099	\$54,015,354	\$56,245,542	\$58,491,199
% Uncollected ⁽¹⁾	4.0%	3.8%	3.4%	3.5%	3.7%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2003-04	\$18,181,096	\$73,400,449	24.77%
2004-05	18,708,742	77,789,141	24.05
2005-06	21,314,324	84,506,611	25.22
2006-07	22,669,066	87,937,186	25.78
2007-08	24,729,697	93,222,295	26.53
2008-09 (Estimated)	25,180,808	93,391,903	26.96
2009-10 (Budgeted)	26,808,914	95,685,689	28.02

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$1,056,086	\$1,877,945
2006-2007	1,197,610	2,644,388
2007-2008	1,086,148	2,880,083
2008-2009 (Estimated)	1,004,460	3,066,326
2009-2010 (Budgeted)	1,422,302	3,099,532

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District has contracted with Armory Associates, LLC to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Recent Operating Results

The District's revenues exceeded its expenditures by \$6,265,264 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$3,828,117 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

Fiscal Year	Existing Debt Service	New Debt Service⁽¹⁾	Total Debt Service⁽¹⁾
2008-2009	\$2,761,438	\$ --	\$2,761,438.00
2009-2010	2,768,544	1,484,544.44	4,253,088.44
2010-2011	2,171,013	1,481,050.00	3,652,063.00
2011-2012	2,177,006	1,480,700.00	3,657,706.00
2012-2013	2,182,856	1,484,600.00	3,667,456.00
2013-2014	1,409,263	1,480,350.00	2,889,613.00
2014-2015	638,781	1,483,350.00	2,122,131.00
2015-2016	635,581	1,479,750.00	2,115,331.00
2016-2017	636,606	1,479,750.00	2,116,356.00
2017-2018	636,525	1,483,150.00	2,119,675.00
2018-2019	--	1,479,750.00	1,479,750.00
2019-2020	--	1,484,750.00	1,484,750.00
2021-2022	--	1,482,750.00	1,482,750.00
2022-2023	--	1,481,750.00	1,481,750.00
2023-2024	--	1,482,750.00	1,482,750.00
2024-2025	--	<u>1,480,500.00</u>	<u>1,480,500.00</u>
TOTAL	<u>\$16,017,613</u>	<u>\$22,229,494.44</u>	<u>\$38,247,107.44</u>

⁽¹⁾ Totals may not add due to rounding.

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**APPENDIX C-21
DESCRIPTION OF
MARION CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-21 a brief description of the Marion Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 33 square miles in the Towns of Arcadia, Marion, Ontario, Palmyra, Sodus, Walworth and Williamson in Wayne County.

Population

The current estimated population of the District is 5,346.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Marion Central School District	Public Education	211
Seneca Foods	Food Processor	60
Town of Marion	Municipal Government	50
Parker Hannifin	Injection Molding	40
Stanton AG	Agricultural Service	15

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Rochester Gas & Electric Corporation	Utility	\$6,056,058
Empire State Pipeline	Gas Pipeline	3,320,190
Norman Gerber	Real Estate Developer	1,431,700
Verizon New York Inc.	Utility	1,408,572
Marion Baldwin Development	Low Income Housing	915,648

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 6.34% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Wayne County. The data set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the County and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Wayne County	5.5%	5.0%	4.8%	4.8%	5.9%
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District’s historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
K-12	1,088	1,090	1,064	1,039	968	955	945	945

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
93	Marion Teachers’ Association	June 30, 2008 ⁽¹⁾
85	Marion School Employee Unit Wayne County Chapter Local 859	June 30, 2009 ⁽¹⁾

⁽¹⁾ The District is currently negotiating with the Associations.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

Full Valuation of Taxable Real Property.....	\$250,030,189
Debt Limit (10% of Full Valuation).....	25,003,018
Gross Indebtedness ⁽²⁾	\$ 15,592,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	12,280,492
Total Net Indebtedness.....	\$ 3,311,508
Net Debt Contracting Margin.....	\$ 21,691,510
Percentage of Debt Contracting Power Exhausted.....	13.24%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$2,345,000 School District Bonds to the Authority in connection with the financing of the District’s capital construction project. Such Bond, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Wayne	\$27,865,000	\$ 0	\$27,865,000	6.14%	\$1,710,911
Towns of:					
Arcadia	3,108,000	3,108,000	0	3.15	0
Marion	3,052,000	3,052,000	0	100.00	0
Ontario	3,465,000	3,465,000	0	0.14	0
Palmyra	2,880,782	2,880,782	0	7.21	0
Sodus	1,220,600	0	1,220,600	1.96	23,924
Walworth	3,110,000	3,110,000	0	1.08	0
Williamson	2,400,000	370,000	2,030,000	1.12	22,736
				Total	<u>\$1,757,571</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

**Debt Ratios
As of May 13, 2009⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$15,592,000	\$2,916.57	6.24%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	17,349,571	3,245.34	6.94

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 5,346.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$250,030,189.

(4) The District expects to deliver \$2,345,000 School District Bonds to the Authority in connection with the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The following is a history of Revenue Anticipation Note (“RAN”) borrowings for the last five years.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2004-2005	\$1,000,000	RAN	6/23/04	6/23/05
2005-2006	1,000,000	RAN	6/23/05	6/23/06
2006-2007	600,000	RAN	6/29/06	6/29/07
2007-2008	600,000	RAN	6/29/07	6/27/08
2008-2009	745,000	RAN	6/26/08	6/26/09
2008-2009	1,400,000	RAN	2/25/09	6/26/09

The District, historically, does not issue Tax Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS**General Information**

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2%. All taxes remaining unpaid after October 31 are turned over to Wayne County for collection. The County reimburses the District in full before the end of the District’s fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

Valuations, Rates and Tax Levy					
Assessed Valuation					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Arcadia	\$11,445,360	\$11,386,271 ⁽¹⁾	\$15,519,432 ⁽¹⁾	\$15,716,337	\$15,797,843
Marion	149,658,790 ⁽¹⁾	166,814,035 ⁽¹⁾	169,515,674	171,523,177 ⁽¹⁾	196,344,214 ⁽¹⁾
Ontario	622,372	621,501	622,684 ⁽¹⁾	755,851 ⁽¹⁾	757,406
Palmyra	18,963,992	19,112,156	19,248,394	19,360,814 ⁽¹⁾	20,579,046 ⁽¹⁾
Sodus	5,321,573 ⁽¹⁾	6,609,414 ⁽¹⁾	6,721,408 ⁽¹⁾	7,353,905 ⁽¹⁾	7,633,797
Walworth	4,347,085	4,496,602	4,864,405	4,925,383	5,047,691
Williamson	2,677,503	2,742,179	2,814,910 ⁽¹⁾	3,685,323 ⁽¹⁾	3,792,789
Total Assessed Valuation	\$193,036,675	\$211,782,158	\$219,306,907	\$223,320,790	\$249,952,786

State Equalization Rates					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Arcadia	85.00%	85.00%	100.00%	100.00%	100.00%
Marion	92.00	100.00	92.00	92.00	100.00
Ontario	118.88	100.00	100.00	100.00	100.00
Palmyra	100.00	100.00	95.00	93.00	100.00
Sodus	84.00	100.00	100.00	100.00	100.00
Walworth	100.00	100.00	100.00	100.00	100.00
Williamson	100.00	94.00	88.00	100.00	98.00
Taxable Full Valuation	\$208,985,040	\$213,966,531	\$235,444,324	\$239,693,113	\$250,030,189

⁽¹⁾ Difference due to townwide revaluation.

Total District Property Tax Collections					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$4,817,212	\$5,065,681	\$5,215,000	\$5,367,250	\$5,542,440
% Uncollected When Due ⁽¹⁾	6.51%	6.19%	6.48%	6.43%	6.15%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid			Percentage of Total Revenues Consisting of State Aid⁽¹⁾
<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	
2003-04	\$ 8,342,849	\$14,024,744	59.49%
2004-05	8,462,921	14,531,285	58.24
2005-06	8,949,613	15,189,247	58.92
2006-07	9,559,728	16,108,536	59.35
2007-08	10,886,719	17,420,215	62.49
2008-09 (Estimated)	11,191,760	18,397,413	60.83
2009-10 (Budgeted)	11,039,725	17,980,455	61.39

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$150,744	\$326,211
2006-2007	132,756	464,086
2007-2008	120,724	499,141
2008-2009 (Estimated)	119,000	515,000
2009-2010 (Budgeted)	240,000	682,000

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District contracted with EBS (Employee Benefit Services) to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$32,570,954 at June 30, 2008. The School District's annual required contribution ("ARC") is \$2,704,828, of which \$900,000 is paid annually to over 100 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the School District's 2008 financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's revenues exceeded its expenditures by \$173,095 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$635,337 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – State Aid."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$1,439,005	\$ --	\$1,439,005
2009-2010	1,441,974	214,801	1,656,775
2010-2011	1,442,830	211,049	1,653,879
2011-2012	1,446,518	213,049	1,659,567
2012-2013	1,452,918	214,924	1,667,842
2013-2014	1,117,580	211,024	1,328,604
2014-2015	1,124,040	210,824	1,334,864
2015-2016	1,134,100	210,424	1,344,524
2016-2017	1,132,563	209,824	1,342,387
2017-2018	1,139,825	214,024	1,353,849
2018-2019	1,143,425	212,824	1,356,249
2019-2020	1,135,315	211,224	1,346,539
2020-2021	1,140,665	214,211	1,354,876
2021-2022	1,139,165	211,555	1,350,720
2022-2023	141,015	213,275	354,290
2023-2024	141,015	214,250	355,265
2024-2025	140,765	104,750	245,515
2025-2026	140,265	--	140,265
2026-2027	139,515	--	139,515
2027-2028	143,515	--	143,515
2028-2029	<u>141,885</u>	<u>--</u>	<u>141,885</u>
TOTAL	<u>\$18,417,898</u>	<u>\$3,292,029</u>	<u>\$21,709,930</u>

⁽¹⁾ Schedule does not include payments due under a \$2,551,818.61 energy performance contract and does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

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**APPENDIX C-22
DESCRIPTION OF
NEWFIELD CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-22 a brief description of the Newfield Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 59 square miles in the Towns of Newfield, Danby, Enfield and Ithaca in Tompkins County, the Town of Van Etten in Chemung County and the Town of Spencer in Tioga County.

Population

The current estimated population of the District is 5,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Newfield Central School District	Public Education	188
Casella Waste Management	Waste Removal	150
Omni Turbine Resource	Turbine Manufacturer	30
Ithaca Recreation Sports	Retail	9
Little’s Lawn Equipment	Retail	7

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Dominion Resources	Pipeline	\$15,840,388
New York State Electric & Gas Corporation	Utility	5,936,263
Valley Manor LLC	Mobile Home Park	3,263,500
Meadowbrook Park LLC	Mobile Home Park	2,695,400
Flanders Ventures LLC	Mobile Home Park	1,916,100

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 14.21% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Tompkins County, Chemung County and Tioga County. The data set forth below with respect to the Counties and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the Counties and State are necessarily representative of the District or vice versa.

Year Average

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Tompkins County	4.0%	3.6%	3.5%	3.4%	4.1%
Chemung County	6.0	5.4	5.0	4.6	5.7
Tioga County	5.2	4.8	4.4	4.8	5.4
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>Projected 2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>
PK-12	1,029	1,031	997	1,000	1,018	1,000	1,000	1,000

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
104	Newfield Teachers' Association	June 30, 2009 ⁽¹⁾
84	Civil Service Employees' Association	June 30, 2009 ⁽¹⁾

⁽¹⁾ The District is currently negotiating with the Associations.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾

Full Valuation of Taxable Real Property.....	\$254,064,550
Debt Limit (10% of Full Valuation).....	25,406,455
Gross Indebtedness ⁽²⁾	\$ 25,466,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	17,323,431
Total Net Indebtedness.....	\$ 8,142,569
Net Debt Contracting Margin.....	\$ 17,263,886
Percentage of Debt Contracting Power Exhausted.....	32.05%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$10,560,000 School District Bonds to the Authority in connection with the refunding of \$10,000,000 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Tompkins	\$52,830,921	\$ 0	\$52,830,921	4.44%	\$2,345,693
Chemung	41,109,601	5,453,058	35,656,543	0.01	3,566
Tioga	5,000,000	5,000,000	0	0.01	0
Towns of:					
Newfield	3,730,000	3,530,000	200,000	100.00	200,000
Danby	250,000	0	250,000	7.85	19,625
Enfield	0	0	0	1.92	0
Ithaca	6,140,000	6,020,000	120,000	0.02	24
Van Etten	321,050	0	321,050	0.07	225
Spencer	270,000	0	270,000	0.01	27
				Total	<u>\$2,569,160</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$25,466,000	\$5,093.20	10.02%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	28,035,160	5,607.03	11.03

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 5,000.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$254,064,550.

(4) The District expects to deliver \$10,560,000 School District Bonds to the Authority in connection with the refunding of \$10,000,000 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

In addition to the issuance of the School District Bonds, on May 19, 2009, the voters of the District approved the issuance of \$126,000 of general obligation bonds to finance the costs of the acquisition of school buses.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

There are two plans for payment of taxes in the School District, which are as follows:

Option A – Full Payment – Taxes are payable to the School District Tax Collector during the month of September without penalty. Payments made during the month of October carry a penalty of 2%. Unpaid taxes are returned to the County Treasurers after October 31, and are added to the following year's town/county tax bills with an additional penalty.

Option B – Installation Payments – Taxes under Option B are due in two equal payments to be made on September 15 and March 1. The taxpayer who chooses Option B automatically incurs a service charge of 2.50%, computed on the total tax amount. If an installment is not paid on time, an interest charge for each month and fraction thereof is added to the total amount due.

Unpaid taxes are turned over to the County Treasurers following the first collection period. The second installments must be paid directly to the Counties.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

Valuations, Rates and Tax Levy					
Assessed Valuation					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Newfield	\$180,601,646	\$186,437,081	\$191,359,734	\$194,878,928 ⁽¹⁾	\$234,075,405 ⁽¹⁾
Danby	12,199,090	13,177,850	13,599,672	13,578,838 ⁽¹⁾	16,850,489 ⁽¹⁾
Enfield	2,422,843	2,534,490	2,529,241	2,527,883 ⁽¹⁾	2,836,741 ⁽¹⁾
Ithaca	223,902	237,164	236,841	236,790 ⁽¹⁾	264,377 ⁽¹⁾
Van Etten	26,400	26,400	26,400	26,400 ⁽¹⁾	36,600 ⁽¹⁾
Spencer	800	200	200	200	200
Total Assessed Valuation	\$195,474,681	\$202,413,185	\$207,752,088	\$211,249,039	\$254,063,812

State Equalization Rates					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Newfield	100.00%	100.00%	90.00%	85.00%	100.00%
Danby	100.00	100.00	90.00	85.00	100.00
Enfield	100.00	100.00	90.00	85.00	100.00
Ithaca	100.00	100.00	90.00	85.00	100.00
Van Etten	95.00	90.00	86.00	72.00	100.00
Spencer	28.53	26.81	24.20	22.34	21.30
Taxable Full Valuation	\$195,478,074	\$202,416,663	\$230,837,618	\$248,534,547	\$254,064,550

⁽¹⁾ Difference due to townwide revaluation.

Total District Property Tax Collections					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$3,703,840	\$4,018,315	\$4,180,842	\$4,158,916	\$4,163,068
% Uncollected When Due ⁽¹⁾	5.36%	6.05%	6.39%	6.11%	7.38%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2003-04	\$6,966,787	\$11,521,975	60.47%
2004-05	7,408,571	11,546,486	64.16
2005-06	7,471,169	12,341,741	60.54
2006-07	8,223,799	12,937,042	63.57
2007-08	8,746,751	13,673,094	63.97
2008-09 (Estimated)	9,916,976	14,975,557	66.22
2009-10 (Budgeted)	11,045,407	15,968,476	69.17

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$151,644	\$328,969
2006-2007	160,062	418,705
2007-2008	123,134	459,103
2008-2009 (Estimated)	129,803	436,737
2009-2010 (Budgeted)	157,040	438,859

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District contracted with Armory Associates, LLC to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$26,518,869 at June 30, 2009. The School District's annual required contribution ("ARC") is \$1,698,843, of which \$228,764 is paid annually to over 229 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the School District's 2008 financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's revenues exceeded its expenditures by \$274,479 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$599,023 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – State Aid."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$1,323,950	\$ --	\$1,323,950
2009-2010	1,359,348	972,846	2,332,194
2010-2011	1,355,655	976,656	2,332,311
2011-2012	1,320,363	977,156	2,297,519
2012-2013	1,316,163	972,281	2,288,444
2013-2014	1,318,225	974,131	2,292,356
2014-2015	1,318,600	975,381	2,293,981
2015-2016	889,200	973,613	1,862,813
2016-2017	--	975,338	975,338
2017-2018	--	972,738	972,738
2018-2019	--	974,138	974,138
2019-2020	--	973,406	973,406
2020-2021	--	975,469	975,469
2021-2022	--	975,031	975,031
2022-2023	--	974,138	974,138
2023-2024	--	974,175	974,175
TOTAL	<u>\$10,201,504</u>	<u>\$14,616,496</u>	<u>\$24,818,001</u>

⁽¹⁾ Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

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**APPENDIX C-23
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF NIAGARA FALLS**

There follows in this Appendix C-23 a brief description of the City School District of the City of Niagara Falls (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The Niagara Falls City School District is coterminous with the City of Niagara Falls (the "City") and according to the 2000 Census has a population of 55,593 and an area of approximately 17 square miles.

Population

The current estimated population of the District is 50,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Approximate Employees</u>
Seneca Niagara Casino	Gaming	3,000
Niagara Falls Memorial Medical Center	Hospital	1,400
Niagara Falls City School District	Education	1,200
City of Niagara Falls	Government	927
E.I. DuPont	Manufacturing	725

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Niagara Mohawk Power	Utility	\$54,549,564
National Fuel Gas Corp.	Utility	26,891,490
NS Partners LLC	Hotel	15,109,400
Verizon	Utility	9,776,466
Occidental Chemical Corp.	Manufacturing	6,706,147

The total estimated assessed valuation of the top **ten (10)** taxpayers represents approximately 11% of the assessed value of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The data set forth below with respect to the City of Niagara Falls, the County of Niagara and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the City, County and State are necessarily representative of the District or vice versa.

	<u>Year Average</u>				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
City of Niagara Falls	7.6%	6.9%	6.8%	6.8%	8.7%
Niagara County	6.2	5.6	5.5	5.4	6.9
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District’s historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
K-12	8,501	8,254	7,882	8,132	7,803	7,880	7,850	7,825

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
706	NFT	June 30, 2010
349	CSEA	June 30, 2010
234	TAUL	June 30, 2010
125	STU	June 30, 2010
28	ASC	June 30, 2010
13	NIAS	June 30, 2010

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

	Based on Conventional Equalization Rates	Based on Special Equalization Rates
Five Year Average Full Valuation of Taxable Real Property	\$1,353,912,264	\$1,445,299,098
Debt Limit (5% of full valuation) ⁽²⁾	67,695,613	72,264,954
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds	\$43,925,905	\$43,925,905
Bond Anticipation Notes	0	0
Total Inclusions.....	\$43,925,905	\$43,925,905
<u>Exclusions</u>		
Appropriations	\$ 744,000	\$ 744,000
Total Exclusions.....	\$ 744,000	\$ 744,000
Total Net Indebtedness	\$43,181,905	\$43,181,905
Net Debt Contracting Margin	\$24,513,708	\$29,083,049
Percentage of Debt Contracting Power Exhausted	63.8%	59.8%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$18,870,000 School District Bonds to the Authority in connection with the financing of the District's capital construction project. Such School District Bonds, when issued, will alter the percentage of debt contracting power exhausted accordingly.

⁽²⁾ The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law. "Conventional" State equalization rates are also established by the State Board, and are used for all other purposes.

⁽³⁾ Certificates of Participation, Energy Performance Contracts, Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the constitutional debt limit of the District.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of: Niagara	\$60,194,293	\$34,931,699	\$25,262,594	14.8%	\$3,738,864
City of: Niagara Falls	67,766,932	0	67,766,932	100.0%	<u>67,466,932</u>
				Total	<u>\$71,205,796</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$ 43,181,905	\$ 863.64	2.87%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	114,387,701	2,287.75	7.60%

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 50,000.

(3) Based on the District's full value of taxable real estate based on special equalization rates for 2008-09 of \$1,506,018,017.

(4) The District expects to deliver \$18,870,000 School District Bonds to the Authority in connection with the financing of the District's capital construction project. Such School District Bonds, when issued, will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The following is a history of Revenue Anticipation Note (“RAN”) borrowings for the last five years.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2003-2004	\$10,000,000	RAN	10/9/03	5/3/04
	10,000,000	RAN	10/9/03	10/8/04
	9,900,000	RAN	12/1/03	4/5/04
2004-2005	10,000,000	RAN	5/5/04	5/5/05
	10,000,000	RAN	10/12/04	6/21/05
2005-2006	10,000,000	RAN	6/17/05	4/6/06
	5,000,000	RAN	6/22/05	8/15/05
	10,000,000	RAN	7/14/05	6/28/06
2006-2007	5,000,000	RAN	8/8/06	2/8/07
2007-2008	10,000,000	RAN	7/2/07	7/2/08
2008-2009	9,300,000	RAN	7/2/08	7/2/09
	4,000,000	RAN	7/25/08	1/23/09
	6,000,000	RAN	1/8/09	3/9/09
	4,000,000	RAN	1/22/09	3/9/09

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

School taxes are payable to the School District in two equal installments in each fiscal year. The first installment is payable from August 1 through August 31 without penalty unless amended by the School Board in consideration of the holiday weekend. Taxes paid from September 1 through September 30 are with 2% penalty. Taxes paid from October 1 through October 31 are with 3% penalty. First installment taxes paid after October 31 are with 3% penalty plus interest at the rate of 1% per month from November 1. The second installment of taxes is payable from November 1 through November 30 without penalty. Second installment taxes paid from December 1 through December 31 are with 2% penalty. Second installment taxes paid from January 1 through January 31 are with 3% penalty. All school taxes unpaid on February 1 are reported to the City tax enforcement officer. Additional penalties are added by the City to the amount reported and are included with subsequent remittance of collection by City enforcement officer to the School District. The School District is guaranteed 100% of its tax levy by the City of Niagara Falls within two years.

Tax laws applicable to the settlement of delinquent taxes reported to the City of Niagara Falls tax enforcement officer state that complete settlement must be made no later than two years after the date of the delinquent school tax roll.

Settlement of delinquent taxes is accomplished in the following manner: current collections by the City on behalf of the School District are generally reported and remitted to the School District twice annually along with the final settlement of delinquent taxes two years past due.

Valuations and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

Valuations and Tax Levy**Assessed Valuation
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City of:					
Niagara Falls	\$1,305,865,055	\$1,310,502,797	\$1,331,682,930	\$1,318,870,931	\$1,309,783,870
Total Assessed Valuation	\$1,305,865,055	\$1,310,502,797	\$1,331,682,930	\$1,318,870,931	\$1,309,783,870

**State Equalization Rates
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City of:					
Niagara Falls	\$1,305,865,055	\$1,310,502,797	\$1,331,682,930	\$1,418,140,786	\$1,403,369,752
Taxable Full Valuation	\$1,305,865,055	\$1,310,502,797	\$1,331,682,930	\$1,418,140,786	\$1,403,369,752

**State Special Equalization Rates
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City of:					
Niagara Falls	\$1,352,807,474	\$1,450,634,045	\$1,446,066,815	\$1,470,969,140	\$1,506,018,017
Taxable Full Valuation	\$1,352,807,474	\$1,450,634,045	\$1,446,066,815	\$1,470,969,140	\$1,506,018,017

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$25,076,688	\$25,076,688	\$25,076,688	\$25,076,688	\$25,076,688
% Uncollected When Due ⁽¹⁾	94.1%	95.2%	94.2%	94.2%	94.2%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years and the budgeted figures for the current fiscal year.

State Aid			Percentage of Total Revenues Consisting of State Aid⁽¹⁾
<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	
2003-04	\$73,473,387	\$105,149,226	69.9%
2004-05	72,783,459	104,960,584	69.3
2005-06	75,332,828	109,503,824	68.8
2006-07	80,540,631	111,901,315	72.0
2007-08	92,641,299	125,829,549	73.6
2008-09 (Budgeted)	95,066,495	126,758,395	75.0

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$1,369,150	\$1,825,614
2006-2007	1,440,763	4,107,944
2007-2008	1,173,534	4,110,996
2008-2009 (Estimated)	1,233,214	3,301,910
2009-2010 (Budgeted)	1,237,268	3,426,762

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District has contracted with First Niagara Benefits Consulting to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$263,898,804 at June 30, 2008. The School District's annual required contribution ("ARC") is \$17,865,713, of which \$6,242,640 is paid annually to over 500 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the School District's 2008 financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's revenues exceeded its expenditures by \$1,872,944 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of (\$1,378,503) at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements.

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Bond Debt Service	Total Certificates of Participation Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$1,043,459	\$ --	\$1,833,609	\$ 2,877,068
2009-2010	4,800,465	5,309,335	1,832,700	11,942,500
2010-2011	4,698,016	5,311,585	1,834,700	11,844,301
2011-2012	4,693,298	5,306,310	1,835,100	11,834,708
2012-2013	4,037,648	5,308,310	1,831,500	11,177,458
2013-2014	3,625,788	5,309,310	1,833,000	10,768,098
2014-2015	3,255,240	5,309,060	1,831,750	10,396,050
2015-2016	3,253,848	5,307,310	1,832,750	10,393,908
2016-2017	2,113,882	5,307,510	1,835,750	9,257,142
2017-2018	2,114,413	5,310,125	1,835,500	9,260,038
2018-2019	2,119,130	5,299,000	1,832,000	9,250,130
2019-2020	2,116,108	5,306,500	1,835,250	9,257,858
2020-2021	2,116,919	5,310,500	1,834,750	9,262,169
2021-2022	2,120,118	5,305,750	1,835,500	9,261,368
2022-2023	1,836,444	5,312,250	1,832,250	8,980,944
2023-2024	1,836,272	5,309,000	--	7,145,272
2024-2025	1,839,022	5,306,000	--	7,145,022
2025-2026	1,839,584	5,307,750	--	7,147,334
2026-2027	1,842,850	5,308,500	--	7,151,350
2027-2028	1,843,709	5,307,750	--	7,151,459
2028-2029	1,842,163	--	--	1,842,163
2029-2030	1,843,100	--	--	1,843,100
2030-2031	1,846,303	--	--	1,846,303
2031-2032	1,851,553	--	--	1,851,553
2032-2033	1,853,741	--	--	1,853,741
2033-2034	1,852,866	--	--	1,852,866
2034-2035	1,853,819	--	--	1,853,819
2035-2036	<u>1,852,988</u>	<u>--</u>	<u>--</u>	<u>1,852,988</u>
TOTAL	<u>\$67,942,746</u>	<u>\$100,851,855</u>	<u>\$27,506,109</u>	<u>\$196,300,710</u>

(1) Schedule does not include payments due under an energy performance contract with a remaining amount of \$9,673,758 or \$1,844,643 remaining outstanding in principal and interest in a transaction with the New York State Municipal Bond Bank Agency.

(2) Totals may not add due to rounding.

**APPENDIX C-24
DESCRIPTION OF
PERRY CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-24 a brief description of the Perry Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 65 square miles in the Towns of Perry, Castile, Warsaw, and Covington in Wyoming County and the Town of Leicester in Livingston County. The Village of Perry is located within the District.

Population

The current estimated population of the District is 6,789.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Pioneer Credit Recovery Inc.	Credit Recovery	375
Perry Central School District	Public Education	193
Bank of Castile	Commercial Bank	100
J. N. White Designs	Printing	100
Creative Food Ingredients	Baking Company	82

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric & Gas Corp.	Utility	\$8,467,791
Rochester Gas & Electric Corporation	Utility	5,166,865
Dominion Transmission	Utility	4,553,080
Thomas E. Swyer	Agricultural	2,275,735
CFI Properties, Inc.	Manufacturing	2,229,600

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.49% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Wyoming County and Livingston County. The data set forth below with respect to the Counties and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the Counties and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Wyoming County	6.2%	5.3%	5.0%	5.0%	6.3%
Livingston County	5.8	5.0	4.9	5.0	6.0
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
PK-12	1,057	1,006	998	941	931	886	863	848

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
103	Perry Professional Educator's Association	June 30, 2009 ⁽¹⁾
78	Perry Education Support Staff Association	June 30, 2010

⁽¹⁾ The District is currently negotiating with the Associations.

DISTRICT INDEBTEDNESS**Debt Limit**

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾

Full Valuation of Taxable Real Property	\$322,094,670
Debt Limit (10% of Full Valuation)	32,209,467
Gross Indebtedness ⁽²⁾	\$ 22,289,340
Less: Exclusions – Estimated Building Aid ⁽³⁾	19,083,523
Total Net Indebtedness	\$ 3,205,817
Net Debt Contracting Margin	\$ 29,003,650
Percentage of Debt Contracting Power Exhausted	9.95%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$5,935,000 School District Bonds to the Authority in connection with the refunding of \$5,694,340 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Wyoming	\$7,402,000	\$ 0	\$ 7,402,000	17.89%	\$1,324,218
Livingston	54,734,700	13,994,700	40,740,000	0.33	134,442
Towns of:					
Perry	354,900	354,900	0	100.00	0
Castile	215,000	215,000	0	71.27	0
Covington	0	0	0	6.76	0
Warsaw	171,688	51,688	120,000	1.70	2,040
Leicester	348,000	0	348,000	9.67	33,652
Village of:					
Perry	2,611,660	2,371,660	240,000	100.00	<u>240,000</u>
				Total	<u>\$1,734,352</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$22,289,340	\$3,283.16	6.92%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	24,023,692	3,538.62	7.46

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 6,789.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$322,094,670.

(4) The District expects to deliver \$5,935,000 School District Bonds to the Authority in connection with the refunding of \$5,694,340 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2%. All taxes remaining unpaid after October 31 are turned over to the respective Counties for collection. The respective Counties reimburse the District in full before the end of the District's fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

	Valuations, Rates and Tax Levy				
	Assessed Valuation				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Perry	\$146,777,568	\$148,196,718 ⁽¹⁾	\$158,712,797 ⁽¹⁾	\$159,415,912 ⁽¹⁾	\$176,502,078 ⁽¹⁾
Castile	98,170,311	99,923,282 ⁽¹⁾	114,390,525 ⁽¹⁾	116,095,827 ⁽¹⁾	128,904,103 ⁽¹⁾
Covington	3,115,163	3,125,682	3,323,028	3,366,114	3,628,375
Warsaw	3,170,542	3,155,485	3,182,056	3,417,736	3,478,332
Leicester	8,593,479	8,673,436 ⁽¹⁾	9,688,176 ⁽¹⁾	9,596,482	9,581,782
Total Assessed Valuation	\$259,827,063	\$263,074,603	\$289,296,582	\$291,892,071	\$322,094,670

	State Equalization Rates				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Perry	100.00%	100.00%	100.00%	100.00%	100.00%
Castile	100.00	100.00	100.00	100.00	100.00
Covington	100.00	100.00	100.00	100.00	100.00
Warsaw	100.00	100.00	100.00	100.00	100.00
Leicester	92.00	90.00	100.00	100.00	100.00
Taxable Full Valuation	\$260,574,322	\$264,038,318	\$289,296,582	\$291,892,071	\$322,094,670

⁽¹⁾ Difference due to townwide revaluation.

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$4,901,947	\$5,335,419	\$5,454,416	\$5,426,165	\$5,570,806
% Uncollected When Due ⁽¹⁾	7.27%	6.00%	6.76%	4.63%	5.80%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

<u>Fiscal Year</u>	<u>State Aid</u>		
	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2003-04	\$ 8,520,093	\$13,438,785	63.40%
2004-05	8,739,471	14,013,957	62.36
2005-06	8,995,372	14,845,120	60.59
2006-07	9,169,405	15,173,522	60.43
2007-08	9,777,738	15,621,240	62.59
2008-09 (Estimated)	10,171,318	16,781,302	60.61
2009-10 (Budgeted)	10,721,126	17,299,955	61.97

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$108,585	\$344,076
2006-2007	108,928	473,083
2007-2008	82,268	548,012
2008-2009 (Estimated)	74,636	545,624
2009-2010 (Budgeted)	73,875	510,634

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District has contracted with First Niagara Benefits Consulting to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's revenues exceeded its expenditures by \$284,347 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$643,056 at the end of the fiscal year.

The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – State Aid."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$1,694,952	\$ --	\$1,694,952
2009-2010	1,699,726	548,859	2,248,585
2010-2011	1,629,040	547,894	2,176,934
2011-2012	1,626,260	549,769	2,176,029
2012-2013	1,621,090	546,394	2,167,484
2013-2014	1,616,993	546,194	2,163,187
2014-2015	1,649,403	545,694	2,195,097
2015-2016	1,638,983	548,544	2,187,527
2016-2017	1,625,188	545,419	2,170,607
2017-2018	1,346,358	550,019	1,896,377
2018-2019	754,618	548,819	1,303,437
2019-2020	754,365	546,494	1,300,859
2020-2021	753,800	548,006	1,301,806
2021-2022	752,870	548,100	1,300,970
2022-2023	753,523	545,100	1,298,623
2023-2024	753,600	549,938	1,303,538
2024-2025	753,600	--	753,600
2025-2026	754,050	--	754,050
2026-2027	<u>752,850</u>	<u>--</u>	<u>752,850</u>
TOTAL	<u>\$22,931,269</u>	<u>\$8,215,240</u>	<u>\$31,146,512</u>

(1) Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

(2) Totals may not add due to rounding.

**APPENDIX C-25
DESCRIPTION OF
SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-25 a brief description of the Sauquoit Valley Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 39 square miles in the Towns of Paris, New Hartford, Marshall, Kirkland, and Bridgewater in Oneida County, and the Towns of Frankfort and Litchfield in Herkimer County. The Village of Clayville is located within the District.

Population

The current estimated population of the District is 6,595.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Sauquoit Valley Central School District	Public Education	180
Homogeneous Metals	Manufacturer – Metal Products	110
Mohawk Limited	Industrial Sales & Service	75
Town of Paris	Municipal Government	24
Reilly Dairy, Inc.	Gas Station/Mini Mart	24

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Dominion Transmission	Utility	\$ 12,753,438
National Grid	Utility	7,275,413
Homogeneous Metals	Manufacturer – Metal Products	2,842,725
Consolidated Gas	Utility	1,609,319
Verizon New York Inc.	Utility	1,420,157

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 9.43% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Oneida County and Herkimer County. The data set forth below with respect to the Counties and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the Counties and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Oneida County	5.2%	4.8%	4.4%	4.3%	5.5%
Herkimer County	5.6	5.3	5.1	5.0	6.2
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
K-12	1,270	1,274	1,248	1,184	1,170	1,127	1,116	1,098

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
103	Sauquoit Valley Teachers' Association	June 30, 2009 ⁽¹⁾
70	Sauquoit Valley Non-Teachers' Association	June 30, 2009 ⁽¹⁾

⁽¹⁾ The District is currently negotiating with the Associations.

DISTRICT INDEBTEDNESS**Debt Limit**

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾

Full Valuation of Taxable Real Property	\$323,645,578
Debt Limit (10% of Full Valuation)	32,364,557
Gross Indebtedness ⁽²⁾	\$ 16,129,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$ 16,129,000
Net Debt Contracting Margin	\$ 16,235,557
Percentage of Debt Contracting Power Exhausted	49.84%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$2,885,000 School District Bonds to the Authority in connection with the financing of the District's capital construction project. Such Bond, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the Gross Indebtedness of the District is within the debt limit, the District is not required to apply for a Build Aid Estimate and therefore is not permitted to deduct Estimated Building Aid.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Oneida	\$111,016,695	\$12,843,189	\$98,173,506	3.29%	\$3,229,908
Herkimer	8,365,000	8,365,000	0	1.17	0
Towns of:					
Paris	1,750,881	1,561,000	189,881	100.00	189,881
New Hartford	8,259,800	117,000	8,142,800	4.27	347,698
Frankfort	1,717,300	527,300	1,190,000	11.31	134,589
Litchfield	0	0	0	22.02	0
Marshall	29,500	29,500	0	4.23	0
Kirkland	1,128,000	193,000	935,000	0.09	842
Bridgewater	128,000	0	128,000	0.15	192
Village of:					
Clayville	416,052	40,000	376,052	100.00	<u>376,052</u>
				Total	<u>\$4,279,162</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$16,129,000	\$2,445.64	4.98%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	20,408,162	3,094.49	6.31

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 6,595.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$323,645,578.

(4) The District expects to deliver \$2,885,000 School District Bonds to the Authority in connection with the financing of the District's capital construction project. Such Bond, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The following is a history of Revenue Anticipation Note (“RAN”) borrowings for the last five years.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2003-2004	N/A	N/A	N/A	N/A
2004-2005	N/A	N/A	N/A	N/A
2005-2006	N/A	N/A	N/A	N/A
2006-2007	N/A	N/A	N/A	N/A
2007-2008	\$1,600,000	RAN	6/20/08	9/30/08

The District, historically, does not issue Tax Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2%. After November 1, payments may be made to the Counties with a 2% interest charge plus a 5% penalty. All taxes remaining unpaid after November 1 are turned over to the respective Counties for collection. The respective Counties reimburse the District in full before the end of the District’s fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy					
Assessed Valuation					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Paris	\$143,784,357 ⁽¹⁾	\$179,687,609 ⁽¹⁾	\$181,326,646	\$183,474,891	\$183,810,358
New Hartford	43,898,168	44,900,827	46,088,843	46,561,286	47,726,081
Frankfort	24,691,058	25,105,671	25,332,535	25,622,704	25,576,294
Litchfield	11,853,207	11,942,622	13,177,981	13,530,488	13,665,219
Marshall	2,660,795	2,645,817	2,757,486	2,796,450	2,794,949
Kirkland	327,336	289,686	284,961	284,961	254,236
Bridgewater	5,474	5,065	4,865	4,765 ⁽²⁾	62,900 ⁽²⁾
Total Assessed Valuation	\$227,220,395	\$264,577,297	\$268,973,317	\$272,275,545	\$273,890,037

State Equalization Rates					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Paris	87.00%	100.00%	99.00%	91.50%	85.50%
New Hartford	100.00	97.00	92.00	87.00	83.00
Frankfort	96.00	96.00	90.24	78.98	79.59
Litchfield	100.00	100.00	100.00	93.00	95.00
Marshall	87.00	82.00	70.00	67.50	67.50
Kirkland	85.00	77.00	70.00	65.00	58.00
Bridgewater	9.28	7.67	7.77	7.50	100.00
Taxable Full Valuation	\$250,243,075	\$267,740,340	\$278,914,142	\$305,673,473	\$323,645,578

(1) Difference due to townwide revaluation.

(2) Difference due to change in assessment procedures to "market" or "full" value.

Total District Property Tax Collections					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$4,992,243	\$5,280,568	\$5,644,242	\$5,818,359	\$6,022,002
% Uncollected When Due ⁽¹⁾	9.84%	11.14%	10.05%	9.53%	9.27%

(1) See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2003-04	\$ 8,550,970	\$13,757,792	62.15%
2004-05	8,775,121	14,415,776	60.87
2005-06	9,470,622	15,482,065	61.17
2006-07	9,798,371	16,040,176	61.09
2007-08	11,404,661	17,832,194	63.96
2008-09 (Estimated)	11,726,709	18,339,000	63.94
2009-10 (Budgeted)	11,697,374	18,179,271	64.34

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$184,054	\$471,652
2006-2007	168,264	531,570
2007-2008	165,490	542,064
2008-2009 (Estimated)	159,413	487,005
2009-2010 (Budgeted)	143,325	383,733

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District has contracted with Armory Associates, LLC to calculate its "other post-employment benefits" ("OPEB") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's revenues exceeded its expenditures by \$79,087 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$309,380 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$1,551,112	\$ --	\$1,551,112
2009-2010	1,555,525	147,549	1,703,074
2010-2011	1,558,469	274,478	1,832,947
2011-2012	1,559,925	270,478	1,830,403
2012-2013	1,564,894	271,478	1,836,372
2013-2014	1,567,675	271,528	1,839,203
2014-2015	1,407,370	271,428	1,678,798
2015-2016	1,302,125	270,521	1,572,646
2016-2017	1,310,000	274,221	1,584,221
2017-2018	1,313,600	271,621	1,585,221
2018-2019	1,310,400	273,821	1,584,221
2019-2020	1,310,600	270,365	1,580,965
2020-2021	1,314,000	271,440	1,585,440
2021-2022	1,310,400	271,815	1,582,215
2022-2023	--	270,553	270,553
2023-2024	--	273,353	273,353
2024-2025	--	<u>136,240</u>	<u>136,240</u>
TOTAL	<u>\$19,936,095</u>	<u>\$4,090,886</u>	<u>\$24,026,984</u>

⁽¹⁾ Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

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**APPENDIX C-26
DESCRIPTION OF
SPENCERPORT CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-26 a brief description of the Spencerport Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 37 square miles in the Towns of Ogden, Gates, Greece, and Parma in Monroe County. The Village of Spencerport is located within the District.

Population

The current estimated population of the District is 21,427.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
NexPress	Digital Printing	925
Spencerport Central School District	Public Education	807
Monroe-Orleans BOCES II	Public Education	753
ACM Medical Labs, Inc.	Medical Testing	321
FedEx	Package Carrier	250

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Heidelberg Digital L.L.C.	Manufacturer	\$36,515,000
Rochester Gas & Electric Corporation	Utility	28,500,321
Cal East Nat. City Stations	Commercial	8,563,200
Gallina Development Corporation	Commercial Development	8,505,385
Morgan Realty	Commercial	7,491,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.71% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Monroe County. The data set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the County and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Monroe County	5.2%	4.6%	4.4%	4.5%	5.5%
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
K-12	4,315	4,411	4,386	4,216	4,115	4,058	3,982	3,967

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
394	Spencerport Teachers' Association	June 30, 2009 ⁽¹⁾
21	Teaching Assistants' Association	June 30, 2008 ⁽¹⁾
23	Administrators' Association	June 30, 2011
119	Spencerport Paraprofessional Unit	June 30, 2008 ⁽¹⁾
48	Office Personnel Association	June 30, 2008 ⁽¹⁾
41	School Lunch Association	June 30, 2010
8	Registered Professional Nurses	June 30, 2010
73	Transportation Association	June 30, 2009 ⁽¹⁾
6	Mechanics' Association	June 30, 2010
49	Plant Operations & Maintenance	June 30, 2010

⁽¹⁾ The District is currently negotiating with the Associations.

DISTRICT INDEBTEDNESS**Debt Limit**

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾

Full Valuation of Taxable Real Property	\$1,341,561,436
Debt Limit (10% of Full Valuation)	134,156,143
Gross Indebtedness ⁽²⁾	\$ 94,781,034
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$ 94,781,034
Net Debt Contracting Margin	\$ 39,375,109
Percentage of Debt Contracting Power Exhausted	70.65%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$9,355,000 School District Bonds to the Authority in connection with the financing of the District's capital construction project. Such Bond, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the Gross Indebtedness of the District is within the debt limit, the District is not required to apply for a Build Aid Estimate and therefore is not permitted to deduct Estimated Building Aid.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Monroe	\$581,474,498	\$173,521,191	\$407,953,307	3.66%	\$14,931,091
Towns of:					
Ogden	2,460,000	170,000	2,290,000	79.51	1,820,779
Gates	3,392,000	0	3,392,000	20.77	704,518
Greece	31,139,999	4,389,999	26,750,000	3.80	1,016,500
Parma	0	0	0	20.67	0
Village of:					
Spencerport	8,035,000	6,370,500	1,664,500	100.00	<u>1,664,500</u>
				Total	<u>\$20,137,388</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$94,781,034	\$4,423.44	7.06%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	114,918,422	5,363.25	8.57

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 21,427.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$1,341,561,436.

(4) The District expects to deliver \$9,355,000 School District Bonds to the Authority in connection with the financing of the District's capital construction project. Such Bond, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Option A – Full Payment – Taxes are due September 1 and may be paid through September 30 with no penalty. For payments made in October, a 2% interest penalty is added.

Option B – Installment Payments – Taxes under Option B are due in three equal payments to be made on September 15, October 15 and November 15. The taxpayer who chooses Option B automatically incurs a service charge computed on the total tax amount. If an installment is not paid on or before the 15th of the month due, an interest charge for each month or fraction thereof is added to the total amount due.

All taxes remaining unpaid after October 31 are turned over to the respective County for collection. Payments made from November 1 to November 15 include an interest penalty which is dependent upon the date paid and amount due. The County reimburses the District in full before the end of the District's fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy					
Assessed Valuation					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Ogden	\$588,709,070	\$606,689,514	\$644,875,375	\$660,601,006 ⁽¹⁾	\$726,533,023 ⁽¹⁾
Gates	256,136,657	260,789,437	289,953,662	295,147,851	296,804,107
Greece	145,186,843	150,740,697 ⁽¹⁾	167,961,307 ⁽¹⁾	170,294,337	173,382,103
Parma	133,194,420	133,773,923	142,328,057	143,275,351	144,842,203
Total Assessed Valuation	\$1,123,226,990	\$1,151,993,571	\$1,245,118,401	\$1,269,318,545	\$1,341,561,436

State Equalization Rates					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Ogden	100.00%	100.00%	100.00%	96.00%	100.00%
Gates	100.00	95.00	100.00	100.00	100.00
Greece	96.00	92.00	100.00	100.00	100.00
Parma	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$1,129,276,441	\$1,178,827,216	\$1,245,118,401	\$1,296,843,586	\$1,341,561,436

⁽¹⁾ Difference due to townwide revaluation.

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$27,760,000	\$28,980,000	\$30,609,000	\$31,556,377	\$32,005,953
% Uncollected When Due ⁽¹⁾	3.43%	3.80%	4.05%	3.43%	3.36%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2003-04	\$23,192,327	\$54,063,200	42.90%
2004-05	23,663,606	56,207,850	42.10
2005-06	25,373,615	59,763,743	42.46
2006-07	25,132,818	61,354,960	40.96
2007-08	26,887,240	63,760,022	42.17
2008-09 (Estimated)	30,900,340	67,078,597	46.07
2009-10 (Budgeted)	32,225,397	68,177,629	47.27

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$657,499	\$1,750,647
2006-2007	737,716	1,830,132
2007-2008	622,751	2,036,361
2008-2009 (Estimated)	625,000	2,145,000
2009-2010 (Budgeted)	884,747	2,348,580

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District has contracted with First Niagara Benefits Consulting to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's revenues exceeded its expenditures by \$3,470,207 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$2,653,376 at the end of the fiscal year.

The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – State Aid."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$8,803,518	\$ --	\$8,803,518
2009-2010	8,808,368	863,251	9,671,619
2010-2011	8,816,730	861,419	9,678,149
2011-2012	8,808,855	863,669	9,672,524
2012-2013	8,092,486	865,544	8,958,030
2013-2014	8,081,661	864,344	8,946,005
2014-2015	8,078,618	862,694	8,941,312
2015-2016	8,052,413	863,456	8,915,869
2016-2017	8,034,626	862,806	8,897,432
2017-2018	7,984,801	863,406	8,848,207
2018-2019	6,976,901	863,006	7,839,907
2019-2020	6,921,745	860,781	7,782,526
2020-2021	6,865,798	861,669	7,727,467
2021-2022	6,805,800	865,388	7,671,188
2022-2023	--	864,075	864,075
2023-2024	--	864,188	864,188
TOTAL	<u>\$111,132,320</u>	<u>\$12,949,695</u>	<u>\$124,082,016</u>

⁽¹⁾ Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

**APPENDIX C-27
DESCRIPTION OF
THOUSAND ISLANDS CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-27 a brief description of the Thousand Islands Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 193 square miles in the Towns of Brownville, Cape Vincent, Clayton, Lyme and Orleans in Jefferson County. The Villages of Cape Vincent and Clayton are located within the District.

Population

The current estimated population of the District is 8,700.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Cape Vincent Correctional Facility	Correctional Facility	360
Thousand Islands Central School District	Public Education	215
Clayton Big M	Grocery Store	70
Bach & Co.	Contractor	52
Aubreys Shopping Center & Inn	Grocery & Diner	43

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$10,074,186
Shaw's Mobile Trailer Park	Mobile Home Park	2,922,300
Gary Beaton	Mobile Home Park	2,596,093
Jack, Vincent, Joseph Bono	Mobile Home Park	2,120,459
John MacFarlene	Residential	2,097,031

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 2.83% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Jefferson County. The data set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the County and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Jefferson County	6.9%	6.2%	5.6%	5.5%	6.9%
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District’s historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
K-12	1,173	1,192	1,196	1,161	1,095	1,100	1,100	1,100

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
116	Thousand Islands Education Association	June 30, 2009 ⁽¹⁾
86	Thousand Islands Nonteaching Service Unit of CSEA	June 30, 2011

⁽¹⁾ The District is currently negotiating with the Association.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

Full Valuation of Taxable Real Property.....	\$1,007,236,886
Debt Limit (10% of Full Valuation).....	100,723,688
Gross Indebtedness ⁽²⁾	\$ 15,911,755
Less: Exclusions – Estimated Building Aid ⁽³⁾	11,651,549
Total Net Indebtedness.....	\$ 4,260,206
Net Debt Contracting Margin.....	\$ 96,463,482
Percentage of Debt Contracting Power Exhausted.....	4.23%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$8,395,000 School District Bonds to the Authority in connection with the refunding of \$8,985,000 of the District’s outstanding bond anticipation notes and the financing of the District’s capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Jefferson	\$27,550,000	\$ 0	\$27,550,000	19.19%	\$ 5,286,845
Towns of:					
Brownville	1,275,706	1,275,706	0	0.27	0
Cape Vincent	9,575,038	9,575,038	0	100.00	0
Clayton	1,520,550	0	1,520,550	100.00	1,520,550
Lyme	649,100	649,100	0	1.55	0
Orleans	5,353,252	0	5,353,252	15.60	835,107
Village of:					
Cape Vincent	1,457,780	1,394,000	63,780	100.00	63,780
Clayton	6,734,309	3,741,831	2,992,478	100.00	<u>2,992,478</u>
				Total	<u>\$10,698,760</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$15,911,755	\$1,828.94	1.58%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	26,610,515	3,058.68	2.64

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 8,700.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$1,007,236,886.

(4) The District expects to deliver \$8,395,000 School District Bonds to the Authority in connection with the refunding of \$8,985,000 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

In addition to the issuance of the School District Bonds, on May 19, 2009, the voters of the District approved the issuance of \$430,451 of general obligation bonds to finance the costs of the acquisition of school buses.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2%. All taxes remaining unpaid after October 30 are turned over to the respective County, with an additional 3% penalty added, for collection. The respective County reimburses the District in full before the end of the District's fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

Valuations, Rates and Tax Levy					
Assessed Valuation					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Brownville	\$452,843	\$519,206	\$531,773	\$533,454	\$532,254
Cape Vincent	204,104,003	204,465,378	207,727,375	209,990,279	211,785,324
Clayton	262,100,764	263,145,106	267,112,521	277,419,461 ⁽¹⁾	620,954,717 ⁽¹⁾
Lyme	1,130,894	1,117,288	1,176,448	1,181,291	1,180,909
Orleans	26,579,789	27,131,248 ⁽¹⁾	45,101,543 ⁽¹⁾	50,322,154	51,012,076
Total Assessed Valuation	\$494,368,293	\$496,378,226	\$521,649,660	\$539,446,639	\$885,465,280
State Equalization Rates					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Brownville	100.00%	100.00%	90.00%	73.50%	68.50%
Cape Vincent	100.00	100.00	87.00	75.00	64.00
Clayton	82.00	77.00	64.00	57.00	100.00
Lyme	55.00	53.00	44.00	36.50	33.00
Orleans	77.00	68.00	100.00	100.00	100.00
Taxable Full Valuation	\$560,767,300	\$588,738,458	\$704,496,557	\$820,972,200	\$1,007,236,886

⁽¹⁾ Difference due to townwide revaluation.

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$7,896,067	\$8,165,073	\$8,565,271	\$8,925,895	\$9,532,157
% Uncollected When Due ⁽¹⁾	5.82%	5.71%	6.55%	4.83%	5.26%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2003-04	\$6,279,875	\$14,022,869	44.78%
2004-05	6,614,376	14,773,138	44.77
2005-06	6,915,532	15,548,557	44.48
2006-07	7,325,656	16,367,038	44.76
2007-08	7,730,197	17,354,575	44.54
2008-09 (Estimated)	8,646,232	18,718,809	46.19
2009-10 (Budgeted)	9,119,783	18,902,096	48.25

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$175,337	\$545,563
2006-2007	230,506	571,767
2007-2008	170,611	631,296
2008-2009 (Estimated)	179,000	525,000
2009-2010 (Budgeted)	190,000	520,230

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District has contracted with Harbridge Consulting Group to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's revenues exceeded its expenditures by \$445,453 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$698,715 at the end of the fiscal year.

The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – State Aid."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$710,006	\$ --	\$710,006
2009-2010	1,025,574	917,490	1,943,064
2010-2011	1,001,657	780,956	1,782,613
2011-2012	929,069	779,081	1,708,150
2012-2013	858,304	781,956	1,640,260
2013-2014	778,538	776,956	1,555,494
2014-2015	698,238	781,656	1,479,894
2015-2016	698,437	778,769	1,477,206
2016-2017	697,638	779,694	1,477,332
2017-2018	--	777,094	777,094
2018-2019	--	778,694	778,694
2019-2020	--	778,531	778,531
2020-2021	--	781,544	781,544
2021-2022	--	777,450	777,450
2022-2023	--	779,100	779,100
2023-2024	--	382,338	382,338
TOTAL	<u>\$7,397,461</u>	<u>\$11,431,309</u>	<u>\$18,828,770</u>

⁽¹⁾ Schedule does not include payments due under a \$1,732,678 energy performance contract. Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

**APPENDIX C-28
DESCRIPTION OF
TIOGA CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-28 a brief description of the Tioga Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District encompasses the Town of Tioga and parts of the Towns of Barton, Candor and Nichols; all located within the County of Tioga. The District is rural and its 94 square miles has a very sparse population concentration.

Population

The current estimated population of the District is 5,696.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Tioga Down	Racing	450
Best Buy, Inc.	Retail Distribution	300
Tioga Central School District	Public Education	182
Dairy Farming	Dairy	40
Interstate Auto	Auto Parts	40

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Tioga Downs Racetrack, LLC	Race Track	\$19,159,500
Pennsylvania Lines, LLC	Utility	6,100,000
NYS Electric & Gas %Utility Shared	Utility	3,527,584
NYS Electric & Gas Corporation	Utility	1,673,378
Verizon, New York	Utility	1,659,289

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 14.3% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Tioga County. The data set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the County and State are necessarily representative of the District or vice versa.

	<u>Year Average</u>				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Tioga County	5.2%	4.8%	4.4%	4.8%	5.4%
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>Projected 2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>
K-12	1,218	1,217	1,187	1,140	1,126	1,150	1,150	1,150

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
87	Tioga Central Teachers' Association	June 30, 2010
87	Tioga Central Support Staff	June 30, 2010
6	Administrators	(no bargaining unit)

DISTRICT INDEBTEDNESS**Debt Limit**

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾

Full Valuation of Taxable Real Property	\$262,247,534
Debt Limit (10% of Full Valuation)	26,224,753
Gross Indebtedness ⁽²⁾	\$ 19,849,602
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$ 19,849,602
Net Debt Contracting Margin	\$ 14,375,151
Percentage of Debt Contracting Power Exhausted	75.69%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$14,860,000 School District Bonds to the Authority in connection with the refunding of \$8,000,000 of the District's outstanding bond anticipation notes and financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. On May 14, 2009, the District received from the State Education Department an estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes so that it may deduct the estimated building aid (\$18,462,864) in calculating its Total Net Indebtedness.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Tioga	\$5,000,000	\$5,000,000	\$0	3.31%	\$0
Towns of:					
Barton	1,998,917	1,998,917	0	11.09%	0
Candor	0	0	0	2.85%	0
Nichols	0	0	0	70.70%	0
Tioga	0	0	0	59.11%	0
Village of:					
Nichols	0	0	0	100.00%	<u>0</u>
				Total	<u>\$0</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of June 1, 2009.

Debt Ratios As of June 1, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$11,744,171	\$2,061.83	4.48%
Gross Indebtedness Plus Net Overlapping Indebtedness	11,744,171	2,061.83	4.48

(4) The District has not incurred any indebtedness since the date of the above table.

(5) Based on the District's current estimated population of 5,696

(6) Based on the District's full value of taxable real estate for 2008-09 of \$262,247,534.

(4) The District expects to deliver \$14,860,000 School District Bonds to the Authority in connection with the refunding of \$8,000,000 of the District's outstanding bond anticipation notes and financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

In addition to the issuance of the School District Bonds, on May 19, 2009, the voters of the District approved the issuance of \$250,000 of general obligation bonds to finance the costs of the acquisition of school buses.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due beginning September 15 and ending October 15. Taxes paid from October 15 through November 15 are subject to a penalty fee of 2%. All taxes remaining unpaid after November 15 are turned over to the respective Counties for collection. The respective Counties reimburse the District in full before the end of the District's fiscal year.

Valuations and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District's real property tax levy for the last five years.

Valuations and Tax Levy					
Assessed Valuation					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Barton	\$2,435,914	\$2,436,114	\$2,419,292	\$2,427,330	\$34,980,925
Candor	453,380	480,550	489,115	486,670	540,071
Nichols	17,612,624	18,089,708	21,649,493	23,639,134	25,022,297
Tioga	7,514,560	7,791,262	8,118,686	8,370,541	8,665,636
Total Assessed Valuation	\$28,016,478	\$28,797,634	\$32,676,586	\$34,923,675	\$69,208,929

State Equalization Rates					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Barton	8.56%	8.68%	7.69%	7.50%	100.00%
Candor	10.00	9.16	8.24	7.90	7.12
Nichols	27.47	28.68	30.00	28.29	25.54
Tioga	10.00	9.16	8.24	7.90	7.12
Taxable Full Valuation	\$172,252,189	\$181,443,750	\$208,088,815	\$228,041,030	\$262,247,534

Total District Property Tax Collections					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$2,237,461	\$2,338,984	\$2,426,938	\$2,463,330	\$2,500,280
% Uncollected When Due ⁽¹⁾	9.30%	9.71%	9.82%	8.27%	7.93%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid			
<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2003-04	\$8,701,269	\$11,182,711	77.8%
2004-05	9,080,888	11,598,191	78.3
2005-06	9,440,622	12,136,371	77.8
2006-07	10,007,337	12,934,985	77.4
2007-08	10,937,043	13,821,515	79.1
2008-09 (Estimated)	11,845,854	14,688,249	80.6
2009-10 (Budgeted)	13,169,518	16,274,801	80.9

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$172,352	\$280,951
2006-2007	151,590	394,915
2007-2008	140,860	441,773
2008-2009 (Estimated)	132,253	426,237
2009-2010 (Budgeted)	124,521	363,380

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District has contracted with Armory Associates to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's revenues exceeded its expenditures by \$266,858 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$1,340,491 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

The 2009-10 budget was approved by the voters on May 19, 2009

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

Fiscal Year	Existing Debt Service	New Debt Service⁽¹⁾	Total Debt Service⁽¹⁾
2008-2009	\$903,433	\$ --	\$ 903,433
2009-2010	925,431	1,245,113	2,170,544
2010-2011	901,716	1,246,219	2,147,935
2011-2012	935,984	1,245,019	2,181,003
2012-2013	941,041	1,248,019	2,189,060
2013-2014	950,000	1,248,169	2,198,169
2014-2015	970,000	1,248,169	2,218,169
2015-2016	1,025,000	1,246,669	2,271,669
2016-2017	1,035,000	1,243,669	2,278,669
2017-2018	1,055,000	1,249,169	2,304,169
2018-2019	1,105,000	1,242,669	2,347,669
2019-2020	1,125,000	1,249,669	2,374,669
2020-2021	--	1,244,419	1,244,419
2021-2022	--	1,247,419	1,247,419
2022-2023	--	1,248,169	1,248,169
2023-2024	--	1,246,669	1,246,669
2024-2025	--	427,919	427,919
2025-2026	--	427,669	427,669
2026-2027	--	426,919	426,919
2027-2028	--	425,669	425,669
2028-2029	--	423,919	423,919
2029-2030	--	426,669	426,669
2030-2031	--	423,669	423,669
2031-2032	--	425,169	425,169
2032-2033	--	425,563	425,563
2033-2034	--	425,188	425,188
2034-2035	--	424,044	424,044
2035-2036	--	427,131	427,131
2036-2037	--	424,194	424,194
2037-2038	--	425,488	425,488
2038-2039	--	425,756	425,756
TOTAL	<u>\$11,872,605</u>	<u>\$25,084,188</u>	<u>\$36,956,800</u>

⁽¹⁾ Totals may not add due to rounding.

**APPENDIX C-29
DESCRIPTION OF
WARRENSBURG CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-29 a brief description of the Warrensburg Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 89 square miles in the Towns of Warrensburg, Bolton, Chester, Horicon, Johnsburg, Lake George, Stony Creek, and Thurman in Warren County.

Population

The current estimated population of the District is 6,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
NYS Department of Environmental Conservation	DEC Office	250
Warrensburg Central School District	Public Education	194
Warren County Highway Department	Municipal Government	75
National Grid	Utility	60
McDonald's Restaurant	Food Service	50

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
State of New York	State Land	\$28,370,478
National Grid	Utility	6,841,075
MHC Lake George LLC	Camp	3,786,116
Ridin-Hy Dude Ranch, Inc.	Resort Complex	2,586,600
Warrensburg HydroPower	Hydro Dam	2,112,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.58% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Warren County. The data set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the County and State are necessarily representative of the District or vice versa.

	<u>Year Average</u>				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Warren County	4.9%	4.6%	4.7%	4.6%	5.8%
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District’s historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
K-12	935	923	921	872	866	862	857	854

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
98	Warrensburg Teachers’ Association	June 30, 2011
84	Instructional Support Staff	June 30, 2010
4	Warrensburg Administrators’ Association	June 30, 2012

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

Full Valuation of Taxable Real Property.....	\$551,636,199
Debt Limit (10% of Full Valuation).....	55,163,619
Gross Indebtedness ⁽²⁾	\$ 9,580,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	6,480,120
Total Net Indebtedness.....	\$ 3,099,880
Net Debt Contracting Margin.....	\$ 52,063,739
Percentage of Debt Contracting Power Exhausted.....	5.62%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$1,970,000 School District Bonds to the Authority in connection with the refunding of \$2,470,000 of the District’s outstanding bond anticipation notes and the financing of the District’s capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Warren	\$24,620,000	\$ 0	\$24,620,000	5.97%	\$1,469,814
Towns of:					
Warrensburg	774,173	300,000	474,173	100.00	474,173
Bolton	3,288,528	3,288,528	0	1.77	0
Chester	82,429	0	82,429	1.05	866
Horicon	951,630	0	951,630	2.28	21,697
Johnsburg	0	0	0	3.81	0
Lake George	1,114,636	0	1,114,636	4.53	50,493
Stony Creek	419,999	0	419,999	10.69	44,898
Thurman	0	0	0	100.00	0
				Total	<u>\$2,061,941</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$9,580,000	\$1,596.67	1.74%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	11,641,941	\$1,940.32	2.11

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 6,000.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$551,636,199.

(4) The District expects to deliver \$1,970,000 School District Bonds to the Authority in connection with the refunding of \$2,470,000 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The following is a history of Revenue Anticipation Note (“RAN”) borrowings for the last five years.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2004-2005	\$2,000,000	RAN	6/18/04	6/17/05
2005-2006	2,000,000	RAN	6/20/05	6/20/06
2006-2007	2,000,000	RAN	6/23/06	6/22/07
2007-2008	1,750,000	RAN	6/22/07	6/20/08
2008-2009	2,000,000	RAN	6/19/08	6/19/09

The District, historically, does not issue Tax Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2% and for payments received from November 1 to November 15, a 3% penalty. All taxes remaining unpaid after November 15 are turned over to the County for collection. The County reimburses the District in full before the end of the District’s fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

Valuations, Rates and Tax Levy					
Assessed Valuation					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Warrensburg	\$161,459,906 ⁽¹⁾	\$218,556,250 ⁽¹⁾	\$219,697,928	\$223,636,737 ⁽¹⁾	\$291,991,448 ⁽¹⁾
Bolton	15,378,375	15,476,689	15,316,581	15,256,006	15,224,951
Chester	3,837,025	3,852,637	3,837,329	3,780,884 ⁽¹⁾	6,232,417 ⁽¹⁾
Horicon	6,369,789	6,330,889	6,330,889	6,330,889 ⁽¹⁾	11,288,689 ⁽¹⁾
Johnsburg	229,771	229,934	233,722	239,818	244,475
Lake George	25,956,151	26,740,531	27,293,557	27,756,915	28,065,805
Stony Creek	144,901	146,623	147,961	134,369	134,348
Thurman	90,728,750	97,179,681 ⁽¹⁾	119,613,416 ⁽¹⁾	131,837,334	133,792,703
Total Assessed Valuation	\$304,104,668	\$368,513,234	\$392,471,383	\$408,972,952	\$486,974,836

State Equalization Rates					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Warrensburg	80.00%	100.00%	90.00%	80.00%	100.00%
Bolton	100.00	89.00	72.00	64.00	60.50
Chester	100.00	100.00	75.00	65.00	100.00
Horicon	100.00	100.00	75.00	65.00	100.00
Johnsburg	3.47	3.10	2.65	2.15	2.00
Lake George	100.00	89.00	72.00	64.00	60.50
Stony Creek	2.05	1.84	1.38	1.20	1.04
Thurman	100.00	100.00	100.00	100.00	92.00
Taxable Full Valuation	\$357,784,955	\$388,740,401	\$456,002,103	\$516,499,257	\$551,636,199

⁽¹⁾ Difference due to townwide revaluation.

Total District Property Tax Collections					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$7,173,851	\$7,394,989	\$7,428,950	\$7,584,277	\$7,950,208
% Uncollected When Due ⁽¹⁾	23.87%	22.71%	22.64%	30.09%	22.27%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid			Percentage of Total Revenues Consisting of State Aid⁽¹⁾
<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	
2003-04	\$ 8,239,803	\$16,054,355	51.32%
2004-05	9,028,755	16,688,397	54.10
2005-06	9,790,469	17,800,891	55.00
2006-07	9,995,670	18,168,703	55.02
2007-08	10,491,073	18,726,216	56.02
2008-09 (Estimated)	10,887,197	18,813,955	57.87
2009-10 (Budgeted)	10,897,489	19,300,000	56.46

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$194,810	\$611,785
2006-2007	213,993	685,228
2007-2008	137,273	602,363
2008-2009 (Estimated)	153,107	631,175
2009-2010 (Budgeted)	164,847	520,871

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District contracted with Green Mountain Benefits, Inc. to calculate its "other post-employment benefits" ("OPEB") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$53,350,000 at April 7, 2009. The School District's annual required contribution ("ARC") is \$3,620,000, of which \$870,000 is paid annually to over 250 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the School District's 2008 financial statements. The School District has set aside \$216,000 toward its OPEB liability. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Recent Operating Results

The District's revenues exceeded its expenditures by \$109,920 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$586,977 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – State Aid."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$837,822	\$ --	\$837,822
2009-2010	840,028	182,585	1,022,613
2010-2011	841,217	179,013	1,020,230
2011-2012	476,407	181,388	657,795
2012-2013	475,183	183,638	658,821
2013-2014	478,030	180,188	658,218
2014-2015	474,163	181,738	655,901
2015-2016	444,820	182,688	627,508
2016-2017	445,490	183,313	628,803
2017-2018	450,445	183,113	633,558
2018-2019	449,400	182,713	632,113
2019-2020	442,640	181,938	624,578
2020-2021	450,380	180,775	631,155
2021-2022	451,905	179,213	631,118
2022-2023	112,465	181,700	294,165
2023-2024	114,025	183,313	297,338
2024-2025	115,370	--	115,370
2025-2026	116,500	--	116,500
2026-2027	112,415	--	112,415
2027-2028	113,330	--	113,330
2028-2029	114,030	--	114,030
2029-2030	<u>109,515</u>	<u>--</u>	<u>109,515</u>
TOTAL	<u>\$8,465,580</u>	<u>\$2,727,310</u>	<u>\$11,192,890</u>

⁽¹⁾ Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

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**APPENDIX C-30
DESCRIPTION OF
WARSAW CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-30 a brief description of the Warsaw Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 90 square miles in the Towns of Gainesville, Java, Middlebury, Orangeville, Warsaw, and Wethersfield in Wyoming County. The Village of Warsaw is located within the District.

Population

The current estimated population of the District is 7,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Wyoming County Community Hospital	Health Care Facility	650
Wyoming County	County Government	366
Five Star Bank	Commercial Bank	237
Warsaw Central School District	Public Education	186
Wal-Mart, Inc.	Retail	150

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Rochester Gas &.Electric Corporation	Utility	\$6,520,638
New York State Electric & Gas Corp.	Utility	4,716,142
DDR Warsaw Plaza	Retail	3,797,000
Frontier Telephone, Inc.	Utility	3,788,285
Wal-Mart, Inc.	Retail	3,720,700

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 10.49% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Wyoming County. The data set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the County and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Wyoming County	6.2%	5.3%	5.0%	5.0%	6.3%
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District’s historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
K-12	1,118	1,046	1,048	1,011	1,021	1,012	1,015	1,012

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
109	Warsaw Educators’ Association	June 30, 2012
60	Warsaw Support Staff Association	June 30, 2009 ⁽¹⁾

⁽¹⁾ The District is currently negotiating with the Association.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

Net Debt Contracting Margin As of May 13, 2009⁽¹⁾	
Full Valuation of Taxable Real Property.....	\$293,839,973
Debt Limit (10% of Full Valuation).....	29,383,997
Gross Indebtedness ⁽²⁾	\$ 23,745,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	21,769,701
Total Net Indebtedness.....	\$ 1,975,299
Net Debt Contracting Margin.....	\$ 27,408,698
Percentage of Debt Contracting Power Exhausted.....	6.72%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$3,740,000 School District Bonds to the Authority in connection with the refunding of \$4,425,000 of the District’s outstanding bond anticipation notes and the financing of the District’s capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Wyoming	\$7,402,000	\$0	\$7,402,000	16.82%	\$1,245,016
Towns of:					
Warsaw	171,688	51,688	120,000	100.00	120,000
Orangeville	96,793	96,793	0	59.89	0
Middlebury	0	0	0	4.62	0
Wethersfield	250,000	0	250,000	38.58	96,450
Gainesville	20,000	0	20,000	24.01	4,802
Java	244,000	194,000	50,000	1.46	730
Village of:					
Warsaw	1,055,000	0	1,055,000	100.00	<u>1,055,000</u>
				Total	<u>\$2,521,998</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$23,745,000	\$3,392.14	8.08%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	26,266,998	3,752.43	8.94

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 7,000.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$293,839,973.

(4) The District expects to deliver \$3,740,000 School District Bonds to the Authority in connection with the refunding of \$4,425,000 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2%. All taxes remaining unpaid after October 30 are turned over to the respective County for collection. The respective County reimburses the District in full before the end of the District's fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

Valuations, Rates and Tax Levy					
Assessed Valuation					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Warsaw	\$193,397,127	\$194,492,795	\$196,938,337 ⁽¹⁾	\$216,324,505 ⁽¹⁾	\$216,702,348
Orangeville	34,380,766	35,190,443	38,431,320	39,688,965	40,276,303
Middlebury	2,773,826	2,695,363	2,843,591	2,976,297	3,349,601
Wethersfield	12,741,399	13,041,462	13,527,948	13,711,713	14,736,388
Gainesville	14,441,901	14,535,287	15,473,135	15,646,981	17,206,128
Java	1,382,643	1,385,284 ⁽¹⁾	1,491,658 ⁽¹⁾	1,444,667	1,459,361
Total Assessed Valuation	\$259,117,662	\$261,340,634	\$268,705,989	\$289,793,128	\$293,730,129
State Equalization Rates					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Warsaw	100.00%	100.00%	100.00%	100.00%	100.00%
Orangeville	100.00	100.00	100.00	100.00	100.00
Middlebury	100.00	100.00	100.00	100.00	100.00
Wethersfield	100.00	100.00	100.00	100.00	100.00
Gainesville	100.00	100.00	100.00	100.00	100.00
Java	100.00	93.39	100.00	96.00	93.00
Taxable Full Valuation	\$259,117,662	\$261,438,682	\$268,705,989	\$289,853,322	\$293,839,973

⁽¹⁾ Difference due to townwide revaluation.

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$5,518,586	\$5,787,074	\$5,988,807	\$6,162,599	\$6,317,107
% Uncollected When Due ⁽¹⁾	6.53%	6.65%	7.13%	6.48%	5.11%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2003-04	\$9,284,352	\$15,087,719	61.54%
2004-05	9,239,045	15,662,145	58.99
2005-06	9,797,834	16,015,842	61.18
2006-07	9,913,644	16,333,548	60.69
2007-08	10,713,914	17,341,218	61.78
2008-09 (Estimated)	11,027,874	18,965,932	58.14
2009-10 (Budgeted)	11,524,624	18,685,932	61.67

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$108,552	\$569,019
2006-2007	121,127	507,399
2007-2008	89,276	367,174
2008-2009 (Estimated)	81,081	606,113
2009-2010 (Budgeted)	87,303	525,000

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District contracted with Questar III to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$3,310,073 at July 1, 2008. The School District's annual required contribution ("ARC") is \$212,377, of which \$94,796 is paid annually to cover 187 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the School District's 2008 financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's revenues exceeded its expenditures by \$284,325 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$620,692 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – State Aid."

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service⁽¹⁾</u>	<u>Total Debt Service⁽¹⁾</u>
2008-2009	\$2,056,154	\$ --	\$2,056,154
2009-2010	2,056,979	345,246	2,402,225
2010-2011	2,060,829	345,525	2,406,354
2011-2012	2,072,591	345,400	2,417,991
2012-2013	2,071,829	345,150	2,416,979
2013-2014	2,078,979	343,700	2,422,679
2014-2015	2,078,604	342,100	2,420,704
2015-2016	2,080,598	344,506	2,425,104
2016-2017	2,087,548	346,281	2,433,829
2017-2018	2,086,473	346,481	2,432,954
2018-2019	2,016,898	346,281	2,363,179
2019-2020	1,933,738	345,350	2,279,088
2020-2021	--	343,663	343,663
2021-2022	--	346,194	346,194
2022-2023	--	346,663	346,663
2023-2024	--	<u>345,675</u>	<u>345,675</u>
TOTAL	<u>\$24,681,220</u>	<u>\$5,178,215</u>	<u>\$29,859,435</u>

⁽¹⁾ Totals may not add due to rounding.

**APPENDIX C-31
DESCRIPTION OF
WATERLOO CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-31 a brief description of the Waterloo Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 84 square miles in the Towns of Waterloo, Fayette, Junius, Seneca Falls and Tyre in Seneca County. The Village of Waterloo is located within the District.

Population

The current estimated population of the District is 9,750.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Prime Outlets	Shopping Plaza	1,100
ARG Trucking/RIST Transport	Trucking	557
Seneca County	Municipal Government	473
Waterloo Central School District	Public Education	349
Seneca Cayuga ARC	Services to Developmentally Disabled	342

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric & Gas Corporation	Utility	\$22,521,056
IESI	Landfill	16,538,544
Seaway Acquisitions	Shopping Center/Bank	6,875,000
Holiday Inn – Servus Hotel/Charter Hotel	Hotel/Restaurant	5,229,166
Verizon New York Inc.	Utility	4,853,494

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 14.73% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Seneca County. The data set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the County and State are necessarily representative of the District or vice versa.

	Year Average				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Seneca County	5.2%	4.7%	4.6%	4.5%	5.6%
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District’s historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	Projected <u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>
K-12	2,021	1,944	2,000	2,000	1,938	1,940	1,940	1,940

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
214	Waterloo Education Association	June 30, 2012
120	Waterloo Non-Instructional Employees’ Association	June 30, 2011
9	Waterloo Administrators’ Association	June 30, 2009 ⁽¹⁾

⁽¹⁾ The District is currently negotiating with the Association.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾**

Full Valuation of Taxable Real Property.....	\$495,305,054
Debt Limit (10% of Full Valuation).....	49,530,505
Gross Indebtedness ⁽²⁾	\$ 68,615,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	45,562,676
Total Net Indebtedness.....	\$ 23,052,324
Net Debt Contracting Margin.....	\$ 26,478,181
Percentage of Debt Contracting Power Exhausted.....	46.54%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$12,205,000 School District Bonds to the Authority in connection with the refunding of \$11,000,000 of the District’s outstanding bond anticipation notes and the financing of the District’s capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Seneca	\$18,675,000	\$18,675,000	\$ 0	33.43%	\$ 0
Towns of:					
Waterloo	2,555,529	2,555,529	0	100.00	0
Fayette	1,404,000	1,040,000	0	51.45	0
Junius	0	0	0	90.45	0
Seneca Falls	610,000	0	610,000	18.66	113,826
Tyre	270,500	270,500	0	35.20	0
Village of:					
Waterloo	5,280,347	3,449,491	1,830,856	100.00	<u>1,830,856</u>
				Total	<u>\$ 1,944,682</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$68,615,000	\$7,037.44	13.85%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	70,559,682	7,236.89	14.25

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 9,750.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$495,305,054.

(4) The District expects to deliver \$12,205,000 School District Bonds to the Authority in connection with the refunding of \$11,000,000 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2%. Taxes paid during the month of November are subject to a penalty fee of 3%. All taxes remaining unpaid after November 30 are turned over to the County for collection. The County reimburses the District in full before the end of the District's fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

Valuations, Rates and Tax Levy					
Assessed Valuation					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Waterloo	\$214,130,484	\$214,352,722	\$217,309,108 ⁽¹⁾	\$231,892,456 ⁽¹⁾	\$235,683,129
Fayette	87,521,443	89,362,192	89,203,423 ⁽¹⁾	107,986,737 ⁽¹⁾	112,024,091
Junius	39,963,129	39,647,763	40,000,202	40,658,501	40,852,557
Seneca Falls	44,780,582	45,520,055	47,031,822 ⁽¹⁾	64,473,963 ⁽¹⁾	65,968,189
Tyre	12,112,586	12,296,549	12,342,069 ⁽¹⁾	13,377,177 ⁽¹⁾	13,629,393
Total Assessed Valuation	\$398,508,224	\$401,179,281	\$405,886,624	\$458,388,834	\$468,157,359
State Equalization Rates					
Years Ending June 30,					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Waterloo	100.00%	98.00%	92.00%	100.00%	98.00%
Fayette	100.00	95.00	85.00	100.00	96.00
Junius	82.02	83.33	75.00	75.00	74.00
Seneca Falls	100.00	95.00	85.00	100.00	96.00
Tyre	100.00	95.00	88.50	100.00	96.00
Taxable Full Valuation	\$407,268,734	\$421,231,532	\$463,761,752	\$471,941,667	\$495,305,054

⁽¹⁾ Difference due to townwide revaluation.

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$9,175,711	\$9,428,550	\$10,040,046	\$10,783,209	\$10,837,985
% Uncollected When Due ⁽¹⁾	9.90%	10.37%	9.52%	10.09%	8.21%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2003-04	\$13,682,029	\$21,700,651	63.05%
2004-05	15,321,152	25,422,916	60.27
2005-06	16,887,110	27,520,346	61.36
2006-07	17,496,643	29,056,899	60.22
2007-08	20,129,242	32,018,557	62.87
2008-09 (Estimated)	21,826,634	33,299,933	65.55
2009-10 (Budgeted)	22,904,659	34,468,760	66.45

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$208,043	\$762,436
2006-2007	277,494	848,034
2007-2008	213,816	988,185
2008-2009 (Estimated)	243,000	1,052,838
2009-2010 (Budgeted)	306,762	877,071

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District has contracted with EBS Benefit Solutions to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Recent Operating Results

The District's revenues exceeded its expenditures by \$894,204 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$1,316,969 at the end of the fiscal year.

The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – State Aid.”

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District’s debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$5,307,205	\$ --	\$5,307,205
2009-2010	5,310,898	915,168	6,226,066
2010-2011	5,309,361	1,147,306	6,456,667
2011-2012	5,318,165	1,145,306	6,463,471
2012-2013	5,315,655	1,147,931	6,463,586
2013-2014	5,317,529	1,146,481	6,464,010
2014-2015	5,328,400	1,149,431	6,477,831
2015-2016	5,106,803	1,148,781	6,255,584
2016-2017	5,022,225	1,146,306	6,168,531
2017-2018	5,025,533	1,148,906	6,174,439
2018-2019	5,022,650	1,150,106	6,172,756
2019-2020	4,728,181	1,148,806	5,876,987
2020-2021	3,477,491	1,144,919	4,622,410
2021-2022	3,321,854	1,148,356	4,470,210
2022-2023	3,327,604	1,145,213	4,472,817
2023-2024	3,340,538	1,147,013	4,487,551
2024-2025	<u>2,115,775</u>	<u>--</u>	<u>2,115,775</u>
TOTAL	<u>\$72,388,662</u>	<u>\$16,980,029</u>	<u>\$94,675,896</u>

⁽¹⁾ Schedule does not include payments due under a \$901,708 energy performance contract. Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

**APPENDIX C-32
DESCRIPTION OF
WAYLAND-COHOCTON CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-32 a brief description of the Wayland-Cohocton Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 156 square miles in the Towns of Wayland, Cohocton, Dansville, Fremont, Prattsburgh and Avoca in Steuben County, the Towns of Springwater, Sparta and Conesus in Livingston County and the Towns of Canadice and Naples in Ontario County. The Village of Wayland is located within the District.

Population

The current estimated population of the District is 6,800.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
The Gunlocke Company	Manufacturer	650
Wayland-Cohocton Central School District	Public Education	385
Wayland Food Mart	Grocery Store	75
UAP Northeast	Fertilizer Distributor	35
Five Star Bank	Commercial Bank	20

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric & Gas Corp.	Utility	\$15,078,612
Frontier Telephone, Inc.	Utility	4,914,896
City of Rochester	Utility	2,509,860
Lent Hill Farms	Agriculture	1,488,930
Edward Belanger	Real Estate	1,263,194

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.00% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Steuben County, Livingston County and Ontario County. The data set forth below with respect to the Counties and the State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data that the Counties and State are necessarily representative of the District or vice versa.

Year Average

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Steuben County	6.4%	5.7%	5.4%	5.3%	6.2%
Livingston County	5.8	5.0	4.9	5.0	6.0
Ontario County	5.0	4.5	4.5	4.2	5.2
New York State	5.8	5.0	4.6	4.5	5.4

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>Projected 2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>
PK-12	1,885	1,800	1,750	1,672	1,647	1,605	1,582	1,562

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
153	Wayland-Cohocton Teachers' Association	June 30, 2012
81	Wayland-Cohocton Educational Support Personnel	June 30, 2010
75	Wayland-Cohocton Transportation/Maintenance Personnel	June 30, 2009 ⁽¹⁾
21	Wayland-Cohocton Administration Association	June 30, 2009 ⁽¹⁾

⁽¹⁾ The District is currently negotiating with the Associations.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

Net Debt Contracting Margin
As of May 13, 2009⁽¹⁾

Full Valuation of Taxable Real Property.....	\$378,141,236
Debt Limit (10% of Full Valuation).....	37,814,123
Gross Indebtedness ⁽²⁾	\$ 26,870,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	23,953,051
Total Net Indebtedness.....	\$ 2,916,949
Net Debt Contracting Margin.....	\$ 34,897,174
Percentage of Debt Contracting Power Exhausted.....	7.71%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$10,580,000 School District Bonds to the Authority in connection with the refunding of \$9,300,000 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the fiscal year ended in 2007 of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Steuben	\$29,246,873	\$ 0	\$29,246,873	5.99%	\$1,751,888
Livingston	54,734,700	13,994,700	40,740,000	3.49	1,421,826
Ontario	18,590,000	54,945	18,535,055	0.35	64,873
Towns of:					
Wayland	194,095	0	194,095	100.00	194,095
Cohocton	989,961	0	989,961	100.00	989,961
Dansville	0	0	0	16.40	0
Fremont	0	0	0	4.14	0
Prattsburgh	0	0	0	0.15	0
Avoca	370,866	50,000	320,866	0.32	1,027
Springwater	2,201,910	102,782	2,099,128	100.00	2,099,128
Sparta	0	0	0	0.26	0
Conesus	0	0	0	1.69	0
Canadice	0	0	0	15.86	0
Naples	140,000	0	140,000	0.29	406
Village of:					
Wayland	3,690,000	3,638,000	52,000	100.00	<u>52,000</u>
				Total	<u>\$6,575,204</u>

(1) Bonds and bond anticipation notes as of the close of fiscal years ended in 2007. Not adjusted to include subsequent bond sales, if any.

(2) As permitted pursuant to the provisions of the Local Finance Law, including, but not limited to sewer and water debt, advance refunded or defeased bond principal, revenue and tax anticipation notes and reserves for bonded indebtedness.

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 13, 2009.

Debt Ratios As of May 13, 2009⁽¹⁾

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$26,870,000	\$3,951.47	7.11%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	33,445,204	4,918.41	8.83

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 6,800.

(3) Based on the District's full value of taxable real estate for 2008-09 of \$378,814,123.

(4) The District expects to deliver \$10,580,000 School District Bonds to the Authority in connection with the refunding of \$9,300,000 of the District's outstanding bond anticipation notes and the financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2007 fiscal year.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Nationally Recognized Municipal Securities Information Repositories and are incorporated by reference herein. As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due during the month of September. Taxes paid during the month of October are subject to a penalty fee of 2%. All taxes remaining unpaid after October 31 are turned over to the respective Counties for collection. The respective Counties reimburse the District in full before the end of the District's fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State equalization rates and the District's real property tax levy and collection rates for the last five years.

	Valuations, Rates and Tax Levy				
	Assessed Valuation				
	Years Ending June 30,				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Wayland	\$108,798,267	\$108,014,680	\$108,520,714	\$108,952,685	\$109,252,606
Cohocton	40,640,187	40,093,979	39,758,567 ⁽¹⁾	89,185,888 ⁽¹⁾	89,273,040
Dansville	8,011,832	8,288,292	9,044,769	9,238,650	10,976,266
Fremont	1,565,624	1,569,035	1,650,047	1,666,268	1,632,278
Prattsburgh	129,041	136,482	135,600	138,813	140,054
Avoca	200,200	198,400	193,800	204,105	211,091
Springwater	82,563,769	83,470,088 ⁽¹⁾	95,443,352 ⁽¹⁾	96,061,031	97,310,215
Sparta	150,382	148,354 ⁽¹⁾	170,011 ⁽¹⁾	173,935	175,782
Conesus	1,781,199	1,772,125 ⁽¹⁾	2,406,637 ⁽¹⁾	2,443,315	2,379,323
Canadice	19,496,412	19,774,827 ⁽¹⁾	20,863,829 ⁽¹⁾	21,031,775	21,148,252
Naples	361,500	359,500	342,794	389,400	390,600
Total Assessed Valuation	\$263,698,413	\$263,825,762	\$278,530,120	\$329,485,865	\$332,889,507

⁽¹⁾ Difference due to townwide revaluation.

**State Equalization Rates
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Towns of:					
Wayland	77.30%	78.00%	75.00%	72.00%	72.00%
Cohocton	50.16	50.00	50.00	100.00	100.00
Dansville	100.00	100.00	100.00	100.00	100.00
Fremont	100.00	100.00	100.00	100.00	100.00
Prattsburgh	100.00	100.00	100.00	100.00	100.00
Avoca	100.00	100.00	100.00	100.00	99.00
Springwater	92.00	90.00	100.00	100.00	99.00
Sparta	92.00	90.00	100.00	100.00	99.00
Conesus	92.00	90.00	100.00	100.00	93.50
Canadice	100.00	97.00	100.00	100.00	93.00
Naples	100.00	100.00	100.00	100.00	95.00
Taxable Full Valuation	\$343,376,566	\$344,484,850	\$354,462,258	\$371,856,353	\$378,141,236

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy	\$4,690,467	\$5,191,467	\$6,071,842	\$6,204,346	\$6,462,282
% Uncollected When Due ⁽¹⁾	10.68%	13.10%	11.47%	9.54%	11.94%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past five completed fiscal years, the estimated figures for the current fiscal year and the budgeted figures for the 2009-10 fiscal year.

State Aid

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2003-04	\$17,691,379	\$22,523,150	78.55%
2004-05	17,478,994	23,024,349	75.92
2005-06	17,345,748	23,739,812	73.07
2006-07	17,248,836	24,161,331	71.39
2007-08	18,788,664	25,983,910	72.31
2008-09 (Estimated)	20,051,201	27,671,391	72.46
2009-10 (Budgeted)	20,035,024	27,647,214	72.47

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2005-2006 fiscal year, the estimated payments for the 2008-2009 fiscal year and the budgeted payments for the 2009-2010 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2005-2006	\$257,497	\$794,645
2006-2007	258,148	849,011
2007-2008	234,593	879,316
2008-2009 (Estimated)	315,000	950,000
2009-2010 (Budgeted)	300,000	900,000

See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District has contracted with Questar III BOCES to calculate its "other post-employment benefits" ("OBEP") in accordance with GASB 45. The District anticipates that it will be in compliance with GASB 45 for its fiscal year beginning July 1, 2009. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Recent Operating Results

The District's revenues exceeded its expenditures by \$941,971 in its General Fund for the fiscal year ended June 30, 2008, resulting in an unreserved undesignated General Fund balance of \$1,106,462 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

The 2009-10 budget was approved by the voters on May 19, 2009.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

Fiscal Year	Existing Debt Service	New Debt Service⁽²⁾	Total Debt Service⁽²⁾
2008-2009	\$2,264,966	\$ --	\$2,264,966
2009-2010	2,267,257	1,450,897	3,718,154
2010-2011	2,271,957	953,606	3,225,563
2011-2012	2,268,869	954,106	3,222,975
2012-2013	2,271,138	949,231	3,220,369
2013-2014	2,263,019	951,081	3,214,100
2014-2015	2,264,719	952,331	3,217,050
2015-2016	1,126,156	950,563	2,076,719
2016-2017	1,124,650	952,288	2,076,938
2017-2018	1,130,750	949,688	2,080,438
2018-2019	189,200	951,088	1,140,288
2019-2020	187,200	950,356	1,137,556
2020-2021	--	952,419	952,419
2021-2022	--	951,981	951,981
2022-2023	--	951,150	951,150
2023-2024	--	<u>476,613</u>	<u>476,613</u>
TOTAL	<u>\$19,629,881</u>	<u>\$14,297,398</u>	<u>\$33,927,279</u>

⁽¹⁾ Schedule does not include payments due for bonds that were economically refunded by the School District. Principal and interest on such refunded bonds are paid by the escrow agent.

⁽²⁾ Totals may not add due to rounding.

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**SUMMARY OF CERTAIN PROVISIONS
OF THE FINANCING AGREEMENTS**

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SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENTS

The following is a brief summary of certain provisions of the Financing Agreements to be executed by each of the School Districts. Such summary does not purport to be complete and reference is made to the Agreement for full and complete statements of such provisions. Defined terms used in the Agreement have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

Loan Clauses

(A) **Loan Consummation.** Subject to the conditions and in accordance with the terms of the Agreement, the Authority agrees to make the Loan and the School District agrees to accept and repay the Loan in an aggregate principal amount of up to the Principal Amount at a net interest cost not to exceed the Maximum Rate. As evidence of the Loan made to the School District, the School District agrees to issue to or upon the order of the Authority, and to deliver to or upon the order of the Authority, the School District Bonds in an aggregate principal amount of up to the Principal Amount, bearing interest at rates not exceeding the Maximum Rate and expected to mature at the times and in the amounts set forth in the Agreement.

(B) **Payment to Trustee.** On the dates set forth in the Agreement, the School District will deposit or cause to be deposited with the Trustee the full amount of the payment due on the School District Bonds on such dates, respectively; provided, however that the School District agrees to pay the amount due on such initial payment date on or before the date of issuance of the Authority Bonds or on such other date as maybe set forth in the Agreement. Amounts so deposited by the School District prior to the payment date for the Authority Bonds will be invested by the Trustee at the direction of the Authority. Investment earnings on such amounts will accrue to the benefit of the School District and will be paid to the School District at the direction of the Authority in accordance with the section of the Agreement described below under the heading “Application of Interest Earnings.”

(C) **Pledge and Assignment.** The School District assigns and pledges to the Authority a sufficient portion of any and all public funds to be apportioned or otherwise to be made payable by the State to the School District to cover the payments required by the Agreement and directs and acknowledges that such amounts will be paid directly to the Trustee as provided in the Act and the Memorandum of Understanding upon the occurrence of any Event of Default under the Agreement. Such assignment and pledge is irrevocable and will continue until the date on which the liabilities of the Authority and the School District with respect to the Project have been discharged and the School District’s Proportionate Share of the Authority Bonds has been paid or otherwise discharged. The School District agrees that it will not create or suffer to be created any pledge or assignment of the public funds mentioned in the Agreement to be apportioned or otherwise payable by the State other than pledges or assignments to secure subsequent Series of Authority Bonds or to secure bonds issued by any agency or instrumentality of the United States of America or the State of New York or any authority, agency or political subdivision thereof, or as otherwise consented to in writing by the Authority.

(Section 3.1)

Other Amounts Payable

(A) The School District expressly agrees to pay to the Authority:

(i) Upon the issuance and sale of the Authority Bonds, the initial financing fee, the Authority’s annual administrative fee and its Proportionate Share (or such other portion thereof as shall be agreed upon by the School District and the Authority) of the costs and expenses of the Authority in the preparation, sale and delivery of the Authority Bonds, the preparation and delivery of any legal instruments, closing transcripts and documents necessary in connection therewith and with the Agreement their filing and recording, if required, and all taxes and charges payable in connection with any of the foregoing, all as specified in the Notice of Terms. Such costs are payable from the sources identified in Exhibit C to the Agreement and in the amount specified in the Notice of Terms, subject to the limit set forth in the Agreement

(ii) Other Costs of Issuance payable to consultants and attorneys utilized by the School District in connection with the issuance of the School District Bonds as set forth in the Notice of Terms;

(iii) As such expenses are incurred, the amount of any Authority expenses (including but not limited to investment losses and the reasonable fees and expenses of the Authority, the Trustee, the owners of Authority Bonds, and attorneys, representing any of the foregoing) incurred as a result of the School District's failure to make any payment on the School District Bonds when due or failure to otherwise comply with the terms of the Agreement or the School District Bonds; and

(iv) In the event that after the date set forth in the Agreement the School District does not proceed to the closing of the Loan, the fees of the Authority's bond counsel incurred with respect to the School District's Loan.

(B) Indemnification. To the extent permitted by law, the School District agrees to indemnify, defend and hold harmless the Authority and each member, officer and employee of the Authority against any and all liabilities, losses, costs, damages or claims, and will pay any and all judgments or expenses of any and all kinds or nature and however arising, imposed by law, including interest thereon, which it or any of them may sustain, be subject to or be caused to incur by reason of any claim, action, suit, charge or proceeding arising from or out of (1) the making of the Loan by the Authority to the School District, (2) any failure by the School District to deliver the School District Bonds to the Authority or (3) an allegation that an official statement, prospectus, placement memorandum or other offering document prepared in connection with the sale and issuance of the Authority Bonds contained an untrue or misleading statement of a material fact obtained from the School District relating to the School District or the Project, or omitted to state a material fact relating to the School District or the Project necessary in order to make the statements made therein in light of the circumstances under which they were made not misleading; provided, however, that neither the Authority nor a member, officer or employee of the Authority will be released, indemnified or held harmless from any claim for damages, liability, loss, cost, damage, judgment or expense arising out of the gross negligence or willful misconduct of the Authority, such member, officer or employee.

The Authority agrees to give the School District prompt notice in writing of the assertion of any claim or the institution of each such suit, action or proceeding and to cooperate with the School District in the investigation of such claim and the defense, adjustment, settlement or compromise of any such action or proceeding. The Authority will not settle any such suit, action or proceeding without the prior written consent of counsel to the School District.

Except as provided in the following paragraph, the School District, at its own cost and expense, will defend any and all suits, actions or proceedings which may be brought or asserted against the Authority, its members, officers or employees for which the School District is required to indemnify the Authority or hold the Authority harmless, but this provision will not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for in the Agreement from its obligation to defend the School District, the Authority and any other insured named in such policy of insurance in connection with claims, suits or actions covered by such policy.

The Authority and each member, officer or employee thereof will, at the cost and expense of the School District, be entitled to employ separate counsel in any action or proceeding arising out of any alleged act or omission which occurred or is alleged to have occurred while the member, officer or employee was acting within the scope of his or her employment or duties in connection with the issuance of the Authority Bonds or the refinancing or use of the Project, and to conduct the defense thereof, in which (i) the counsel to the School District determines, based on his or her investigation and review of the facts and circumstances of the case, that the interests of such person and the interests of the School District are in conflict, or in the event such counsel determines that no conflict exists, a court of competent jurisdiction subsequently determines that such person is entitled to employ separate counsel, or (ii) such person may have an available defense which cannot as a matter of law be asserted on behalf of such person by the School District or by counsel employed by it, or (iii) such person may be subject to criminal liability, penalty or forfeiture, or (iv) the School District has consented to the employment of separate counsel or the counsel retained by the School District pursuant to the Agreement is not reasonably acceptable to the Authority; provided, however, that the School District will not be liable for attorneys' fees of separate counsel so retained or any other expenses incurred in connection with the defense of an action or proceeding described in clause (iii) of this paragraph, unless the member, officer or employee has prevailed on the merits or such action or proceeding was dismissed or withdrawn, or an adverse judgment was reversed upon appeal, and such action or proceeding may not be

recommended. Attorney's fees of separate counsel retained in accordance with this paragraph will be paid only upon the audit of an appropriate School District officer.

(Section 3.2)

Application of Loan Proceeds and Unspent Proceeds

(A) To the extent the proceeds of the Loan are to be used to pay costs of issuance of Authority Bonds or School District Bonds or any amounts payable to the Authority under the Agreement, the portion of the proceeds to be so used will be held on deposit with the Trustee for the account of the School District. Amounts so deposited will be invested and disbursed in accordance with the Master Resolution and the Series Resolution.

(B) To the extent the proceeds of the Loan are to be used to refinance the Refunded Obligations, the Authority will direct the Trustee to pay the Refunded Obligations or to deposit the portion of the proceeds to be so used in a separate account established with the Bank (not commingled with any other funds of the School District) to pay the Refunded Obligations as they become due. Amounts in such account will be invested as directed by the Authority in Government Obligations. Earnings, if any, on such amounts will be credited against amounts due from the School District pursuant to the Agreement. The School District covenants and agrees to pay directly to the paying agent for the Refunded Obligations any principal and/or interest due on the Refunded Obligations on their redemption date in excess of the amount held pursuant to the Financing Agreement for the payment of the Refunded Obligations.

(C) To the extent that the proceeds of the Loan are to be used to finance the Project, they will be maintained in a separate account established with the Bank (not commingled with any other funds of the School District) pursuant to Section 165.00 of the Local Finance Law and Sections 10 and 11 of the General Municipal Law and maintained in accordance with the provisions of the Arbitrage and Use of Proceeds Certificate. Amounts in such account will be invested as directed by the School District in accordance with the General Municipal Law. Earnings, if any, on such amounts will be credited against amounts due from the School District pursuant to the Agreement. Disbursements will be made from such account upon delivery to the Bank of a written requisition of the School District stating that such disbursement is (1) for payment to the School District for the reimbursement of costs of the Project previously paid by the School District or (2) for direct payment of Project costs, accompanied by copies of the invoice(s) to be paid.

(D) The School District expressly acknowledges and agrees that, with respect to any remaining unspent proceeds of the Refunded Obligations, either (i) such proceeds are required for the completion of the Project and the School District will, prior to issuance of the Authority Bonds, unless otherwise directed or agreed to by the Authority, transfer any remaining unspent proceeds of the Refunded Obligations to the account established pursuant to subsection (C) above to be applied in accordance with such subsection or (ii) to the extent that the unspent proceeds of the Refunded Obligations are not needed to complete the Project the School District will, unless otherwise directed by the Authority, transfer any remaining unspent proceeds of the Refunded Obligations to the account established pursuant to subsection (B) above to be applied in accordance with such subsection.

(E) The School District expressly acknowledges and agrees that the Authority will have the right to obtain and review the records of the Bank relating to accounts established for the School District pursuant to the Agreement and hereby authorizes the Bank to deliver copies of such records to the Authority upon request of the Authority. The School District covenants and agrees to maintain records with respect to the Project costs for a period of not less than three (3) years subsequent to the maturity or earlier redemption of the Authority Bonds and expressly acknowledges and agrees to provide copies of such records to the Authority upon request.

(Section 3.4)

Effective Date and Term

The date of the Agreement is for reference purposes only and the Agreement will become effective upon the date of execution and delivery of the Agreement, will remain in full force and effect from such date and will expire on such date as all Authority Bonds are discharged and satisfied in accordance with the provisions thereof and all obligations of the School District to the Authority are satisfied.

(Section 3.5)

Trustee; Investment of Loan Proceeds and School District Bond Prepayments

The School District authorizes the Trustee to invest, in accordance with instructions of the Authority, amounts that are held by the Trustee for the account of the School District in accordance with the provisions of the Master Resolution. The School District acknowledges that the Authority and the Trustee will not be liable or responsible for any loss, direct or indirect, resulting from any investment authorized by the Master Resolution and the Agreement or from the redemption, sale or maturity of any such investment as therein authorized or from any depreciation in value of any such investment.

(Section 3.7)

Authorization to Acquire Investments

The School District authorizes the Authority to acquire the investments, if any, required by the Agreement, including forward purchase contracts.

(Section 3.9)

Application of Interest Earnings

The Authority agrees that it will cause to be deposited in the Debt Service Fund the interest earned and paid on the investment of moneys in the Debt Service Fund. Pursuant to the Master Resolution, the Authority agrees that, so long as no event of default has occurred under the Agreement, the Authority will pay to the School District annually the School District's Allocable Portion (as determined by the Authority) of excess amounts in the Debt Service Fund described in the Resolution.

(Section 3.10)

Compliance with Laws and Agreements

(A) Compliance. The School District agrees that the Project will at all times during the term of any Loan be in compliance with applicable federal and State laws and regulations. The School District will at all times construct and operate (or cause to be constructed and operated) the Project, in compliance with all applicable federal, State and local laws, ordinances, rules, regulations (including approvals of the State Education Department) and the Agreement, and with all other applicable laws and regulations to the extent necessary to ensure the availability of the Project for its intended purposes and to ensure the safety of the public.

(B) SEQRA. The School District certifies with respect to the Project that it has complied, and agrees to continue to comply, with all requirements of the State Environmental Quality Review Act.

(Section 4.1)

No Warranty Regarding Condition, Suitability or Cost of Project

The Authority makes no warranty, either express or implied, as to the Project or its condition or that it is suitable for the School District's purposes or needs, or that the proceeds of the Loan are sufficient to pay the costs of the Project. Nothing in the Agreement will relieve the School District of its responsibility to properly plan, design, build and effectively operate and maintain the Project as required by laws, regulations, permits and good

management practices. The School District acknowledges and agrees that the Authority or its representatives are not responsible for increased costs resulting from defects in the plans, design drawings and specifications or other Project documents.

(Section 4.2)

Construction of Project

(A) Construction. To the extent, if any, that the Project is not yet complete, the School District agrees to ensure that the Project is constructed expeditiously.

(B) Completion Certificate. To the extent, if any, that the Project is not yet complete, the School District will deliver to the Authority a certificate of the School District stating that the Project has been completed in accordance with the Agreement within seven (7) Business Days following such completion.

(Section 4.3)

Application of Loan Proceeds

The School District will apply the proceeds of the Loan solely as provided in the Agreement.

(Section 5.1)

Tax Covenant

The School District covenants that it will not take any action or inaction, nor fail to take any action or permit any action to be taken, with respect to the Project or the portion of the proceeds of the Authority Bonds made available to it as part of the Loan including amounts treated as proceeds of the Authority Bonds for any purpose of Section 103 of the Code, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Authority Bonds under Section 103 of the Code. This provision will control in case of conflict or ambiguity with any other provision of the Agreement. Without limiting the generality of the foregoing, the School District covenants that it will comply with the instructions and requirements of the Arbitrage and Use of Proceeds Certificate, which is fully incorporated into the Agreement. The School District covenants that it will not take any action or inaction, nor fail to take any action or permit any action to be taken, if any such action or inaction, which, assuming the School District Bonds were issued as bonds the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code, would cause the School District Bonds to be “private activity bonds”, “private loan bonds,” “arbitrage bonds” or “prohibited advance refunding bonds” within the meaning of Sections 141, 148 or 149 of the Code. The School District (or any related party within the meaning of Treasury Regulation Section 1.150-1(b)) will not, pursuant to an arrangement, formal or informal, purchase Authority Bonds in an amount related to the amount of any obligation to be acquired from the School District by the Authority. The School District will, on a timely basis, provide the Authority with all necessary information and funds to the extent required to enable the Authority to comply with the arbitrage and rebate requirements of the Code.

(Section 5.2)

Covenant as to Restrictions on Religious Use

The School District agrees that with respect to the Project or any portion thereof, so long as the Project or portion thereof exists and unless and until the Project or portion thereof is sold for the fair market value thereof, the Project or, any portion thereof will not be used for sectarian religious instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; provided, however, that the foregoing restriction will not prohibit the free exercise of any religion and will not restrict or inhibit compliance with the Equal Access Act, 20 U.S.C. Sections 4071-4074; and, further provided, however, that if at any time hereafter, in the opinion of Bond Counsel, the then applicable law would permit the Project or a portion thereof to be used without regard to the above stated restriction, said restriction will not apply to the Project or any portion thereof. The Authority and its agents may conduct such inspections as the Authority

deems necessary to determine whether the Project or any portion of real property thereof refinanced by the Authority Bonds is being used for any purpose proscribed under the Agreement. The School District further agrees that prior to any disposition of any portion of the Project for less than fair market value, it will execute and record in the appropriate real property records an instrument subjecting, to the satisfaction of the Authority, the use of such portion of the Project to the restriction that (i) so long as such portion of the Project (and, if included in the Project, the real property on or in which such portion of the Project is situated) will exist and (ii) until such portion of the Project is sold or otherwise transferred to a person who purchases the same for the fair market value thereof at the time of such sale or transfer, such portion of the Project will not be used for sectarian religious instruction or as a place of religious worship or used in connection with any part of the program of a school or department of divinity of any religious denomination. The instrument containing such restriction will further provide that such restriction may be enforced at the instance of the Authority or the Attorney General of the State, by a proceeding in any court of competent jurisdiction, by injunction, mandamus or by other appropriate remedy. The instrument containing such restriction will also provide that if at any time thereafter, in the opinion of Bond Counsel, the then applicable law would permit such portion of the Project, or, if included in the Project, the real property on or in which such portion is situated, to be used without regard to the above stated restriction, then said restriction will be without any force or effect. For the purposes of the Agreement an involuntary transfer or disposition of the Project or a portion thereof, upon foreclosure or otherwise, will be considered a sale for the fair market value thereof.

(Section 5.3)

Payment of School District Bonds

The School District covenants and agrees that it will duly and punctually pay or cause to be paid the principal installments or redemption price of its School District Bonds and the interest thereon, at the dates and places and in the manner stated in such School District Bonds and in accordance with the section of the Agreement described above under the heading “Loan Clauses” hereof and that such obligation will not be subject to any defense (other than payment) or any rights of setoff, recoupment, abatement, counterclaim or deduction and will be without any rights of suspension, deferment, diminution or reduction it might otherwise have against the Authority, the Trustee or the owner of any Authority Bond.

(Section 5.4)

Actions Regarding State Aid

The School District covenants and agrees that it will submit to the State all documentation required by the State as a condition to the payment of any State aid in sufficient time to permit such aid to be paid on its scheduled payment date.

(Section 5.5)

Defaults

An “event of default” or a “default” under the Agreement means any one or more of the following events: (a) Failure by the School District to pay or cause to be paid when due the amounts to be paid under the School District Bonds; (b) Failure by the School District to pay or to cause to be paid when due any other payment required to be made under the Agreement which failure continues for a period of thirty (30) days after payment thereof was due, provided that written notice thereof has been given to the School District not less than thirty (30) days prior to the due date thereof; (c) Failure by the School District to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraphs (a) and (b) of this paragraph, which failure continues for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the School District by the Authority or such longer period, as is required to cure such default, if by reason of the nature of such failure the same cannot be remedied within such thirty (30) day period and the School District has within such thirty (30) day period commenced to take appropriate actions to remedy such failure and is diligently pursuing such actions; (d) Any representation or warranty of the School District contained in the Agreement shall have been at the time it was made untrue in any material respect; or (e) The School District generally does not pay its debts as such debts become due, or admits in writing its inability to pay its debts generally, or makes a general assignment for the benefit of creditors; or any proceeding is instituted by or against the School

District seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it for any substantial part of its property; or the School District authorizes any of the actions set forth above in this subparagraph (e).

(Section 6.1)

Remedies

Whenever any event of default referred to in the Agreement described under the heading “Defaults” shall have happened and is continuing, the Authority may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the School District, including requiring payment to the Trustee of any public funds otherwise payable to the School District by the State of New York as provided in the Memorandum of Understanding, the exercise of any remedy authorized by Article VIII of the State Constitution with respect to obtaining payment on the School District Bonds and any other administrative enforcement action and actions for breach of contract.

(Section 7.1)

No Remedy Exclusive

No remedy is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and in addition to every other remedy given under the Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it, it will not be necessary to give any notice, other than such notice as may be expressly required by the Agreement.

(Section 7.2)

Waiver and Non-Waiver

In the event any agreement is breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach under the Agreement. No delay or omission by the Authority to exercise any right or power accruing upon default will impair any right or power or will be construed to be a waiver of any such default or acquiescence therein.

(Section 7.3)

Amendments, Supplements and Modifications

The Agreement may not be amended, supplemented or modified except by a written instrument executed by the Authority and the School District and, if such amendment occurs after the issuance of the Authority Bonds, upon compliance with the provisions of the Master Resolution.

(Section 8.4)

Further Assurances; Disclosure of Financial Information, Operating Data and Other Information

(A) The School District will, at the request of the Authority, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be deemed necessary or desirable by the Authority, in its sole discretion, for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by the Agreement and the School District Bonds. The School District also agrees to furnish to the Authority such

additional information concerning the financial condition of the School District as the Authority may from time to time reasonably request.

(B) Without limiting the generality of the foregoing, the School District agrees to comply with the terms of the Continuing Disclosure Agreement.

(C) If and so long as the offering of the Authority Bonds continues (a) the School District will furnish such information with respect to itself as the Underwriters of the Authority Bonds may from time to time reasonably request and (b) if any event relating to the School District occurs as a result of which it is necessary, in the opinion of Bond Counsel to the Authority, General Counsel of the Authority or counsel for such Underwriters, to amend or supplement the Official Statement of the Authority used in connection with the offering of the Authority Bonds in order to make such information not misleading in light of the circumstances then existing, the School District will forthwith prepare and furnish to the Authority and the Underwriters such information relating to the School District as may be necessary to permit the preparation of an amendment of or supplement to such Official Statement (in form and substance satisfactory to the Bond Counsel to the Authority and counsel for the Underwriters) which will amend or supplement such Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make statements therein, in light of the circumstances then existing, not misleading. Unless the School District has been notified to the contrary in writing by the Authority or the Underwriters, the School District is entitled to presume that the offering by the Authority and that its obligations under this paragraph have ceased twenty-five (25) days after the date of delivery of the Authority Bonds.

(Section 8.9)

**SUMMARY OF CERTAIN PROVISIONS
OF THE MASTER RESOLUTION**

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SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION

The following is a brief summary of certain provisions of the Master Resolution. Such summary does not purport to be complete and reference is made to the Master Resolution for full and complete statements of such provisions. Defined terms used in the Master Resolution have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

Master Resolution and Bonds Constitute Separate Contracts

With respect to each Applicable Series of Bonds, in consideration of the purchase and acceptance of any and all of the Bonds of an Applicable Series authorized to be issued under the Master Resolution and under the Applicable Series Resolution by those who hold or own the same from time to time, the Master Resolution and the Applicable Series Resolution are deemed to be and constitute a contract among the Authority, the Trustee and the Holders from time to time of such Bonds, and the pledge and assignment made in the Master Resolution and the covenants and agreements set forth to be performed by or on behalf of the Authority are for the equal and ratable benefit, protection and security of the Holders of any and all of such Bonds of an Applicable Series, all of which, regardless of the time or times of their issue or maturity, are of equal rank without preference, priority or distinction of any such Bonds of such Series over any other Bonds except as expressly provided or permitted by the Master Resolution or by the Applicable Series Resolution.

(Section 1.03)

Authorization of Each Series of Bonds

Each Series of Bonds is issued pursuant to the Master Resolution, the applicable Series Resolution and the Act.

The Bonds of the Authority will not be a debt of the State, nor will the State be liable thereon, nor will the Bonds be payable out of any funds other than those of the Authority pledged by the Master Resolution to the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds.

(Section 2.01)

Additional Bonds and Other Obligations

The Authority reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate resolutions or agreements of the Authority, so long as such bonds, notes or other obligations are not, or such other indebtedness is not, except as provided in the Master Resolution, entitled to a charge or lien or right prior or equal to the charge or lien created by the Master Resolution, or prior or equal to the rights of the Authority and Holders of Bonds.

(Section 2.05)

Authorization of Redemption

Bonds subject to redemption prior to maturity will be redeemable at such times, at such Redemption Prices and upon such terms as may be specified in the Master Resolution or in the Applicable Series Resolution authorizing their issuance or the Applicable Bond Series Certificate.

(Section 4.01)

Redemption at Election of the Authority

The Series, maturities and principal amounts of the Bonds to be redeemed at the election or direction of the Authority will be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in the Master Resolution or in the Series Resolution authorizing such Series or the Applicable Bond Series Certificate.

(Section 4.02)

Selection of Bonds to Be Redeemed

Unless otherwise provided in the Series Resolution authorizing the issuance of Bonds of a Series or the Bond Series Certificate relating to such Bonds, in the event of redemption of less than all of the Outstanding Bonds of like Series, maturity and tenor, the Trustee will assign to each Outstanding Bond of the Series, maturity and tenor to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which the Bonds of such Series are authorized to be issued and will select by lot, using such method of selection as it will deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at such unit amount equal to the lowest denomination in which the Bonds of such Series are authorized to be issued for each number, will equal the principal amount of such Bonds to be redeemed. In making such selections the Trustee may draw the Bonds by lot (i) individually or (ii) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued, by the numbers assigned thereto as provided in the Master Resolution) which end in the same digit or in the same two digits. In the case, upon any drawing by groups, the total principal amount of Bonds drawn will exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of Bonds and select part of any Bond for redemption. The Bonds to be redeemed will be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued will be redeemed as will equal the lowest denomination in which the Bonds of such Series are authorized to be issued for each number assigned to it and so selected.

(Section 4.04)

Notice of Redemption

Whenever Bonds are to be redeemed, the Trustee will give notice of the redemption of the Bonds in the name of the Authority. Such notice will be given by mailing a copy of such notice not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. Such notice will be sent by first class mail, postage prepaid, to the registered owners of the Bonds which are to be redeemed, at their last known addresses, if any, appearing on the registration books not more than ten (10) Business Days prior to the date such notice is given. Upon giving such notice, the Trustee will promptly certify to the Authority that it has mailed or caused to be mailed such notice to the registered owners of the Bonds to be redeemed in the manner provided in the Master Resolution. Such certificate will be conclusive evidence that such notice was given in the manner required by the Master Resolution. The failure of any Holder of a Bond to be redeemed to receive such notice will not affect the validity of the proceedings for the redemption of the Bonds.

Any notice of redemption, unless moneys are received by the Trustee prior to giving such notice sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed, may state that such redemption is conditional upon the receipt of such moneys by the Trustee by 1:00 P.M. (New York time) on the date fixed for redemption. If such moneys are not so received said notice will be of no force and effect, the Authority will not redeem such Bonds and the Trustee will give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

(Section 4.05)

Payment of Redeemed Bonds

If, on the redemption date, moneys for the redemption of all Bonds or portions thereof of any like Series, maturity and tenor to be redeemed, together with interest accrued and unpaid thereon to the redemption date, are held by the Trustee and Paying Agent so as to be available therefor on such date and if notice of redemption has been mailed as stated in the Master Resolution, then, from and after the redemption date, interest on the Bonds or portions thereof so called for redemption will cease to accrue and such Bonds will no longer be considered to be Outstanding under the Master Resolution. If such moneys are not so available on the redemption date, such Bonds or portions thereof will continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(Section 4.06)

Pledge of Revenues

The proceeds from the sale of the Bonds, the Applicable Revenues, the Authority's security interest in the Applicable Pledged Revenues, and, all funds established by the Master Resolution, other than the Applicable Arbitrage Rebate Fund, are pledged and assigned to the Trustee as security for the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds and as security for the performance of any other obligation of the Authority under the Resolution and under any Series Resolution, all in accordance with the provisions of the Master Resolution and such Series Resolution. The pledge of the Revenues relates only to the Bonds of an Applicable Series authorized by such Series Resolution and no other Series of Bonds and such pledge will not secure any such other Series of Bonds. The pledge is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Bonds, the Revenues, the Authority's security interest in the Applicable Pledged Revenues and the funds and accounts established by the Master Resolution and by the Applicable Series Resolution will immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge will be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds are special obligations of the Authority payable solely from and secured by a pledge of the proceeds from the sale of the Bonds, the Revenues, the Authority's security interest in the Applicable Pledged Revenues and the funds and accounts established by the Master Resolution, which are pledged by the Master Resolution as provided in the Master Resolution, which pledge will constitute a first lien thereon. Notwithstanding the foregoing, interest earnings on the Debt Service Fund held by the Trustee and properly allocable to one School District may not be used to make up a deficiency caused by the failure of another School District to pay its Basic Debt Service Payment.

(Section 5.01)

Establishment of Funds

Unless otherwise provided by the Applicable Series Resolution, the following funds are authorized to be established, held and maintained for each Applicable Series by the Trustee under the Applicable Series Resolution separate from any other funds established and maintained pursuant to any other Series Resolution:

Construction Fund;
Debt Service Fund; and
Arbitrage Rebate Fund.

Accounts and sub-accounts within each of the foregoing funds may from time to time be established in accordance with an Applicable Series Resolution, an Applicable Bond Series Certificate or upon the direction of the Authority. All moneys at any time deposited in any fund created by the Master Resolution, other than the Applicable Arbitrage Rebate Fund, will be held in trust for the benefit of the Holders of the Applicable Series of Bonds, but will nevertheless be disbursed, allocated and applied solely in connection with Applicable Series of Bonds for the uses and purposes provided in the Master Resolution.

(Section 5.02)

Application of Bond Proceeds

Upon the receipt of proceeds from the sale of a Series of Bonds, the Authority will apply such proceeds as specified in the Master Resolution and in the Series Resolution authorizing such Series or in the Bond Series Certificate relating to such Series.

Accrued interest, if any, received upon the delivery of a Series of Bonds will be deposited in the Debt Service Fund unless all or any portion of such amount is to be otherwise applied as specified in the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series.

(Section 5.03)

Application of Moneys in the Construction Fund

A separate Construction Fund is established by each Series Resolution and separate Construction Accounts are established therein with respect to each School District for whose benefit such Series of Bonds is issued. As soon as practicable after the delivery of each Series of Bonds, there will be deposited in the Applicable Construction Account the amount required to be deposited therein pursuant to the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series. In addition, the Authority will deposit in the Applicable Construction Account any moneys paid to the Authority for the acquisition, construction, reconstruction, rehabilitation or improvement of any Project, including without limitation, the equity contribution, if any, provided by a School District. Moneys deposited in the Construction Account will be used only to pay the Costs of Issuance of the Bonds and the Costs of the Applicable Project.

(Section 5.04)

Allocation of Revenues

The Applicable Revenues and any other moneys which, by any of the provisions of the Applicable Agreement, are required to be deposited in the Applicable Debt Service Fund, will upon receipt by the Trustee be deposited to the credit of the appropriate account in the Applicable Debt Service Fund. To the extent not required to pay, (a) the School District's Allocable Portion of the interest becoming due on Outstanding Bonds of the Applicable Series on the next succeeding interest payment date or dates of such Bonds; (b) the School District's Allocable Portion of the amount necessary to pay the principal and Sinking Fund Installments becoming due on the Applicable Series of Outstanding Bonds; and (c) moneys which are required or have been set aside for the redemption of Bonds of the Applicable Series, moneys in the Applicable Debt Service Fund will be paid by the Trustee on or before the business day preceding each Interest Payment Date to the Authority, unless otherwise paid, such amounts as are payable to the Authority relating to such Series for: (i) any expenditures of the Authority for fees and expenses of auditing, and fees and expenses of the Applicable Trustee and Paying Agents, all as required hereby, (ii) all other expenditures reasonably and necessarily incurred by the Authority in connection with the financing of the Applicable Project, including expenses incurred by the Authority to compel full and punctual performance of all the provisions of the Applicable Agreement in accordance with the terms thereof, and (iii) any fees of the Authority; but only upon receipt by the Trustee of a certificate of the Authority, stating in reasonable detail the amounts payable to the Authority.

(Section 5.05)

Debt Service Fund

The Trustee will on or before the Business Day preceding each Interest Payment Date pay to itself and any other Paying Agent out of the Applicable Debt Service Fund:

(a) the School District's Allocable Portion of the interest due and payable on all Outstanding Bonds of the Applicable Series on such Interest Payment Date;

(b) the School District's Allocable Portion of the principal amount due and payable on all Outstanding Bonds of the Applicable Series on such Interest Payment Date; and

(c) the School District's Allocable Portion of the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on all Outstanding Bonds of the Applicable Series on such Interest Payment Date.

The amounts paid out pursuant to (a), (b) and (c) above are irrevocably pledged to and applied to such payments.

Notwithstanding the above, the Authority may, at any time subsequent to the first day of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with moneys on deposit in the Applicable Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds to be redeemed from such Sinking Fund Installment.

Moneys in the Applicable Debt Service Fund in excess of the amount required to pay the principal and Sinking Fund Installments of Outstanding Bonds of the Applicable Series payable during the next succeeding Bond Year, the interest on Outstanding Bonds of the Applicable Series payable on and prior to the next succeeding Interest Payment Date, and the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption, plus accrued interest thereon to the date of purchase or redemption, will be paid or applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority (i) to the purchase of Outstanding Bonds of the Applicable Series at purchase prices not exceeding the Redemption Price applicable on the next Interest Payment Date on which such Bonds are redeemable, plus accrued and unpaid interest to such date, at such times, at such purchase prices and in such manner as an Authorized Officer of the Authority will direct or (ii) to the redemption of Bonds of the Applicable Series as provided in the Master Resolution, at the Redemption Prices specified in the Applicable Series Resolution or Applicable Bond Series Certificate.

(Section 5.07)

Arbitrage Rebate Fund

The Arbitrage Rebate Fund will be maintained by the Trustee as a fund separate from any other fund established and maintained under the Master Resolution. The Trustee will deposit to the Applicable Arbitrage Rebate Fund any moneys delivered to it by the Applicable School Districts for deposit therein and, notwithstanding any other provisions of the Master Resolution, will transfer to the Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of the Authority, moneys on deposit in any other funds held by the Trustee under the Master Resolution at such times and in such amounts as will be set forth in such directions. Within the Arbitrage Rebate Fund, the Trustee will maintain such accounts as are required by the Authority in order to comply with the terms and requirements of the Tax Certificate. All money at any time deposited in the Arbitrage Rebate Fund will be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the Treasury Department of the United States of America, and the Authority or the owner of any Bonds will not have any rights in or claim to such money. The Trustee will be deemed conclusively to have complied with the provisions of the Master Resolution concerning the Arbitrage Rebate Fund and with such provisions of the Tax Certificate if it follows the directions of an Authorized Officer of the Authority including supplying all necessary written information in the manner provided in the Tax Certificate and has no liability or responsibility for compliance (except as specifically set forth in the Master Resolution or in the Tax Certificate) or to enforce compliance by the Authority with the terms of the Tax Certificate.

Upon the written direction of the Authority, the Trustee will deposit in the Arbitrage Rebate Fund funds received from the Authority, so that the balance of the amount on deposit thereto will be equal to the Rebate Requirement. Computations of the Rebate Requirement will be furnished by or on behalf of the Authority in accordance with the Tax Certificate.

The Trustee has no obligation to rebate any amounts required to be rebated pursuant to this section, other than from moneys held in the funds and accounts created under the Master Resolution or from other moneys provided to it by the Authority.

The Trustee will invest all amounts held in the Arbitrage Rebate Fund as provided in written directions of the Authority. The Authority, in issuing such directions, will comply with the restrictions and instructions set forth in the Tax Certificate. Moneys may only be applied from the Arbitrage Rebate Fund as provided under the Master Resolution.

The Trustee, upon the receipt of written instructions and certification of the Rebate Requirement from an Authorized Officer of the Authority, will pay the amount of such Rebate Requirement to the Treasury Department of the United States of America, out of amounts in the Arbitrage Rebate Fund, as so directed.

Notwithstanding any other provisions of the Master Resolution, including in particular the section of the Master Resolution described under the heading “Tax Covenant,” the obligation to remit the Rebate Requirement to the United States of America and to comply with all other requirements of the Master Resolution concerning the Arbitrage Rebate Funds, the section of the Master Resolution under the heading “Tax Covenant” and the Tax Certificate will survive the defeasance or payment in full of the Bonds.

(Section 5.09)

Application of Moneys in Certain Funds for Retirement of Bonds

Notwithstanding any other provisions of the Master Resolution, if at any time the amounts held in the Applicable Debt Service Fund are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of the Applicable and the interest accrued and unpaid and to accrue on such Bonds to the next date of redemption when all such Bonds are redeemable, or to make provision pursuant to the section of the Master Resolution described below under the heading “Defeasance” for the payment of the Outstanding Bonds at the maturity or redemption dates thereof, the Authority may (i) direct the Trustee to redeem all such Outstanding Bonds, whereupon the Trustee will proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds by the Master Resolution and by each Applicable Series Resolution as provided in the Master Resolution, or (ii) give the Trustee irrevocable instructions and make provision for the payment of the Outstanding Bonds at the maturity or redemption dates thereof in accordance with the Master Resolution.

(Section 5.10)

Transfer of Investments

Whenever moneys in any fund or account established under the Master Resolution are to be paid in accordance with the Master Resolution to another such fund or account, such payment may be made, in whole or in part, by transferring to such other fund or account investments held as part of the fund or account from which such payment is to be made, whose value, together with the moneys, if any, to be transferred, is at least equal to the amount of the payment then to be made; provided, however, that no such transfer of investments would result in a violation of any investment standard or guideline applicable to such fund.

(Section 5.11)

Security for Deposits

All moneys held under the Master Resolution by the Trustee will be continuously and fully secured, for the benefit of the Authority and the Holders of the Applicable Series of Bonds, by direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America of a market value equal at all times to the amount of the deposit so held by the Trustee; provided, however, (a) that if the securing of such moneys is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, and (b) that it will not be necessary for the Trustee or any Paying Agent to give security for the deposit of any moneys with them pursuant to the sections of the Master Resolution described under the headings “Debt Service Fund” and “Defeasance,” and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on any Bonds, or for the Trustee to give security for any moneys which will be represented by obligations purchased or other investments made under the provisions of the Master Resolution as an investment of such moneys.

(Section 6.01)

Investment of Funds and Accounts

Moneys held under the Master Resolution by the Trustee, if permitted by law, will, as nearly as may be practicable, be invested by the Trustee, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority (which direction will specify the amount to be invested) in Government Obligations, Exempt Obligations, and, if not inconsistent with the investment guidelines of a Facility Provider or a Rating Agency applicable to funds held under the Master Resolution, any other Permitted Investment; provided, however, that each such investment will permit the moneys so deposited or invested to be available for use at the times at, which the Authority reasonably believes such moneys will be required for the purposes of the Master Resolution; provided, further, that (x) any Permitted Collateral required to secure any Permitted Investment has a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (y) the Permitted Collateral will be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of the Authority, and (z) the Permitted Collateral will be free and clear of claims of any other person.

Permitted Investments purchased as an investment of moneys in any fund or account held by the Trustee under the provisions of the Master Resolution will be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof will be retained in, credited or charged, as the case may be, to such fund or account.

In computing the amount in any fund or account held by the Trustee under the provisions of the Master Resolution, each Permitted Investment will be valued at par or the market value thereof, plus accrued interest, whichever is lower.

(Section 6.02)

Payment of Principal and Interest

The Authority covenants to pay or cause to be paid the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on every Bond of each Series on the date and at the places and in the manner provided in the Bonds according to the true intent and meaning thereof.

(Section 7.01)

Accounts and Audits

The Authority covenants to keep proper books of records and accounts (separate from all other records and accounts), which may be kept on behalf of the Authority by the Trustee, in which complete and correct entries will be made of its transactions relating to each Series of Bonds, which books and accounts, at reasonable hours and

subject to the reasonable rules and regulations of the Authority, will be subject to the inspection of the Trustee, the Applicable School Districts or of any Holder of a Bond or his representative duly authorized in writing. The Trustee will annually prepare a report which will be furnished to the Authority, each Facility Provider, each Credit Facility Issuer and the Applicable School Districts. Such report will include at least: a statement of all funds and accounts (including investments thereof) held by such Trustee and the Authority pursuant to the provisions of the Master Resolution and of each Applicable Series Resolution; a statement of the Applicable Revenues collected from each Applicable School District in connection with the Master Resolution and with each Applicable Series Resolution; and complete and correct entries of all transactions relating to an Applicable Series of Bonds. A copy of such report, will, upon receipt of a written request therefor, and payment of any reasonable fee or charge made in connection therewith, be furnished to the registered owner of a Bond of the Applicable Series or any beneficial owner of a Book Entry Bond of the Applicable Series requesting the same.

(Section 7.05)

Creation of Liens

The Authority covenants not to create or cause to be created any lien or charge prior or equal to that of the Bonds of an Applicable Series on the proceeds from the sale of the Bonds, the Applicable Revenues, the Applicable Pledged Revenues or the funds and accounts established by the Master Resolution or by any Applicable Series Resolution which are pledged by the Master Resolution; provided, however, that nothing contained in the Master Resolution will prevent the Authority from issuing bonds, notes or other obligations under another and separate resolution so long as the charge or lien created by such resolution is not prior or equal to the charge or lien created by the Master Resolution; and provided further, that if the Authority has issued more than one Series of Bonds for the benefit of a School District and the public funds pledged under the Applicable Agreements are insufficient to pay in full all Basic Debt Service Payments then due under all of the Agreements to which such School District is a party, then as provided in the Memorandum of Understanding the Comptroller will pay a proportionate share of such available public funds to each Applicable Trustee.

(Section 7.06)

Enforcement of Obligations of the School District

Pursuant to the Applicable Agreement and the Applicable School District Bonds, the Authority covenants to take all legally available action to cause a School District to perform fully its obligation to pay Basic Debt Service Payment and other amounts which under the Applicable Agreement are to be paid to the Trustee, in the manner and at the times provided in the Applicable Agreement provided, however, that the Authority may delay, defer or waive enforcement of one or more provisions of said Agreement (other than provisions requiring the payment of moneys to the Trustee for deposit to any fund or account established under the Master Resolution) if the Authority determines such delay, deferment or waiver will not materially adversely affect the interests of the Holders of the Bonds of a Series.

(Section 7.07)

Offices for Payment and Registration of Bonds

The Authority will at all times maintain an office or agency in the State where Bonds may be presented for payment. The Authority may, pursuant to a Supplemental Resolution or a Series Resolution or pursuant to a resolution adopted in accordance with the Master Resolution, designate an additional Paying Agent or Paying Agents where Bonds of the Series authorized thereby or referred to therein may be presented for payment. The Authority will at all times maintain an office or agency in the State where Bonds may be presented for registration, transfer or exchange and the Trustee is appointed by the Master Resolution as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds.

(Section 7.09)

Amendment, Change, Modification or Waiver of Agreement

An Applicable Agreement (and the related Applicable School District Bonds) may not be amended, changed, modified, altered or terminated so as to materially adversely affect the interest of the Holders of the Outstanding Bonds of the Applicable Series without the prior written consent of the Holders of at least a majority in aggregate principal amount of such Bonds then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any Applicable Series remain Outstanding, the consent of the Holders of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds of the Applicable Series under the Master Resolution; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds of such Series the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made by the School District under the Applicable Agreement that is to be deposited with the Trustee or extend the time of payment thereof. Except as otherwise provided in the Master Resolution, an Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds of the Applicable Series or the Applicable Trustee. Specifically, and without limiting the generality of the foregoing, an Agreement may be amended, changed, modified or altered without the consent of the Trustee and the Holders of Outstanding Bonds of such Series (i) to provide changes in connection with the acquisition, construction, reconstruction, rehabilitation, renovation and improvement or otherwise, the providing, furnishing and equipping of any facilities constituting a part of the Applicable Project or which may be added to such Project; (ii) to provide for the issuance of Bonds of an Applicable Series; or (iii) to cure any ambiguity or correct or supplement any provisions contained in the Applicable Agreement, which may be defective or inconsistent with any other provisions contained in the Master Resolution or in such Agreement.

An Applicable Series will be deemed to be adversely affected by an amendment, change, modification or alteration of the Agreement if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of an Applicable Series would be adversely effected in any material respect by any amendment, change, modification or alteration, and any such determination will be binding and conclusive on the Authority and all Holders of such Bonds.

The purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the Authority, may consent to an amendment, change, modification, termination or waiver permitted by the Master Resolution with the same effect as a consent given by the Holder of such Bonds.

The purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the Authority, may consent to an amendment, change, modification, termination or waiver permitted by the Master Resolution with the same effect as a consent given by the Holder of such Bonds.

(Section 7.10)

Notice as to Agreement Default

The Authority covenants to notify the Trustee in writing that an “event of default” under the Applicable Agreement, as such term is defined in the Applicable Agreement (including the failure to pay the Applicable School District Bonds), has occurred and is continuing, or that which notice is required to be given within five (5) days after the Authority has obtained actual knowledge thereof.

(Section 7.11)

Basic Debt Service Payment

The Applicable Agreement will provide for the payment of Basic Debt Service Payment which will be sufficient at all times to pay the School District’s Allocable Portion of the principal and Sinking Fund Installments of and interest on Outstanding Bonds of the Applicable Series as the same become due and payable.

(Section 7.12)

Modification and Amendment without Consent of Holders

The Authority may adopt at any time or from time to time Supplemental Resolutions for any one or more of the following purposes, and any such Supplemental Resolution will become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority:

(a) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds of an Applicable Series, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Master Resolution;

(b) To prescribe further limitations and restrictions upon the issuance of Bonds of an Applicable Series and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(c) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Master Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Master Resolution;

(d) To confirm, as further assurance, any pledge under the Master Resolution or under the Applicable Series Resolution, and the subjection to any lien, claim or pledge created or to be created by the provisions of the Master Resolution, of the Applicable Revenues, or any pledge of any other moneys, investments thereof or funds;

(e) To modify any of the provisions of the Master Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respects, provided that such modifications will not be effective until after all Bonds of an Applicable Series of Bonds Outstanding as of the date of adoption of such Supplemental Resolution will cease to be Outstanding, and all Bonds of an Applicable Series issued under an Applicable Series Resolution will contain a specific reference to the modifications contained in such subsequent resolutions; or

(f) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision in the Master Resolution or to insert such provisions clarifying matters or questions arising under the Master Resolution as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent the Master Resolution, as theretofore in effect, or to modify any of the provisions of the Master Resolution or of any previously adopted Applicable Series Resolution or Supplemental Resolution in any other respect, provided that such modification will not adversely affect the interests of the Bondholders of the Applicable Series in any material respect.

(Section 9.02)

Supplemental Resolutions Effective with Consent of Bondholders

The provisions of the Master Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of the Bondholders in accordance with and subject to the provisions of the Master Resolution, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority.

(Section 9.03)

General Provisions Relating to Series Resolutions and Supplemental Resolutions

The Master Resolution will not be modified or amended in any respect except in accordance with and subject to the provisions of the Master Resolution. Nothing contained in the Master Resolution will affect or limit the rights or obligations of the Authority to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of the Master Resolution or the right or obligation of the Authority to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere in the Master Resolution provided or permitted to be delivered to the Trustee or any Paying Agent.

A copy of every Series Resolution and Supplemental Resolution adopted by the Authority, when filed with the Trustee, will be accompanied by an opinion of Bond Counsel stating that such Series Resolution or Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Master Resolution, is authorized or permitted by the Master Resolution and is valid and binding upon the Authority and enforceable in accordance with its terms.

The Trustee is authorized to accept delivery of a certified copy of any Series Resolution or Supplemental Resolution permitted or authorized pursuant to the provisions of the Master Resolution and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee will be fully protected in relying on the opinion of Bond Counsel that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of the Master Resolution.

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent will become effective without the written consent of the Trustee or Paying Agent affected thereby.

(Section 9.04)

Powers of Amendment

Any modification or amendment of the Master Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds under the Master Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the section of the Master Resolution described below under the heading “Consent of Bondholders”, (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and tenor remain Outstanding, the consent of the Holders of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds described under this heading. No such modification or amendment will permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or will reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment.

(Section 10.01)

Consent of Bondholders

The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Master Resolution to take effect when and as provided in the Master Resolution. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders for their consent thereto in form satisfactory to the Trustee, will promptly after adoption be mailed by the Authority to the Bondholders (but failure to mail such copy and request to any particular Bondholder will not affect the validity of the Supplemental Resolution when consented to as provided in the Master Resolution). Such Supplemental Resolution will not be effective unless and until (i) there has been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds specified in the section of the Master Resolution described above under the heading “Powers of Amendment” and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Master Resolution, is authorized or permitted by the Master Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) a notice has been mailed as provided in the Master Resolution. Each such consent will be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof will be such as is permitted by the Master Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Master Resolution will be conclusive proof that the consents have been given by the Holders of the Bonds

described in the certificate or certificates of the Trustee. Any consent given by a Bondholder will be binding upon the Bondholder giving such consent and, anything in the Master Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bond and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds have filed their consents to the Supplemental Resolution, the Trustee will make and file with the Authority and the Trustee a written statement that such Holders of such required percentages of Bonds have filed such consents. Such written statement will be conclusive that such consents have been so filed. At any time thereafter a notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this paragraph, will be given to the Bondholders by the Authority by mailing such notice to the Bondholders and, at the discretion of the Authority, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds have filed their consents to the Supplemental Resolution and the written statement of the Trustee provided for above is filed (but failure to publish such notice will not prevent such Supplemental Resolution from becoming effective and binding as in this paragraph provided). The Authority will file with the Trustee proof of the mailing of such notice, and, if the same has been published, of the publication thereof.

For the purposes of the Master Resolution, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the Authority, may consent to a modification or amendment permitted by the sections of the Master Resolution described herein the headings “Powers of Amendment” or “Modifications by Unanimous Consent” in the manner provided in the Master Resolution, except that no proof of ownership will be required, and with the same effect as a consent given by the Holder of such Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto will be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series by the Authority.

(Section 10.02)

Modifications by Unanimous Consent

The terms and provisions of the Master Resolution and the rights and obligations of the Authority and of the Holders of the Bonds may be modified or amended in any respect upon the adoption and filing with the Trustee by the Authority of a copy of a Supplemental Resolution certified by an Authorized Officer of the Authority and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in the section of the Master Resolution described above under the heading “Consent of Bondholders,” except that no notice to the Bondholders either by mailing or publication will be required.

(Section 10.03)

Consent of Facility Provider

Whenever by the terms of the Master Resolution the consent of any of the Holders of the Bonds to a modification or amendment of the Master Resolution made by a Series Resolution or Supplemental Resolution is required, such modification or amendment will not become effective until the written consent of each Facility Provider has been obtained; provided, however, that the consent of a Facility Provider which has provided a Credit Facility will not be required unless the modification or amendment requires the consent of the Holders of any percentage in principal amount of Outstanding Bonds or of the Holders of any percentage in principal amount of the Bonds of the Series in connection with which such Credit Facility was provided. No modification or amendment of the Master Resolution which adversely affects a Facility Provider will be made without the written consent thereto of the Facility Provider affected thereby. Notice of the adoption of any such Series Resolution or Supplemental Resolution and of the effectiveness of the modification or amendment made thereby will be given to each Facility Provider by mail at the times and in the manner provided in the Master Resolution with respect to notices thereof

required to be given to the Holders of the Bonds. Notice thereof will also be given to each Rating Service as soon as practical after adoption of such Supplemental Resolution and of the effectiveness thereof.

(Section 10.04)

Events of Default

Events of Default under the Master Resolution include: failure by the Authority to pay the principal, Sinking Fund Installments or Redemption Price of any Bond when the same will become due and payable; failure by the Authority to pay an installment of interest on any Bond when the same will become due and payable; the Authority defaults in the due and punctual performance of the tax covenants contained in the Series Resolution and, as a result thereof, the interest on the Bonds of a Series is no longer excludable from gross income under Section 103 of the Code (a “Taxability Default”); and default by the Authority in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Master Resolution or in the Bonds or in any Series Resolution on the part of the Authority to be performed and such default continues for thirty (30) days after written notice specifying such default and requiring same to be remedied has been given to the Authority by the Trustee, which may give such notice in its discretion and must give such notice at the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, unless, if such default is not capable of being cured within thirty (30) days, the Authority has commenced to cure such default within said thirty (30) days and diligently prosecutes the cure thereof.

(Section 11.02)

Enforcement of Remedies

Upon the happening and continuance of any Event of Default specified in the section of the Master Resolution described above under the heading “Events of Default,” then and in every such case, the Trustee may proceed, and upon the written request of the Applicable Facility Provider or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Applicable Series (in each case with the consent of the Facility Provider for such Series) or, in the case of a happening and continuance of a Taxability Default, upon the written request of the Applicable Facility Provider or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby with the consent of the Facility Provider for such Series, will proceed (upon receiving compensation, expenses and indemnity to its satisfaction), to protect and enforce its rights and the rights of the Bondholders or of such Facility Provider under the Master Resolution or under any Series Resolution or under the laws of the State by such suits, actions or special proceedings in equity or at law, as the Trustee deems most effectual to protect and enforce such rights.

(Section 11.04)

Limitation of Rights of Individual Bondholders

No Holder of any of the Bonds has any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Master Resolution, or for any other remedy under the Master Resolution unless such Holder previously has given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds or, in the case of a Taxability Default, the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, has made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, has accrued, and have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Master Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there has been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee has refused or neglected to comply with such request within a reasonable time.

(Section 11.08)

Defeasance

If the Authority pays or causes to be paid to the Holders of Bonds of an Applicable Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Master Resolution, and in the Applicable Series Resolution and Bond Series Certificate, then the pledge of the Revenues or other moneys and securities pledged to such Bonds and all other rights granted by the Master Resolution to such Holders of Bonds will be discharged and satisfied.

Notwithstanding any provision of the Master Resolution to the contrary, if any School District prepays the amounts due under its Agreement and in accordance therewith pays or causes to be paid its Allocable Portion of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest on the Bonds or portions thereof applicable to such Agreement at the times and in the manner stipulated therein, in the Master Resolution, and in the Applicable Series Resolution and the Applicable Bond Series Certificate, then the pledge of the Revenues or other moneys and securities pledged with respect to such Agreement or any portion thereof and all other rights granted under such Agreement will be discharged and satisfied. In such event, the Trustee will, upon the request of the Authority, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the School District, and the Authority, and all moneys or other Securities held by it pursuant hereto and to a Series Resolution which are not required for the payment or redemption of its Allocable Portion of the Bonds of such Series to be defeased or any portion thereof not theretofore surrendered for such payment or redemption will be paid or delivered by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of the Authority; second, to the Authority the amount certified by the Authority to be then due or past due pursuant to the Applicable Agreement to be prepaid for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the School District. Such moneys or investments so paid or delivered will be released from any trust, pledge, lien, encumbrance or security interest created hereby, by a Series Resolution or by such Agreement.

Bonds for the payment or redemption of which moneys have been set aside and are held in trust by the Trustee (through deposit of moneys for such payment or redemption or otherwise) at the maturity or redemption date thereof will be deemed to have been paid within the meaning and with the effect expressed in the paragraph above. All Outstanding Bonds of any Series or any maturity within a Series or a portion of a maturity within a Series will prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the paragraph above if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority has given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in the Master Resolution notice of redemption on said date of such Bonds, (b) there has been deposited with the Trustee either moneys in an amount which will be sufficient, or Defeasance Securities the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, will be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (c) the Trustee has received the written consent of each Facility Provider which has given written notice to the Trustee and the Authority that amounts advanced under a Credit Facility or Liquidity Facility issued by it or the interest thereon have not been repaid to such Facility Provider, and (d) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority has given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses appearing on the registration books, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this paragraph and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds. The Authority will give written notice to the Trustee of its selection of the Series and maturity payment of which will be made in accordance with this paragraph. The Trustee will select the Bonds of like Series and maturity payment of which will be made in accordance with the Master Resolution. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this paragraph nor principal or interest payments on any such Defeasance Securities will be withdrawn or used for any purpose other than, and will be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; provided, however, that any moneys received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, must, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to

pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be.

(Section 12.01)

No Recourse under Master Resolution or on the Bonds

All covenants, stipulations, promises, agreements and obligations of the Authority contained in the Master Resolution will be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any member, officer or employee of the Authority in his individual capacity, and no recourse will be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any claims based thereon, on the Master Resolution or on a Series Resolution against any member, officer or employee of the Authority or any person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder of Bonds by the acceptance of the Bonds.

(Section 14.04)

Certain Provisions Relating to Capital Appreciation Bonds and Deferred Income Bonds

For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity or (ii) computing the principal amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to the Authority, the School District or the Trustee any notice, consent, request, or demand pursuant to the Master Resolution for any purpose whatsoever, the then current Accreted Value of such Bond will be deemed to be its principal amount. Notwithstanding any other provision of the Master Resolution, the amount payable at any time with respect to the principal of and interest on any Capital Appreciation Bond will not exceed the Accreted Value thereof at such time. For purposes of receiving payment of the Redemption Price or principal of a Capital Appreciation Bond called for redemption prior to maturity, the difference between the Accreted Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds of the Series of which it is a part were first issued will be deemed not to be accrued and unpaid interest thereon.

For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed, or (ii) computing the principal amount of Bonds held by the Holder of a Deferred Income Bond in giving to the Authority or the Trustee any notice, consent, request, or demand pursuant to the Master Resolution for any purpose whatsoever, the then current Appreciated Value of such Bond will be deemed to be its principal amount. Notwithstanding any other provision of the Master Resolution, the amount payable at any time prior to the Interest Commencement Date with respect to the principal of and interest on any Deferred Income Bond will not exceed the Appreciated Value thereof at such time. For purposes of receiving payment prior to the Interest Commencement Date of the Redemption Price or principal of a Deferred Income Bond called for redemption prior to maturity, the difference between the Appreciated Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds were first issued will be deemed not to be accrued and unpaid interest thereon.

(Section 14.07)

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**FORM OF APPROVING OPINION
OF BOND COUNSEL**

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Form of Approving Opinion of Bond Counsel

[Letterhead of Winston & Strawn LLP]

_____, 2009

Dormitory Authority of the
State of New York
515 Broadway
Albany, New York 12207

Re: \$180,655,000 Dormitory Authority of the State of New York School Districts Revenue Bond Financing Program Revenue Bonds, Series 2009B (the "Series 2009B Bonds"), \$157,580,000 Series 2009C (the "Series 2009C Bonds"), \$15,825,000 Series 2009D (the "Series 2009D Bonds") and \$2,345,000 Series 2009E (the "Series 2009E Bonds")

Ladies and Gentlemen:

We have acted as bond counsel to the Dormitory Authority of the State of New York (the "Authority") in connection with the issuance of \$356,405,000 aggregate principal amount of its above-referenced bonds (the "Bonds"), issued pursuant to the provisions of the Dormitory Authority Act, as amended, constituting Chapter 524 of the Laws of 1944 of New York, as amended (constituting Title 4 of Article 8 of the New York Public Authorities Law), and the Authority's Master School Districts Revenue Bond Financing Program Revenue Bond Resolution adopted on May 29, 2002 (the "Master Resolution"), and the applicable Series Resolutions Authorizing Up To \$1,000,000,000 School Districts Revenue Bond Financing Program Revenue Bonds (the "Series 2009 Resolutions"), adopted April 29, 2009. The Master Resolution and the Series 2009 Resolutions are herein collectively referred to as the "Resolutions." Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

With respect to the Series 2009B Bonds, the Authority has entered into Financing Agreements, dated as of May 1, 2009 (the "Series 2009B Financing Agreements"), with the school districts identified on Schedule A (the "Series 2009B School Districts") providing, among other things, for a loan to the Series 2009B School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2009 Resolution. With respect to the Series 2009C Bonds, the Authority has entered into Financing Agreements, dated as of May 1, 2009 (the "Series 2009C Financing Agreements"), with the school districts identified on Schedule A (the "Series 2009C School Districts") providing, among other things, for a loan to the Series 2009C School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2009 Resolution. With respect to the Series 2009D Bonds, the Authority has entered into a Financing Agreement, dated as of May 1, 2009 (the "Series 2009D Financing Agreement"), with the Ithaca City School District (the "Series 2009D School District") providing, among other things, for a loan to the Series 2009D School District for the purposes permitted thereby and by the Master Resolution and the applicable Series 2009 Resolution. With respect to the Series 2009E Bonds, the Authority has entered into a Financing Agreement, dated as of May 1, 2009 (the "Series 2009E Financing Agreement" and, together with the Series 2009B Financing Agreements, the Series 2009C Financing Agreements and the Series 2009D Financing Agreement, the "Series 2009 Financing Agreements"), with the Marion Central School District (the "Series 2009E School District" and together with the Series 2009B School Districts, the Series 2009C School Districts and the Series 2009D School District, the "School Districts") providing, among other things, for a loan to the Series 2009E School District for the purposes permitted thereby and by the Master Resolution and the applicable Series 2009 Resolution. Pursuant to the Series 2009B Financing Agreements, the Series 2009B School Districts are required to make payments scheduled to be sufficient to pay the principal, sinking fund installments and redemption price of and interest on the Series 2009B Bonds as the same become due, which payments have been pledged by the Authority to the Trustee for the benefit of the holders of the Series 2009B Bonds. Pursuant to the Series 2009C Financing Agreements, the Series 2009C School Districts are required to make payments scheduled to be sufficient to pay the principal, sinking fund installments and redemption price of and interest on the Series 2009C Bonds as the same become due, which payments have been pledged by the Authority to the Trustee for the benefit of the holders of the Series 2009C Bonds. Pursuant to the Series 2009D Financing

Agreement, the Series 2009D School District is required to make payments scheduled to be sufficient to pay the principal, sinking fund installments and redemption price of and interest on the Series 2009D Bonds as the same become due, which payments have been pledged by the Authority to the Trustee for the benefit of the holders of the Series 2009D Bonds. Pursuant to the Series 2009E Financing Agreement, the Series 2009E School District is required to make payments scheduled to be sufficient to pay the principal, sinking fund installments and redemption price of and interest on the Series 2009E Bonds as the same become due, which payments have been pledged by the Authority to the Trustee for the benefit of the holders of the Series 2009E Bonds.

The Bonds are to mature on the dates and in the years and amounts and interest on the Bonds is payable at the rates and in the amounts set forth in the respective Bond Series Certificates executed and delivered pursuant to the Resolutions.

The Bonds are to be issued in fully registered form in denominations of \$5,000 at maturity or any integral multiple thereof. The Bonds are payable, subject to redemption prior to maturity, exchangeable, transferable and secured upon such terms and conditions as are contained in the Resolutions and the respective Bond Series Certificates.

In such connection, we have reviewed the Resolutions, the Financing Agreements, the Tax Certificate and Agreements of the Authority dated as of the date hereof (the "Tax Certificates"), the Arbitrage and Use of Proceeds Certificates of the School Districts dated as of the date hereof (the "Arbitrage and Use of Proceeds Certificates"), the bonds of the School Districts delivered to the Authority to secure the obligations of each respective School District under its respective Financing Agreement, opinions of counsel to the Authority, the Trustee and the School Districts, the opinions of bond counsel to the respective School Districts, certificates of the Authority, the Trustee, the School Districts and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds will be and remain not includable in gross income under Section 103 of the Code. Included among these continuing requirements are certain restrictions and prohibitions on the use of proceeds of the Bonds and the facilities financed or refinanced by such proceeds, restrictions on the investment of such proceeds and other amounts, the rebate to the United States of certain earnings with respect to investments, and required ownership a governmental unit of the facilities financed or refinanced by the Bonds. Failure to comply with the continuing requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactive to the date of their issuance irrespective of the date on which such noncompliance occurs. In the Master Resolution, the Financing Agreements, and in other documents and certificates contained in the transcript of proceedings, the Authority and the School Districts have covenanted to comply with certain procedures, and have made certain representations and certifications, designed to assure compliance with the requirements of the Code.

Certain requirements and procedures contained or referred to in the Master Resolution, the Series 2009 Resolutions, the Financing Agreements and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Winston & Strawn LLP.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and certificates, and of the legal conclusions contained in the opinions, referred to above. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolutions, the Financing Agreements, the Tax Certificates and the Arbitrage and Use of Proceeds Certificates, including (without limitation)

covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Resolutions, the Financing Agreements, the Tax Certificates, the Arbitrage and Use of Proceeds Certificates and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto herein.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Authority has been duly created and is validly existing as a body corporate and politic constituting a public benefit corporation of the State of New York.

2. The Series 2009B Bonds have been duly and validly authorized to be issued and constitute the valid and binding special obligations of the Authority enforceable in accordance with their terms and the terms of the Master Resolution and the applicable Series 2009 Resolution, will be payable solely from the sources provided therefor in the Master Resolution and the applicable Series 2009 Resolution, and will be entitled to the benefit of the Master Resolution, the applicable Series 2009 Resolution and the Act. The Series 2009C Bonds have been duly and validly authorized to be issued and constitute the valid and binding special obligations of the Authority enforceable in accordance with their terms and the terms of the Master Resolution and the applicable Series 2009 Resolution, will be payable solely from the sources provided therefor in the Master Resolution and the applicable Series 2009 Resolution, and will be entitled to the benefit of the Master Resolution, the applicable Series 2009 Resolution and the Act. The Series 2009D Bonds have been duly and validly authorized to be issued and constitute the valid and binding special obligations of the Authority enforceable in accordance with their terms and the terms of the Master Resolution and the applicable Series 2009 Resolution, will be payable solely from the sources provided therefor in the Master Resolution and the applicable Series 2009 Resolution, and will be entitled to the benefit of the Master Resolution, the applicable Series 2009 Resolution and the Act. The Series 2009E Bonds have been duly and validly authorized to be issued and constitute the valid and binding special obligations of the Authority enforceable in accordance with their terms and the terms of the Master Resolution and the applicable Series 2009 Resolution, will be payable solely from the sources provided therefor in the Master Resolution and the applicable Series 2009 Resolution, and will be entitled to the benefit of the Master Resolution, the applicable Series 2009 Resolution and the Act.

3. The Resolutions are in full force and effect, have been duly adopted by, and constitute the valid and binding obligations of, the Authority, enforceable in accordance with their terms. The Master Resolution and the applicable Series 2009 Resolution create a valid pledge to secure the payment of the principal of and interest on the Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established pursuant to the Master Resolution and the applicable Series 2009 Resolution, except the Arbitrage Rebate Fund created thereby, subject to the provisions of the Master Resolution and the applicable Series 2009 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Master Resolution and the applicable Series 2009 Resolution.

4. The Financing Agreements have been duly executed and delivered by the Authority and, assuming due execution and delivery thereof by the respective School Districts, constitutes the valid and binding agreement of the Authority enforceable in accordance with its terms.

5. The Bonds are not a lien or charge upon the funds or property of the Authority except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of New York or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of New York, and said State is not liable for the payment thereof.

6. Under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Authority and the School Districts (and their successors) with the covenants, and the accuracy of

Appendix F

the representations (as to which we have made no independent investigation) referenced above, interest on the Bonds is not includable in gross income for federal income tax purposes. Interest on the Bonds is not an “item of tax preference” for purposes of computing the federal alternative minimum tax on individuals and corporations. Pursuant to the American Recovery and Reinvestment Act, which was signed into law on February 17, 2009, interest on the Bonds owned by corporations will not be included in the calculation of adjusted current earnings, a portion of which is an adjustment to corporate alternative minimum taxable income for purposes of calculating the alternative minimum tax imposed on corporations (but not individuals).

7. Certain maturities of the Bonds (and in the case of Series 2009B Bonds maturing in 2022 and 2023, Series 2009 Bonds having the same coupon) are initially offered to the public at prices less than the principal amount thereof payable to maturity. If the first price at which a substantial amount of the Bonds of the same maturity (and in the case of Series 2009B Bonds maturing in 2022 and 2023, Series 2009 Bonds having the same coupon) is sold in the initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) is less than the principal amount thereof payable at maturity, the difference between such price and principal amount constitutes original issue discount with respect to each Bond of the same maturity (the “Discount Bonds”). Original issue discount, as it accrues, is not includable in gross income for federal income tax purposes to the same extent as interest on the Bonds. The owner of a Discount Bond who purchases it in the initial offering at the initial offering price is deemed to accrue in each taxable year original issue discount over the term of such bond under the “constant yield method” described in regulations interpreting Section 1272 of the Code with certain adjustments.

8. The interest on the Bonds is exempt under existing statutes from personal income taxes imposed by the State of New York and its political subdivisions thereof (including The City of New York).

Other than the foregoing, we express no opinion regarding other federal or state tax consequences related to the ownership of disposition of, or the accrual or receipt of interest on the Bonds.

Faithfully yours,

SCHEDULE A

Series 2009B:

Alexander Central School District
Andover Central School District
City School District of the City of Auburn
Avoca Central School District
Churchville-Chili Central School District
Cincinnatus Central School District
Dalton-Nunda Central School District
Dansville Central School District
Dolgeville Central School District
East Irondequoit Central School District
Hinsdale Central School District
City School District of the City of Hudson
Hudson Falls Central School District
Newfield Central School District
Perry Central School District
Sauquoit Valley Central School District
Spencerport Central School District
Thousand Islands Central School District
Warrensburg Central School District
Warsaw Central School District
Waterloo Central School District
Wayland-Cohocton Central School District

Series 2009C:

City School District of the City of Albany
Canajoharie Central School District
Carthage Central School District
Central Square Central School District
City School District of the City of Gloversville
Hempstead Union Free School District
City School District of the City of Niagara Falls
Tioga Central School District

Series 2009D:

City School District of the City of Ithaca

Series 2009E:

Marion Central School District

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**SPECIMEN FINANCIAL GUARANTY
INSURANCE POLICY**

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Financial Guaranty Insurance Policy

Issuer:

Policy No.:

Obligations:

Premium:

Effective Date:

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

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

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

Except to the extent expressly modified by any endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "**Avoided Payment**" means any amount previously distributed to a Holder in respect of any Insured Payment by or on behalf of the Issuer, which amount has been recovered from such Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction that such payment constitutes an avoidable preference with respect to such Holder. "**Business Day**" means any day other than (i) a Saturday or Sunday, (ii) any day on which the offices of the Trustee, the Paying Agent or Assured Guaranty are closed, or (iii) any day on which banking institutions are authorized or required by law, executive order or governmental decree to be closed in the City of New York or in the State of Maryland. "**Due for Payment**" means (i) when referring to the principal of an Obligation, the stated maturity date thereof, or the date on which such Obligation shall have been duly called for mandatory sinking fund redemption, and does not refer to any earlier date on which payment is due by reason of a call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless Assured Guaranty in its sole discretion elects to make any principal payment, in whole or in part, on such earlier date) and (ii) when referring to interest on an Obligation, the stated date for payment of such interest. "**Holder**" means, in respect of any Obligation, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Obligation to payment of principal or interest thereunder, except that Holder shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Obligations. "**Insured Payments**" means that portion of the principal of and interest on the Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment. Insured Payments shall not include any additional amounts owing by the Issuer solely as a result of the failure by the Trustee or the Paying Agent to pay such amount when due and payable, including without limitation any such additional amounts as may be attributable to penalties or to interest accruing at a default rate, to amounts payable in respect of indemnification, or to any other additional amounts payable by the Trustee or the Paying Agent by reason of such failure. "**Nonpayment**" means, in respect of an Obligation, the failure of the Issuer to have provided sufficient funds to the Trustee or the Paying Agent for payment in full of all

principal and interest Due for Payment on such Obligation. It is further understood that the term "Nonpayment" in respect of an Obligation includes any Avoided Payment. "Receipt" or "Received" means actual receipt or notice of or, if notice is given by overnight or other delivery service, or by certified or registered United States mail, by a delivery receipt signed by a person authorized to accept delivery on behalf of the person to whom the notice was given. Notices to Assured Guaranty may be mailed by registered mail or personally delivered or telecopied to it at 1325 Avenue of the Americas, New York, New York 10019, Telephone Number: (212) 974-0100, Facsimile Number: (212) 581-3268, Attention: Risk Management Department - Public Finance Surveillance, with a copy to the General Counsel, or to such other address as shall be specified by Assured Guaranty to the Trustee or the Paying Agent in writing. A Notice of Nonpayment will be deemed to be Received by Assured Guaranty on a given Business Day if it is Received prior to 12:00 noon (New York City time) on such Business Day; otherwise it will be deemed Received on the next Business Day. "Term" means the period from and including the Effective Date until the earlier of (i) the maturity date for the Obligations, or (ii) the date on which the Issuer has made all payments required to be made on the Obligations.

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

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

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

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

ASSURED GUARANTY CORP.

(SEAL)

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

Signature attested to by:

Counsel

