



\$335,055,000

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS

\$252,755,000	\$54,190,000	\$23,485,000	\$4,625,000
SERIES 2010A	SERIES 2010B	SERIES 2010C	SERIES 2010D

Dated: Date of Delivery

Due: As shown on the inside cover

Payment and Security: The Series 2010A Bonds, the Series 2010B Bonds, the Series 2010C Bonds and the Series 2010D Bonds (collectively the "Series 2010 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, 2010, 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 2010A Resolution," the "Series 2010B Resolution," the "Series 2010C Resolution," and the "Series 2010D Resolution," and, collectively, the "Series 2010 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 2010 Bonds and no real property of any School District secures the Series 2010 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 2010 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 2010 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 2010 Bonds. See "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2010 BONDS."

The Series 2010 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 Series of the Series 2010 Bonds as described on the inside cover (the "Insured Bonds") when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Bonds by Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) ("AGM").



Description: The Series 2010 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, 2011) on the Series 2010 Bonds will be payable by check or draft mailed to the registered owners of the Series 2010 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 2010 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 2010 Bonds will be payable at the principal corporate trust office of The Bank of New York Mellon, 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 2010 Bonds, by wire transfer to the Holders of such Series 2010 Bonds as more fully described herein.

The Series 2010 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 2010 Bonds will be made in Book-Entry form without certificates. So long as DTC or its nominee is the registered owner of the Series 2010 Bonds, payments of the principal and interest on such Series 2010 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 2010 BONDS – Book-Entry Only System" herein.

Redemption: *The Series 2010 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 2010 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 2010 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 2010 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 2010 Bonds. See "PART 10–TAX MATTERS" herein.

The Series 2010 Bonds are offered when, as and if issued and received by the Underwriters. The offer of the Series 2010 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 2010 Bonds in New York, New York, on or about June 15, 2010.

Roosevelt & Cross, Incorporated
BofA Merrill Lynch
Fidelity Capital Markets
Morgan Keegan & Company, Inc.
Siebert Brandford Shank & Co., LLC

Jefferies & Company
Citi
Janney Montgomery Scott LLC
Morgan Stanley
Stifel, Nicolaus & Company, Inc.

RBC Capital Markets
Duncan-Williams, Inc.
J.P. Morgan
Ramirez & Co., Inc.
Wells Fargo Securities

\$335,055,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS

\$252,755,000
SERIES 2010A

<u>Due</u> <u>October 1,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾	<u>Due</u> <u>October 1,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾
2011*	\$ 8,650,000	3.000%	0.700%	649905D37	2018*	\$ 5,000,000	3.000%	3.280%	649905E69
2012*	11,130,000	4.000	1.100	649905D45	2018*	12,520,000	5.000	3.280	649905E77
2012*	2,185,000	5.000	1.100	649905D52	2019*	18,220,000	5.000	3.480	649905E85
2013*	3,345,000	4.000	1.540	649905D60	2020*	19,135,000	5.000	3.630	649905E93
2013*	10,520,000	5.000	1.540	649905D78	2021*	20,015,000	5.000	3.740**	649905F27
2014*	6,535,000	4.000	1.970	649905D86	2022*	20,175,000	5.000	3.840**	649905F35
2014*	8,000,000	5.000	1.970	649905D94	2023*	19,590,000	5.000	3.920**	649905F43
2015*	10,775,000	4.500	2.350	649905E28	2024*	2,720,000	4.000	4.000	649905F50
2015*	4,430,000	5.000	2.350	649905E36	2024*	17,715,000	5.000	4.000**	649905F68
2016*	15,910,000	4.875	2.760	649905E44	2025*	6,760,000	4.000	4.050	649905F76
2017*	16,690,000	5.000	3.070	649905E51	2025*	6,765,000	5.000	4.050**	649905F84

\$5,970,000 4.375% Term Bonds due October 1, 2030*, Yield: 4.420% CUSIP⁽¹⁾ 649905F92

\$54,190,000
SERIES 2010B

<u>Due</u> <u>October 1,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾	<u>Due</u> <u>October 1,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾
2011*	\$1,600,000	2.000%	0.700%	649905G26	2019*	\$2,745,000	3.500%	3.500%	649905H25
2012*	2,280,000	2.000	1.130	649905G34	2020*	2,845,000	3.625	3.670	649905H33
2013*	2,360,000	2.000	1.570	649905G42	2021*	2,950,000	3.750	3.810	649905H41
2014*	2,410,000	2.000	1.970	649905G59	2022*	3,055,000	3.875	3.910	649905H58
2015*	2,455,000	2.300	2.360	649905G67	2023*	3,180,000	4.000	3.960**	649905H66
2016*	2,515,000	2.750	2.800	649905G75	2024*	3,300,000	4.000	4.040	649905H74
2017*	2,585,000	3.100	3.100	649905G83	2025*	3,280,000	4.000	4.090	649905H82
2018*	2,660,000	3.250	3.320	649905G91					

\$3,795,000 4.400% Term Bonds due October 1, 2030*, Yield: 4.420% CUSIP⁽¹⁾ 649905H90

\$4,475,000 4.750% Term Bonds due October 1, 2035*, Yield: 4.700% CUSIP⁽¹⁾ 649905J23**

\$5,430,000 4.750% Term Bonds due October 1, 2040*, Yield: 4.750% CUSIP⁽¹⁾ 649905J31

* Insured by Assured Guaranty Municipal Corp.

** Priced to the October 1, 2020 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 2010 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 2010 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2010 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 2010 Bonds.

\$23,485,000
SERIES 2010C

<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>
2011*	\$1,065,000	2.000%	0.700%	649905J49	2018*	\$ 805,000	3.125%	3.280%	649905K70
2012*	1,320,000	3.000	1.100	649905J56	2018*	770,000	4.000	3.280	649905K88
2013*	815,000	2.000	1.540	649905J64	2019*	1,000,000	3.250	3.480	649905K96
2013*	550,000	3.000	1.540	649905J72	2019*	630,000	4.000	3.480	649905L20
2014*	645,000	2.000	1.970	649905J80	2020*	1,060,000	3.500	3.630	649905L38
2014*	750,000	3.000	1.970	649905J98	2020*	625,000	4.000	3.630	649905L46
2015*	495,000	2.250	2.350	649905K21	2021*	1,750,000	3.500	3.810	649905L53
2015*	940,000	4.000	2.350	649905K39	2022*	1,810,000	4.500	3.840**	649905L61
2016*	1,385,000	3.000	2.760	649905K47	2023*	1,890,000	4.500	3.920**	649905L79
2016*	100,000	3.500	2.760	649905K54	2024*	1,495,000	4.000	4.000	649905L87
2017*	1,525,000	3.000	3.070	649905K62	2025*	1,070,000	4.000	4.050	649905L95

\$990,000 4.250% Term Bonds due October 1, 2028*, Yield: 4.290% CUSIP⁽¹⁾ 649905M29

\$4,625,000
SERIES 2010D

<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>
2011	\$120,000	2.000%	0.700%	649905M37	2019	\$205,000	3.375%	3.460%	649905N36
2012	175,000	2.000	1.100	649905M45	2020	210,000	3.500	3.620	649905N44
2013	175,000	2.000	1.540	649905M52	2021	220,000	3.625	3.790	649905N51
2014	180,000	2.000	1.970	649905M60	2022	225,000	3.750	3.890	649905N69
2015	185,000	2.500	2.330	649905M78	2023	235,000	3.750	3.960	649905N77
2016	185,000	3.000	2.740	649905M86	2024	245,000	4.000	4.000	649905N85
2017	190,000	3.000	3.050	649905M94	2025	250,000	4.000	4.050	649905N93
2018	200,000	3.250	3.260	649905N28					

\$575,000 4.250% Term Bonds due October 1, 2030 Yield: 4.400% CUSIP⁽¹⁾ 649905P26
\$1,050,000 4.700% Term Bonds due October 1, 2037, Yield: 4.700% CUSIP⁽¹⁾ 649905P34

* Insured by Assured Guaranty Municipal Corp.

** Priced to the October 1, 2020 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 2010 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 2010 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2010 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 2010 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 2010 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 2010 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.

AGM makes no representation regarding the Series 2010 Bonds or the advisability of investing in the Series 2010 Bonds. In addition, AGM 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 AGM supplied by AGM and presented under the heading "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2010 BONDS - Bond Insurance" and "Appendix G - Specimen Municipal Bond Insurance Policy".

References in this Official Statement to the Act, the Master Resolution, the Series 2010 Resolutions, the Agreements, the School District Bonds and the Policy do not purport to be complete. Refer to the Act, the Master Resolution, the Series 2010 Resolutions, the Agreements and the School District Bonds for full and complete details of their provisions. Copies of the Master Resolution, the Series 2010 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 2010 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.

TABLE OF CONTENTS

Part	Page	Part	Page
PART 1 – INTRODUCTION	1	PART 6 – THE PLAN OF FINANCE	23
Purpose of the Official Statement	1	PART 7 – THE AUTHORITY	23
Purpose of the Series	1	PART 8 – LEGALITY OF THE SERIES 2010 BONDS FOR	
Authorization of Issuance	1	INVESTMENT AND DEPOSIT	31
The Authority	2	PART 9 – NEGOTIABLE INSTRUMENTS	31
The School Districts	2	PART 10 – TAX MATTERS	31
The Series 2010 Bonds	2	PART 11 – STATE NOT LIABLE ON THE SERIES 2010	
Payment of the Series 2010 Bonds	2	BONDS	33
Security for the Series 2010 Bonds	3	PART 12 – COVENANT BY THE STATE	33
Bond Insurance	3	PART 13 – LEGAL MATTERS	34
PART 2 – SOURCES OF PAYMENT AND SECURITY		PART 14 – UNDERWRITING	34
FOR THE SERIES 2010 BONDS	4	PART 15 – CONTINUING DISCLOSURE	35
Payment of the Series 2010 Bonds	4	PART 16 – RATINGS	36
Security for the Series 2010 Bonds	4	PART 17 – SOURCES OF INFORMATION AND	
Issuance of Additional Bonds	6	CERTIFICATIONS	36
General	6	Appendix A – Definitions	A-1
Defaults and Remedies under the Agreement	6	Appendix B – List of the School Districts and Principal	
Default and Remedies under the Master Resolution	7	Amount of Each School District’s Loan	B-1
Bond Insurance	7	Appendix C – Certain Financial and Economic	
PART 3 – THE SERIES 2010 BONDS	9	Information on the School Districts	C-1
Description of the Series 2010 Bonds	9	Appendix D – Summary of Certain Provisions of the	
Redemption Provisions	10	Financing Agreements	D-1
Book-Entry Only System	12	Appendix E – Summary of Certain Provisions of the	
Principal and Interest Requirements	15	Master Resolution	E-1
PART 4 – THE SCHOOL DISTRICTS	18	Appendix F – Form of Approving Opinion of Bond	
Summaries of Constitutional and Statutory Debt Provisions	18	Counsel	F-1
Special Provisions Affecting Remedies on Default	19	Appendix G – Specimen Municipal Bond Insurance	
Financial Factors	20	Policy	G-1
Litigation	22		
PART 5 – ESTIMATED SOURCES AND USES OF			
FUNDS	23		



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

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

OFFICIAL STATEMENT RELATING TO

\$335,055,000

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

\$252,755,000	\$54,190,000	\$23,485,000	\$4,625,000
SERIES 2010A	SERIES 2010B	SERIES 2010C	SERIES 2010D

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 \$252,755,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2010A (the “Series 2010A Bonds”), \$54,190,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2010B (the “Series 2010B Bonds”), \$23,485,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2010C (the “Series 2010C Bonds”), and \$4,625,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2010D (the “Series 2010D Bonds,” and, together with the Series 2010A Bonds, the Series 2010B Bonds and the Series 2010C Bonds, the “Series 2010 Bonds”).

The following is a brief description of certain information concerning each Series of the Series 2010 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 2010 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 2010 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 2010 Bonds), and (ii) to pay the Costs of Issuance of the Applicable Series of Series 2010 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 2010 Bonds (a “Loan”) has entered 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 2010 Bonds will be issued pursuant to the Master Resolution, the applicable Series 2010 Resolution and the Act. Each of the School Districts has entered 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 2010 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 2010 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 the fiscal year ended June 30, 2009 of all of the School Districts and additional information regarding certain of the School Districts have been filed by the School Districts with The Electronic Municipal Market Access (“EMMA”) system maintained by the Municipal Securities Rulemaking Board (“MSRB”). Such financial statements are incorporated herein by reference and copies are on file at the principal office of the Authority.

The Series 2010 Bonds

The Series 2010 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 2010 Bonds is payable each April 1 and October 1, commencing April 1, 2011. See “PART 3 – THE SERIES 2010 BONDS – Description of the Series 2010 Bonds.”

Payment of the Series 2010 Bonds

Each Series of the Series 2010 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 2010 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 2010 Bonds and the Pledged Revenues in respect of such Series 2010 Bonds have been pledged to the Trustee to secure solely such Series 2010 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 2010 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 2010 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 2010 BONDS – Payment of the Series 2010 Bonds" and "– Bond Insurance."

Security for the Series 2010 Bonds

Each Series of the Series 2010 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 2010 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. The School District Bonds will be held by the Authority and will not be assigned to the Trustee.

To secure payment of all amounts due under its Agreement in respect of a Series of the Series 2010 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 2010 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 2010 BONDS – Security for the Series 2010 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 the Series 2010A Bonds, the Series 2010B Bonds and the Series 2010C Bonds (the "Insured Bonds"), will be guaranteed under a municipal bond insurance policy (the "Policy") to be issued concurrently with the delivery of the Series 2010 Bonds by Assured Guaranty Municipal Corp.

(formerly known as Financial Security Assurance Inc.) (the “Insurer” or “AGM”). See “PART 2- SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2010 BONDS – Bond Insurance.”

PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2010 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 2010 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 2010 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 2010 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 2010 Bonds

Each Series of the Series 2010 Bonds will be special obligations of the Authority. The principal and Redemption Price of and interest on each Series of the Series 2010 Bonds are payable solely from the Revenues pledged to such Series 2010 Bonds. The Revenues consist of the payments paid by the applicable School District under its Agreement in respect of such Series 2010 Bonds, including Loan Repayments and the Pledged Revenues. The Revenues and the right to receive them in respect of each Series of the Series 2010 Bonds have been pledged to the Trustee for the payment of such Series 2010 Bonds.

Loan Repayments in respect of each Series of the Series 2010 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 2010 Bonds and which amounts in the aggregate are scheduled to be sufficient to pay principal and interest on such Series 2010 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 2010 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 2010 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 2010 Bonds

Each Series of the Series 2010 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 2010 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 2010 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 2010 Bonds relating to the Loan of such School District. There is no debt service reserve fund securing the Series 2010 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 2010 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 School District Bonds will be held by the Authority and will not be assigned to the Trustee.

The Authority has covenanted for the benefit of the Holders of each Series of the Series 2010 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 2010 Bonds, the proceeds of such Series 2010 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 2010 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 Allegany-Limestone Central School District, the South Glens Falls Central School District and The Enlarged City School District of Troy. The Authority has previously issued Series of Bonds in 2008 and lent a portion of the proceeds of such Series to the Phoenix Central School District and the City School District of the City of Rome. The Authority has previously issued Series of Bonds in 2008 and 2009 and lent a portion of the proceeds of such Series to the City School District of the City of Albany.

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 2010 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 2010 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 Commissioner of Education within five business days after payment is due of any failure by the School District to pay (a “Delinquency Notice”) and the Commissioner of Education has agreed to promptly forward such Delinquency Notice to the State Comptroller. 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 this year and 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 2010 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.

In addition to issuance of School District Bonds by each of the School Districts as security for its respective obligations under the Agreements, each of the School Districts have the power in accordance with the New York State Local Finance Law to issue bonds in addition to the School District Bonds for School District purposes. See “PART 4 – THE SCHOOL DISTRICTS – Summaries of the Constitutional and Statutory Debt Provisions”.

General

The Series 2010 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 2010 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 AGM.

The Insurance Policy

Concurrently with the issuance of the Series 2010 Bonds, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (“AGM”) will issue its Municipal Bond Insurance Policy for the

Insured Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

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

Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.)

AGM is a New York domiciled financial guaranty insurance company and a wholly owned subsidiary of Assured Guaranty Municipal Holdings Inc. (“Holdings”). Holdings is an 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, infrastructure and structured finance markets. No shareholder of AGL, Holdings or AGM is liable for the obligations of AGM.

On July 1, 2009, AGL acquired the financial guaranty operations of Holdings from Dexia SA (“Dexia”). In connection with such acquisition, Holdings’ financial products operations were separated from its financial guaranty operations and retained by Dexia. For more information regarding the acquisition by AGL of the financial guaranty operations of Holdings, see Item 1.01 of the Current Report on Form 8-K filed by AGL with the Securities and Exchange Commission (the “SEC”) on July 8, 2009.

Effective November 9, 2009, Financial Security Assurance Inc. changed its name to Assured Guaranty Municipal Corp.

AGM’s financial strength is rated “AAA” (negative outlook) by Standard and Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”) and “Aa3” (negative outlook) by Moody’s Investors Service, Inc. (“Moody’s”). On February 24, 2010, Fitch, Inc. (“Fitch”), at the request of AGL, withdrew its “AA” (Negative Outlook) insurer financial strength rating of AGM at the then current rating level. Each rating of AGM 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, including withdrawal initiated at the request of AGM in its sole discretion. 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 AGM. AGM does not guarantee the market price of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Recent Developments

Ratings

On May 17, 2010, S&P published a Research Update in which it affirmed its “AAA” counterparty credit and financial strength ratings on AGM. At the same time, S&P continued its negative outlook on AGM. Reference is made to the Research Update, a copy of which is available at www.standardandpoors.com, for the complete text of S&P’s comments.

In a press release dated February 24, 2010, Fitch announced that, at the request of AGL, it had withdrawn the “AA” (Negative Outlook) insurer financial strength rating of AGM at the then current rating level. 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.

On December 18, 2009, Moody’s issued a press release stating that it had affirmed the “Aa3” insurance financial strength rating of AGM, with a negative outlook. 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.

There can be no assurance as to any further ratings action that Moody’s or S&P may take with respect to AGM.

For more information regarding AGM'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, 2009, which was filed by AGL with the SEC on March 1, 2010, and AGL's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, which was filed by AGL with the SEC on May 10, 2010. Effective July 31, 2009, Holdings is no longer subject to the reporting requirements of the Securities and Exchange Act of 1934, as amended (the "Exchange Act").

Capitalization of AGM

At March 31, 2010, AGM's consolidated policyholders' surplus and contingency reserves were approximately \$2,220,015,145 and its total net unearned premium reserve was approximately \$2,228,912,193 in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the SEC that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) The Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (which was filed by AGL with the SEC on March 1, 2010); and
- (ii) The Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010 (which was filed by AGL with the SEC on May 10, 2010).

All information relating to AGM included in, or as exhibits to, documents filed by AGL pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the filing of the last document referred to above and before the termination of the offering of the Insured Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.): 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 826-0100).

Any information regarding AGM included herein in this Part 2 under the heading "Bond Insurance – Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.)" or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

AGM makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, AGM 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 AGM supplied by AGM and presented in this Part 2 under the heading "Bond Insurance".

PART 3 –THE SERIES 2010 BONDS

Description of the Series 2010 Bonds

The Series 2010 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 2010 Bonds is payable each April 1 and October 1, commencing April 1, 2011.

The Series 2010 Bonds will be issued as fully registered bonds. The Series 2010 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. The Series 2010 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 2010 Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only

System is discontinued for the Series 2010 Bonds, the Series 2010 Bonds will be exchangeable for other fully registered Series 2010 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 2010 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 2010 Bonds by wire transfer to the Holder of the Series 2010 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 2010 Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of The Bank of New York Mellon, the Trustee and Paying Agent. As long as the Series 2010 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 2010 Bonds, see “Appendix E – Summary of Certain Provisions of the Master Resolution.”

Redemption Provisions

The Series 2010 Bonds are subject to optional and mandatory redemption as described below.

Optional Redemption

The Series 2010 Bonds maturing on or before October 1, 2020 are not subject to optional redemption prior to maturity. The Series 2010 Bonds maturing after October 1, 2020 are subject to redemption prior to maturity on or after October 1, 2020 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 2010 Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

Mandatory Redemption

The Series 2010A Bonds maturing on October 1, 2030 are subject to mandatory sinking fund redemption, in part, on each of the dates 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 2010A Bonds specified for each of the dates shown below:

Term Bond	
<u>Maturing October 1, 2030</u>	
<u>Year</u>	<u>Principal Amount</u>
2026	\$1,590,000
2027	1,655,000
2028	980,000
2029	1,015,000
2030 [†]	730,000

[†] Stated maturity.

The Series 2010B Bonds maturing on October 1, 2030, October 1, 2035 and October 1, 2040 are subject to mandatory sinking fund redemption, in part, on each of the dates 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 2010B Bonds specified for each of the dates shown below:

<u>Term Bond</u> <u>Maturing October 1, 2030</u>		<u>Term Bond</u> <u>Maturing October 1, 2035</u>		<u>Term Bond</u> <u>Maturing October 1, 2040</u>	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2026	\$700,000	2031	\$ 865,000	2036	\$1,085,000
2027	730,000	2032	900,000	2037	1,135,000
2028	755,000	2033	950,000	2038	1,190,000
2029	785,000	2034	995,000	2039	1,245,000
2030 [†]	825,000	2035 [†]	1,035,000	2040 [†]	775,000

[†] Stated maturity.

The Series 2010C Bonds maturing on October 1, 2028 are subject to mandatory sinking fund redemption, in part, on each of the dates 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 2010C Bonds specified for each of the dates shown below:

<u>Term Bond</u> <u>Maturing October 1, 2028</u>	
<u>Year</u>	<u>Principal Amount</u>
2026	\$315,000
2027	330,000
2028 [†]	345,000

[†] Stated maturity.

The Series 2010D Bonds maturing on October 1, 2030 and October 1, 2037 are subject to mandatory sinking fund redemption, in part, on each of the dates 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 2010D Bonds specified for each of the dates shown below:

<u>Term Bond</u> <u>Maturing October 1, 2030</u>		<u>Term Bond</u> <u>Maturing October 1, 2037</u>	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2026	\$105,000	2031	\$130,000
2027	110,000	2032	135,000
2028	115,000	2033	145,000
2029	120,000	2034	150,000
2030 [†]	125,000	2035	155,000
		2036	165,000
		2037 [†]	170,000

[†] Stated maturity.

Notice of Redemption

Whenever Series 2010 Bonds are to be redeemed, the Trustee will give notice of the redemption of the Series 2010 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 2010 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 2010 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 2010 Bond to be redeemed to receive such notice will not affect the validity of the proceedings for the redemption of the Series 2010 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 2010 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 2010 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 2010 Bonds. The Series 2010 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 2010 Bond will be issued for each maturity of each Series of the Series 2010 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 2010 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2010 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2010 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 2010 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 2010 Bonds, except in the event that use of the book-entry system for the Series 2010 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2010 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 2010 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 2010 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2010 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 2010 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 2010 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 2010 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 2010 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 2010 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2010 Bonds, giving any notice permitted or required to be given to registered owners under the Resolution, registering the transfer of the Series 2010 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 2010 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 2010 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 2010 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 2010 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 2010 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 2010 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 2010 BONDS.

So long as Cede & Co. is the registered owner of the Series 2010 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2010 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 2010 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 2010 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 2010 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 2010 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 2010 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2010 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 2010A Bonds during each twelve-month period ending October 1 of the years shown.

12-Month Period Ending October 1	Principal of the Series 2010A Bonds	Interest on the Series 2010A Bonds	Total Debt Service on the Series 2010A Bonds⁽¹⁾
2011	\$ 8,650,000	\$15,467,026	\$24,117,026
2012	13,315,000	11,689,275	25,004,275
2013	13,865,000	11,134,825	24,999,825
2014	14,535,000	10,475,025	25,010,025
2015	15,205,000	9,813,625	25,018,625
2016	15,910,000	9,107,250	25,017,250
2017	16,690,000	8,331,638	25,021,638
2018	17,520,000	7,497,138	25,017,138
2019	18,220,000	6,721,138	24,941,138
2020	19,135,000	5,810,138	24,945,138
2021	20,015,000	4,853,388	24,868,388
2022	20,175,000	3,852,638	24,027,638
2023	19,590,000	2,843,888	22,433,888
2024	20,435,000	1,864,388	22,299,388
2025	13,525,000	869,838	14,394,838
2026	1,590,000	261,188	1,851,188
2027	1,655,000	191,625	1,846,625
2028	980,000	119,219	1,099,219
2029	1,015,000	76,344	1,091,344
2030	730,000	31,938	761,938

⁽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 2010B Bonds during each twelve-month period ending October 1 of the years shown.

12-Month Period Ending October 1	Principal of the Series 2010B Bonds	Interest on the Series 2010B Bonds	Total Debt Service on the Series 2010B Bonds⁽¹⁾
2011	\$1,600,000	\$2,503,608	\$4,103,608
2012	2,280,000	1,902,118	4,182,118
2013	2,360,000	1,856,518	4,216,518
2014	2,410,000	1,809,318	4,219,318
2015	2,455,000	1,761,118	4,216,118
2016	2,515,000	1,704,653	4,219,653
2017	2,585,000	1,635,490	4,220,490
2018	2,660,000	1,555,355	4,215,355
2019	2,745,000	1,468,905	4,213,905
2020	2,845,000	1,372,830	4,217,830
2021	2,950,000	1,269,699	4,219,699
2022	3,055,000	1,159,074	4,214,074
2023	3,180,000	1,040,693	4,220,693
2024	3,300,000	913,493	4,213,493
2025	3,280,000	781,493	4,061,493
2026	700,000	650,293	1,350,293
2027	730,000	619,493	1,349,493
2028	755,000	587,373	1,342,373
2029	785,000	554,153	1,339,153
2030	825,000	519,613	1,344,613
2031	865,000	483,313	1,348,313
2032	900,000	442,225	1,342,225
2033	950,000	399,475	1,349,475
2034	995,000	354,350	1,349,350
2035	1,035,000	307,088	1,342,088
2036	1,085,000	257,925	1,342,925
2037	1,135,000	206,388	1,341,388
2038	1,190,000	152,475	1,342,475
2039	1,245,000	95,950	1,340,950
2040	775,000	36,813	811,813

(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 2010C Bonds during each twelve-month period ending October 1 of the years shown.

12-Month Period Ending October 1	Principal of the Series 2010C Bonds	Interest on the Series 2010C Bonds	Total Debt Service on the Series 2010C Bonds⁽¹⁾
2011	\$1,065,000	\$1,057,327	\$2,122,327
2012	1,320,000	795,519	2,115,519
2013	1,365,000	755,919	2,120,919
2014	1,395,000	723,119	2,118,119
2015	1,435,000	687,719	2,122,719
2016	1,485,000	638,981	2,123,981
2017	1,525,000	593,931	2,118,931
2018	1,575,000	548,181	2,123,181
2019	1,630,000	492,225	2,122,225
2020	1,685,000	434,525	2,119,525
2021	1,750,000	372,425	2,122,425
2022	1,810,000	311,175	2,121,175
2023	1,890,000	229,725	2,119,725
2024	1,495,000	144,675	1,639,675
2025	1,070,000	84,875	1,154,875
2026	315,000	42,075	357,075
2027	330,000	28,688	358,688
2028	345,000	14,663	359,663

(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 2010D Bonds during each twelve-month period ending October 1 of the years shown.

12-Month Period Ending October 1	Principal of the Series 2010D Bonds	Interest on the Series 2010D Bonds	Total Debt Service on the Series 2010D Bonds⁽¹⁾
2011	\$120,000	\$218,057	\$338,057
2012	175,000	166,056	341,056
2013	175,000	162,556	337,556
2014	180,000	159,056	339,056
2015	185,000	155,456	340,456
2016	185,000	150,831	335,831
2017	190,000	145,281	335,281
2018	200,000	139,581	339,581
2019	205,000	133,081	338,081
2020	210,000	126,163	336,163
2021	220,000	118,813	338,813
2022	225,000	110,838	335,838
2023	235,000	102,400	337,400
2024	245,000	93,588	338,588
2025	250,000	83,788	333,788
2026	105,000	73,788	178,788
2027	110,000	69,325	179,325
2028	115,000	64,650	179,650
2029	120,000	59,763	179,763
2030	125,000	54,663	179,663
2031	130,000	49,350	179,350
2032	135,000	43,240	178,240
2033	145,000	36,895	181,895
2034	150,000	30,080	180,080
2035	155,000	23,030	178,030
2036	165,000	15,745	180,745
2037	170,000	7,990	177,990

(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, 2009 of all the School Districts and additional information on certain of the School Districts have been filed by the School Districts with the EMMA system maintained by the MSRB. 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 (including School District Bonds) 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 for payments of amounts due under the respective Agreement then in 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 each school district to the Authority under an applicable Agreement. 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 Commissioner of Education within five (5) business days after payment is due of any failure by the School District to pay (a “Delinquency Notice”) and the Commissioner of Education has agreed to promptly forward such Delinquency Notice to the State Comptroller. 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. School districts in the State including the School Districts have the authority to issue and sell bonds and notes secured by such Section 99-b intercept without Authority consent. Such 99-b intercept of State aid for school districts bonds and notes other than the School District Bonds 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 the MSRB and its EMMA System.

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.

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 and/or the State’s cash flow difficulties. In a press release issued on December 13, 2009, the Governor of the State announced that he had directed the Division of the Budget to withhold 10% (\$146 million) of State aid payments due to be paid to school districts on or before December 15, 2009 and 19% (\$436 million) in STAR aid due to be paid to school districts on or before the first day of January, 2010 (collectively, the “2009 Delayed State Aid Payments”). The 2009 Delayed State Aid Payments were paid to school districts in January, 2010.

On March 30, 2010, the Governor of the State announced that the final payment of State aid for the State 2009-2010 fiscal year, approximately \$2.1 billion (the “2010 Delayed State Aid Payments”), due to be paid to school districts on or before March 31, 2010 would not be paid until June 2010, assuming sufficient cash is available. On April 1, 2010, the Comptroller of the State issued a press release announcing that the State General Fund ended the State 2009-2010 fiscal year with a positive balance of \$2.3 billion. The Comptroller noted that these positive balances were due to “payment delays and budget manipulations” and that these actions “may cause a serious cash shortfall in the first quarter” of the State fiscal year. On April 22, 2010, the New York State School Boards Association, the School Administrators Association of New York State and the New York State Council of School Superintendents filed suit against the Governor, the Division of the Budget, the New York State Office of the State Comptroller and the Comptroller requesting an order and judgment, *inter alia*, declaring that the defendants’ actions in withholding and delaying State aid payments were unconstitutional, ordering the defendants not to impound or delay duly authorized education funding and enjoining the Governor and the Budget Director from any future withholding or delay of monies that were allocated to fund education in the State 2009-2010 fiscal year. The defendants have not yet responded to this lawsuit.

On May 15, 2010, the State Budget Director announced that the State plans to delay a portion of the June 1st school aid payment. Newspaper reports indicate that the Governor will send the Legislature a separate bill asking for the statutory authority to delay certain of the payments due to school districts by June 1st to later in the month. If the plan is approved, school districts would receive \$2 billion on June 1 and the remaining \$1.5 billion by the end of the month. The June 1st payment would be prorated across all school districts with each school district receiving approximately 2/3rds of their expected June 1st amount. The remaining State aid amounts would be made prior to July 1, 2010.

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.

See Appendix C for a table of payments made by each School District to ERS and TRS for the 2005-2006 through 2008-2009 fiscal years, the estimated amount of such payments made and to be made to ERS and TRS in the 2009-2010 fiscal year and the budgeted amount of such payments to be made to ERS and TRS in the 2010-2011 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 2010A	Series 2010B	Series 2010C	Series 2010D
	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>
Principal Amount	\$252,755,000	\$54,190,000	\$23,485,000	4,625,000
Net Original Issue Premium	23,588,662	12,070	413,668	-
Net Original Issue Discount	-	-	-	(16,074)
Total Estimated Sources	<u>\$276,343,662</u>	<u>\$54,202,070</u>	<u>\$23,898,668</u>	<u>\$4,608,926</u>
 Estimated Uses of Funds				
Deposit to Project Account.....	\$269,533,156	\$52,733,108	\$23,275,019	\$4,479,300
Costs of Issuance*	5,318,730	1,142,197	486,509	101,460
Underwriter’s Discount	<u>1,491,776</u>	<u>326,765</u>	<u>137,140</u>	<u>28,166</u>
Total Estimated Uses	<u>\$276,343,662</u>	<u>\$54,202,070</u>	<u>\$23,898,668</u>	<u>\$4,608,926</u>

* Includes Bond Insurance, New York State bond issuance charge and other costs

PART 6 – THE PLAN OF FINANCE

A portion of the proceeds of each Series of the Series 2010 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, 2010, the Authority had approximately \$41.5 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, 2010 were as follows:

Public Programs	Bonds Issued	Bonds Outstanding	Notes Outstanding	Bonds and Notes Outstanding
State University of New York				
Dormitory Facilities.....	\$ 2,350,316,000	\$ 1,043,710,000	\$ 0	\$ 1,043,710,000
State University of New York Educational and Athletic Facilities	13,243,272,999	5,624,057,245	0	5,624,057,245
Upstate Community Colleges of the State University of New York.....	1,590,645,000	662,375,000	0	662,375,000
Senior Colleges of the City University of New York	10,262,671,762	3,346,519,213	0	3,346,519,213
Community Colleges of the City University of New York	2,444,968,350	542,365,787	0	542,365,787
BOCES and School Districts	2,436,626,208	1,845,580,000	0	1,845,580,000
Judicial Facilities	2,161,277,717	724,132,717	0	724,132,717
New York State Departments of Health and Education and Other.....	6,138,795,000	4,230,220,000	0	4,230,220,000
Mental Health Services Facilities	8,032,895,000	3,881,765,000	0	3,881,765,000
New York State Taxable Pension Bonds	773,475,000	0	0	0
Municipal Health Facilities Improvement Program	985,555,000	760,915,000	0	760,915,000
Totals Public Programs.....	<u>\$ 50,420,498,036</u>	<u>\$ 22,661,639,962</u>	<u>\$ 0</u>	<u>\$ 22,661,639,962</u>

Non-Public Programs	Bonds Issued	Bonds Outstanding	Notes Outstanding	Bonds and Notes Outstanding
Independent Colleges, Universities and Other Institutions.....	\$ 18,886,575,260	\$ 9,853,091,435	\$ 35,975,000	\$ 9,889,066,435
Voluntary Non-Profit Hospitals.....	14,092,059,309	8,070,515,000	0	8,070,515,000
Facilities for the Aged.....	1,996,020,000	887,495,000	0	887,495,000
Supplemental Higher Education Loan Financing Program.....	95,000,000	0	0	0
Totals Non-Public Programs.....	<u>\$ 35,069,654,569</u>	<u>\$ 18,811,101,435</u>	<u>\$ 35,975,000</u>	<u>\$ 18,847,076,435</u>
Grand Totals Bonds and Notes	<u>\$ 85,490,152,605</u>	<u>\$ 41,472,741,397</u>	<u>\$ 35,975,000</u>	<u>\$ 41,508,716,397</u>

Outstanding Indebtedness of the Agency Assumed by the Authority

At March 31, 2010, the Agency had approximately \$324.9 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, 2010 were as follows:

Public Programs	Bonds Issued	Bonds Outstanding
Mental Health Services Improvement Facilities	<u>\$ 3,817,230,725</u>	<u>\$ 0</u>
Non-Public Programs	Bonds Issued	Bonds Outstanding
Hospital and Nursing Home Project Bond Program	\$ 226,230,000	\$ 2,880,000
Insured Mortgage Programs.....	6,625,079,927	314,970,000
Revenue Bonds, Secured Loan and Other Programs	2,414,240,000	7,045,000
Total Non-Public Programs	<u>\$ 9,265,549,927</u>	<u>\$ 324,895,000</u>
Total MCFFA Outstanding Debt	<u>\$ 13,082,780,652</u>	<u>\$ 324,895,000</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 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., *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, 2013.

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

John B. Johnson, Jr. was appointed as a Member of the Authority by the Governor on June 20, 2007. 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, 2013.

JACQUES JIHA, Ph.D., *Secretary*, Woodbury.

Jacques Jiha was appointed as a Member of the Authority by the Governor on December 15, 2008. Mr. Jiha is the Executive Vice President and the Chief Financial and Operating 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 previously served as Deputy Comptroller for Pension Investment and Public Finance in the Office of the New York State Comptroller. In that capacity, Mr. Jiha was responsible for assets valued at \$120 billion and was in charge of all activities related to the issuance of New York State general obligation bonds, bond anticipation notes, tax and revenue anticipation notes, and certificates of participation. Mr. Jiha also served as Co-Executive Director of the New York State Local Government Assistance Corporation (LGAC) in charge of the sale of refunding bonds, the ratification of swap agreements, and the selection of financial advisors and underwriters. 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. Earlier, Mr. Jiha 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, 2011.

CHARLES G. MOERDLER, ESQ., New York.

Charles Moerdler was appointed as a Member of the Authority by the Governor on March 16, 2010. Mr. Moerdler is a founding partner in the Litigation Practice of the law firm Stroock & Stroock & Lavan LLP. His areas of practice include defamation, antitrust, securities, real estate, class actions, health care, international law, labor law, administrative law and zoning. Mr. Moerdler also specializes in State and Federal appellate practice. He served as Commissioner of Housing and Buildings of the City of New York, as a real estate and development consultant to New York City Mayor John Lindsay, as a member of the City's Air Pollution Control Board, and as Chairman and Commissioner of the New York State Insurance Fund. Mr. Moerdler currently serves on the Board of Directors of the New York City Housing Development Corporation and as a member of the New York City Board of Collective Bargaining. He holds a Bachelors of Arts degree from Long Island University and a Juris Doctor degree from Fordham University. His current term expires on March 31, 2012.

ANTHONY B. MARTINO, CPA, Buffalo.

Mr. Martino was appointed as a Member of the Authority by the Governor on December 15, 2008. 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.

GERARD ROMSKI, Esq., Mount Kisco.

Mr. Romski was appointed as a Member of the Authority by the Temporary President of the State Senate on June 8, 2009. He is Counsel and Project Executive for “Arverne By The Sea,” where he is responsible for advancing and overseeing all facets of “Arverne by the Sea,” one of New York City’s largest mixed-use developments located in Queens, NY. Mr. Romski is also of counsel to the New York City law firm of Bauman, Katz and Grill LLP. He formerly was a partner in the law firm of Ross & Cohen, LLP (now merged with Duane Morris, LLP) for twelve years, handling all aspects of real estate and construction law for various clients. He previously served as Assistant Division Chief for the New York City Law Department’s Real Estate Litigation Division where he managed all aspects of litigation arising from real property owned by The City of New York. Mr. Romski is a member of the Urban Land Institute, Council of Development Finance Agencies, the New York State Bar Association, American Bar Association and New York City Bar Association. He previously served as a member of the New York City Congestion Mitigation Commission and the Board of Directors for the Bronx Red Cross. Mr. Romski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

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.

DAVID M. STEINER, Ph.D., *Commissioner of Education of the State of New York, Albany; ex-officio.*

David M. Steiner was appointed by the Board of Regents as President of the University of the State of New York and Commissioner of Education on October 1, 2009. Prior to his appointment, Dr. Steiner served as the Klara and Larry Silverstein Dean of the School of Education at Hunter College CUNY. Prior to his time with Hunter College, Dr. Steiner served as Director of Arts Education at the National Endowment for the Arts and Chairman of the Department of Education Policy at Boston University. As Commissioner of Education, Dr. Steiner serves as chief executive officer of the Board of Regents, which has jurisdiction over the State’s entire educational system, which includes public and non-public elementary, middle and secondary education; public and independent colleges and universities; museums, libraries and historical societies and archives; the vocational rehabilitation system; and responsibility for licensing, practice and oversight of numerous professions. He holds a Doctor of Philosophy in political science from Harvard University and a Bachelor of Arts and Master of Arts degree in philosophy, politics and economics from Balliol College at Oxford University.

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.

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

Mr. Megna was appointed Budget Director on June 15, 2009. He 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. Mr. Megna previously served as Commissioner of the New York State Department of Taxation and Finance, responsible for overseeing the collection and accounting of more than \$90 billion in State and local taxes, the administration of State and local taxes, including New York City and the City of Yonkers income taxes and the processing of tax returns, registrations and associated documents. Prior to this he served as head of the Economic and Revenue Unit of the New York State Division of the Budget where he was responsible for State Budget revenue projections and the development and monitoring of the State Financial Plan. Mr. Megna was Assistant Commissioner for Tax Policy for the Commonwealth of Virginia. He also served as Director of Tax Studies for the New York State Department of Taxation and Finance and as Deputy Director of Fiscal Studies for the Ways and Means Committee of the New York State Assembly. Mr. Megna was also an economist for AT&T. He holds Masters degrees in Public Policy from Fordham University and Economics from the London School of Economics.

The principal staff of the Authority is as follows:

PAUL T. WILLIAMS, JR. is the President and chief executive 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 Vice President of the Authority, and assists the President 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.

PAUL W. KUTEY is the Chief Financial Officer of the Authority. Mr. Kutey oversees and directs the activities of the Office of Finance and Information Services. He is responsible for supervising the Authority's investment program, accounting functions, operation, maintenance and development of computer hardware, software and communications infrastructure; as well as the development and implementation of financial policies, financial management systems and internal controls for financial reporting. Previously, Mr. Kutey was Senior Vice President of Finance and Operations for AYCO Company, L.P., a Goldman Sachs Company, where his responsibilities included finance, operations and facilities management. Prior to joining AYCO Company, he served as Corporate Controller and Acting Chief Financial Officer for First Albany Companies, Inc. From 1982 until 2001, Mr. Kutey held increasingly responsible positions with PricewaterhouseCoopers, LLP, becoming Partner in 1993. He is a Certified Public Accountant and holds a Bachelor of Business Administration degree from Siena College.

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 2010 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, 2009. Copies of the most recent audited financial statements are available upon request at the offices of the Authority.

PART 8 – LEGALITY OF THE SERIES 2010 BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2010 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 2010 Bonds.

The Series 2010 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 2010 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 2010 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 2010 Bonds in order that interest on the Series 2010 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 2010 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 2010 Bonds. Failure to comply with the continuing requirements may cause interest on the Series 2010 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 2010 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 2010 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 2010 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 2010 Bonds is not an “item of tax preference” for purposes of the federal alternative minimum tax on individuals and corporations. Interest on the Series 2010 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 2010 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 2010 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 2010 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 2010 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 2010 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 2010 Bonds 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 2010 Bonds of the same maturity 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 2010 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 subject to the alternative minimum tax to the same extent as is interest on the Series 2010 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 2010 Bonds are initially offered to the public at prices in excess of their principal amounts (the “Premium Series 2010 Bonds”). An initial purchaser (other than a purchaser who holds such Series 2010 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 2010 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 2010 Bond based on the purchaser’s yield to maturity (or, in the case of Premium Series 2010 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 2010 Bond, an initial purchaser is required to decrease such purchaser's adjusted basis in such Premium Series 2010 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 2010 Bonds. Owners of Premium Series 2010 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 2010 Bonds.

Prospective purchasers of the Series 2010 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 2010 Bonds. Bond Counsel expresses no opinion regarding any such collateral consequences.

In the opinion of Bond Counsel, the interest on the Series 2010 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 2010 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2010 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 2010 Bonds under federal or state law and could affect the market price or marketability of the Series 2010 Bonds. Prospective purchasers of the Series 2010 Bonds should consult their own tax advisers regarding any pending or proposed federal or state tax legislation and prospective purchasers of the Series 2010 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 2010 Bonds ends with the issuance of the Series 2010 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 2010 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 2010 Bonds, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the Series 2010 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 2010 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 2010 Bonds.

PART 11 – STATE NOT LIABLE ON THE SERIES 2010 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 2010 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 2010 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 2010 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 2010 Bonds or questioning or affecting the validity of the Series 2010 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 2010A Bonds from the Authority at an aggregate purchase price, including net original issue premium and less underwriters discount, of \$274,851,885.33 and to make a public offering of the Series 2010A 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 2010B Bonds from the Authority at an aggregate purchase price, including net original issue premium and less underwriters discount, of \$53,875,304.77 and to make a public offering of the Series 2010B 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 2010C Bonds from the Authority at an aggregate purchase price, including net original issue premium and less underwriters discount, of \$23,761,528.17 and to make a public offering of the Series 2010C 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 2010D Bonds from the Authority at an aggregate purchase price, less net original issue discount and less underwriters discount, of \$4,580,760.02 and to make a public offering of the Series 2010D 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 2010 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.

Citigroup Inc. and Morgan Stanley, the respective parent companies of Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated, each an Underwriter of the Series 2010 Bonds, has entered into a retail brokerage joint venture. As part of the joint venture each of Citigroup Global Markets Inc. and Morgan Stanley and Co. Incorporated will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective June 1, 2009. As part of this arrangement, Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated will compensate Morgan Stanley Smith Barney LLC for its selling efforts in connection with their respective allocation of Series 2010 Bonds.

J.P. Morgan Securities Inc. (“JPMSI”), one of the Underwriters of the Series 2010 Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of UBS Financial Services Inc. (“UBSFS”) and Charles Schwab & Co., Inc. (“CS&Co.”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of UBSFS and CS&Co. will purchase Series 2010 Bonds from JPMSI at the original issue price less a negotiated portion of the selling concession applicable to any Series 2010 Bonds that such firm sells.

Wells Fargo Securities is the trade name for certain capital markets and investment banking services of Wells Fargo & Company and its subsidiaries including Wells Fargo Bank, National Association.

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 2010 Bonds to provide on an annual basis to the Authority and the MSRB and its 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, 2010, 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 2010 Bondholders, to provide to the MSRB by and through 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 2010 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 2010 Bonds; (7) modifications to rights of the Holders of the Series 2010 Bonds; (8) bond calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2010 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 2010 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 2010 Bonds or by the Trustee on behalf of the Holders of Outstanding Series 2010 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 2010 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 2010 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 2010 Bonds. Copies of all of the Continuing Disclosure Agreements when executed by the parties thereto upon the delivery of the Series 2010 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

Moody's Investors Service Inc. ("Moody's") and Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("Standard & Poor's") are each expected to assign a rating of "AAA" (negative outlook) and "Aa3" (negative outlook), respectively, to the Insured Bonds, based on the Policy to be issued by the Insurer. Moody's, Standard & Poor's and Fitch have each assigned ratings of "Aa3", "A+" and "A+", respectively, to the Series 2010D Bonds. Moody's, Standard & Poor's and Fitch have each assigned underlying ratings of "A1", "A+" and "A+", respectively, to the Series 2010A Bonds, "A2", "A+" and "A+", respectively, to the Series 2010B Bonds, and "A1", "A+" and "A+", respectively, to the Series 2010C Bonds. 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 2010 Bonds.

PART 17 – SOURCES OF INFORMATION AND CERTIFICATIONS

Certain information concerning each School District, DTC and the Insurer 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 2010 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.

DTC. The information regarding DTC and DTC's book-entry only system has been furnished by DTC. The Authority believes that this information is reliable, but makes no representations or warranties whatsoever to the accuracy or completeness of this information.

Insurer and the Policy. The information in "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2010 BONDS – Bond Insurance" and "Appendix G – Specimen Municipal Bond Insurance Policy" was supplied by the Insurer. 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.

Bond Counsel. "Appendix A – Definitions," "Appendix D – Summary of Certain Provisions of the Financing Agreements," "Appendix E – Summary of Certain Provisions of the Master Resolution" and "Appendix F – Form of Approving Opinion of Bond Counsel" have been prepared by Winston & Strawn LLP, New York, New York, Bond Counsel.

The Authority. The Authority provided the balance of the information in or appended to this Official Statement, except as otherwise specifically noted herein.

The Authority will certify that, both as of the date of this Official Statement and on the date of delivery of the Series 2010 Bonds, the information contained in this Official Statement is and will be fairly presented in all material respects, and that this Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (it being understood that the Authority has relied upon and has not undertaken independently to verify the information contained in this Official Statement relating to the School Districts, the Insurer or DTC, but which information the Authority has no reason to believe is untrue or incomplete in any material respect).

The references herein to the Act, other laws of the State, the Master Resolution, the Agreements and the School District Bonds are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference should be made to each for a full and complete statement of its provisions. The agreements of the Authority with the registered owners of the Series 2010 Bonds are fully set forth in the Master Resolution (including any Supplemental and Series Resolutions thereto), and neither any advertisement of the Series 2010 Bonds nor this Official Statement is to be construed as a contract with the purchasers of the Series 2010 Bonds. So far as any statements are made in this Official Statement involving matters of opinion or an estimate, whether or not expressly so stated, they are intended merely as such and not as representations of fact. Copies of the documents mentioned in this paragraph are on file at the offices of the Authority and the Trustee.

The execution and delivery of this Official Statement by an Authorized Officer have been duly authorized by the Authority.

**DORMITORY AUTHORITY OF
THE STATE OF NEW YORK**

By: /s/ Paul T. Williams, Jr.
 Authorized Officer

[THIS PAGE INTENTIONALLY LEFT BLANK]

DEFINITIONS

[THIS PAGE INTENTIONALLY LEFT BLANK]

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 The Bank of New York Mellon, 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 2010 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 2010 Bonds, dated as of May 1, 2010, 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 2010 Resolution, authorizing the issuance of a Series of Bonds adopted by the Authority pursuant to the Master Resolution.

Series 2010A Bond Series Certificate means the Certificate of an authorized officer of the Authority, fixing terms, conditions and other details of the Series 2010A Bonds.

Series 2010B Bond Series Certificate means the Certificate of an authorized officer of the Authority, fixing terms, conditions and other details of the Series 2010B Bonds.

Series 2010C Bond Series Certificate means the Certificate of an authorized officer of the Authority, fixing terms, conditions and other details of the Series 2010C Bonds.

Series 2010D Bond Series Certificate means the Certificate of an authorized officer of the Authority, fixing terms, conditions and other details of the Series 2010D Bonds.

Series 2010A Resolution means the Series Resolution of the Authority authorizing the issuance of the Series 2010 Bonds adopted by the Authority on April 29, 2009.

Series 2010B Resolution means the Series Resolution of the Authority authorizing the issuance of the Series 2010B Bonds adopted by the Authority on April 29, 2009.

Series 2010C Resolution means the Series Resolution of the Authority authorizing the issuance of the Series 2010C Bonds adopted by the Authority on April 29, 2009.

Series 2010D Resolution means the Series Resolution of the Authority authorizing the issuance of the Series 2010D 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.

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

[THIS PAGE INTENTIONALLY LEFT BLANK]

**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 2010 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 2010A Loan</u>	<u>Principal Amount of Series 2010B Loan</u>	<u>Principal Amount of Series 2010C Loan</u>	<u>Principal Amount of Series 2010D Loan</u>
Series 2010A:						
City School District of the City of Albany	FA	H&B	\$36,310,000			
Enlarged Amsterdam City School District of the City of Amsterdam	FA	H&B	23,265,000			
Averill Park Central School District	FA	Orrick	11,050,000			
Deposit Central School District	FA	Orrick	1,350,000			
Hamilton Central School District	FA	Trespasz	740,000			
Herkimer Central School District	FA	Lemery	8,305,000			
Indian River Central School District	FA	Orrick	33,955,000			
Johnson City Central School District	FA	Orrick	9,510,000			
Lansingburgh Central School District at Troy	FA	H&B	11,045,000			
Mohawk Central School District	FA	Lemery	8,995,000			
Norwood-Norfolk Central School District	FA	Trespasz	5,445,000			
Oakfield-Alabama Central School District	FA	Orrick	5,045,000			
City School District of the City of Oneonta	FA	Orrick	11,710,000			
Oppenheim-Ephratah Central School District	FA	Lemery	5,150,000			
Otego-Unadilla Central School District	FA	Orrick	13,955,000			
Panama Central School District	FA	Hodgson	6,040,000			
Red Creek Central School District	FA	Trespasz	12,725,000			
Remsen Central School District	FA	McGill	915,000			
City School District of the City of Rome	FA	Trespasz	17,955,000			
City School District of the City of Sherrill	FA	Hodgson	4,975,000			
South Glens Falls Central School District	FA	Orrick	6,370,000			
South Kortright Central School District	FA	Cahill	2,870,000			
The Enlarged City School District of Troy	FA	H&B	6,420,000			
Trumansburg Central School District	FA	Trespasz	8,655,000			
Series 2010B:						
Allegany-Limestone Central School District	BPD	McGill		\$5,200,000		
Brockport Central School District	BPD	Orrick		7,880,000		
Fort Plain Central School District	BPD	H&B		15,855,000		
Sherman Central School District	BPD	McGill		5,405,000		
Wellsville Central School District	BPD	McGill		19,850,000		
Series 2010C:						
Phoenix Central School District	FA	Trespasz			\$23,485,000	
Series 2010D:						
North Syracuse Central School District	FA	BSK				\$4,625,000

Abbreviations for Financial Advisor

BPD	Bernard P. Donegan, Inc.
FA	Fiscal Advisors and Marketing, Inc.

Abbreviations for Bond Counsel

BSK	Bond Schoeneck & King PLLC
Cahill	Cahill/Wink LLC
H&B	Hiscock & Barclay, LLP
Hodgson	Hodgson Russ LLP
Lemery	Lemery Greisler LLC
McGill	Law Offices of Timothy R. McGill
Orrick	Orrick, Herrington & Sutcliffe, LLP
Trespasz	Trespasz & Marquardt, LLP

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

[THIS PAGE INTENTIONALLY LEFT BLANK]

**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. 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	5,905
St. Peter’s Hospital	Hospital	4,500
University at Albany	Education	4,500

⁽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	\$188,724,561
625 Broadway LLC	Commercial	60,236,300
99 Washington Ave LC	Commercial	43,200,000
Verizon Communications	Utility	41,363,502
Crossgates Commons	Commercial	36,832,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 9.04% 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. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Albany County	3.9%	4.0%	3.9%	4.8%	6.7%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>	Projected <u>2012-13</u>
K-12	8,783	8,760	8,418	8,016	7,982	7,740	7,590	7,440

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>
862	Albany Public School Teachers' Association	June 30, 2011
41	Albany Public School Administrators' Association	June 30, 2011
584	Albany Public School United	June 30, 2008 ⁽¹⁾
32	Non-Union	N/A

⁽¹⁾ Currently under negotiations.

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 10, 2010⁽¹⁾**

	Based on Conventional Equalization Rates	Based on Special Equalization Rates
Five-Year Average Full Valuation of Taxable Real Property.....	\$4,937,244,467	\$5,711,212,325
Debt Limit (5% of Full Valuation)	246,862,223	285,560,616
<u>Inclusions:</u>		
Bonds.....	\$113,262,398	\$113,262,398
NYPA Bonds.....	1,154,997	1,154,997
Bond Anticipation Notes	<u>70,001,224</u>	<u>70,001,224</u>
Total Inclusions ⁽³⁾	\$184,418,619	\$184,418,619
<u>Exclusions:</u>		
Appropriations.....	\$2,930,000	\$2,930,000
NYPA.....	1,154,997	1,154,997
EPA Loan	<u>202,398</u>	<u>202,398</u>
Total Exclusions.....	\$4,287,395	\$4,287,395
Total Net Indebtedness ⁽²⁾	\$180,131,224	\$180,131,224
Net Debt-Contracting Margin.....	\$66,730,999	\$105,429,392
The percent of debt contracting power exhausted is.....	72.97%	63.08%

(1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$36,310,000 School District Bonds to the Authority in connection with the refunding of \$38,845,000 of the District's outstanding \$70,001,224 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 2008 fiscal year 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	\$218,164,463	\$5,906,979	\$212,257,484	23.9%	\$50,729,539
City of: Albany	121,518,803	16,095,954	104,422,49	100.0	<u>105,422,849</u>
				Total	<u>\$156,152,388</u>

- (1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 10, 2010.

**Debt Ratios
As of May 10, 2010⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$184,418,619	\$1,955.64	2.90%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	340,571,007	3,611.53	5.36

- (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 using special equalization ratios for 2009-10 of \$6,348,322,251.
- (4) The District expects to deliver \$36,310,000 School District Bonds to the Authority in connection with the refunding of \$38,845,000 of the District’s outstanding \$70,001,224 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 2008 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	4/07/06	10/18/06
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
2009-2010 ⁽¹⁾	10,000,000	RAN	6/15/10	9/20/10

⁽¹⁾ Represents anticipated borrowing.

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. The Facilities Improvement Project is being undertaken in six phases. In addition to the School District Bonds, the School District expects to issue \$28,283,227 of bond anticipation notes in June, 2010 to retire certain outstanding bond anticipation notes. The District expects ultimately to issue bonds to permanently finance this last phase of the Facilities Improvement Project.

On May 18, 2010, the voters of the District approved the issuance of \$5,676,000 of general obligation bonds to finance the costs of the Phase I reconstruction projects at Albany High School.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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 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 District’s tax levy and continues to collect delinquent taxes, paying the same to the District as collected. At the end of the second of the following tax year, the County buys the entire unpaid tax roll amount plus 34% interest.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State Equalization Rates, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of:					
Albany	\$3,529,826,528	\$3,505,983,087	\$5,208,770,416 ⁽¹⁾	\$5,222,191,986	\$5,126,905,050

	State Equalization Rates Years Ending June 30,				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of:					
Albany	85.00%	71.00%	100.00%	101.30%	98.00%
Taxable Full Valuation	\$4,152,737,091	\$4,938,004,348	\$5,208,770,416	\$5,155,174,715	\$5,231,535,765

	Special Equalization Ratios Years Ending June 30,				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of:					
Albany	63.54%	64.90%	97.32%	88.54%	80.76%
Taxable Full Valuation	\$5,555,282,543	\$5,402,131,105	\$5,352,209,634	\$5,898,116,090	\$6,348,322,251

	Total District Property Tax Collections Years Ending June 30,				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$90,234,247	\$95,573,452	\$98,116,752	\$100,561,391 ⁽¹⁾	\$103,125,848
% Uncollected When Due ⁽²⁾	6.58%	6.16%	6.20%	6.25%	6.37%

⁽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 2010-11 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>
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	83,873,134	200,387,913	41.86
2009-10 (Estimated)	84,320,502	198,848,293	42.40
2010-11 (Budgeted)	78,073,560	196,840,950	39.66

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$1,900,675	\$5,906,977
2007-2008	1,556,190	6,721,905
2008-2009	1,173,643	5,143,395
2009-2010 (Estimated)	1,752,882	4,830,257
2010-2011 (Budgeted)	2,170,651	6,268,072

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 \$31,530,905 at June 30, 2009. The District's annual required contribution ("ARC") is \$23,379,700, of which \$7,066,025 is paid annually to over 863 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has reserved \$0 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 \$8,490,701 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$8,068,927 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 2010-11 budget was approved by voters on May 18, 2010.

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</u> ⁽²⁾	<u>Total Debt Service</u> ⁽²⁾
2009-2010	\$9,715,877	\$ --	\$ 9,715,877
2010-2011	9,493,494	3,880,782	13,374,276
2011-2012	8,781,819	3,878,788	12,660,607
2012-2013	8,708,281	3,876,038	12,584,319
2013-2014	8,688,806	3,880,788	12,569,594
2014-2015	8,712,581	3,875,238	12,587,819
2015-2016	8,716,206	3,882,463	12,598,669
2016-2017	8,713,944	3,877,788	12,591,732
2017-2018	8,461,706	3,883,538	12,345,244
2018-2019	8,408,544	3,878,638	12,287,182
2019-2020	8,413,119	3,875,888	12,289,007
2020-2021	7,596,381	3,815,638	11,412,019
2021-2022	7,388,813	2,985,388	10,374,201
2022-2023	7,390,663	1,383,388	8,774,051
2023-2024	7,392,200	1,384,888	8,777,088
2024-2025	7,402,763	835,038	8,237,801
2025-2026	6,716,144	751,688	7,467,832
2026-2027	6,720,963	751,500	7,472,463
2027-2028	6,725,150	--	6,725,150
2028-2029	6,722,213	--	6,722,213
2029-2030	5,873,838	--	5,873,838
2030-2031	5,875,388	--	5,875,388
2031-2032	<u>5,885,850</u>	<u>--</u>	<u>5,885,850</u>
TOTAL	<u>\$178,504,743</u>	<u>\$50,697,477</u>	<u>\$229,202,220</u>

⁽¹⁾ Schedule does not include payments of \$1,384,488 due under a New York State Power Authority Loan.

⁽²⁾ Totals may not add due to rounding.

**APPENDIX C-2
DESCRIPTION OF
ALLEGANY-LIMESTONE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-2 a brief description of the Allegany-Limestone 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 121 square miles in the Towns of Allegany, Carrollton, Hinsdale, Humphrey and Olean in Cattaraugus County. The Village of Allegany is located within the District.

Population

The current estimated population of the District is 9,655.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
St. Bonaventure University	Higher Education	520
Wal-Mart	Retail	300
Allegany-Limestone CSD	Public Education	283
The Rehabilitation Center	Education	166
Home Depot	Retail	102

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
BG Olean, LLC	Commercial	\$17,435,449
East Resources, Inc.	Commercial	7,642,299
Home Depot USA	Retail	7,200,000
National Grid	Utility	5,842,617
State of New York	State Land	4,739,600

The total estimated assessed valuation of the top **ten (10)** taxpayers represents approximately 13.28% 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 Cattaraugus County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Cattaraugus County	5.4%	5.2%	5.1%	6.0%	8.6%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	1,435	1,364	1,348	1,359	1,323	1,319	1,314	1,309

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>
130	Teachers’ Association	June 30, 2011
120	Education Support Personnel Association	June 30, 2012
3	Administrators’ Association	June 30, 2010 ⁽¹⁾

⁽¹⁾ Currently under negotiations.

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 10, 2010⁽¹⁾**

Full Valuation of Taxable Real Property	\$ 409,263,986
Debt Limit (10% of Full Valuation)	40,926,398
Gross Indebtedness ⁽²⁾	\$ 29,154,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	27,308,916
Total Net Indebtedness.....	\$ 1,845,084
Net Debt Contracting Margin	\$ 39,081,314
Percentage of Debt Contracting Power Exhausted	4.51%

⁽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 \$5,200,000 School District Bonds to the Authority in connection with the refunding of \$5,200,000 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 2008 fiscal year 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:					
Cattaraugus	\$56,261,173	\$0	\$56,261,173	11.43%	\$6,430,652
Towns of:					
Allegany	838,400	0	838,400	100.00	838,400
Carrollton	36,400	0	36,400	90.19	32,829
Hinsdale	464,706	0	464,706	1.24	5,762
Humphrey	150,000	0	150,000	18.42	27,630
Olean	585,656	0	585,656	1.22	7,145
Village of:					
Allegany	187,509	0	187,509	100.00	187,509
				Total	<u>\$7,529,927</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$29,154,000	\$3,019.58	7.12%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	36,683,927	3,799.47	8.96

(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 9,655.

(3) Based on the District's full value of taxable real estate for 2009-10 of \$409,263,986.

(4) The District expects to deliver \$5,200,000 School District Bonds to the Authority in connection with the refunding of \$5,200,000 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 debt ratios accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

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

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 Electronic Municipal Market Access system maintained by Municipal Securities Rulemaking Board 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 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Allegany	\$284,621,976	\$298,855,782	\$309,425,424	\$324,255,932	\$332,517,237
Carrollton	54,588,665	55,048,117	55,408,954	55,634,972 ⁽¹⁾	66,606,435 ⁽¹⁾
Hinsdale	609,500	609,500 ⁽¹⁾	861,700 ⁽¹⁾	861,700	861,700
Humphrey	3,699,546	3,698,801	3,989,774	3,971,689	3,814,651
Olean	1,233,587	1,295,042	1,232,838	932,818	929,869
Total Assessed Valuation	\$344,753,274	\$359,507,242	\$370,918,690	\$385,657,111	\$404,729,892

State Equalization Rates Years Ending June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Allegany	100.00%	100.00%	100.00%	100.00%	100.00%
Carrollton	90.00	90.00	90.00	83.00	100.00
Hinsdale	89.00	84.00	100.00	100.00	100.00
Humphrey	75.00	73.00	57.00	47.00	47.00
Olean	95.00	90.00	85.00	80.00	80.00
Taxable Full Valuation	\$352,192,119	\$367,251,736	\$380,302,628	\$401,764,142	\$409,263,986

⁽¹⁾ Difference due to townwide revaluation.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$5,628,367	\$6,066,666	\$6,337,797	\$6,579,062	\$6,801,671
% Uncollected When Due ⁽¹⁾	7.15%	11.67%	8.17%	13.84%	6.95%

⁽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 2010-11 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>
2004-05	\$11,413,544	\$16,908,561	67.50%
2005-06	12,135,223	18,485,855	65.65
2006-07	12,662,886	19,207,251	65.93
2007-08	13,565,881	20,406,017	66.48
2008-09	13,866,115	20,978,780	66.10
2009-10 (Estimated)	13,896,714	20,946,835	66.34
2010-11 (Budgeted)	13,188,039	20,950,803	62.95

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$170,208	\$614,919
2007-2008	199,444	681,344
2008-2009	133,981	598,833
2009-2010 (Estimated)	153,312	451,955
2010-2011 (Budgeted)	235,000	696,010

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" ("OPEB") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$5,380,618 at June 30, 2009. The District's annual required contribution ("ARC") is \$282,225. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has reserved \$0 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 \$426,816 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$859,942 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 2010-11 budget was rejected by voters on May 18, 2010. The Board of Education has not determined whether, pursuant to the provisions of the Education Law, the District will hold a second referendum on the budget or exercise its option to adopt by resolution a contingency (also known as austerity) budget for the ensuing fiscal year. Such contingency budget would provide for ordinary contingent expenses, including debt service.

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>
2009-2010	\$2,409,785	\$ --	\$2,409,785
2010-2011	2,411,717	434,555	2,846,272
2011-2012	2,411,648	439,276	2,850,924
2012-2013	2,408,423	433,876	2,842,299
2013-2014	2,374,643	433,476	2,808,119
2014-2015	2,371,684	437,976	2,809,660
2015-2016	2,378,243	436,421	2,814,664
2016-2017	2,381,266	433,446	2,814,712
2017-2018	2,379,684	434,301	2,813,985
2018-2019	2,375,776	434,389	2,810,165
2019-2020	2,377,991	433,364	2,811,355
2020-2021	757,969	436,583	1,194,552
2021-2022	760,579	433,833	1,194,412
2022-2023	761,938	435,270	1,197,208
2023-2024	765,044	435,670	1,200,714
2024-2025	761,638	430,470	1,192,108
2025-2026	761,863	54,870	816,733
2026-2027	761,763	53,550	815,313
2027-2028	327,000	52,230	379,230
2028-2029	331,500	50,910	382,410
2029-2030	327,025	54,590	381,615
2030-2031	328,100	53,050	381,150
2031-2032	330,725	51,388	382,113
2032-2033	327,675	54,725	382,400
2033-2034	332,175	52,825	385,000
2034-2035	--	50,925	50,925
2035-2036	--	54,025	54,025
2036-2037	--	51,888	51,888
2037-2038	--	54,750	54,750
2038-2039	--	52,375	52,375
TOTAL	<u>\$33,915,854</u>	<u>\$7,265,007</u>	<u>\$41,180,861</u>

⁽¹⁾ Totals may not add due to rounding.

**APPENDIX C-3
DESCRIPTION OF
ENLARGED AMSTERDAM CITY SCHOOL DISTRICT OF THE CITY OF AMSTERDAM**

There follows in this Appendix C-3 a brief description of the Enlarged Amsterdam City School District of the City of Amsterdam (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

In 1966, the then Amsterdam City School District became an enlarged city school district by the consolidation of the surrounding union free and common school districts. The District covers an area of approximately 78 square miles. The District encompasses the entire City of Amsterdam, as well as the Villages of Hagaman and Fort Johnson, and portions of the Towns of Amsterdam, Florida and Mohawk in Montgomery County, the Town of Perth in Fulton County, the Town of Charlton in Saratoga County and the Towns of Duanesburg and Glenville in Schenectady County.

Population

The current estimated population of the District is 25,696.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
St. Mary’s Hospital	Hospital	950
Amsterdam Printing	Printing	815
Liberty Enterprises	Sheltered Workshop for Disabled	747
Amsterdam City School District	Public Education	658
Amsterdam Memorial Hospital	Hospital	530

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$55,044,095
Alpin Haus	Commercial	7,475,074
Verizon	Utility	7,034,705
Limited Liability Co. GDC	Utility	2,378,456
Lowe’s Home Centers Inc.	Shopping Plaza	1,992,902

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 6.6% 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 Montgomery County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Montgomery County	5.4%	5.9%	5.9%	7.0%	9.4%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	3,822	3,840	3,725	3,717	3,750	3,715	3,715	3,715

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	Amsterdam Teachers' Association	June 30, 2012
11	Amsterdam Administrators' Association	June 30, 2012
82	CSEA Teachers Aids Unit	June 30, 2012
33	CSEA Clerical Unit	June 30, 2012
44	CSEA Custodial/Maintenance Unit	June 30, 2012
96	Substitute Teachers' Association	June 30, 2010 ⁽¹⁾
1	Superintendent	June 30, 2011
2	Directors	June 30, 2011
14	Others Non-Bargaining Unit	June 30, 2011

⁽¹⁾ Currently under negotiations.

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 10, 2010⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Rates
Five Year Average Full Valuation of Taxable Real Property	\$ 885,855,659	\$1,093,290,358
Debt Limit (5% of full valuation) ⁽²⁾	44,292,783	54,664,518
<u>Inclusions</u>		
Bonds.....	\$ 24,890,000	\$ 24,890,000
Bond Anticipation Notes	<u>25,000,000</u>	<u>25,000,000</u>
Total Inclusions ⁽³⁾	\$ 49,890,000	\$ 49,890,000
<u>Exclusions</u>		
Bonds Previously Refunded	\$ 0	\$ 0
Appropriations.....	<u>2,135,000</u>	<u>2,135,000</u>
Total Exclusions	\$ 2,135,000	\$ 2,135,000
Total Net Indebtedness	\$ 46,755,000	\$ 46,755,000
Net Debt Contracting Margin	\$ (2,462,217) ⁽⁴⁾	\$ 7,909,518 ⁽⁴⁾
Percentage of Debt Contracting Power Exhausted	105.55%	85.53%

- (1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$23,265,000 School District Bonds to the Authority in connection with the refunding of \$25,000,000 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.
- (4) The District is authorized to exceed its debt limit pursuant to Section 104.00 of the Local Finance Law and has received 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 2008 fiscal year 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:					
Montgomery	\$38,756,426	\$1,990,000	\$36,766,426	54.39%	\$19,997,259
Fulton	3,474,275	0	3,474,275	0.38	13,202
Saratoga	65,210,000	0	65,210,000	0.01	6,521
Schenectady	58,652,000	0	58,652,000	0.15	87,978
City of:					
Amsterdam	15,143,749	4,685,874	10,457,875	100.00	10,457,875
Towns of:					
Amsterdam	7,480,000	3,860,000	3,620,000	100.00	3,620,000
Florida	0	0	0	79.88	0
Glenville	22,732,756	12,891,876	9,840,880	0.65	49,204
Perth	0	0	0	6.97	0
Duanesburg	7,577,057	3,244,000	4,333,057	0.34	14,732
Charlton	1,409,500	469,500	940,000	0.15	1,410
Mohawk	0	0	0	0.03	0
Villages of:					
Hagaman	150,000	150,000	0	100.00	0
Fort Johnson	949,100	949,100	0	100.00	0
				Total	<u>\$34,248,181</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$46,755,000	\$1,819.54	4.35%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	81,003,181	3,152.37	7.55

(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 25,696.

(3) Based on the District's full value of taxable real estate for 2009-10 of \$1,072,541,949.

(4) The District expects to deliver \$23,265,000 School District Bonds to the Authority in connection with the refunding of \$25,000,000 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 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

The District has authorized a capital project that includes various improvements to various District buildings and a new Bus Garage. The project cost is \$61,235,300 and such amount will be borrowed in phases depending on cash flow needs and construction timeline. The District anticipates using all or a portion of the \$2,934,667 EXCEL Aid to fund a portion of the project, and with the District's 98.0% building aid ratio, the project is anticipated to have little of no impact on the taxpayers.

Issuance of the School District Bonds, together with \$150,000 in available funds, will permanently finance \$25,000,000 of the projects costs. The District plans on borrowing for additional project costs in June 2010 by issuing \$15,000,000 of bond anticipation notes.

The District has no other projects authorized or contemplated at this time.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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 due beginning July 1 and may be paid through August 31 without penalty. Taxpayers may also elect to make payments in installments, with payments due August 31, October 31, January 31 and April 30. Penalties accrue at varying rates depending on the payment schedule selected, but generally at the rate of 1% per month.

Taxes are collected by the Receiver of Taxes of the District during the collection periods. Taxes remaining uncollected after the expiration of the second collection period are returned to the Treasurer of the City of Amsterdam and the Treasurers of Montgomery, Fulton, Saratoga and Schenectady Counties who, by law, must reimburse the District in full for uncollected taxes prior to the end of the second fiscal year for which the taxes are levied.

The burden of delinquent tax collection is placed on the Counties and City subsequent to advancing the school taxes to the District. The Counties and City may pay moneys due to the District from funds on hand or may borrow moneys pursuant to the Local Finance Law.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State Equalization Rates, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of:					
Amsterdam	\$345,057,436	\$341,996,488	\$341,776,937	\$341,685,953	\$341,955,194
Towns of:					
Amsterdam	32,063,060	32,066,673	32,564,032	32,905,319	32,963,604
Florida	79,702,805	801,198,728	80,040,231	80,701,500	79,881,990
Mohawk	14,250	13,988	13,326	13,326	13,569
Perth	6,795,241	7,139,891	7,333,663	7,319,244	6,477,915
Duanesburg	402,938	376,543	373,722	371,757	364,624
Glenville	8,298,220	8,590,021	14,333,179 ⁽¹⁾	14,262,097	14,141,296
Charlton	325,292	302,995	302,955	301,813	300,639
Total Assessed Valuation	\$472,659,242	\$470,685,327	\$476,738,045	\$477,561,009	\$476,098,831

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of:					
Amsterdam	100.00%	88.51%	81.89%	66.80%	61.36%
Towns of:					
Amsterdam	13.50	13.25	11.05	9.25	9.80
Florida	81.88	75.88	66.10	57.88	54.00
Mohawk	50.00	50.00	41.23	36.00	32.02
Perth	82.69	72.45	65.00	49.08	52.00
Duanesburg	43.00	39.20	31.70	26.21	26.61
Glenville	84.00	74.00	100.00 ⁽¹⁾	85.00	85.00
Charlton	100.00	100.00	84.00	68.00	67.00
Taxable Full Valuation	\$699,289,998	\$756,851,798	\$860,335,401	\$1,040,259,148	\$1,072,541,949

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

**Valuations and Tax Levy
Assessed Valuation**

Years Ending June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of:					
Amsterdam	\$345,057,436	\$341,996,488	\$341,776,937	\$341,685,953	\$341,955,194
Towns of:					
Amsterdam	32,063,060	32,066,673	32,564,032	32,905,319	32,963,604
Florida	79,702,805	801,198,728	80,040,231	80,701,500	79,881,990
Mohawk	14,250	13,988	13,326	13,326	13,569
Perth	6,795,241	7,139,891	7,333,663	7,319,244	6,477,915
Duanesburg	402,938	376,543	373,722	371,757	364,624
Glenville	8,298,220	8,590,021	14,333,179 ⁽¹⁾	14,262,097	14,141,296
Charlton	325,292	302,995	302,955	301,813	300,639
Total Assessed Valuation	\$472,659,242	\$470,685,327	\$476,738,045	\$477,561,009	\$476,098,831

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of:					
Amsterdam	77.88%	68.16%	52.11%	63.65%	57.55%
Towns of:					
Amsterdam	10.93	9.69	8.94	8.19	7.47
Florida	63.50	58.51	57.30	52.83	47.54
Mohawk	39.74	38.55	35.27	32.53	29.50
Perth	60.26	51.26	45.34	39.62	34.38
Duanesburg	29.80	36.37	34.67	21.72	19.01
Glenville	59.45	53.90	80.19 ⁽¹⁾	70.44	62.15
Charlton	76.15	65.31	63.67	55.83	48.80
Taxable Full Valuation	\$888,978,344	\$1,001,543,113	\$1,195,890,421	\$1,132,265,249	\$1,247,674,665

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

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$17,099,640	\$17,144,179	\$17,582,084	\$17,149,997	\$18,400,000
% Uncollected When Due ⁽¹⁾	6.20%	6.58%	6.09%	6.41%	N/A

⁽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 2010-11 fiscal year.

<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⁾
2004-05	\$20,209,339	\$39,067,808	51.73%
2005-06	22,371,599	41,528,588	53.87
2006-07	26,394,792	45,417,335	58.12
2007-08	28,051,408	48,120,222	58.29
2008-09	32,121,822	52,010,863	61.75
2009-10 (Estimated)	32,552,905	53,089,405	61.31
2010-11 (Budgeted)	30,950,255	52,240,755	59.24

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$456,208	\$1,170,654
2007-2008	310,208	1,649,485
2008-2009	453,950	1,441,266
2009-2010 (Estimated)	238,922	1,612,600
2010-2011 (Budgeted)	518,000	1,714,200

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 \$100,593,200 at June 30, 2009. The District's annual required contribution ("ARC") is \$7,078,600, of which \$4,020,310 is paid annually. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has reserved \$1,347,858 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 \$7,194,638 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$10,018,260 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 2010-11 budget was approved by voters on May 18, 2010. .

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>
2009-2010	\$4,062,352	\$ --	\$4,062,352
2010-2011	3,192,486	2,280,410	5,472,896
2011-2012	3,202,761	2,280,525	5,483,286
2012-2013	2,578,173	2,280,325	4,858,498
2013-2014	2,515,644	2,275,575	4,791,219
2014-2015	2,443,575	2,280,975	4,724,550
2015-2016	2,450,606	2,282,100	4,732,706
2016-2017	2,449,475	2,281,900	4,731,375
2017-2018	2,454,969	2,281,400	4,736,369
2018-2019	2,455,969	2,276,250	4,732,219
2019-2020	1,894,613	2,283,750	4,178,363
2020-2021	1,667,900	2,281,750	3,949,650
2021-2022	1,037,825	2,280,500	3,318,325
2022-2023	171,800	2,279,750	2,451,550
2023-2024	--	2,279,250	2,279,250
2024-2025	--	<u>1,546,600</u>	<u>1,546,600</u>
TOTAL	<u>\$32,578,148</u>	<u>\$33,471,060</u>	<u>\$66,049,208</u>

⁽¹⁾ Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX C-4
DESCRIPTION OF
AVERILL PARK CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-4 a brief description of the Averill Park 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

On November 17, 1994, the qualified voters of the Averill Park Central School District and the Brunswick Common School District approved the reorganization of the two School Districts. Averill Park’s annexation of Brunswick Common School District became effective July 1, 1995. Averill Park Central School District with a K-12 Program approached the Brunswick Common School District with a K-6 Program and together submitted an application to the State Education Department to fund an Efficiency Study. The application for reorganization received approval in the Spring of 1994.

The District is located in central Rensselaer County within a twenty minute drive of the Cities of Albany and Troy. The District encompasses an area of approximately 120 square miles. The District includes portions of the Towns of Berlin, Brunswick (effective July 1, 1995), East Greenbush, Nassau, North Greenbush, Poestenkill, Sand Lake, Schodack and Stephentown.

Population

The current estimated population of the District is 18,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Averill Park Central School District	Public Education	638
Hannaford Supermarket	Grocery Store	70
Interstate Laminates	Manufacturer – Counter Tops	46
DSI	Manufacturer	23
Tremont Lumber	Lumber Yard & Retail	18

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$19,986,760
New York State Electric and Gas	Utility	8,085,870
Verizon New York Inc.	Utility	5,421,750
Troy Country Club	Golf Course	3,905,785
Millers Super Market Inc.	Supermarket	2,450,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 3.1% 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 Rensselaer County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Rensselaer County	4.2%	4.2%	4.3%	5.1%	7.4%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	3,480	3,451	3,376	3,366	3,342	3,300	3,300	3,300

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>
359	Averill Park Teachers' Association	August 31, 2011
250	Non-Instructional Employees' Association	June 30, 2011
14	Administrators	June 30, 2011
15	Managerial/Confidential	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 10, 2010⁽¹⁾**

Full Valuation of Taxable Real Property	\$1,552,609,425
Debt Limit (10% of Full Valuation)	155,260,942
Gross Indebtedness ⁽²⁾	\$ 45,589,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$ 45,589,000
Net Debt Contracting Margin	\$ 109,671,942
Percentage of Debt Contracting Power Exhausted	29.36%

(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 \$11,050,000 School District Bonds to the Authority in connection with the refunding of \$13,100,000 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 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 2008 fiscal year 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:					
Rensselaer	\$165,083,463	\$36,282,450	\$128,801,013	19.02%	\$24,497,953
Towns of:					
Berlin	21,507	21,507	0	11.77	0
Brunswick	2,483,866	2,185,000	289,866	19.82	57,451
East Greenbush	11,096,356	1,067,025	10,029,331	0.70	70,205
Nassau	175,000	175,000	0	47.80	0
North Greenbush	21,173,000	599,939	20,573,061	20.00	4,114,612
Poestenkill	291,935	0	291,935	100.00	291,935
Sand Lake	2,668,000	1,828,000	840,000	100.00	840,000
Schodack	13,160,856	8,318,125	4,842,731	2.49	120,584
Stephentown	0	0	0	16.33	0
				Total	<u>\$29,992,740</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 10, 2010.

**Debt Ratios
As of May 10, 2010⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$45,589,000	\$2,532.72	2.94%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	75,581,740	4,198.99	4.87

- (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 18,000.
- (3) Based on the District’s full value of taxable real estate for 2009-10 of \$1,552,609,425.
- (4) The District expects to deliver \$11,050,000 School District Bonds to the Authority in connection with the refunding of \$13,100,000 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 2008 fiscal year.

Cash Flow Borrowing

The District has borrowed for cash flow purposes through the issuance of revenue anticipation notes in the past but does not have plans to issue revenue anticipation notes or tax anticipation notes in the foreseeable future.

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>
2006-2007	9,500,000	RAN	5/1/07	7/26/07

Capital Project Plans

The District has no bond authorizations for other purposes that remain unissued nor are there any additional plans for capital projects at this time.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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 due and payable without penalty during the period from September 9 through October 8. Taxes paid from October 9 through October 31 are subject to a 2% penalty. After October 31, uncollected taxes are turned over to the County Treasurer for collection with a penalty and additional interest added. 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Berlin	\$ 3,740,211	\$ 3,859,159	\$ 3,901,155	\$ 3,868,941	\$ 4,010,062
Brunswick	36,819,330	37,495,178	38,336,290	38,726,290	38,938,067
East Greenbush	1,825,132	1,834,322	1,992,645	9,808,100 ⁽¹⁾	9,368,228
Nassau	97,369,720	98,291,096	99,354,675	100,193,093	100,373,087
North Greenbush	35,445,694	36,218,801	36,577,796	37,016,768	37,813,790
Poestenkill	73,507,836	74,533,084	75,548,132	76,564,106	77,137,316
Sand Lake	157,062,519	160,113,478	162,222,712	699,854,625 ⁽¹⁾	702,731,688
Schodack	4,830,627	4,989,857	5,214,292	22,431,542 ⁽¹⁾	22,574,776
Stephentown	8,499,013	8,603,007	8,806,338	8,847,331	8,971,898
Total Assessed Valuation	\$419,100,082	\$425,937,982	\$431,954,032	\$ 997,310,796	\$1,001,918,912

State Equalization Rates Years Ending June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Berlin	32.00%	29.80%	27.25%	25.00%	23.25%
Brunswick	34.10	28.75	26.00	24.30	24.20
East Greenbush	32.50	29.00	25.50	100.00 ⁽¹⁾	100.00
Nassau	95.00	84.00	75.00	70.00	69.50
North Greenbush	34.00	29.50	26.25	26.00	26.25
Poestenkill	33.50	29.00	23.90	23.50	24.00
Sand Lake	32.75	28.90	25.50	100.00 ⁽¹⁾	100.00
Schodack	34.00	29.00	25.50	100.00 ⁽¹⁾	100.00
Stephentown	39.50	33.50	32.00	30.00	30.00
Taxable Full Valuation	\$1,066,755,806	\$1,243,405,789	\$1,441,631,088	\$1,547,738,464	\$1,552,609,425

Total District Property Tax Collections Years Ending June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$21,040,360	\$22,051,639	\$23,439,983	\$24,048,007	\$24,048,007
Amount Uncollected	1,079,206	1,073,197	1,229,107	1,164,947	1,230,904
% Uncollected when Due ⁽¹⁾	5.13%	4.87%	5.24%	4.84%	5.12%

⁽¹⁾ See "Real 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 2010-11 fiscal year.

<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⁾
2004-05	\$23,284,084	\$44,068,758	52.8%
2005-06	24,499,755	47,615,899	51.5
2006-07	23,828,021	48,309,264	49.3
2007-08	25,828,618	51,806,138	49.9
2008-09	25,939,333	51,927,351	50.0
2009-10 (Estimated)	27,480,589	53,412,329	51.4
2010-11 (Budgeted)	26,541,369	55,437,669	47.9

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$574,100	\$1,660,475
207-2008	489,410	1,748,094
2008-2009	552,969	1,776,819
2009-2010 (Estimated)	707,780	1,635,605
2010-2011 (Budgeted)	855,766	1,682,952

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" ("OPEB") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$51,654,925 at July 1, 2008. The District's annual required contribution ("ARC") is \$6,004,586, of which \$1,051,927 is paid annually to cover 227 retirees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has reserved \$0 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 \$135,459 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$1,737,443 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 2010-11 budget was approved by voters on May 18, 2010.

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⁾
2009-2010	\$5,373,463	\$ --	\$5,373,463
2010-2011	5,573,743	1,124,049	6,697,792
2011-2012	5,570,847	1,121,238	6,692,084
2012-2013	5,566,657	1,120,838	6,687,494
2013-2014	4,200,411	1,120,638	5,321,048
2014-2015	1,722,471	1,120,388	2,842,859
2015-2016	1,552,375	1,123,088	2,675,463
2016-2017	1,554,375	1,122,500	2,676,875
2017-2018	1,559,375	1,119,250	2,678,625
2018-2019	1,547,175	1,123,850	2,671,025
2019-2020	1,003,375	1,121,850	2,125,225
2020-2021	1,009,175	1,122,850	2,132,025
2021-2022	1,008,375	1,121,600	2,129,975
2022-2023	1,010,013	1,123,100	2,133,113
2023-2024	--	1,122,100	1,122,100
TOTAL	<u>\$38,251,830</u>	<u>\$15,707,339</u>	<u>\$53,959,166</u>

⁽¹⁾ Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

There follows in this Appendix C-5 a brief description of the Brockport 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 70 square miles in the Towns of Sweden, Clarkson, Hamlin, Ogden, and Parma in Monroe County, the Town of Clarendon in Orleans County and the Town of Bergen in Genesee County. The Village of Brockport is located within the District.

Population

The current estimated population of the District is 36,650.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Brockport Central School District	Public Education	1,210
State University of New York at Brockport	Higher Education	1,180
Lakeside Health Systems	Hospital	600
Wegmans Enterprises	Retail Store	448
Wal-Mart	Retail	362

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$21,099,553
Rochester Gas & Electric Corporation	Utility	19,646,138
Lakeside Memorial Hospital	Health Care	17,755,000
Edgewood Park Estates	Commercial	16,579,233
Hidden Creek LLC	Commercial	13,949,163

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 12.48% 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 Monroe, Orleans and Genesee Counties. The data set forth below with respect to the Counties and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Monroe County	4.6%	4.4%	4.5%	5.4%	7.8%
Orleans County	5.7	5.8	5.8	6.9	9.3
Genesee County	4.9	4.7	4.6	5.5	7.6
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>	Projected <u>2012-13</u>
K-12	4,359	4,242	4,085	4,027	3,933	3,808	3,727	3,672

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>
360	Brockport Central Teachers' Association	June 30, 2009 ⁽¹⁾
17	Brockport Administrators' Association	June 30, 2011
397	Service Employees Local (Non-Teaching Personnel)	June 30, 2011

⁽¹⁾ The District is currently at an impasse with the Association and is working with a mediator.

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 10, 2010⁽¹⁾

Full Valuation of Taxable Real Property	\$1,148,738,476
Debt Limit (10% of Full Valuation)	114,873,847
Gross Indebtedness ⁽²⁾	\$ 36,107,644
Less: Exclusions – Estimated Building Aid ⁽³⁾	23,670,132
Total Net Indebtedness	\$ 12,437,512
Net Debt Contracting Margin	\$ 102,436,335
Percentage of Debt Contracting Power Exhausted	10.83%

(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 \$7,880,000 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 2008 fiscal year 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	\$764,260,719	\$0	\$764,260,719	3.12%	\$23,844,934
Orleans	16,405,000	0	16,405,000	0.38	62,339
Genesee	18,455,000	0	18,455,000	0.01	1,846
Towns of:					
Sweden	2,241,196	0	2,241,196	100.00	2,241,196
Clarkson	460,000	0	460,000	92.58	425,868
Hamlin	2,820,000	0	2,820,000	58.88	1,660,416
Ogden	2,215,000	0	2,215,000	5.10	112,965
Parma	56,000	0	56,000	5.55	3,108
Clarendon	3,827,900	0	3,827,900	3.98	152,350
Bergen	2,250,000	0	2,250,000	0.12	2,700
Village of:					
Brockport	200,000	0	200,000	100.00	<u>200,000</u>
				Total	<u>\$28,707,722</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 10, 2010.

**Debt Ratios
As of May 10, 2010⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$36,107,644	\$985.20	3.14%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	64,815,366	1,768.50	5.64

- (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 36,650.
- (3) Based on the District’s full value of taxable real estate for 2009-10 of \$1,148,738,476.
- (4) The District expects to deliver \$7,880,000 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 debt ratios accordingly.
- (5) Net Overlapping Indebtedness calculated as of the close of the 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

On May 20, 2008, the voters of the District approved the issuance of \$995,000 of general obligation bonds and on May 19, 2009 the voters of the District approved the issuance of \$941,000 of general obligations bonds to finance the acquisition of school buses. The District plans to issue \$1,936,000 of bonds on or about June 22, 2010 for such purpose. Other than such indebtedness and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Sweden	\$500,326,002	\$523,327,137	\$549,262,141	\$563,506,797	\$566,576,459
Clarkson	236,841,517	241,531,383 ⁽¹⁾	259,642,145 ⁽¹⁾	264,379,582	270,813,685
Hamlin	92,737,374	92,413,338	92,710,481	92,609,251	92,466,614
Ogden	42,251,507	42,896,961	43,437,385 ⁽¹⁾	49,720,144 ⁽¹⁾	49,533,364
Parma	36,316,664	38,507,720	38,650,936	39,778,968	39,698,187
Clarendon	4,774,260	4,760,967 ⁽¹⁾	5,476,608 ⁽¹⁾	5,514,359	5,518,642
Bergen	156,609	158,338	141,103	145,992	161,045
Total Assessed Valuation	\$913,403,933	\$943,595,844	\$989,320,799	\$1,015,655,093	\$1,024,767,996

State Equalization Rates Years Ending June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Sweden	100.00%	100.00%	100.00%	100.00%	100.00%
Clarkson	100.00	100.00	107.11	100.00	100.00
Hamlin	50.00	49.00	47.00	45.00	43.00
Ogden	100.00	100.00	96.00	100.00	100.00
Parma	100.00	100.00	100.00	100.00	97.00
Clarendon	96.00	90.00	100.00	98.00	97.00
Bergen	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$1,006,340,234	\$1,040,310,150	\$1,078,441,412	\$1,128,956,714	\$1,148,738,476

⁽¹⁾ Difference due to townwide revaluation.

Total District Property Tax Collections Years Ending June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$24,435,867	\$25,697,015	\$26,506,438	\$26,895,042	\$26,919,365
% Uncollected When Due ⁽¹⁾	4.43%	2.24%	5.24%	4.04%	4.60%

⁽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 2010-11 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⁾
2004-05	\$29,829,728	\$56,971,899	52.36%
2005-06	31,582,671	60,600,020	52.12
2006-07	32,359,274	63,194,475	51.21
2007-08	34,140,244	64,970,414	52.55
2008-09	38,508,674	69,270,464	55.59
2009-10 (Estimated)	38,490,154	69,983,526	55.00
2010-11 (Budgeted)	35,637,341	66,687,841	53.44

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$847,898	\$2,216,297
2007-2008	769,598	2,070,463
2008-2009	821,641	1,859,555
2009-2010 (Estimated)	689,324	1,685,058
2010-2011 (Budgeted)	1,200,000	2,200,000

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

GASB 45 and OPEB

The District contracted with Mercer 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 \$113,957,027 at June 30, 2009. The District's annual required contribution ("ARC") is \$12,080,375, of which \$2,330,406 is paid annually to over 455 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has reserved \$0 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 \$5,302,205 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$2,813,341 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 2010-11 budget was approved by voters on May 18, 2010.

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⁽²⁾	New Debt Service⁽³⁾	Total Debt Service⁽³⁾
2009-2010	\$5,002,510	\$ --	\$5,002,510
2010-2011	4,379,874	425,853	4,805,727
2011-2012	4,267,528	488,985	4,756,513
2012-2013	3,751,955	490,785	4,242,740
2013-2014	3,653,762	487,485	4,141,247
2014-2015	3,576,511	489,185	4,065,696
2015-2016	2,336,562	490,275	2,826,837
2016-2017	2,299,836	490,463	2,790,299
2017-2018	2,020,149	489,883	2,510,032
2018-2019	1,249,680	488,870	1,738,550
2019-2020	1,253,155	492,220	1,745,375
2020-2021	1,244,535	489,970	1,734,505
2021-2022	534,200	487,283	1,021,483
2022-2023	535,000	489,145	1,024,145
2023-2024	390,000	490,345	880,345
2024-2025	--	491,145	491,145
2025-2026	--	491,545	491,545
2026-2027	--	490,545	490,545
2027-2028	--	489,105	489,105
2028-2029	--	487,225	487,225
2029-2030	--	489,905	489,905
2030-2031	--	491,925	491,925
2031-2032	--	492,200	492,200
2032-2033	--	491,763	491,763
2033-2034	--	490,613	490,613
2034-2035	--	488,750	488,750
2035-2036	--	491,175	491,175
2036-2037	--	487,650	487,650
2037-2038	--	488,413	488,413
2038-2039	--	488,225	488,225
2039-2040	--	487,088	487,088
TOTAL	<u>\$36,495,257</u>	<u>\$14,628,019</u>	<u>\$51,123,276</u>

(1) Schedule does not include payments due under a \$3,626,925 energy performance contract.

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

(3) Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

There follows in this Appendix C-6 a brief description of the Deposit 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 approximately 117 square miles and includes various portions of the Towns of Deposit, Masonville, Sanford and Tompkins. The District is primarily residential with the majority of homes being single family. Commercial activity in the District is centered in and around the Village of Deposit.

Population

The current estimated population of the District is 3,727.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Deposit Central School District	Education	165
Schaefer's Enterprises	Logging/Excavating	120
DCST	Computer Services	45
Indian Country	Fiberboard Mfg.	45
Norboard Industries	Fiberboard Mfg.	20

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
City of New York Board of Water Supply	Utility	\$8,322,729
State of New York	State	5,310,777
New York State Electric & Gas	Utility	3,037,506
Scott's Oquaga Realty LLC	Commercial	1,737,900
Deposit Telephone Co.	Utility	1,460,291

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 16.5% 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 Broome and Delaware Counties. The data set forth below with respect to the Counties and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Broome County	4.9%	4.7%	4.5%	5.5%	8.2%
Delaware County	4.5	4.4	4.4	5.9	8.5
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	675	658	630	624	590	630	630	630

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>
78	Deposit Teachers' Association	June 30, 2010 ⁽¹⁾
66	CSEA	June 30, 2012

⁽¹⁾ Currently under negotiations.

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 10, 2010⁽¹⁾**

Full Valuation of Taxable Real Property	\$ 505,305,812
Debt Limit (10% of Full Valuation)	50,530,581
Gross Indebtedness ⁽²⁾	\$ 4,388,810
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$ 4,388,810
Net Debt Contracting Margin	\$ 46,141,771
Percentage of Debt Contracting Power Exhausted	8.69%

⁽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 \$1,350,000 School District Bonds to the Authority in connection with the refunding of \$2,035,000 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 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 2008 fiscal year 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:					
Broome	\$173,777,638	\$20,337,203	\$153,440,435	2.07%	\$3,176,217
Delaware	26,020,000	0	26,020,000	0.14	36,428
Towns of:					
Deposit	817,000	817,000	0	2.81	0
Masonville	250,000	250,000	0	5.21	0
Sanford	1,383,185	0	1,383,185	5.80	80,225
Tompkins	0	0	0	1.41	0
Village of:					
Deposit	2,568,532	1,448,532	1,120,000	100.00	<u>\$1,120,000</u>
				Total	<u>\$4,412,870</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$4,388,810	\$1,177.57	0.87%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	8,801,680	2,361.60	1.74

(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 3,727.

(3) Based on the District's full value of taxable real estate for 2009-10 of \$505,305,812.

(4) The District expects to deliver \$1,350,000 School District Bonds to the Authority in connection with the refunding of \$2,035,000 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 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

On May 18, 2010, the voters of the District approved the issuance of \$150,000 of general obligation bonds to finance the costs of the acquisition of school buses. Other than such indebtedness and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Deposit	\$12,201,700	\$12,323,284	\$12,390,776	\$12,586,398	\$12,597,300
Sanford	119,103,495	121,072,106	121,245,886	122,432,319	122,642,471
Masonville	3,849,060	3,914,894	5,464,801	5,569,052	5,946,521
Tompkins	2,385,429	2,341,017	2,340,484	2,327,881	2,340,941
Total Assessed Valuation	\$137,539,684	\$139,651,301	\$141,441,947	\$142,915,650	\$143,527,233
	State Equalization Rates Years Ending June 30,				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Deposit	6.76%	6.64%	5.69%	5.45%	5.31%
Sanford	87.50	79.50	74.00	69.00	62.00
Masonville	85.00	85.00	100.00	100.00	100.00
Tompkins	5.10	4.79	3.73	3.58	3.64
Taxable Full Valuation	\$367,918,224	\$391,362,348	\$449,822,231	\$478,974,887	\$505,305,812

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$5,543,102	\$5,736,082	\$5,989,645	\$6,211,722	\$6,892,138
% Uncollected When Due ⁽¹⁾	9.43%	8.53%	9.34%	8.83%	8.39%

⁽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 2010-11 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>
2004-05	\$4,638,042	\$11,417,288	40.6%
2005-06	5,189,873	12,094,869	42.9
2006-07	5,480,691	12,662,389	43.3
2007-08	5,869,516	13,306,207	44.1
2008-09	6,409,941	13,979,325	45.9
2009-10 (Estimated)	6,561,212	13,901,950	47.2
2010-11 (Budgeted)	6,129,961	13,625,094	45.0

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$101,595	\$360,233
2007-2008	102,554	403,892
2008-2009	69,898	353,492
2009-2010 (Estimated)	78,054	414,231
2010-2011 (Budgeted)	154,000	420,000

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

GASB 45 and OPEB

The District contracted with Questar 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 \$64,285,830 at September 1, 2008. The District's annual required contribution ("ARC") is \$3,853,248, of which \$1,122,888 is paid annually to over 24 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has reserved \$0 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 \$1,328,409 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$409,356 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 2010-11 budget was approved by voters on May 18, 2010.

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</u> ⁽¹⁾	<u>Total Debt Service</u> ⁽¹⁾
2009-2010	\$ 891,291	\$ --	\$ 891,291
2010-2011	857,577	132,869	990,446
2011-2012	328,403	132,519	460,922
2012-2013	302,082	134,569	436,651
2013-2014	280,745	135,969	416,714
2014-2015	38,930	132,369	171,299
2015-2016	37,520	133,644	171,164
2016-2017	36,110	134,500	170,610
2017-2018	34,700	135,000	169,700
2018-2019	38,290	135,750	174,040
2019-2020	36,645	130,750	167,395
2020-2021	--	130,750	130,750
2021-2022	--	135,500	135,500
2022-2023	--	134,750	134,750
2023-2024	--	133,750	133,750
2024-2025	--	62,700	62,700
TOTAL	<u>\$2,882,293</u>	<u>\$1,935,389</u>	<u>\$4,817,682</u>

⁽¹⁾ Totals may not add due to rounding.

**APPENDIX C-7
DESCRIPTION OF
FORT PLAIN CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-7 a brief description of the Fort Plain 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 57 square miles in the Towns of Minden, Palatine and Canajoharie in Montgomery County, the Town of Danube in Herkimer County and the Town of Ephratah in Fulton County. The Village of Fort Plain is located within the District.

Population

The current estimated population of the District is 8,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Fort Plain Central School District	Public Education	189
Beech-Nut Corporation	Manufacturer	100
Longhorn Trucking	Trucking Company	35
Fuccillo	Auto Dealerships	30
Village of Fort Plain	Municipality	25

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Iroquois Gas	Utility	\$8,453,425
National Grid	Utility	7,393,421
Fort Plain Village	Water Works	3,638,832
Citizens Communications	Utility	1,721,507
Beech-Nut Corporation	Manufacturer	1,500,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 12.42% 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 Montgomery, Herkimer and Fulton Counties. The data set forth below with respect to the Counties and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Montgomery County	5.4%	5.9%	5.9%	7.0%	9.4%
Herkimer County	5.3	5.1	4.9	6.0	8.0
Fulton County	5.6	5.4	5.5	6.7	9.6
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	980	977	950	938	909	925	910	920

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>
108	Fort Plain Teachers' Association	June 30, 2012
67	Fort Plain School Related Personnel 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 10, 2010⁽¹⁾

Full Valuation of Taxable Real Property	\$ 217,729,864
Debt Limit (10% of Full Valuation)	21,772,986
Gross Indebtedness ⁽²⁾	\$ 13,290,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	8,939,307
Total Net Indebtedness.....	\$ 4,350,693
Net Debt Contracting Margin	\$ 17,422,293
Percentage of Debt Contracting Power Exhausted	19.98%

⁽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 \$15,855,000 School District Bonds to the Authority in connection with the refunding of \$8,000,000 of the District's outstanding bond anticipation notes and 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 2008 fiscal year 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:					
Montgomery	\$33,457,500	\$0	\$33,457,500	10.79%	\$3,610,064
Fulton	3,474,245	0	3,474,245	0.02	695
Herkimer	7,695,000	0	7,695,000	0.16	12,312
Towns of:					
Minden	0	0	0	94.53	0
Palatine	0	0	0	54.67	0
Danube	0	0	0	14.31	0
Canajoharie	214,707	0	214,707	1.25	2,684
Ephratah	20,400	0	20,400	0.54	110
Village of:					
Fort Plain	1,085,817	0	1,085,817	100.00	<u>1,085,817</u>
				Total	<u>\$4,711,682</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$13,290,000	\$1,661.25	6.10%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	18,001,682	2,250.21	8.27

(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 8,000.

(3) Based on the District's full value of taxable real estate for 2009-10 of \$217,729,864.

(4) The District expects to deliver \$15,855,000 School District Bonds to the Authority in connection with the refunding of \$8,000,000 of the District's outstanding bond anticipation notes and 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 debt ratios accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Minden	\$86,751,982	\$86,738,625	\$86,290,340	\$86,459,092 ⁽¹⁾	\$136,004,465 ⁽¹⁾
Palatine	38,098,563	38,568,220	39,106,475	39,123,167	40,097,563
Danube	5,389,653	5,462,449 ⁽¹⁾	6,601,467 ⁽¹⁾	6,555,882	6,610,910
Canajoharie	1,317,107	1,288,609	1,267,163	1,263,825	1,283,047
Ephratah	265,325	278,924	280,866	250,675	313,544
Total Assessed Valuation	\$131,822,630	\$132,336,827	\$133,546,311	\$133,652,641	\$184,309,529

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Minden	91.21%	78.32%	70.37%	65.28%	100.00%
Palatine	83.45	74.16	65.63	60.00	55.41
Danube	80.63	73.00	100.00	100.00	97.00
Canajoharie	84.70	73.39	66.00	62.00	60.60
Ephratah	81.47	73.33	63.07	62.75	73.33
Taxable Full Valuation	\$149,331,840	\$172,374,790	\$191,176,773	\$206,642,531	\$217,729,864

(1) Difference due to townwide revaluation.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$4,902,798	\$5,260,678	\$5,260,678	\$5,359,969	\$5,360,914
% Uncollected When Due ⁽¹⁾	12.70%	12.93%	13.03%	13.87%	14.52%

(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 2010-11 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>
2004-05	\$9,058,683	\$14,356,797	63.10%
2005-06	9,600,228	15,105,862	63.55
2006-07	9,633,217	15,527,332	62.04
2007-08	10,591,214	16,611,065	63.76
2008-09	10,784,911	16,872,214	63.92
2009-10 (Estimated)	11,610,012	17,130,000	67.78
2010-11 (Budgeted)	12,357,004	18,000,000	68.65

(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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$176,668	\$530,354
2007-2008	164,442	571,451
2008-2009	149,426	605,800
2009-2010 (Estimated)	129,730	547,718
2010-2011 (Budgeted)	244,193	565,658

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

GASB 45 and OPEB

The District's present value Net OPEB liability has been determined to be \$1,127,970 at June 30, 2009. The District's annual required contribution ("ARC") is \$1,667,900. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has reserved \$539,930 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 \$498,109 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$1,221,677 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 2010-11 budget was approved by voters on May 18, 2010.

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>
2009-2010	\$1,129,053	\$ --	\$1,129,053
2010-2011	1,135,730	1,254,654	2,390,384
2011-2012	1,124,646	1,255,256	2,379,902
2012-2013	1,048,858	1,256,056	2,304,914
2013-2014	951,860	1,256,556	2,208,416
2014-2015	--	1,251,756	1,251,756
2015-2016	--	1,254,506	1,254,506
2016-2017	--	1,258,331	1,258,331
2017-2018	--	1,253,686	1,253,686
2018-2019	--	1,252,199	1,252,199
2019-2020	--	1,257,799	1,257,799
2020-2021	--	1,256,080	1,256,080
2021-2022	--	1,257,143	1,257,143
2022-2023	--	1,255,718	1,255,718
2023-2024	--	1,251,718	1,251,718
2024-2025	--	1,251,318	1,251,318
2025-2026	--	324,318	324,318
2026-2027	--	322,058	322,058
2027-2028	--	324,578	324,578
2028-2029	--	321,658	321,658
2029-2030	--	323,518	323,518
2030-2031	--	324,938	324,938
2031-2032	--	320,200	320,200
2032-2033	--	320,225	320,225
2033-2034	--	324,775	324,775
2034-2035	--	323,613	323,613
2035-2036	--	321,975	321,975
2036-2037	--	324,863	324,863
2037-2038	--	322,038	322,038
2038-2039	--	323,738	323,738
2039-2040	--	324,725	324,725
TOTAL	<u>\$5,390,147</u>	<u>\$23,669,996</u>	<u>\$29,060,143</u>

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

(2) Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

There follows in this Appendix C-8 a brief description of the Hamilton 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 located in Central New York State in the southern sector of Madison County. The City of Syracuse is approximately 40 miles northwest, the City of Utica approximately 30 miles north and the City of Binghamton 60 miles south. Major highways in and in close proximity to the District include State highways #12, 12B and 20.

Population

The current estimated population of the District is 5,500.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Community Memorial Hospital	Health Care	200
Hamilton Central School District	Education	121
Vantine Studios	Photography	75
Grand Union	Grocery Store	60
Wise Buys	Retail	52

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Colgate University	University	\$191,183,800
Nornew Inc	Commercial	4,149,393
Marshall, Burton M	Commercial	3,328,000
Marshall, Burton M	Commercial	2,716,500
NYSEG	Utility	2,079,145

The total estimated assessed valuation of the top **ten (10)** taxpayers represents approximately 71.6% 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 Madison County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Madison County	5.2%	4.7%	4.7%	5.7%	8.0%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>	Projected <u>2012-13</u>
K-12	664	665	640	630	620	655	680	660

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>
73	New York State United Teachers' Association	June 30, 2013
41	Hamilton Service Employees United 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 10, 2010⁽¹⁾

Full Valuation of Taxable Real Property	\$ 362,722,071
Debt Limit (10% of Full Valuation)	36,272,207
Gross Indebtedness ⁽²⁾	\$ 9,944,231
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness.....	\$ 9,944,231
Net Debt Contracting Margin	\$ 26,327,976
Percentage of Debt Contracting Power Exhausted	27.42%

(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 \$740,000 School District Bonds to the Authority in connection with the refunding of \$817,731 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 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 2008 fiscal year 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:					
Madison	\$2,675,000	\$0	\$2,675,000	8.40%	\$224,700
Towns of:					
Brookfield	108,000	0	108,000	1.00	1,080
Eaton	95,000	0	95,000	3.40	3,230
Hamilton	0	0	0	77.60	0
Lebanon	124,500	124,500	0	43.90	0
Madison	29,993	0	29,993	37.20	11,157
Village of:					
Hamilton	6,419,591	5,151,449	1,268,142	100.00	<u>1,268,142</u>
				Total	<u>\$1,508,309</u>

- (1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 10, 2010.

**Debt Ratios
As of May 10, 2010⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$9,944,231	\$1,808.04	2.74%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	11,452,540	2,082.28	3.16

- (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 5,500.
- (3) Based on the District’s full value of taxable real estate for 2009-10 of \$362,722,071.
- (4) The District expects to deliver \$740,000 School District Bonds to the Authority in connection with the refunding of \$817,731 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 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

On May 18, 2010, the voters of the District approved the issuance of \$120,000 of general obligation bonds to finance the costs of the acquisition of school buses. Other than such indebtedness and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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 and a 3% penalty from November 1st to November 15th. On or about November 15th, uncollected taxes are returnable to the County for collection. The District receives this amount from said County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Taxes unpaid after November 15th, are re-levied at an additional 7% penalty with the Town and County taxes which are due on January 1st.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State Equalization Rates, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Brookfield	\$1,264,831	\$701,849	\$1,426,625	\$1,444,215	\$1,550,323
Eaton	4,819,905	4,089,392	5,505,172	5,002,005	5,967,593
Hamilton	161,937,064	139,199,726	168,514,153	169,614,278	168,863,960
Lebanon	25,398,653	19,920,266	26,246,808	27,293,196	37,726,542
Madison	75,481,201	65,236,849	78,083,674	79,227,094	80,561,599
Total Assessed Valuation	\$268,901,654	\$229,148,082	\$279,776,432	\$282,580,788	\$294,670,017

	State Equalization Rates Years Ending June 30,				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Brookfield	100.00%	100.00%	95.00%	89.00%	80.00%
Eaton	100.00	93.00	88.00	78.00	100.00
Hamilton	100.00	87.00	82.00	80.00	78.50
Lebanon	100.00	93.00	88.00	78.00	100.00
Madison	100.00	95.00	94.00	90.00	79.00
Taxable Full Valuation	\$268,901,654	\$255,188,738	\$326,156,309	\$343,074,769	\$362,722,071

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$3,872,055	\$4,857,158	\$4,342,113	\$5,378,637	\$5,689,766
% Uncollected When Due ⁽¹⁾	8.2%	6.0%	8.3%	8.4%	5.8%

⁽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 2010-11 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>
2004-05	\$3,671,551	\$8,378,929	43.82%
2005-06	3,810,924	8,846,704	43.08
2006-07	3,997,333	9,521,320	41.98
2007-08	4,157,121	9,793,165	42.45
2008-09	4,685,804	10,550,789	44.41
2009-10 (Estimated)	4,849,171	11,016,499	44.02
2010-11 (Budgeted)	3,056,461	11,335,607	26.96

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-07	\$111,299	\$319,522
2007-08	72,342	360,938
2008-09	64,868	319,498
2009-10 (Estimated)	80,540	293,686
2010-11 (Budgeted)	101,317	351,985

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

GASB 45 and OPEB

The District contracted with James MacDonald, FSA, EA to assist in the determination of the costs and liabilities associated with the District's OPEB plan (the "Plan"). This analysis has been completed in accordance with GASB Statement No. 45; Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pensions.

As of June 30, 2009 the actuarial present value of the total projected benefits for the District's 109 active employees and 83 retirees was \$39,587,185. The actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$25,850,304. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$25,850,304. The District's annual OPEB cost was \$2,590,363 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$806,695 to the Plan for the fiscal year ending June 30, 2009 resulting in a year-end Net OPEB obligation of \$1,783,668. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – GASB and OPEB."

Recent Operating Results

The District's revenues exceeded its expenditures by \$506,344 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$441,882 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 2010-11 budget was approved by voters on May 18, 2010.

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</u> ⁽¹⁾	<u>Total Debt Service</u> ⁽¹⁾
2009-2010	\$ 1,107,236	\$ --	\$ 1,107,236
2010-2011	1,090,449	70,645	1,161,095
2011-2012	1,071,256	79,513	1,150,769
2012-2013	1,031,506	77,613	1,109,119
2013-2014	1,016,419	80,463	1,096,881
2014-2015	990,550	78,213	1,068,763
2015-2016	678,863	75,888	754,750
2016-2017	684,831	78,450	763,281
2017-2018	684,619	75,700	760,319
2018-2019	688,209	78,250	766,459
2019-2020	690,831	80,250	771,081
2020-2021	687,200	77,000	764,200
2021-2022	687,300	78,750	766,050
2022-2023	691,300	75,250	766,550
2023-2024	331,500	36,750	368,250
TOTAL	<u>\$12,132,069</u>	<u>\$1,042,735</u>	<u>\$13,174,803</u>

⁽¹⁾ Totals may not add due to rounding.

**APPENDIX C-9
DESCRIPTION OF
HERKIMER CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-9 a brief description of the Herkimer 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 central New York State, in the western sector of Herkimer County. The City of Utica is located approximately seven miles to the west and the City of Little Falls is approximately five miles to the east. Major highways serving the District include Interstate 90 and New York State Routes 5 and 5S. The District encompasses approximately one hundred square miles. The character of the District is primarily residential and agricultural in nature.

Population

The current estimated population of the District is 10,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Approximate # of Employees</u>
Remington Arms	Rifle Manufacturer	1,100
Herkimer County Government & Agencies	County Government	643
Wal-Mart Supercenter	Retail/Grocery	400
Little Falls Hospital	Hospital	328
Herkimer County Community College	College	307

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$16,178,602
Lowe’s Home Centers, Inc.	Retail	11,170,213
Herkimer Distribution	Manufacturing	4,930,851
Herkimer Management LLC	Retail	4,222,447
Verizon – New York Inc.	Utility	2,895,359

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 Herkimer County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Herkimer County	5.3%	5.1%	5.0%	6.0%	8.0%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	1,239	1,218	1,209	1,233	1,210	1,230	1,250	1,250

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>
111	Herkimer Faculty Association	June 30, 2011
23	CSEA Full-Time	June 30, 2011
43	CSEA Part-Time	June 30, 2010 ⁽¹⁾
23	Herkimer CSD Teacher Aides Unit	June 30, 2010 ⁽¹⁾
6	Herkimer Education Association	June 30, 2009 ⁽¹⁾

⁽¹⁾ Currently under negotiation.

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 10, 2010⁽¹⁾

Full Valuation of Taxable Real Property	\$ 359,000,130
Debt Limit (10% of Full Valuation)	35,900,013
Gross Indebtedness ⁽²⁾	\$ 42,367,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	15,503,094
Total Net Indebtedness	\$ 26,863,906
Net Debt Contracting Margin	\$ 9,036,107
Percentage of Debt Contracting Power Exhausted	74.82%

⁽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 \$8,305,000 School District Bonds to the Authority in connection with the refunding of \$9,090,000 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⁾ Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

Note: Gross Indebtedness includes \$15,180,000 of refunded serial bonds which are paid from a fully funded escrow account. The refunded bonds will be called at their first available call date.

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 2008 fiscal year 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:					
Herkimer	\$9,110,000	\$ 0	\$9,110,000	9.70%	\$ 883,670
Towns of:					
Herkimer	299,855	0	299,855	100.00	299,855
Little Falls	0	0	0	11.70	
Village of:					
Herkimer	2,569,515	2,057,215	512,300	100.00	<u>512,300</u>
				Total	<u>\$1,695,825</u>

⁽¹⁾ Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 10, 2010.

**Debt Ratios
As of May 10, 2010⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$26,863,906	\$2,680.39	8.04%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	28,559,731	2,855.97	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 10,000.
- (3) Based on the District’s full value of taxable real estate for 2009-10 of \$359,000,130.
- (4) The District expects to deliver \$8,305,000 School District Bonds to the Authority in connection with the refunding of \$9,090,000 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.
- (5) Net Overlapping Indebtedness calculated as of the close of the 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

On May 18, 2010, the voters of the District approved the issuance of \$160,000 of general obligation bonds to finance the costs of the acquisition of school buses. Other than such indebtedness and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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 due and payable during the month of September. Taxes paid during the month of October are subject to a 2% penalty fee. All taxes remaining unpaid after October 31 are turned over to the County for collection. The County thereafter on or before April 30 pays to the District the amount of its uncollected taxes plus the appropriate penalty. Thus, the District receives its full levy prior to the end of its 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Herkimer	\$15,802,631	\$311,433,083	\$328,398,968	\$327,304,460	\$324,761,129
Little Falls	7,977,954	8,048,922	8,067,192	8,176,173	8,270,557
Total Assessed Valuation	\$23,780,585	\$319,482,005	\$336,466,160	\$335,480,633	\$333,031,686

	State Equalization Rates Years Ending June 30,				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Herkimer	6.16%	100.00% ⁽¹⁾	100.00%	100.00%	94.00%
Little Falls	86.13	82.60	69.94	69.40	61.22
Taxable Full Valuation	\$265,798,906	\$321,177,541	\$339,933,415	\$339,085,689	\$359,000,130

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

Total District Property Tax Collections
Years Ending June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$5,909,081	\$6,210,955	\$6,366,759	\$6,511,079	\$6,575,865
% Uncollected When Due ⁽¹⁾	89.48%	88.11%	88.69%	87.46%	89.66%

⁽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 2010-11 fiscal year.

<u>Fiscal Year</u>	State Aid		Percentage of Total Revenues Consisting of State Aid ⁽¹⁾
	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	
2004-05	\$8,001,922	\$14,492,292	55.22%
2005-06	8,730,036	15,230,729	57.32
2006-07	9,189,582	16,043,301	57.28
2007-08	9,939,310	17,094,464	58.14
2008-09	10,954,644	18,285,021	59.91
2009-10 (Estimated)	11,447,470	18,723,335	61.14
2010-11 (Budgeted)	11,768,997	19,369,462	60.76

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$123,882	\$448,965
2007-2008	126,250	511,653
2008-2009	114,120	507,623
2009-2010 (Estimated)	103,592	472,526
2010-2011 (Budgeted)	202,352	555,616

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" ("OPEB") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$51,947,691 at June 30, 2009. The District's annual required contribution ("ARC") is \$3,414,094, of which \$3,372,528 is paid annually to over 124 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has not reserved any funds 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 \$620,236 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$1,841,105 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 2010-11 budget was approved by voters on May 18, 2010.

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>
2009-2010	\$4,605,980	\$ --	\$4,605,980
2010-2011	4,150,384	819,323	4,969,707
2011-2012	4,151,125	824,169	4,975,294
2012-2013	4,103,011	820,819	4,923,830
2013-2014	4,103,803	824,169	4,927,972
2014-2015	4,107,326	822,369	4,929,695
2015-2016	4,114,818	824,144	4,938,962
2016-2017	4,116,068	823,550	4,939,618
2017-2018	4,127,950	821,050	4,949,000
2018-2019	4,129,085	820,600	4,949,685
2019-2020	--	820,600	820,600
2020-2021	--	819,100	819,100
2021-2022	--	821,100	821,100
2022-2023	--	821,350	821,350
2023-2024	--	819,850	819,850
2024-2025	--	407,600	407,600
TOTAL	<u>\$41,709,550</u>	<u>\$11,909,793</u>	<u>\$53,619,343</u>

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

(2) Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX C-10
DESCRIPTION OF
INDIAN RIVER CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-10 a brief description of the Indian River 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 located in the northern sector of upstate New York. Situated in Jefferson and St. Lawrence Counties, it has a land area of 284 square miles. The City of Watertown is approximately 15 miles to the southwest. Ogdensburg is located approximately 40 miles to the northeast. Major highways in, or in close proximity to the District include Interstate Expressway Route #81 and State Highways #11 and #26.

The District encompasses parts of the Towns of Antwerp, Alexandria, LeRay, Orleans, Pamela, Philadelphia, Rossie and Theresa. The centers of population are located in the Villages of Antwerp, Evan Mills, Philadelphia and Theresa. The District boundaries also overlap the boundaries of the United States Army facility at Fort Drum. (See “Fort Drum”).

Population

The current estimated population of the District is 13,306.

Fort Drum

In September 1984, the U.S. Army announced its decision to station 9,600 members of the 10th Mountain Division at Fort Drum. With the activation of the 10th Mountain Division at the Fort, the military related population increased by more than 21,400 people by the end of 1989. The increase of 9,600 soldiers brought 4,450 single military with the remainder married. The married soldiers have brought with them close to 11,900 family members. In addition, there has been an increase of 5,000 civilians including federal job holders and indirect job holders.

Since August 1992, the 10th Mountain Division has been at the center of the nation’s expeditionary actions. As such, it gained the reputation as the most deployed division in the United States Army, clearly demonstrating its (and Fort Drum’s) ability to answer the nation’s call. In October 2001, in the wake of the terrorist attacks of September 11, the 10th Mountain Division deployed a force in support of operations in Central Asia, including the first major combat actions of that conflict. Division personnel remained in Afghanistan until September 2002 providing command and control for the stabilization force supporting the nation building and security efforts there. Elements of the Division have remained in continuous combat since entering the war in October 2001, with units experiencing multiple combat tours lasting twelve to fifteen months in duration.

In May 2004 the Department of the Army announced that the 10th Mountain Division would be reorganized and add a 3rd brigade combat team. As a result of this action population on post increased to 18,023 military members by the end of September 2009. There were 17,222 family members accompanying these soldiers, of which 8,436 were school aged children. With additional activations the military population is expected to increase moderately to 18,400 by 2013. Detailed information on the economic impact of Fort Drum on the local area can be found at: <http://www.drum.army.mil/sites/about/facts.asp>.

Clearly, Fort Drum is central to the National Defense Strategy and is a premiere power projection platform. Over the past decade the 10th Mountain Division has been deployed to more contingency operations than any other division in the United States Army. Elements of the Division deployed to Iraq in October 2009, while other elements deployed in January 2009 for the fourth time to Afghanistan. These latter forces began to redeploy to Fort Drum in November 2009. The Division’s value and professional competence is said to be second to none. Fort Drum has proven its worth in its response to crisis. Its demonstrated performance as the only remaining large scale mobilization and

deployment platform station in the northeastern United States, gives it a clear advantage in staying clear of BRAC activities and recommendations.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
HQ 10 th Mountain Division & Ft. Drum <i>Soldiers</i>	Military	18,708
HQ 10 th Mountain Division & Ft. Drum <i>Civilian Personnel & Contractors</i>	Military	3,591
New York State	Government	1,800
Samaritan Medical Center	Healthcare	1,228
County of Jefferson	Government	819
Jefferson Rehabilitation Center	Healthcare	713

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
LeRay 300 LLC	Apartments/Vacant Land	\$20,710,000
LeRay Housing Associates	Apartments	17,176,559
Niagara Mohawk Power Corporation	Utility	21,969,203
Walmart	Retail	12,693,600
Philadelphia Housing Associates	Apartments	12,500,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 17.5% 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 and St. Lawrence Counties. The data set forth below with respect to the Counties and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Jefferson County	6.2%	5.6%	5.5%	6.7%	8.7%
St. Lawrence County	6.1	5.9	5.9	7.0	9.8
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	3,528	3,587	3,805	3,960	3,827	4,131	4,332	4,437

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>
13	Indian River Association of Professional Administrators	June 30, 2010 ⁽¹⁾
321	Indian River Education Association	June 30, 2010 ⁽¹⁾
241	Civil Service Employee’s Association	June 30, 2011

⁽¹⁾ Currently under negotiations.

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 10, 2010⁽¹⁾**

Full Valuation of Taxable Real Property	\$ 606,742,412
Debt Limit (10% of Full Valuation)	60,674,241
Gross Indebtedness ⁽²⁾	\$ 59,935,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	56,659,231
Total Net Indebtedness.....	\$ 3,275,769
Net Debt Contracting Margin	\$ 58,398,472
Percentage of Debt Contracting Power Exhausted	5.40%

⁽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 \$33,955,000 School District Bonds to the Authority in connection with the refunding of \$30,000,000 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 2008 fiscal year 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	\$25,392,900	\$137,900	\$25,255,000	6.82%	\$1,722,391
St. Lawrence	31,800,000	0	31,800,000	0.04	12,720
Towns of:					
Antwerp	0	0	0	97.33	0
Theresa	0	0	0	94.29	0
LeRay	8,562,682	8,562,682	0	55.36	0
Philadelphia	64,000	0	64,000	100.00	64,000
Pamelia	4,044,339	4,044,339	0	9.85	0
Alexandria	4,323,707	0	4,323,707	0.11	4,756
Orleans	5,136,452	0	5,136,452	0.03	1,541
Rossie	64,794	64,794	0	5.12	0
Village of:					
Philadelphia	553,800	553,800	0	100.00	0
Antwerp	2,363,289	2,363,289	0	100.00	0
Evans Mills	20,000	20,000	0	100.00	0
Theresa	2,781,743	2,632,576	149,167	100.00	149,167
				Total	<u>\$1,954,575</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$3,275,769	\$246.19	0.54%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	5,230,344	393.08	0.86

(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 13,306.

(3) Based on the District's full value of taxable real estate for 2009-10 of \$606,742,412.

(4) The District expects to deliver \$33,955,000 School District Bonds to the Authority in connection with the refunding of \$30,000,000 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.

(5) Net Overlapping Indebtedness calculated as of the close of the 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

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

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Antwerp	\$36,944,645	\$37,448,001	\$38,170,815	\$39,960,348	\$39,234,097
Theresa	79,029,034	84,279,752	87,561,550	90,021,505	92,857,009
LeRay	136,136,118	180,275,093	211,601,378	229,576,420	236,608,061
Philadelphia	40,192,623	41,714,582	41,037,991	87,959,039 ⁽¹⁾	86,777,909
Pamelia	12,737,402	13,140,819	13,198,884	13,561,833	13,695,599
Alexandria	342,934	351,403	679,710 ⁽¹⁾	683,676	688,838
Orleans	66,144	95,007	96,110	99,759	104,553
Rossie	1,429,477	1,446,444	1,602,143	689,471	1,790,997
Total Assessed Valuation	\$306,878,377	\$358,751,101	\$393,948,581	\$463,552,051	\$471,757,063

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Antwerp	95.00%	80.00%	64.00%	55.00%	47.00%
Theresa	86.00	74.00	62.00	57.00	53.50
LeRay	100.00	100.00	100.00	100.00	100.00
Philadelphia	80.00	65.00	60.00	100.00 ⁽¹⁾	100.00
Pamela	92.00	74.00	64.50	60.00	58.50
Alexandria	66.00	58.00	100.00 ⁽¹⁾	95.00	93.00
Orleans	68.00	100.00	100.00	100.00	100.00
Rossie	100.00	90.00	100.00	100.00	87.00
Taxable Full Valuation	\$333,051,569	\$425,218,829	\$503,709,584	\$573,235,046	\$606,742,412

⁽¹⁾ Significant change from previous year due to revaluation of assessments.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$2,060,980	\$2,218,045	\$2,643,502	\$2,827,870	\$2,952,312
% Uncollected When Due ⁽¹⁾	5.3%	6.04%	5.68%	6.05%	6.84%

⁽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 2010-11 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>
2004-05	\$33,180,326	\$46,585,394	71.2%
2005-06	34,351,924	43,956,177	78.2
2006-07	36,179,989	47,159,022	76.7
2007-08	38,640,566	51,682,977	74.8
2008-09	41,268,082	59,363,011	69.5
2009-10 (Estimated)	42,535,918	58,232,868	73.0
2010-11 (Budgeted)	43,171,440	54,900,952	78.6

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$468,423	\$1,589,538
2007-2008	412,395	1,747,337
2008-2009	405,472	1,751,712
2009-2010 (Estimated)	467,098	1,160,307
2010-2011 (Budgeted)	643,726	1,758,089

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" ("OPEB") in accordance with GASB 45. As of June 30, 2009 the actuarial present value of the total projected benefits for the District's 179 retirees was \$78,290,393. The actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$44,797,006. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$44,797,006. The District's annual OPEB cost was \$5,258,571 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$720,117 to the Plan for the fiscal year ending June 30, 2009 resulting in a year-end Net OPEB obligation of \$4,538,454. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 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 \$6,384,332 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$2,956,842 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 2010-11 budget was approved by voters on May 18, 2010.

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⁾
2009-2010	\$2,738,390	\$ --	\$2,738,390
2010-2011	3,156,690	3,254,663	6,411,353
2011-2012	3,160,978	3,257,344	6,418,322
2012-2013	3,163,953	3,251,994	6,415,947
2013-2014	3,168,528	3,253,494	6,422,022
2014-2015	3,161,509	3,259,744	6,421,253
2015-2016	3,170,153	3,260,069	6,430,222
2016-2017	3,164,253	3,251,594	6,415,847
2017-2018	2,652,871	3,256,094	5,908,965
2018-2019	2,654,444	3,252,794	5,907,238
2019-2020	1,996,825	3,257,044	5,253,869
2020-2021	1,997,538	3,255,294	5,252,832
2021-2022	1,997,738	3,252,544	5,250,282
2022-2023	1,415,138	3,258,544	4,673,682
2023-2024	1,421,306	3,252,544	4,673,850
2024-2025	--	2,378,744	2,378,744
2025-2026	--	278,594	278,594
2026-2027	--	278,750	278,750
2027-2028	--	278,469	278,469
2028-2029	--	277,750	277,750
2029-2030	--	276,594	276,594
TOTAL	<u>\$39,020,314</u>	<u>\$49,342,661</u>	<u>\$88,362,975</u>

⁽¹⁾ Totals may not add due to rounding.

**APPENDIX C-11
DESCRIPTION OF
JOHNSON CITY CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-11 a brief description of the Johnson City 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 located in Upstate New York in the geographical region known as the Southern Tier. It is approximately 5 miles west of the City of Binghamton, and is part of the metropolitan area of that City. The District has a land area of approximately 25 square miles. The Village of Johnson City is located within the District, which encompasses 4.5 square miles.

Population

The current estimated population of the District is 27,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Broome County	Government	2,400
Binghamton University	Education	1,973
United Health Services	Health Care	1,450
Lourdes Hospital	Health Care	1,400
New York State Electric & Gas	Utility	1,250

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
NGE	Electric Generator	\$92,653,434
New York State Electric & Gas	Utility	84,801,863
Oakdale Mall	Shopping Mall	68,095,312
United Health Services	Hospital	19,123,081
Levin Properties	Real Estate	16,324,826

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 30.7% 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 Broome County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Broome County	4.9%	4.7%	4.5%	5.7%	8.2%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>	Projected <u>2012-13</u>
K-12	2,610	2,564	2,586	2,624	2,538	2,533	2,526	2,553

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>
280	Johnson City Teachers' Association	June 30, 2009 ⁽¹⁾
312	Johnson City Employees' Association	June 30, 2009 ⁽¹⁾
13	Johnson City Administrators' Association	June 30, 2009 ⁽¹⁾
7	Johnson City Confidential Employees' Association	June 30, 2009 ⁽¹⁾

⁽¹⁾ Currently under negotiations.

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 10, 2010⁽¹⁾

Full Valuation of Taxable Real Property	\$1,095,323,412
Debt Limit (10% of Full Valuation)	109,532,341
Gross Indebtedness ⁽²⁾	\$ 50,266,667
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$ 50,266,667
Net Debt Contracting Margin	\$ 59,265,674
Percentage of Debt Contracting Power Exhausted	45.89%

⁽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 \$9,510,000 School District Bonds to the Authority in connection with the refunding of \$10,035,025 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 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 2008 fiscal year 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:					
Broome	\$159,821,626	\$20,898,591	\$138,923,035	9.43%	\$13,100,442
Towns of:					
Union	6,818,708	1,113,708	5,705,000	29.79	1,699,520
Maine	155,100	0	155,100	13.87	21,512
Chenango	13,768,600	9,519,500	4,249,100	4.88	207,356
Dickinson	1,310,000	1,310,000		1.02	0
Village of:					
Johnson City	27,493,200	18,202,000	9,291,200	100.00	<u>9,291,200</u>
				Total	<u>\$24,320,030</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$50,266,667	\$1,861.73	4.58%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	74,586,697	2,762.47	6.80

(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 27,000.

(3) Based on the District's full value of taxable real estate for 2009-10 of \$1,095,323,412.

(4) The District expects to deliver \$9,510,000 School District Bonds to the Authority in connection with the refunding of \$10,035,025 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 2008 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>
2005-2006	\$4,500,000	RAN	8/11/05	10/11/05
2006-2007	3,700,000	RAN	7/13/06	10/17/06
2007-2008	3,500,000	RAN	7/13/07	9/28/07
2008-2009	3,500,000	RAN	7/30/08	1/30/09
2009-2010	3,500,000	RAN	8/28/09	6/30/10
2010-2011 ⁽¹⁾	3,500,000	RAN	8/20/10	6/30/11

⁽¹⁾ Represents anticipated borrowing.

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

Capital Project Plans

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

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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 on September 2nd and may be paid without penalties until October 1st. There is a 2% penalty if not paid between October 2 and November 1st. After November 1st unpaid taxes are then returned to the County and added to the County tax rolls as a relieved school tax unless paid to the County by December 31st.

The District is reimbursed by the County for all unpaid taxes in April of each year and is thus assured of 100% of its annual levy.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State Equalization Rates, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Union	\$41,215,458	\$41,464,133	\$41,682,680	\$41,772,792	\$41,798,555
Chenango	23,584,912	23,620,133	24,460,232	24,523,880	24,613,891
Dickinson	36,288,490	36,722,744	36,658,563	36,542,770	36,531,238
Maine	21,436,528	21,101,190	21,339,481	21,288,086	21,256,010
Total Assessed Valuation	\$122,525,388	\$122,908,200	\$124,140,956	\$124,127,528	\$124,199,694

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Union	6.25%	5.94%	5.62%	4.64%	4.31%
Chenango	92.00	83.76	88.00	75.50	69.75
Dickinson	95.00	95.00	90.00	70.00	67.00
Maine	82.16	79.74	73.05	62.47	59.53
Taxable Full Valuation	\$753,577,234	\$787,102,097	\$834,326,025	\$1,019,038,902	\$1,095,323,412

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$19,516,700	\$20,090,669	\$20,521,939	\$20,663,392	\$21,142,755
% Uncollected When Due ⁽¹⁾	4.75%	4.95%	5.01%	4.56%	4.98%

⁽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 2010-11 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>
2004-05	\$18,893,516	\$39,274,280	48.11%
2005-06	17,944,014	38,677,418	46.39
2006-07	18,230,468	40,422,606	45.10
2007-08	20,446,552	42,401,258	48.22
2008-09	22,463,435	44,574,946	50.39
2009-10 (Estimated)	21,803,272	43,747,552	49.84
2010-11 (Budgeted)	21,407,652	45,230,693	47.33

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$397,820	\$1,113,204
2007-2008	436,140	1,322,868
2009-2010 (Estimated)	555,345	964,908
2010-2011 (Budgeted)	839,070	1,350,733

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

GASB 45 and OPEB

The District contracted with an actuarial firm 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 \$79,572,687 at June 30, 2009. The District's annual required contribution ("ARC") is \$8,146,300, of which \$5,965,436 is paid annually to over 104 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has reserved \$0 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 \$1,419,972 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$1,773,847 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 2010-11 budget was rejected by voters on May 18, 2010. The Board of Education has not determined whether, pursuant to the provisions of the Education Law, the District will hold a second referendum on the budget or

exercise its option to adopt by resolution a contingency (also known as austerity) budget for the ensuing fiscal year. Such contingency budget would provide for ordinary contingent expenses, including debt service.

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>
2009-2010	\$3,147,494	\$ --	\$3,147,494
2010-2011	3,150,375	695,081	3,845,456
2011-2012	3,149,188	796,656	3,945,844
2012-2013	3,149,250	796,706	3,945,956
2013-2014	3,146,300	798,856	3,945,156
2014-2015	2,965,200	800,856	3,766,056
2015-2016	2,968,363	796,581	3,764,944
2016-2017	2,355,163	800,619	3,155,781
2017-2018	2,354,700	797,869	3,152,569
2018-2019	2,351,900	731,819	3,083,719
2019-2020	2,351,763	735,319	3,087,081
2020-2021	2,354,075	732,569	3,086,644
2021-2022	2,353,625	733,819	3,087,444
2022-2023	2,350,413	733,819	3,084,231
2023-2024	2,354,438	732,569	3,087,006
2024-2025	2,353,094	735,819	3,088,913
2025-2026	2,343,469	734,719	3,078,188
2026-2027	2,370,781	733,250	3,104,031
2027-2028	2,343,281	735,688	3,078,969
2028-2029	2,353,656	731,813	3,085,469
2029-2030	--	401,844	401,844
TOTAL	<u>\$52,266,528</u>	<u>\$14,756,271</u>	<u>\$67,022,795</u>

⁽¹⁾ Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX C-12
DESCRIPTION OF
LANSINGBURGH CENTRAL SCHOOL DISTRICT AT TROY**

There follows in this Appendix C-12 a brief description of the Lansingburgh Central School District at Troy (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 the northern portion of the City of Troy and in the Towns of Brunswick, Schaghticoke and Pittstown, Rensselaer County. The District covers approximately 13 square miles.

Population

The current estimated population of the District is 19,500

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Lansingburgh Central School District	Public Education	405
Standard Manufacturing, Inc.	Manufacturer – Sportswear	100
Hannaford	Supermarket	60
Price Chopper	Supermarket	60
Advanced Auto Parts	Auto Supply	40

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$18,114,360
Troy Retirement Residence	Retirement Residence	6,202,300
Verizon New York, Inc.	Utility	4,419,379
Highgate Manor Group	Nursing Home	4,190,476
Buchman Realty Association	Supermarket	4,101,900

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 4.1% 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 Rensselaer County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Rensselaer County	4.2%	4.2%	4.3%	5.1%	7.4%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>	Projected <u>2012-13</u>
K-12	2,572	2,563	2,573	2,600	2,680	2,633	2,622	2,623

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>
222	Lansingburgh Teachers' Association	June 30, 2009 ⁽¹⁾
49	Lansingburgh CSD Teaching Assistants	June 30, 2009 ⁽¹⁾
47	Civil Service Employees' Association	June 30, 2010 ⁽¹⁾
10	Lansingburgh Administrative Association	June 30, 2011

⁽¹⁾ Currently under negotiation.

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 10, 2010⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Rates
Five Year Average Full Valuation of Taxable Real Property	\$723,523,862	\$914,766,769
Debt Limit (5% of full valuation) ⁽²⁾	36,176,193	45,738,338
<u>Inclusions</u>		
Bonds.....	\$18,605,000	\$18,605,000
Bond Anticipation Notes	<u>9,405,479</u>	<u>9,405,479</u>
Total Inclusions ⁽³⁾	\$28,010,479	\$28,010,479
<u>Exclusions</u>		
Appropriations.....	<u>\$1,440,000</u>	<u>\$1,440,000</u>
Total Exclusions	\$1,440,000	\$1,440,000
Total Net Indebtedness	\$26,570,479	\$26,570,479
Net Debt Contracting Margin	\$9,605,714	\$9,605,714
Percentage of Debt Contracting Power Exhausted	73.45%	58.09%

- (1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$11,045,000 School District Bonds to the Authority in connection with the refunding of \$9,405,479 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.
- (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 2008 fiscal year 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:					
Rensselaer	\$165,083,463	\$36,282,450	\$128,801,013	13.52%	\$17,413,897
City of:					
Troy	67,147,241	59,547,241	7,600,000	48.94	3,719,440
Towns of:					
Brunswick	2,483,866	2,185,000	289,866	20.09	58,234
Schaghticoke	4,885,272	3,916,027	969,245	55.40	536,962
Pittstown	62,824	0	62,827	0.01	6
				Total	<u>\$21,728,539</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$28,010,479	\$1,436.43	2.53%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	49,739,018	2,550.72	4.49

(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 19,500.

(3) Based on the District's full value of taxable real estate for 2009-2010 of \$1,108,764,142.

(4) The District expects to deliver \$11,045,000 School District Bonds to the Authority in connection with the refunding of \$9,405,479 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.

(5) Net Overlapping Indebtedness calculated as of the close of the 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

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

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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

Property taxes are due September 1. If paid by September 30, no penalty is imposed. There is a 2% penalty if paid by the end of October. In November, a list of all unpaid taxes is given to the County Treasurer for relevy on County/Town tax rolls with an additional 7% penalty. The District is reimbursed by the County for all unpaid taxes in April of each year and is thus assured of 100% collection of its annual levy.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State Equalization Rates, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of:					
Troy	\$69,347,980	\$69,632,830	\$70,254,486	\$70,733,018	\$71,334,728
Towns of:					
Brunswick	28,657,892	29,296,770	30,108,603	30,407,612	30,534,102
Schaghticoke	40,389,281	40,742,110	41,599,213	42,150,867	42,178,054
Pittstown	10,400	10,400	10,400	10,400	10,400
Total Assessed Valuation	\$138,405,553	\$139,682,110	\$141,972,702	\$143,301,897	\$144,057,284
	State Equalization Rates Years Ending June 30,				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of:					
Troy	20.00%	17.50%	16.00%	13.50%	13.22%
Towns of:					
Brunswick	34.10	28.75	26.00	24.30	24.20
Schaghticoke	31.50	28.25	24.50	22.00	23.00
Pittstown	82.00	70.00	62.50	60.00	61.50
Taxable Full Valuation	\$559,013,262	\$644,038,410	\$724,702,203	\$840,694,671	\$849,170,764

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of:					
Troy	15.27%	12.90%	12.60%	11.20%	9.97%
Towns of:					
Brunswick	24.81	23.32	23.27	21.17	19.34
Schaghticoke	23.54	20.99	21.96	19.82	17.92
Pittstown	59.02	57.21	58.77	53.61	49.04
Taxable Full Valuation	\$741,249,548	\$859,539,410	\$876,412,801	\$987,867,943	\$1,108,764,142

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$12,065,937	\$12,358,456	\$12,585,090	\$12,723,525	\$12,959,885
% Uncollected When Due ⁽¹⁾	9.4%	9.9%	11.2%	11.4%	9.4%

⁽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 2010-11 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>
2004-05	\$15,084,272	\$27,535,613	54.8%
2005-06	16,066,548	28,996,749	55.4
2006-07	17,409,127	30,653,137	56.8
2007-08	20,280,286	33,820,592	60.0
2008-09	23,485,761	37,327,914	62.9
2009-10 (Estimated)	24,135,772	38,160,241	63.2
2010-11 (Budgeted)	23,067,493	38,784,854	59.5

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$185,869	\$1,426,860
2007-2008	167,163	1,149,449
2008-2009	203,500	1,350,359
2009-2010 (Estimated)	225,308	1,319,349
2010-2011 (Budgeted)	301,353	1,292,385

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" ("OPEB") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$24,164,274 at July 1, 2008. The District's annual required contribution ("ARC") is \$2,338,583 of which \$1,613,450 is paid annually to over 124 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has reserved \$0 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 \$754,257 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$1,526,409 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 2010-11 budget was approved by voters on May 18, 2010.

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⁾
2009-2010	\$ 2,159,363	\$ --	\$ 2,159,363
2010-2011	2,153,357	1,108,135	3,261,492
2011-2012	2,153,076	1,105,981	3,259,057
2012-2013	2,160,032	1,106,181	3,266,213
2013-2014	2,160,263	1,106,681	3,266,944
2014-2015	2,166,900	1,112,081	3,278,981
2015-2016	2,164,128	1,110,256	3,274,384
2016-2017	2,172,600	1,110,400	3,283,000
2017-2018	1,461,075	1,107,900	2,568,975
2018-2019	1,023,400	1,108,150	2,131,550
2019-2020	1,019,200	1,112,150	2,131,350
2020-2021	1,023,800	1,103,900	2,127,700
2021-2022	1,021,800	1,103,900	2,125,700
2022-2023	608,400	1,106,650	1,715,050
2023-2024	--	1,111,900	1,111,900
2024-2025	--	250,800	250,800
TOTAL	<u>\$23,447,394</u>	<u>\$15,765,065</u>	<u>\$39,212,459</u>

⁽¹⁾ Totals may not add due to rounding.

**APPENDIX C-13
DESCRIPTION OF
MOHAWK CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-13 a brief description of the Mohawk 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 central New York State, in the southern part of Herkimer County. The City of Utica is located approximately twelve miles to the west and the City of Little Falls is approximately two miles to the east. The District encompasses approximately ninety square miles. The District includes various portions of the Towns of German Flatts, Columbia, Little Falls and Litchfield. The character of the District is primarily residential and agricultural in nature.

Population

The current estimated population of the District is 5,485.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Remington Arms	Manufacturing – Rifles	970
Herkimer County	County Government	750
Wal-Mart	Super Center – Retail Grocery	460
Little Falls Hospital	Hospital	415
Burrows Paper	Manufacturing – Paper Products	320

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$8,011,148
Dominion Telecom Inc.	Utility	4,099,388
Verizon New York Inc.	Utility	1,751,421
Mohawk Housing LP	Apartments	1,008,315
Herkimer CC, Apts	Restaurant/Retail	893,348

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 9.6% 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 Herkimer County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>
Herkimer County	5.3%	5.1%	5.0%	6.0%	8.0%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	979	967	968	956	902	915	925	935

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>
89	Mohawk Teachers' Association	June 30, 2010 ⁽¹⁾
760	Mohawk Employees' Union	June 30, 2011
4	School Administration Association	June 30, 2010 ⁽¹⁾
5	No Representation	N/A

⁽¹⁾ Currently under negotiations.

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 10, 2010⁽¹⁾

Full Valuation of Taxable Real Property	\$ 201,060,618
Debt Limit (10% of Full Valuation)	20,160,062
Gross Indebtedness ⁽²⁾	\$ 16,869,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$ 16,869,000
Net Debt Contracting Margin	\$ 3,237,062
Percentage of Debt Contracting Power Exhausted	83.9%

(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 \$8,995,000 School District Bonds to the Authority in connection with the refunding of \$9,820,000 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 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 2008 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Total Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Herkimer	\$8,365,000	\$ 0	\$8,365,000	4.92%	\$411,588
Towns of:					
German Flatts	906,000	906,000	0	39.83	0
Columbia	28,000	0	28,000	51.06	14,297
Little Falls	0	0	0	10.08	0
Litchfield	0	0	0	0.26	0
Village of:					
Mohawk	1,442,473	813,472	629,001	100.00	<u>629,001</u>
				Total	\$1,054,886

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 10, 2010.

**Debt Ratios
As of May 10, 2010⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$16,869,000	\$3,075.48	8.39%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	17,923,886	3,267.80	8.91

- (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 5,485.
- (3) Based on the District’s full value of taxable real estate for 2009-2010 of \$201,060,618.
- (4) The District expects to deliver \$8,995,000 School District Bonds to the Authority in connection with the refunding of \$9,820,000 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 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

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

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 Electronic Municipal Market Access system maintained by Municipal Securities Rulemaking Board 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

Property taxes for the District are levied by the County and are collected by the town tax receivers. Such taxes are due and payable on September 1, but may be paid without penalty by September 30. Penalties on unpaid taxes are 2% from October 1 through November 1.

On or about November 1, the tax receiver files a report of any uncollected school taxes with the County for collection. The County thereafter on or before April 30 pays to the District the amount of its uncollected taxes plus the appropriate penalty. Thus, the District receives its full levy prior to the end of its 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
German Flatts	\$115,613,295	\$116,359,412	\$116,752,959	\$117,607,067	\$ 118,226,763
Columbia	26,198,557	27,628,293	28,165,681	28,204,934	28,556,612
Little Falls	5,072,172	4,944,817	5,037,139	5,117,889	5,102,067
Litchfield	149,000	153,600	153,600	170,800	169,442
Total Assessed Valuation	\$147,033,024	\$149,086,122	\$150,109,379	\$151,100,693	\$152,054,884

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
German Flatts	90.00%	85.30%	76.87%	74.40%	72.76%
Columbia	100.00	100.00	93.00	95.00	95.00
Little Falls	86.13	82.60	69.94	69.40	61.22
Litchfield	100.00	100.00	93.00	95.00	95.00
Taxable Full Valuation	\$160,695,746	\$170,180,326	\$189,536,572	\$195,317,691	\$201,060,618

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$3,211,743	\$3,308,510	\$3,358,966	\$3,469,036	\$3,564,235
% Uncollected When Due ⁽¹⁾	14.5%	14.3%	13.1%	13.0%	14.6%

⁽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 2010-11 fiscal year.

<u>Fiscal Year</u>	State Aid		Percentage of Total Revenues Consisting of State Aid⁽¹⁾
	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	
2004-05	\$7,556,217	\$10,901,344	69.31%
2005-06	7,885,949	11,495,043	68.60
2006-07	8,360,472	11,964,802	69.88
2007-08	8,786,247	12,422,682	70.73
2008-09	9,340,386	13,129,266	71.14
2009-10 (Estimated)	9,934,281	13,789,348	72.04
2010-11 (Budgeted)	10,157,263	14,123,533	71.92

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$99,965	\$251,708
2007-2008	91,250	416,497
2008-2009	103,044	430,282
2009-2010 (Actual)	89,921	385,703
2010-2011 (Budgeted)	163,309	440,396

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" ("OPEB") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$25,802,243 at July 1, 2008. The District's annual required contribution ("ARC") is \$2,587,866, of which \$687,111 is paid annually to over 83 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has reserved \$0 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 \$47,488 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$466,891 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 2010-11 budget was approved by voters on May 18, 2010.

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⁾
2009-2010	\$1,196,950	\$ --	\$1,196,950
2010-2011	1,196,295	891,425	2,087,720
2011-2012	1,193,390	890,794	2,084,184
2012-2013	1,141,375	891,044	2,032,419
2013-2014	1,134,137	887,494	2,021,631
2014-2015	1,132,175	889,044	2,021,219
2015-2016	68,512	888,944	957,456
2016-2017	70,350	891,400	961,750
2017-2018	66,900	891,650	958,550
2018-2019	63,450	889,000	952,450
2019-2020	--	891,500	891,500
2020-2021	--	887,250	887,250
2021-2022	--	886,500	886,500
2022-2023	--	889,000	889,000
2023-2024	--	889,500	889,500
TOTAL	<u>\$7,263,534</u>	<u>\$12,454,545</u>	<u>\$19,718,079</u>

⁽¹⁾ Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX C-14
DESCRIPTION OF
NORTH SYRACUSE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-14 a brief description of the North Syracuse 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 located in Central Upstate New York, north of the City of Syracuse and contains portions of the Towns of Cicero, Clay, and Salina. Its land area is approximately 62 square miles. Major highways accessible to the District include Interstate Highways #81, the primary North-South route extending from Canada to Tennessee, #481 and I#90 (the New York State Thruway). The Syracuse Hancock International Airport is adjacent to the District.

Population

The current estimated population of the District is 65,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
SUNY Health Science Center at Syracuse	Education, Health Care	6,717
Syracuse University	Education	6,504
Wegmans Food Markets	Food Industry	4,100
St. Joseph's Hospital Health Center	Health Care	3,046
Crouse Irving Memorial Hospital	Health Care	2,700

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid Co.	Utility	\$88,318,790
Verizon	Utility	31,968,108
RLB Development (Driver's Village)	Commercial	21,083,367
Widewaters	Commercial	14,200,490
Lowe's	Retail	13,265,306

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 6.7% 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 Onondaga County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Onondaga County	4.5%	4.4%	4.1%	5.1%	7.6%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment Trends

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	9,962	10,035	9,833	9,592	9,483	9,290	9,161	9,014

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>
18	Association of Middle Managers	June 30, 2011
57	Food Service Workers	June 30, 2010 ⁽¹⁾
126	Bus Drivers - Teamsters	June 30, 2010 ⁽¹⁾
12	School Bus Engineers' Association	June 30, 2011
63	Office Personnel	June 30, 2010 ⁽¹⁾
121	Custodial - Maintenance Unit	June 30, 2011
21	N. S. Association of Principals	June 30, 2011
9	Academic Directors' Association	June 30, 2011
53	Teachers' Aide Unit	June 30, 2012
193	Teaching Assistants	June 30, 2011
808	North Syracuse Education Association	June 30, 2011

⁽¹⁾ Currently under negotiations.

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 10, 2010⁽¹⁾**

Full Valuation of Taxable Real Property	\$3,347,839,290
Debt Limit (10% of Full Valuation)	334,783,929
Gross Indebtedness ⁽²⁾	\$ 85,500,300
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$ 85,500,300
Net Debt Contracting Margin	\$ 249,283,629
Percentage of Debt Contracting Power Exhausted	25.54%

⁽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 \$4,625,000 School District Bonds to the Authority in connection with the refunding of \$4,554,300 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 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 2008 fiscal year 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:					
Onondaga	\$313,246,130	\$167,577,230	\$145,668,900	11.29%	\$16,446,019
Towns of:					
Cicero	4,471,045	1,468,603	3,002,442	90.00	2,702,198
Clay	6,657,000	1,309,570	5,347,430	38.42	2,054,483
Salina	15,501,000	0	15,501,000	26.50	4,107,765
Village of:					
North Syracuse	1,276,713	1,206,713	70,000	100.00	<u>70,000</u>
				Total	<u>\$25,380,465</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$85,500,300	\$1,315.39	2.55%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	110,880,765	1,705.86	3.31

(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 65,000

(3) Based on the District's full value of taxable real estate for 2009-2010 of \$3,347,839,290.

(4) The District expects to deliver \$4,625,000 School District Bonds to the Authority in connection with the refunding of \$4,554,300 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 2008 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	\$5,000,000	RAN	6/23/05	6/23/06
2005-2006	5,000,000	RAN	6/23/06	6/22/07
2006-2007	5,000,000	RAN	6/19/07	6/19/08
2007-2008	6,000,000	RAN	6/19/08	6/19/09
2008-2009	6,000,000	RAN	6/18/09	6/18/10

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

Capital Project Plans

On March 18, 2009 the voters authorized a Capital Project in the amount of \$16,905,076 for the reconstruction/renovation of the Smith Road Elementary School. The District anticipates issuing \$7 million bond anticipation notes in July 2010 as the first borrowing for the project.

In addition to the issuance of School District Bonds, on May 18, 2010, the voters of the District approved the issuance of \$1,179,859.62 of general obligation bonds to finance the costs of the acquisition of school buses. Other than such indebtedness and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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 5% penalty is charged for the next 30 days. On or about November 1st, uncollected taxes are returnable to the County for collection. The District receives this amount from the County prior to the end of the District’s fiscal year, thereby assuming 100% tax collection annually. Tax sales are held annually by the County.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State Equalization Rates, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Cicero	\$76,681,151	\$80,133,828	\$82,142,312	\$84,409,204	\$84,809,968
Clay	51,470,461	52,471,071	53,363,486	53,976,673	54,547,633
Salina	302,951,643	326,575,204	349,968,164	362,735,921	354,346,927
Total Assessed Valuation	\$431,103,255	\$459,180,103	\$485,473,962	\$501,128,798	\$493,704,528

	State Equalization Rates Years Ending June 30,				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Cicero	5.70%	5.20%	5.10%	4.90%	4.90%
Clay	5.00	4.64	4.45	4.36	4.32
Salina	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$2,677,644,214	\$2,998,452,405	\$3,159,781,193	\$3,323,369,824	\$3,347,839,290

Total District Property Tax Collections Years Ending June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Tax Levy ⁽¹⁾	\$42,833,220	\$45,611,898	\$62,830,697	\$65,464,815	\$67,083,584
Uncollected	2,445,765	2,752,958	3,355,544	3,290,114	3,353,932
% Uncollected When Due ⁽²⁾	5.7%	6.0%	5.3%	5.0%	6.1%

⁽¹⁾ Gross tax levy prior to adjustments (tax roll additions, shortages, cancellations and refunds).

⁽²⁾ See "Real 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 2010-11 fiscal year.

<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⁾
2004-05	\$49,292,295	\$106,470,634	46.3%
2005-06	49,454,935	110,677,572	44.7
2006-07	53,024,085	119,793,383	44.3
2007-08	58,332,329	127,957,014	45.6
2008-09	63,469,852	135,324,764	46.9
2009-10 (Estimated)	64,941,216	137,096,697	47.4
2010-11 (Budgeted)	57,874,752	135,467,060	42.7

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$1,619,109	\$4,709,960
2008-2009	1,220,846	4,178,191
2009-2010 (Estimated)	1,191,402	3,567,881
2010-2011 (Budgeted)	1,829,007	4,446,506

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

GASB 45 and OPEB

The District contracted with Questar BOCES 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 \$192,707,100 at June 30, 2009. The District's annual required contribution ("ARC") is \$18,936,356. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has reserved \$0 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 \$623,467 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$4,085,489 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 2010-11 budget was approved by voters on May 18, 2010.

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</u> ⁽²⁾	<u>Total Debt Service</u> ⁽²⁾
2009-2010	\$7,796,649	\$ --	\$7,796,649
2010-2011	7,779,584	338,057	8,117,641
2011-2012	7,794,278	341,056	8,135,334
2012-2013	7,805,794	337,556	8,143,350
2013-2014	8,141,836	339,056	8,480,893
2014-2015	8,140,726	340,456	8,481,183
2015-2016	7,958,701	335,831	8,294,533
2016-2017	6,664,300	335,281	6,999,581
2017-2018	8,677,656	339,581	9,017,238
2018-2019	8,240,325	338,081	8,578,406
2019-2020	5,713,188	336,163	6,049,350
2020-2021	5,179,375	338,813	5,518,188
2021-2022	4,052,250	335,838	4,388,088
2022-2023	4,052,750	337,400	4,390,150
2023-2024	1,979,250	338,588	2,317,838
2024-2025	--	333,788	333,788
2025-2026	--	178,788	178,788
2026-2027	--	179,325	179,325
2027-2028	--	179,650	179,650
2028-2029	--	179,763	179,763
2029-2030	--	179,663	179,663
2030-2031	--	179,350	179,350
2031-2032	--	178,240	178,240
2032-2033	--	181,895	181,895
2033-2034	--	180,080	180,080
2034-2035	--	178,030	178,030
2035-2036	--	180,745	180,745
2036-2037	--	177,990	177,990
TOTAL	<u>\$99,976,662</u>	<u>\$7,219,064</u>	<u>\$107,195,729</u>

⁽¹⁾ Schedule does not include payments due under a energy performance contract outstanding in the amount of \$3,538,037.

⁽²⁾ Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX C-15
DESCRIPTION OF
NORWOOD-NORFOLK CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-15 a brief description of the Norwood-Norfolk 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, with an approximate land area of 82 square miles, is located in Upstate New York in the County of St. Lawrence in the western sector of the Adirondack Mountains. The District is bisected by U.S. Route #56 and is adjacent to the Village of Potsdam. The Town of Massena is approximately 15 miles to the north of N.Y.S. Route #37 and the City of Ogdensburg is approximately 20 miles to the west.

Population

The current estimated population of the District is 9,500.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
ALCOA	Manufacturing	1,425
St. Lawrence County	Government	968
United Helpers Organization	Health Care	850
Potsdam College	Education	829
St. Lawrence University	Education	807

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Erie Boulevard Hydropower Corporation	Utility	\$18,445,274
National Grid	Utility	9,744,732
CSX Transportation	Commercial	6,674,013
St. Lawrence Gas	Utility	2,694,983
Verizon	Utility	2,615,163

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 18.9% 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 St. Lawrence County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
St. Lawrence County	6.1%	5.9%	5.9%	7.0%	9.8%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	1,127	1,120	1,057	1,025	1,040	1,031	1,030	1,025

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	NYSUT	June 30, 2011
69	CSEA	June 30, 2011
4	Administration 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 10, 2010⁽¹⁾

Full Valuation of Taxable Real Property	\$ 236,940,906
Debt Limit (10% of Full Valuation)	23,694,090
Gross Indebtedness ⁽²⁾	\$ 15,667,834
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness.....	\$ 15,667,834
Net Debt Contracting Margin	\$ 8,026,256
Percentage of Debt Contracting Power Exhausted	66.12%

⁽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 \$5,445,000 School District Bonds to the Authority in connection with the refunding of \$7,396,645 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 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 2008 fiscal year 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:					
St. Lawrence	\$30,750,000	\$ 0	\$30,750,000	1.87%	\$ 575,025
Towns of:					
Louisville	7,996,753	7,996,753		0.27	0
Madrid	527,100	406,500	120,600	9.91	11,951
Norfolk	1,562,773	0	1,562,773	84.85	1,326,013
Potsdam	274,474	0	274,474	17.48	47,978
Stockholm	45,000	45,000		10.56	0
Village of:					
Norwood	1,328,298	1,328,298		100.00	0
				Total	<u>\$1,960,967</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$15,667,834	\$1,649.25	6.61%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	17,628,801	1,855.66	7.44

(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 9,500.

(3) Based on the District's full value of taxable real estate for 2009-10 of \$236,940,906.

(4) The District expects to deliver \$5,445,000 School District Bonds to the Authority in connection with the refunding of \$7,396,645 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 2008 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>
2005-2006	\$1,000,000	RAN	6/23/05	9/30/05
2006-2007	1,000,000	RAN	6/15/06	9/15/06
2007-2008	1,500,000	RAN	6/15/07	9/28/07
2008-2009	2,700,000	RAN	6/26/08	6/26/09
2009-2010	1,000,000	RAN	6/25/09	6/25/10

The District has no plans to issue any Revenue Anticipation Notes in the 2010-11 fiscal year. The District, historically, does not issue Tax Anticipation Notes.

Capital Project Plans

On May 18, 2010, the voters of the District approved the issuance of \$205,000 of general obligation bonds to finance the costs of the acquisition of school buses. Other than such indebtedness and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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 15th, uncollected taxes are returnable to the County of St. Lawrence for collection. The District receives this amount from said County prior to the end of the District’s fiscal year, thereby assuring 100% tax collection annually.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State Equalization Rates, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Louisville	\$293,699	\$294,879	\$297,217	\$296,433	\$293,524
Madrid	5,865,565	5,879,268	5,981,484	5,987,980	7,844,267
Norfolk	8,842,689	107,041,038 ⁽¹⁾	107,511,238	107,227,218	107,212,056
Potsdam	63,728,813	64,897,038	68,221,820	81,488,515	82,443,793
Stockholm	9,270,348	9,478,694	10,497,447	10,815,565	10,932,421
Total Assessed Valuation	\$88,001,114	\$187,590,917	\$192,509,206	\$205,815,711	\$208,726,061

State Equalization Rates
Years Ending June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Louisville	100.00%	100.00%	100.00%	90.59%	90.00%
Madrid	100.00	94.00	92.00	84.00	100.00
Norfolk	9.00	100.00 ⁽¹⁾	95.00	94.00	81.00
Potsdam	100.00	100.00	94.00	100.00	98.00
Stockholm	100.00	95.00	100.00	93.50	89.00
Taxable Full Valuation	\$169,017,668	\$177,410,525	\$188,465,068	\$203,042,406	\$236,940,906

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

Total District Property Tax Collections
Years Ending June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$4,271,894	\$4,598,841	\$5,276,414	\$5,517,781	\$5,541,198
% Uncollected When Due ⁽¹⁾	0.0%	0.0%	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 2010-11 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>
2004-05	\$10,077,605	\$14,514,240	69.43%
2005-06	10,349,486	14,923,659	69.35
2006-07	11,019,513	15,937,033	69.14
2007-08	11,846,278	17,412,834	68.03
2008-09	12,849,024	18,727,690	68.61
2009-10 (Estimated)	13,314,574	19,007,572	70.05
2010-11 (Budgeted)	13,137,787	18,913,231	69.46

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$203,650	\$422,219
2007-2008	142,127	478,853
2008-2009	138,934	472,361
2009-2010 (Estimated)	171,148	462,118
2010-2011 (Budgeted)	241,779	486,969

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

GASB 45 and OPEB

The District contracted with Armory Associates, LLC to assist in the determination of the costs and liabilities associated with the District's "other post-employment benefits" ("OPEB") plan (the "Plan"). This analysis has been completed in accordance with GASB Statement No. 45; Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pensions.

As of June 30, 2009 the actuarial present value of the total projected benefits for the District's 167 active employees and 126 retirees was \$81,753,352. The actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$54,703,370. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$54,703,370. The District's annual OPEB cost was \$5,242,095 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and was expected to have paid \$1,507,729 to the Plan for the fiscal year ending June 30, 2009 resulting in a year-end Net OPEB obligation of \$3,734,366. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Recent Operating Results

The District's revenues exceeded its expenditures by \$1,940,872 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$2,555,199 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 2010-11 budget was approved by voters on May 18, 2010.

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</u> ⁽¹⁾	<u>Total Debt Service</u> ⁽¹⁾
2009-2010	\$1,678,852	\$ --	\$1,678,852
2010-2011	1,677,047	538,837	2,215,884
2011-2012	1,610,988	536,750	2,147,738
2012-2013	1,595,563	539,900	2,135,463
2013-2014	1,556,300	540,600	2,096,900
2014-2015	435,694	536,300	971,994
2015-2016	437,594	536,225	973,819
2016-2017	433,989	539,650	973,639
2017-2018	--	536,650	536,650
2018-2019	--	540,100	540,100
2019-2020	--	540,350	540,350
2020-2021	--	539,600	539,600
2021-2022	--	537,850	537,850
2022-2023	--	540,100	540,100
2023-2024	--	541,100	541,100
2024-2025	--	<u>266,500</u>	<u>266,500</u>
TOTAL	<u>\$9,426,027</u>	<u>\$7,810,512</u>	<u>\$17,236,539</u>

⁽¹⁾ Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX C-16
DESCRIPTION OF
OAKFIELD-ALABAMA CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-16 a brief description of the Oakfield-Alabama 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 Oakfield-Alabama Central School District, founded in 1892, is located in the Towns of Oakfield, Alabama, Batavia, Pembroke and Elba in Genesee County, and the Town of Barre in Orleans County. The District covers approximately 72 square miles.

Population

The current estimated population of the District is 5,149.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Six Flags Darien Lake	Recreation	2,000 ⁽¹⁾
Genesee County Government	Government	750
United Memorial Medical Center	Hospital	706
Genesee Valley BOCES	Education	540
WROTB Corporation	Off-Track Betting (Racino)	450

⁽¹⁾ Includes 84 full-time employees, with remaining employees seasonal.

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
OA Realty	Farming	\$8,670,956
US Gypsum	Manufacturer	3,339,531
National Grid	Utility	3,044,646
Call Farms	Farming	1,800,137
Verizon	Utility	1,709,225

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 12% of the tax base of the District.

Note: National Fuel Gas Company's wholly owned subsidiary Empire Pipeline Inc. has placed its Empire Connector pipeline in service. The 78 mile natural gas pipeline beginning in Victor, New York and terminating in Corning, New York includes a natural gas compressor station located within the District at 3261 Lockport Road, Oakfield. As of the 2009-2010 tax year, the pipeline has signed a 10 year PILOT agreement with the County. The District's estimated share per year of the PILOT is approximately \$500,000. Full taxes are currently being paid on the land which is assessed at \$72,600, and once the PILOT has expired, the assessment is expected to be approximately \$29 million.

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 Genesee and Orleans Counties. The data set forth below with respect to the Counties and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Genesee County	4.9%	4.7%	4.6%	5.5%	7.6%
Orleans County	5.7	5.8	5.9	6.9	9.3
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>	Projected <u>2012-13</u>
K-12	1,066	1,045	990	998	961	913	884	870

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>
102	Oakfield-Alabama Teachers' Association	June 30, 2012
76	Non-Teaching (PERB)	June 30, 2010 ⁽¹⁾
5	Administrators' Association	June 30, 2012
1	Business Administrator	June 30, 2010 ⁽¹⁾
1	Superintendent	June 30, 2012
1	Individual	June 30, 2010 ⁽¹⁾

⁽¹⁾ Currently under negotiations.

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 10, 2010⁽¹⁾

Full Valuation of Taxable Real Property	\$ 204,323,834
Debt Limit (10% of Full Valuation)	20,432,383
Gross Indebtedness ⁽²⁾	\$ 10,470,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$ 10,470,000
Net Debt Contracting Margin	\$ 9,962,383
Percentage of Debt Contracting Power Exhausted	51.24%

(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 \$5,045,000 School District Bonds to the Authority in connection with the refunding of \$5,735,000 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 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 2008 fiscal year 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:					
Genesee	\$18,455,000	\$ 0	\$18,455,000	8.63%	\$1,592,667
Orleans	16,405,000	1,950,000	14,455,000	0.15	21,683
Towns of:					
Alabama	10,457	0	10,457	89.28	9,336
Batavia	2,084,600	1,984,600	100,000	7.22	7,220
Elba	16,000	0	16,000	0.84	134
Oakfield	301,699	194,955	106,744	96.27	102,762
Pembroke	2,810,300	2,810,300		0.43	0
Barre	905,500	905,500		3.22	0
Village of:					
Oakfield	2,434,000	2,290,000	144,000	100.00	144,000
				Total	<u>\$1,877,802</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 10, 2010.

**Debt Ratios
As of May 10, 2010⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$10,470,000	\$2,033.40	5.12%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	12,347,802	2,398.10	6.04

- (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 5,149.
- (3) Based on the District’s full value of taxable real estate for 2009-10 of \$204,323,834.
- (4) The District expects to deliver \$5,045,000 School District Bonds to the Authority in connection with the refunding of \$5,735,000 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 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

On May 18, 2010, the voters of the District approved the issuance of \$210,000 of general obligation bonds to finance the costs of the acquisition of school buses. Other than such indebtedness and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Alabama	\$63,765,229	\$63,089,120	\$63,887,357	\$70,271,703	\$70,693,373
Batavia	20,279,054	20,394,644	21,813,483	22,214,289	22,596,573
Elba	816,110	834,102	758,459	792,822	817,816
Oakfield	95,548,330	95,515,729	95,588,476	104,802,411	106,661,520
Pembroke	821,810	816,283	819,011	980,101	1,018,908
Barre	2,053,553	2,032,788	2,411,390	2,430,622	2,535,644
Total Assessed Valuation	\$183,284,086	\$182,682,666	\$185,278,176	\$201,491,948	\$204,323,834

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Alabama	100.00%	100.00%	95.00%	100.00%	100.00%
Batavia	100.00	100.00	100.00	100.00	100.00
Elba	100.00	100.00	100.00	100.00	100.00
Oakfield	100.00	96.00	90.00	100.00	100.00
Pembroke	100.00	100.00	90.00	100.00	100.00
Barre	91.00	88.00	100.00	95.00	100.00
Taxable Full Valuation	\$183,493,485	\$186,939,686	\$199,352,261	\$201,619,875	\$204,323,834

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$4,275,437	\$4,426,975	\$4,426,975	\$4,545,605	\$4,632,127
% Uncollected When Due ⁽¹⁾	4.79%	4.55%	4.29%	3.99%	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 2010-11 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⁾
2004-05	\$8,883,449	\$13,304,005	66.8%
2005-06	9,284,747	14,036,522	66.1
2006-07	9,137,827	13,961,621	65.4
2007-08	10,296,461	15,118,284	68.1
2008-09	11,098,902	16,200,678	68.5
2009-10 (Estimated)	11,069,899	16,419,526	67.4
2010-11 (Budgeted)	10,736,809	17,466,106	61.47

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$138,240	\$524,745
2007-2008	153,575	520,581
2008-2009	139,579	528,259
2009-2010 (Estimated)	163,000	475,000
2010-2011 (Budgeted)	242,366	627,000

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 \$18,622,698 at June 30, 2009. The District's annual required contribution ("ARC") is \$1,139,655, of which \$256,724 is paid annually to over 152 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has reserved \$0 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 \$818,975 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$948,173 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 2010-11 budget was approved by voters on May 18, 2010.

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>
2009-2010	\$ 858,649	\$ --	\$ 858,649
2010-2011	1,150,907	499,413	1,650,320
2011-2012	1,146,786	498,331	1,645,117
2012-2013	356,199	497,281	853,480
2013-2014	300,730	499,181	799,911
2014-2015	257,139	500,981	758,120
2015-2016	219,763	496,806	716,569
2016-2017	218,473	501,450	719,923
2017-2018	216,998	499,700	716,698
2018-2019	220,338	499,200	719,538
2019-2020	218,308	500,950	719,258
2020-2021	215,995	496,700	712,695
2021-2022	218,295	496,700	714,995
2022-2023	--	500,700	500,700
2023-2024	--	498,450	498,450
2024-2025	--	250,800	250,800
TOTAL	<u>\$5,598,580</u>	<u>\$7,236,643</u>	<u>\$12,835,223</u>

⁽¹⁾ Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX C-17
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF ONEONTA**

There follows in this Appendix C-17 a brief description of the City School District of the City of Oneonta (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 includes all of the City and Town of Oneonta and portions of the Towns of Davenport, Laurens, Maryland and Milford. The District has a land area of approximately 61.9 square miles.

Population

The current estimated population of the District is 19,369.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Bassett Healthcare	Teaching Hospital	2,808 ⁽¹⁾
SUNY College at Oneonta	Public College	1,181 ⁽¹⁾
New York Central Mutual Fire Insurance Company	Insurance	1,000
A.O. Fox Hospital	Community Hospital	1,000
County of Otsego	Manufacturing	850

⁽¹⁾ Includes locations outside County.

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric & Gas	Utility	\$23,313,542 ⁽¹⁾
Bettiol Enterprises	Real Estate/Retail	11,846,600
Route 23 Associates	Shopping Mall	8,693,750
C Bears LP (WalMart)	Discount Store	8,500,000
LONY LLC (Lowe's)	Retail	8,281,000

⁽¹⁾ Filed petition to lower tax assessment by \$12,126,025. The outcome has not been determined at this time; however the maximum potential tax refund would be \$332,108.

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 12.2% 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 Otsego County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Otsego County	4.6%	4.5%	4.6%	5.6%	7.5%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	2,119	2,096	1,994	1,942	1,836	1,817	1,800	1,783

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>
276	Oneonta Teachers' Association	June 30, 2011
31	Civil Service Employees' Association	June 30, 2011
18	Oneonta City Schools' Clerical Association	June 30, 2011
7	Oneonta Principals' Association	June 30, 2012
2	Oneonta Instructional Teacher Aides' Unit	June 30, 2011

Note: An additional 23 full-time employees do not have union affiliation.

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 10, 2010⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Rates
Five-Year Average Full Valuation of Taxable Real Property.....	\$943,293,560	\$1,242,224,978
Debt Limit (5% of full valuation) ⁽²⁾	47,164,678	62,111,249
<u>Inclusions</u>		
Bonds.....	\$15,022,681	\$15,022,681
Bond Anticipation Notes	<u>13,613,109</u>	<u>13,613,109</u>
Total Inclusions ⁽³⁾	\$28,635,790	\$28,635,790
<u>Exclusions</u>		
Bonds Previously Refunded	\$ 0	\$ 0
Appropriations.....	<u>1,201,934</u>	<u>1,201,934</u>
Total Exclusions	\$1,201,934	\$1,201,934
Total Net Indebtedness	\$27,433,856	\$27,433,856
Net Debt Contracting Margin	\$34,677,383	\$34,677,383
Percentage of Debt Contracting Power Exhausted	58.17%	55.83%

(1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$11,710,000 School District Bonds to the Authority in connection with the refunding of \$13,220,000 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 2008 fiscal year 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:					
Otsego	\$24,128,516	\$350,182	\$23,778,334	23.36%	\$5,554,619
Delaware	26,020,000	0	26,020,000	0.09	23,418
City of:					
Oneonta	7,525,270	3,206,000	4,319,270	100.00	4,319,270
Towns of:					
Davenport	1,698,710	134,964	1,563,746	22.32	349,028
Laurens	0	0	0	4.42	0
Maryland	0	0	0	0.01	0
Milford	287,442	0	287,442	23.47	67,463
Oneonta	734,500	734,500	0	99.30	0
				Total	<u>\$10,313,798</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$27,433,856	\$1,416.38	2.39%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	37,747,654	1,948.87	3.29

(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 19,369.

(3) Based on the District's full value of taxable real estate for 2009-10 of \$1,145,637,244.

(4) The District expects to deliver \$11,710,000 School District Bonds to the Authority in connection with the refunding of \$13,220,000 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 2008 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	\$4,850,000	RAN	6/28/05	6/28/06
2005-2006	4,400,000	RAN	6/27/06	6/27/07
2006-2007	2,500,000	RAN	6/27/07	6/27/08
2007-2008	4,500,000	RAN	6/24/08	6/24/09
2008-2009	2,000,000	RAN	6/24/09	6/24/10

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

Capital Project Plans

On May 18, 2010, the voters of the District approved the issuance of \$199,295 of general obligation bonds to finance the costs of the acquisition of school buses. Other than such indebtedness and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of:					
Oneonta	\$314,829,214	\$316,083,192	\$315,749,402	\$318,443,176	\$319,088,676
Towns of:					
Davenport	29,084,865	29,087,390	33,241,379	33,511,950	33,720,808
Laurens	4,577,649	4,416,249	6,196,045	6,182,080	6,190,238
Maryland	10,400	700 ⁽¹⁾	700	700	700
Milford	29,564,862	29,451,016	29,478,569	29,133,076	29,346,034
Oneonta	253,429,912	259,212,848	261,334,902	268,930,906	278,083,578
Total Assessed Valuation	\$631,496,902	\$638,251,395	\$646,000,997	\$656,201,888	\$666,430,034

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Oneonta	100.00%	82.32%	67.16%	63.04%	60.87%
City of:					
Davenport	88.00	85.00	77.00	69.60	70.12
Laurens	100.00	90.00	100.00	97.50	97.50
Maryland	89.25	82.00	75.00	100.00 ⁽¹⁾	100.00
Milford	75.14	64.00	56.71	57.00	51.31
Oneonta	79.13	85.00	61.85	61.23	54.55
Taxable Full Valuation	\$712,086,198	\$814,731,491	\$994,038,045	\$1,049,974,823	\$1,145,637,244

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

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$12,138,462	\$12,777,820	\$13,561,558	\$14,406,287	\$15,152,610
% Uncollected When Due ⁽¹⁾	8.4%	7.3%	10.0%	10.4%	9.1%

⁽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 2010-11 fiscal year.

<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⁾
2004-05	\$10,590,598	\$26,028,314	40.7%
2005-06	11,765,710	28,429,117	41.4
2006-07	12,274,143	29,847,783	41.1
2007-08	13,556,295	31,735,049	42.7
2008-09	14,236,819	33,004,985	43.1
2009-10 (Estimated)	15,221,207	34,273,043	44.4
2010-11 (Budgeted)	14,130,529	33,780,976	41.8

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$212,672	\$1,183,251
2007-2008	198,195	1,181,704
2008-2009	188,000	1,060,455
2009-2010 (Estimated)	205,192	1,024,174
2010-2011 (Budgeted)	205,192	1,024,174

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

GASB 45 and OPEB

The District contracted with EBS-RMSCO 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 \$4,290,375 at June 30, 2009. The District's annual required contribution ("ARC") is \$5,836,013, of which \$1,545,638 is paid annually to over 177 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has reserved \$0 toward its OPEB liability. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Recent Operating Results

The District's expenditures exceeded its revenues by \$122,621 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$682,595 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 2010-11 budget was approved by voters on May 18, 2010.

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⁾
2009-2010	\$1,822,396	\$ --	\$1,822,396
2010-2011	2,032,967	1,189,727	3,222,694
2011-2012	1,963,091	1,186,913	3,150,004
2012-2013	1,663,301	1,190,063	2,853,364
2013-2014	1,538,064	1,187,963	2,726,027
2014-2015	1,532,454	1,190,863	2,723,317
2015-2016	1,514,138	1,186,488	2,700,626
2016-2017	1,514,541	1,188,950	2,703,491
2017-2018	1,512,919	1,188,450	2,701,369
2018-2019	1,473,947	1,190,750	2,664,697
2019-2020	1,441,413	1,186,250	2,627,663
2020-2021	215,888	1,189,750	1,405,638
2021-2022	105,000	1,190,750	1,295,750
2022-2023	101,750	1,189,250	1,291,000
2023-2024	103,500	1,190,250	1,293,750
2024-2025	105,000	--	105,000
2025-2026	101,250	--	101,250
2026-2027	102,500	--	102,500
2027-2028	103,500	--	103,500
2028-2029	104,250	--	104,250
2029-2030	104,750	--	104,750
2030-2031	<u>105,000</u>	<u>--</u>	<u>105,000</u>
TOTAL	<u>\$19,261,619</u>	<u>\$16,646,417</u>	<u>\$35,908,036</u>

⁽¹⁾ Totals may not add due to rounding.

**APPENDIX C-18
DESCRIPTION OF
OPPENHEIM-EPHRATAH CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-18 a brief description of the Oppenheim-Ephratah 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 located in Upstate New York, approximately 10 miles north of the New York State Thruway (I #90) and midway between the Cities of Utica and Amsterdam. It is approximately 10 miles northeast of the City of Little Falls and 5 miles east of the Village of Dolgeville. It is also approximately 10 miles west of the Cities of Gloversville and Johnstown.

Population

The current estimated population of the District is 2,250.

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
Wal-Mart Distribution Center	Retail	636
Frontier	Phone Co.	481
Taylor Made Custom Products	Manufacturing	400

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$10,923,894
Erie Boulevard Hydropower	Utility	4,721,493
State Land	State	2,264,049
City of Johnstown Water Works	Water	1,984,384
MCI	Water	1,163,433

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 10% 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 and Herkimer Counties. The data set forth below with respect to the Counties and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Fulton County	5.6%	5.4%	5.5%	6.7%	9.6%
Herkimer County	5.3	5.1	5.0	6.0	8.0
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	432	410	395	413	381	390	385	375

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	Oppenheim-Ephratah Teachers Association	June 30, 2010 ⁽¹⁾
30	Non-Instructional Bargaining Unit	June 30, 2011

⁽¹⁾ Currently under negotiations.

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 10, 2010⁽¹⁾

Full Valuation of Taxable Real Property	\$ 147,745,807
Debt Limit (10% of Full Valuation)	14,774,580
Gross Indebtedness ⁽²⁾	\$ 9,089,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$ 9,089,000
Net Debt Contracting Margin	\$ 5,685,580
Percentage of Debt Contracting Power Exhausted	61.51%

(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 \$5,150,000 School District Bonds to the Authority in connection with the refunding of \$5,964,000 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 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 2008 fiscal year 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:					
Fulton	\$3,474,275	\$0	\$3,474,275	5.5%	\$191,085
Herkimer	9,110,000	0	9,110,000	0.4	36,440
Towns of:					
Oppenheim	45,000	45,000	0	95.4	0
Ephratah	20,400	20,400	0	51.8	0
Stratford	0	0	0	1.0	0
Johnstown	183,664	0	183,664	2.4	4,408
Manheim	533,250	0	533,250	7.9	42,127
				Total	<u>\$274,060</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 10, 2010.

**Debt Ratios
As of May 10, 2010⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$9,089,000	\$4,039.56	6.15%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	9,363,060	4,161.36	6.33

- (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 2,250.
- (3) Based on the District’s full value of taxable real estate for 2009-2010 of \$147,745,807.
- (4) The District expects to deliver \$5,150,000 School District Bonds to the Authority in connection with the refunding of \$5,964,000 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 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

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

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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 45 days. On or about November 15th, uncollected taxes are returnable to the respective Counties for collection. The District receives this amount of uncollected taxes from said Counties prior to the end of the District’s fiscal year, thereby assuring 100% tax collection annually.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State Equalization Rates, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Ephratah	\$26,272,762	\$26,793,282	\$26,249,719	\$26,816,849	\$31,448,141
Johnstown	6,202,982	5,553,308	5,503,724	5,806,899	5,833,749
Oppenheim	47,230,202	48,167,567	49,374,443	49,964,454	47,670,669
Stratford	540,901	529,589	518,979	508,299	503,479
Manheim	6,657,182	6,634,660	6,629,649	6,562,098	6,572,705
Total Assessed Valuation	\$86,904,029	\$87,678,406	\$88,276,514	\$89,658,599	\$92,028,743

	State Equalization Rates Years Ending June 30,				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Ephratah	81.47%	73.33%	63.07%	62.75%	73.33%
Johnstown	93.23	84.00	74.00	73.00	73.00
Oppenheim	72.87	66.58	59.77	54.92	55.29
Stratford	100.00	82.60	78.17	71.04	60.00
Manheim	90.00	85.00	80.00	70.00	97.00
Taxable Full Valuation	\$96,666,030	\$111,653,906	\$123,917,257	\$151,757,399	\$147,745,807

	Total District Property Tax Collections Years Ending June 30,				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$2,226,950	\$2,282,624	\$2,323,000	\$2,360,954	\$2,395,502
% Uncollected When Due ⁽¹⁾	7.8%	8.7%	8.2%	9.3%	10.6%

⁽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 2010-11 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⁾
2004-05	\$4,400,188	\$6,687,353	65.80%
2005-06	4,578,223	6,949,410	65.88
2006-07	4,777,612	7,244,397	65.95
2007-08	4,736,256	7,268,575	65.16
2008-09	5,544,252	8,095,912	68.48
2009-10 (Estimated)	5,426,755	7,880,757	68.86
2010-11 (Budgeted)	5,555,538	8,496,581	65.39

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$73,614	\$216,956
2007-2008	83,513	226,635
2008-2009	60,972	227,318
2009-2010 (Estimated)	62,155	202,689
2010-2011 (Budgeted)	90,500	300,000

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" ("OPEB") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$9,948,032 at June 30, 2009. The District's annual required contribution ("ARC") is \$681,375, of which \$539,880 is paid annually to over 84 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has reserved \$200,000 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 \$1,026,247 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$3,788,415 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 2010-11 budget was approved by voters on May 18, 2010.

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⁾
2009-2010	\$ 504,958	\$ --	\$ 504,958
2010-2011	501,795	521,589	1,023,384
2011-2012	498,001	523,425	1,021,426
2012-2013	504,464	521,575	1,026,039
2013-2014	505,808	522,525	1,028,333
2014-2015	226,314	523,425	749,739
2015-2016	229,901	523,325	753,226
2016-2017	228,151	521,750	749,901
2017-2018	226,181	524,000	750,181
2018-2019	133,831	522,350	656,181
2019-2020	24,456	522,850	547,306
2020-2021	28,706	522,350	551,056
2021-2022	27,769	525,850	553,619
2022-2023	26,800	523,100	549,900
2023-2024	<u>20,800</u>	<u>524,350</u>	<u>545,150</u>
TOTAL	<u>\$3,687,935</u>	<u>\$7,322,464</u>	<u>\$11,010,399</u>

(1) Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX C-19
DESCRIPTION OF
OTEGO-UNADILLA CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-19 a brief description of the Otego-Unadilla 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 located in upstate New York in the Counties of Otsego and Delaware. The District’s physical facilities are located in and around the Villages of Otego and Unadilla, lying southwest of the City of Oneonta and northeast of the City of Binghamton. The District, with an approximate land area of 140 square miles, is composed predominantly of rural towns with many District residents commuting to nearby Oneonta and Binghamton for employment.

Population

The current estimated population of the District is 7,023.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Bassett Healthcare	Teaching Hospital	2,808 ⁽¹⁾
SUNY College at Oneonta	Public College	1,181 ⁽¹⁾
New York Central Mutual Fire Insurance Company	Insurance	1,000
A.O. Fox Hospital	Community Hospital	1,000
County of Otsego	Manufacturing	850

⁽¹⁾ Includes locations outside County

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
NYS Electric & Gas Corporation	Utility	\$2,434,406
Debra L Greene	Residential	1,603,000
Fiederer, Patricia	Real Estate	1,444,200
Bettiol Enterprises LTD	Commercial	1,027,000
Milfer Farm Inc.	Farm	855,700

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 3.1% 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 Otsego and Delaware Counties. The data set forth below with respect to the Counties and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Otsego County	4.6%	4.5%	4.6%	5.6%	7.5%
Delaware County	4.5	4.4	4.4	5.9	8.5
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	1,178	1,178	1,176	1,147	1,076	1,155	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>
9	Otego-Unadilla CSD Nurse-Clerical Association	June 30, 2010 ⁽¹⁾
131	Otego-Unadilla CSD Teachers' Association	June 30, 2010 ⁽¹⁾
6	Otego-Unadilla CSD Administrators' Association	June 30, 2009 ⁽¹⁾
41	Otego-Unadilla CSD Non-Teachers' Association	June 30, 2009 ⁽¹⁾
39	Otego-Unadilla CSD Aides Association	June 30, 2011

⁽¹⁾ Currently under negotiations.

Note: There are also 9 employees not covered under any contract.

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 10, 2010⁽¹⁾**

Full Valuation of Taxable Real Property	\$ 397,217,038
Debt Limit (10% of Full Valuation)	39,421,704
Gross Indebtedness ⁽²⁾	\$ 26,640,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$ 26,640,000
Net Debt Contracting Margin	\$ 12,781,704
Percentage of Debt Contracting Power Exhausted	67.57%

(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 \$13,955,000 School District Bonds to the Authority in connection with the refunding of \$12,515,000 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 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 2008 fiscal year 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:					
Otsego	\$24,128,516	\$350,182	\$23,778,334	9.31%	\$2,213,763
Delaware	26,020,000	0	26,020,000	0.49	127,498
Towns of:					
Butternuts	185,757	0	185,757	1.74	3,232
Laurens	0	0	0	0.49	0
Oneonta	734,500	734,500	0	0.70	0
Otego	0	0	0	99.24	0
Unadilla	342,261	0	342,261	71.32	244,100
Franklin	2,500,000	2,500,000	0	0.07	0
Sidney	3,275,000	0	3,275,000	10.70	350,425
Village of:					
Otego	126,162	0	126,162	100.00	126,162
Unadilla	700,000	195,000	505,000	100.00	505,000
Fire Districts (Estimated)					
Otego	90,616	0	90,616	100.00	90,616
Wells Bridge	0	0	0	100.00	0
				Total	<u>\$3,660,796</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$26,640,000	\$3,793.25	6.71%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	30,300,796	4,314.51	7.63

(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 7,023

(3) Based on the District's full value of taxable real estate for 2009-10 of \$397,217,038.

(4) The District expects to deliver \$13,955,000 School District Bonds to the Authority in connection with the refunding of \$12,515,000 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.

(5) Net Overlapping Indebtedness calculated as of the close of the 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

On May 18, 2010, the voters of the District approved the issuance of \$260,000 of general obligation bonds to finance the costs of the acquisition of school buses. Other than such indebtedness and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Butternuts	\$1,247,230	\$1,278,730	\$1,271,370	\$1,334,460	\$1,346,270
Laurens	552,342	551,493	655,801	687,191	683,251
Oneonta	1,878,365	1,945,498	1,866,701	1,887,421	1,848,323
Otego	104,748,471	107,242,137	108,510,406	110,648,823	198,553,687
Unadilla	88,630,108	89,805,961	90,495,655	91,297,367	91,260,113
Franklin	114,000	114,000	114,000	114,000	114,000
Sidney	24,977,762	25,194,916	25,283,981	25,530,996	25,876,437
Total Assessed Valuation	\$222,148,278	\$226,132,735	\$228,193,414	\$231,500,258	\$319,682,081

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Butternuts	87.00%	73.00%	67.00%	67.00%	57.00%
Laurens	100.00	90.00	100.00	97.50	97.50
Oneonta	79.13	75.00	61.85	61.23	54.55
Otego	88.02	76.00	67.00	62.00	100.00
Unadilla	77.00	66.00	62.00	58.19	58.19
Franklin	100.00	98.00	87.00	79.00	77.00
Sidney	100.00	95.00	85.00	85.00	73.12
Taxable Full Valuation	\$263,560,819	\$308,773,456	\$343,358,039	\$371,320,952	\$397,217,038

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$5,012,222	\$3,849,876	\$4,129,468	\$4,375,673	\$6,286,810
% Uncollected When Due ⁽¹⁾	11.5%	16.3%	15.8%	15.8%	12.0%

⁽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 2010-11 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>
2004-05	\$10,598,545	\$15,981,468	66.3%
2005-06	9,680,125	15,534,906	62.3
2006-07	10,164,430	16,255,892	62.5
2007-08	11,254,969	17,628,837	63.8
2008-09	11,855,431	18,524,451	70.0
2009-10 (Estimated)	12,466,911	19,054,221	65.4
2010-11 (Budgeted)	13,421,139	20,783,087	64.6

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$625,053	\$113,349
2007-2008	569,463	125,609
2008-2009	618,000	163,520
2009-2010 (Estimated)	630,811	160,000
2010-2011 (Budgeted)	630,811	160,000

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" ("OPEB") in accordance with GASB 45. The District anticipates the report to be completed on or about May 31, 2010. The liability and ARC will be recognized and disclosed in accordance with GASB 45 standards in the District's 2010 financial statements. The District has reserved \$0 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 \$241,204 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$859,110 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 2010-11 budget was approved by voters on May 18, 2010.

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>
2009-2010	\$1,613,381	\$ --	\$1,613,381
2010-2011	1,609,006	982,610	2,591,616
2011-2012	1,607,856	1,387,794	2,995,650
2012-2013	1,599,731	1,387,644	2,987,375
2013-2014	1,620,256	1,386,744	3,007,000
2014-2015	1,611,256	1,385,794	2,997,050
2015-2016	1,626,694	1,387,469	3,014,163
2016-2017	1,178,494	1,390,300	2,568,794
2017-2018	1,181,094	1,389,800	2,570,894
2018-2019	892,094	1,387,450	2,279,544
2019-2020	887,188	1,387,700	2,274,888
2020-2021	906,250	1,385,450	2,291,700
2021-2022	897,250	1,385,700	2,282,950
2022-2023	912,188	1,388,200	2,300,388
2023-2024	--	1,357,700	1,357,700
2024-2025	--	<u>1,332,350</u>	<u>1,332,350</u>
TOTAL	<u>\$18,142,738</u>	<u>\$20,322,705</u>	<u>\$38,465,443</u>

⁽¹⁾ Totals may not add due to rounding.

**APPENDIX C-20
DESCRIPTION OF
PANAMA CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-20 a brief description of the Panama 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 began in 1895 as a union free school district. In 1939 the District consolidated to form the District.

The District is located in the Towns of Harmony, North Harmony, Busti and Sherman. Geographically, the District is located in the southwestern section of Chautauqua County, which is the westernmost county in New York State.

Population

The current estimated population of the District is 3,699.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Cummins Engine	Manufacturing	1,100
Panama Central School District	Public Education	110
Collier Farms	Meat Processing	110
BOCES Hewes Center	Education	80
Caflisch Trucking & Construction, Inc.	Construction	50

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Cummins Engine	Manufacturer	\$7,747,100
State of New York	Forest Land	6,580,420
National Grid	Utility	4,605,875
Fritz, William	Private	1,684,000
National Fuel Gas	Utility	1,601,506

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 16.1% 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 Chautauqua County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Chautauqua County	4.9%	4.6%	4.5%	5.5%	8.3%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	689	689	642	607	620	615	605	600

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>
62	Panama Faculty Association	June 30, 2011
39	Panama School – Related Personnel Association	June 30, 2012
9	Panama Administrators' Association	June 30, 2010 ⁽¹⁾

⁽¹⁾ Currently under negotiations.

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 10, 2010⁽¹⁾

Full Valuation of Taxable Real Property	\$ 185,239,814
Debt Limit (10% of Full Valuation)	18,523,981
Gross Indebtedness ⁽²⁾	\$ 21,814,737
Less: Exclusions – Estimated Building Aid ⁽³⁾	9,316,985
Total Net Indebtedness	\$ 12,497,752
Net Debt Contracting Margin	\$ 6,026,229
Percentage of Debt Contracting Power Exhausted	67.47%

(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 \$6,040,000 School District Bonds to the Authority in connection with the refunding of \$6,680,000 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 2008 fiscal year 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:					
Chautauqua	\$57,181,565	\$2,097,565	\$55,084,000	2.47%	\$1,360,575
Towns of:					
Busti	2,508,577	2,508,577	0	3.68	0
Harmony	0	0	0	93.57	0
North Harmony	397,841	94,408	303,433	30.47	92,456
Sherman	0	0	0	1.34	0
Village of:					
Panama	0	0	0	100.00	0
				Total	<u>\$1,453,031</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 10, 2010.

**Debt Ratios
As of May 10, 2010⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$12,497,752	\$3,378.68	6.75%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	13,950,783	3,771.50	7.53

- (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 3,699.
- (3) Based on the District’s full value of taxable real estate for 2009-10 of \$185,239,814.
- (4) The District expects to deliver \$6,040,000 School District Bonds to the Authority in connection with the refunding of \$6,680,000 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 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

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

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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

District taxes are payable to the School Tax Collector from September 6 to October 6 without penalty. Payments received from October 7 through November 8 carry a penalty of 2%. Unpaid taxes are returned to the County Treasurer after November 8, to whom payments may be made until November 22. Taxes which remain unpaid after that date are added to the following year’s town/county tax bills with an additional 7% penalty.

The County reimburses the District for all unpaid taxes on April of the year following the year of levy, and the District is thus assured of 100% collection of its annual levy.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State Equalization Rates, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Busti	\$20,837,737	\$20,912,613	\$22,482,311	\$22,574,806	\$24,547,586
Harmony	67,892,039	67,206,297	68,019,156	76,282,850	78,539,659
North Harmony	52,621,907	60,252,091	60,979,800	61,339,430	77,748,616
Sherman	1,050,246	1,077,666	1,090,524	1,088,818	1,370,951
Total Assessed Valuation	\$142,401,929	\$149,448,667	\$152,571,791	\$161,285,904	\$182,206,812

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Busti	95.00%	85.50%	100.00%	100.00%	100.00%
Harmony	100.00	95.00	93.00	100.00	99.00
North Harmony	100.00	100.00	100.00	89.50	100.00
Sherman	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$143,498,652	\$156,532,424	\$157,691,512	\$168,482,150	\$185,239,814

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$2,654,825	\$2,997,121	\$3,295,900	\$3,388,698	\$3,357,340
% Uncollected When Due ⁽¹⁾	12.02%	11.24%	10.67%	11.01%	11.62%

⁽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 2010-11 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⁾
2004-05	\$6,445,501	\$9,201,335	70.05%
2005-06	6,738,545	9,726,857	69.28
2006-07	7,320,454	10,622,594	68.91
2007-08	7,578,714	11,098,065	68.29
2008-09	8,006,280	11,619,058	68.91
2009-10 (Estimated)	8,001,355	11,473,010	69.74
2010-11 (Budgeted)	8,188,079	11,772,566	69.55

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$103,819	\$410,820
2007-2008	127,250	453,944
2008-2009	82,333	395,981
2009-2010 (Estimated)	76,000	390,000
2010-2011 (Budgeted)	139,000	401,000

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

GASB 45 and OPEB

The District contracted with First Niagara 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 \$534,897 at June 30, 2009. The District's annual required contribution ("ARC") is \$37,072, of which \$27,800 is paid annually to six employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has not reserved any funds 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 \$876,846 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$2,889,333 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 2010-11 budget was approved by voters on May 18, 2010.

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>
2009-2010	\$1,295,078	\$ --	\$1,295,078
2010-2011	1,358,155	413,585	1,771,740
2011-2012	1,335,048	602,406	1,937,454
2012-2013	1,284,138	599,306	1,883,444
2013-2014	1,292,870	598,856	1,891,726
2014-2015	1,254,691	598,356	1,853,047
2015-2016	1,234,851	601,881	1,836,732
2016-2017	1,233,289	598,600	1,831,889
2017-2018	1,239,689	599,100	1,838,789
2018-2019	1,238,133	600,900	1,839,033
2019-2020	248,833	599,400	848,233
2020-2021	244,518	601,900	846,418
2021-2022	--	598,150	598,150
2022-2023	--	598,400	598,400
2023-2024	--	597,400	597,400
2024-2025	--	<u>600,900</u>	<u>600,900</u>
TOTAL	<u>\$13,259,293</u>	<u>\$8,809,140</u>	<u>\$22,068,433</u>

⁽¹⁾ Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX C-21
DESCRIPTION OF
PHOENIX CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-21 a brief description of the Phoenix 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 a land area of approximately 70 square miles and centers around the incorporated Village of Phoenix. The District is located in upstate New York approximately 10 miles southeast of the City of Fulton and 15 miles northwest of the City of Syracuse. The District includes nearly all of the Town of Schroepel, and smaller portions of the Towns of Palermo, Granby, Volney and Hastings in Oswego County and smaller portions of the Towns of Clay and Lysander in Onondaga County.

Population

The current estimated population of the District is 12,551.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Phoenix CSD	Education	530
ORC Plastics	Plastic Manufacturer	50
B-Q Distributors Service Inc.	Commercial	39
Sharon Fox Chevrolet	Commercial	32
Town of Schroepel	Government Services	30

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$35,636,099
Copeland Properties Eight, L.P.	Warehouse - OI	6,471,587
Empire Pipe Line	Transmission Line	5,831,612
Dominion	Gas Transmission Line	5,226,006
Owens-Brockway Glass Container	Manufacturing	3,077,367

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 11.4% 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 Onondaga and Oswego Counties. The data set forth below with respect to the Counties and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Onondaga County	4.5%	4.4%	4.1%	5.3%	4.4%
Oswego County	6.3	5.9	5.7	7.1	5.9
New York State	5.0	4.6	4.5	5.4	4.6

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>	Projected <u>2012-13</u>
K-12	2,298	2,255	2,270	2,248	2,208	2,194	2,204	2,169

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>
285	NYSUT Teachers' Association	June 30, 2012
101	Phoenix Central CSEA	June 30, 2010 ⁽¹⁾
16	NYSUT Clerical Association	June 30, 2010 ⁽¹⁾
15	Phoenix Central School Administrators	June 30, 2010 ⁽¹⁾

⁽¹⁾ Currently under negotiations.

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 10, 2010⁽¹⁾

Full Valuation of Taxable Real Property	\$ 587,716,976
Debt Limit (10% of Full Valuation)	58,771,698
Gross Indebtedness ⁽²⁾	\$ 50,954,225
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$ 50,954,225
Net Debt Contracting Margin	\$ 7,817,473
Percentage of Debt Contracting Power Exhausted	86.70%

(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 \$23,485,000 School District Bonds to the Authority in connection with the refunding of \$23,275,019 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 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 2008 fiscal year 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:					
Oswego	\$ 4,300,000	\$ 0	\$ 4,300,000	4.31%	\$ 185,330
Onondaga	313,246,130	167,577,230	145,668,900	0.39	568,109
Towns of:					
Granby	8,230,076	83,141	8,146,935	20.10	1,637,534
Hastings	0	0	0	0.02	0
Palermo	0	0	0	24.34	0
Schroepfel	1,131,623	834,623	297,000	100.00	297,000
Volney	6,339,040	6,014,040	325,000	3.37	10,953
Clay	6,657,000	1,309,570	5,347,430	1.38	73,794
Lysander	4,376,510	2,187,910	2,188,600	5.38	117,747
Village of:					
Phoenix	1,890,222	1,775,222	115,000	100.00	115,000
				Total	<u>\$3,005,467</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$50,954,225	\$4,059.77	8.67%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	53,959,692	4,299.23	9.18

(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 12,551.

(3) Based on the District's full value of taxable real estate for 2009-10 of \$587,716,976.

(4) The District expects to deliver \$23,485,000 School District Bonds to the Authority in connection with the refunding of \$23,275,019 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 2008 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>
2005-2006	\$1,500,000	RAN	9/15/05	6/30/06
2006-2007	2,000,000	RAN	6/30/06	6/29/07
2007-2008	2,000,000	RAN	6/28/07	6/27/08
2008-2009	2,500,000	RAN	6/20/08	10/20/08
2009-2010	2,500,000	RAN	6/29/09	10/23/09

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

Capital Project Plans

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

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Granby	\$40,678,638	\$41,082,554	\$44,214,593	\$46,392,775	\$46,562,413
Hastings	145,467	146,336	145,399	154,480	155,525
Palermo	27,122,242	27,495,178	28,454,560	29,912,557	30,960,335
Schroepfel	305,131,160	307,876,920	308,371,997	311,085,306	308,365,241
Volney	17,237,520	17,809,200	16,882,457	19,451,775	19,458,712
Clay	1,740,881	1,770,232	1,817,799	1,822,995	1,833,858
Lysander	61,214,141	68,156,283	76,307,672	80,981,697	82,685,292
Total Assessed Valuation	\$453,270,049	\$464,336,703	\$476,194,477	\$489,801,585	\$490,021,376

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Granby	100.00%	100.00%	100.00%	100.00%	100.00%
Hastings	100.00	100.00	95.00	100.00	95.00
Palermo	100.00	100.00	85.82	91.47	100.00
Schroepfel	100.00	100.00	88.00	88.00	85.00
Volney	100.00	100.00	95.00	92.00	88.00
Clay	5.00	4.64	4.45	4.36	4.32
Lysander	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$486,346,788	\$500,751,850	\$562,874,558	\$576,693,568	\$587,716,976

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$12,285,946	\$12,961,515	\$13,074,216	\$14,538,961	\$15,031,662
% Uncollected When Due ⁽¹⁾	7.4%	7.0%	7.3%	6.7%	7.2%

⁽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, the estimated figures for the current fiscal year and the budgeted figures for the 2010-11 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⁾
2004-05	\$18,548,200	\$31,671,550	58.6%
2005-06	18,749,444	32,144,014	58.3
2006-07	20,008,223	33,989,202	58.9
2007-08	20,880,046	35,514,042	58.8
2008-09	21,979,539	37,582,671	58.5
2009-10 (Estimated)	25,474,133	41,015,495	62.1
2010-11 (Budgeted)	25,193,723	42,008,341	60.0

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$357,242	\$1,373,886
2007-2008	333,705	1,469,921
2008-2009	343,997	1,211,673
2009-2010 (Estimated)	313,010	1,029,317
2010-2011 (Budgeted)	502,488	1,890,314

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

GASB 45 and OPEB

The District contracted with Armory Associates, LLC to assist in the determination of the costs and liabilities associated with the District's OPEB plan (the "Plan"). This analysis has been completed in accordance with GASB Statement No. 45; Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pensions.

As of June 30, 2009 the actuarial present value of the total projected benefits for the District's 408 active employees and 29 retirees was \$19,475,861. The actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$9,542,239. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,542,239. The District's annual OPEB cost was \$1,194,988 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$213,662 to the Plan for the fiscal year ending June 30, 2009 resulting in a year-end Net OPEB obligation of \$981,326. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Recent Operating Results

The District's expenditures exceeded its revenues by \$45,563 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$1,075,696 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 2010-11 budget was approved by voters on May 18, 2010.

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</u> ⁽²⁾	<u>Total Debt Service</u> ⁽²⁾
2009-2010	\$2,526,035	\$ --	\$2,526,035
2010-2011	3,210,484	2,122,327	5,332,811
2011-2012	3,138,456	2,115,519	5,253,975
2012-2013	2,850,770	2,120,919	4,971,689
2013-2014	2,647,512	2,118,119	4,765,631
2014-2015	2,211,119	2,122,719	4,333,838
2015-2016	2,209,494	2,123,981	4,333,475
2016-2017	2,211,119	2,118,931	4,330,050
2017-2018	2,205,744	2,123,181	4,328,925
2018-2019	2,214,300	2,122,225	4,336,525
2019-2020	2,212,963	2,119,525	4,332,488
2020-2021	2,206,913	2,122,425	4,329,338
2021-2022	2,205,788	2,121,175	4,326,963
2022-2023	2,213,863	2,119,725	4,333,588
2023-2024	2,200,775	1,639,675	3,840,450
2024-2025	2,211,525	1,154,875	3,366,400
2025-2026	2,214,481	357,075	2,571,556
2026-2027	2,214,644	358,688	2,573,332
2027-2028	2,211,650	359,663	2,571,313
2028-2029	1,479,191	--	1,479,191
2029-2030	743,509	--	743,509
2030-2031	749,378	--	749,378
2031-2032	747,850	--	747,850
2032-2033	743,925	--	743,925
2033-2034	747,313	--	747,313
2034-2035	747,375	--	747,375
2035-2036	744,250	--	744,250
2036-2037	747,938	--	747,938
2037-2038	747,875	--	747,875
2038-2039	337,188	--	337,188
TOTAL	<u>\$53,853,427</u>	<u>\$31,440,747</u>	<u>\$85,294,174</u>

(1) Schedule does not include payments due under a \$2,287,544 energy performance contract.

(2) Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX C-22
DESCRIPTION OF
RED CREEK CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-22 a brief description of the Red Creek 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, with a land area of approximately 60 square miles, is located in upstate New York and is comprised of portions of the Towns of Conquest, Sterling, and Victory in Cayuga County and portions of the Towns of Butler and Wolcott in Wayne County. Centered around the Village of Red Creek, the District is approximately 15 miles southwest of the City of Oswego and approximately 45 miles east of the City of Rochester. The District's northern boundary lies along the southern shore of Lake Ontario.

Population

The current estimated population of the District is 6,130.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Parker Hannifin Corporation	Manufacturing	700
Wayne, Seneca, and Ontario Counties	Municipal Government	650
School Specialty	School Supplies	350
Finger Lakes Packaging	Food Canning	200
Silgan Containers Corporation	Manufacturer	75

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Rochester Gas & Electric	Utility	\$8,242,846
Bland Farms NY, LLC	Manufacturer	1,119,600
Carroll Grant	Mobile/Business	1,108,000
NY Meadow Creek, LLC	Manufactured Housing	1,056,109
Verizon	Utility	1,055,203

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 5.6% 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 and Cayuga Counties. The data set forth below with respect to the Counties and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Wayne County	5.0%	4.8%	4.8%	5.8%	8.3%
Cayuga County	4.9	4.8	4.5	5.5	8.3
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	1,030	1,024	1,000	940	920	950	950	950

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	Red Creek Teachers' Association	June 30, 2011
75	CSEA (AFSCME, AFL-CIO)	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 10, 2010⁽¹⁾

Full Valuation of Taxable Real Property	\$ 269,490,039
Debt Limit (10% of Full Valuation)	26,949,004
Gross Indebtedness ⁽²⁾	\$ 23,884,389
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$ 23,884,389
Net Debt Contracting Margin	\$ 3,104,615
Percentage of Debt Contracting Power Exhausted	88.48%

(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 \$12,725,000 School District Bonds to the Authority in connection with the refunding of \$14,139,389 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 Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid.

Note: Includes \$1,890,000 refunded serial bonds

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 2008 fiscal year 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:					
Cayuga	\$52,628,935	\$16,735,000	\$35,893,935	5.34%	\$1,916,736
Wayne	26,820,000	0	26,820,000	1.78	477,396
Towns of:					
Butler	0	0	0	16.76	0
Wolcott	173,587	173,587	0	36.11	0
Conquest	10,338	10,338	0	0.28	0
Sterling	100,000	0	100,000	75.41	75,410
Victory	126,805	0	126,805	66.12	83,843
Village of:					
Red Creek	306,358	172,062	134,296	100.00	134,296
				Total	<u>\$2,687,681</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 10, 2010.

**Debt Ratios
As of May 10, 2010⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$23,844,389	\$3,889.79	8.85%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	26,532,070	4,328.23	9.85

- (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 6,130.
- (3) Based on the District’s full value of taxable real estate for 2009-10 of \$269,490,039.
- (4) The District expects to deliver \$12,725,000 School District Bonds to the Authority in connection with the refunding of \$14,139,389 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 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

On May 18, 2010, the voters of the District approved the issuance of \$249,000 of general obligation bonds to finance the costs of the acquisition of school buses. Other than such indebtedness and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Butler	\$11,446,879	\$11,541,860	\$11,598,457	\$11,761,697	\$12,035,117
Wolcott	54,881,836	55,085,207	60,465,822	61,383,844	62,720,821
Conquest	192,255	190,877	190,557	191,003	192,338
Sterling	109,172,319	109,453,659	110,608,998	142,940,443	146,224,178
Victory	33,129,313	37,956,038	40,429,648	42,248,081	42,064,060
Total Assessed Valuation	\$208,822,602	\$214,227,641	\$223,293,482	\$258,525,068	\$263,236,514

	State Equalization Rates Years Ending June 30,				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Butler	100.00%	100.00%	90.00%	90.00%	89.00%
Wolcott	100.00	95.00	100.00	97.00	93.00
Conquest	97.00	86.00	81.00	81.00	81.00
Sterling	100.00	90.00	81.00	100.00	100.00
Victory	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$208,828,548	\$229,319,453	\$250,572,219	\$261,775,196	\$269,490,039

	Total District Property Tax Collections Years Ending June 30,				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$3,426,000	\$3,617,000	\$3,717,000	\$3,717,000	\$3,717,000
% Uncollected When Due ⁽¹⁾	10.7%	9.3%	9.5%	8.5%	9.0%

⁽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 2010-11 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⁾
2004-05	\$9,786,047	\$13,639,763	71.7%
2005-06	9,845,449	14,015,406	70.2
2006-07	10,246,022	14,729,937	69.6
2007-08	11,353,180	15,838,077	71.7
2008-09	12,458,627	16,803,522	74.1
2009-10 (Estimated)	12,791,275	16,869,000	75.8
2010-11 (Budgeted)	12,356,450	17,250,000	71.6

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$179,922	\$496,697
2007-2008	130,027	547,546
2008-2009	134,248	536,656
2009-2010 (Estimated)	123,757	489,811
2010-2011 (Budgeted)	458,925	777,600

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

GASB 45 and OPEB

The District contracted with EBS to assist in the determination of the costs and liabilities associated with the District's OPEB plan (the "Plan"). This analysis has been completed in accordance with GASB Statement No. 45; Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pensions.

As of June 30, 2009 the actuarial present value of the total projected benefits for the District's 206 active employees and 89 retirees was \$16,171,584. The actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$16,171,584. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$16,171,584. The District's annual OPEB cost was \$1,724,373 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$349,573 to the Plan for the fiscal year ending June 30, 2009 resulting in a year-end Net OPEB obligation of \$1,374,800. See also, "PART 4 - THE SCHOOL DISTRICTS - Financial Factors - *GASB and OPEB*."

Recent Operating Results

The District's revenues exceeded its expenditures by \$347,289 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$695,000 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 2010-11 budget was approved by voters on May 18, 2010.

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</u> ⁽¹⁾	<u>Total Debt Service</u> ⁽¹⁾
2009-2010	\$2,543,023	\$ --	\$2,543,023
2010-2011	1,618,783	1,228,471	2,847,254
2011-2012	1,079,778	1,227,894	2,307,672
2012-2013	1,076,378	1,226,244	2,302,622
2013-2014	1,074,110	1,229,594	2,303,704
2014-2015	1,074,838	1,227,744	2,302,582
2015-2016	1,070,503	1,228,844	2,299,347
2016-2017	1,072,246	1,226,550	2,298,796
2017-2018	160,159	1,226,550	1,386,709
2018-2019	165,003	1,224,350	1,389,353
2019-2020	164,434	1,225,600	1,390,034
2020-2021	163,659	1,224,600	1,388,259
2021-2022	157,678	1,226,350	1,384,028
2022-2023	161,588	1,225,600	1,387,188
2023-2024		1,227,350	1,227,350
2024-2025	--	1,227,850	1,227,850
TOTAL	<u>\$11,582,180</u>	<u>\$18,403,591</u>	<u>\$29,985,771</u>

⁽¹⁾ Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX C-23
DESCRIPTION OF
REMSEN CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-23 a brief description of the Remsen 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 Remsen Central School District was organized as a central school district in 1935 and covers portions of the Towns of Boonville, Forrestport, Remsen, Steuben and Trenton in Oneida County, and the Towns of Ohio and Russia in Herkimer County, New York.

Population

The population of the District is estimated to be 3,550

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Remsen Central School District	Public Education	114
Soda Fountain	Grocery Store	12
Evans Equipment/Agway	Retail – Farm Implements	9
Shufelts Garage	Repair Shop	5
Kohn & Moseman	Attorney	3

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Iroquois Gas	Utility	\$9,323,676
National Grid	Utility	1,996,889
Boucher, Steven	Residential	805,736
MKCAC LLC	Commercial	745,195
Cooley, Joan C	Residential	739,199

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 7.9% 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 Oneida and Herkimer Counties. The data set forth below with respect to the Counties and the State of New York is included for informational purposes. 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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Oneida County	5.5%	5.2%	4.7%	4.3%	4.3%	5.5%	7.4%
Herkimer County	5.7	5.6	5.2	5.0	4.8	6.2	8.0
New York State	6.4	5.8	5.0	4.5	4.5	5.4	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	546	545	541	517	492	550	550	550

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>
65	New York State United Teachers	June 30, 2012
33	CSEA Local 1000, Inc. (Non-Instructional)	June 30, 2011
4	Administration and Confidential (non-union)	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 10, 2010⁽¹⁾

Full Valuation of Taxable Real Property	\$ 214,638,272
Debt Limit (10% of Full Valuation)	21,463,827
Gross Indebtedness ⁽²⁾	\$ 3,555,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness.....	\$ 3,555,000
Net Debt Contracting Margin	\$ 17,908,827
Percentage of Debt Contracting Power Exhausted	16.56%

⁽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 \$915,000 School District Bonds to the Authority in connection with the refunding of \$1,060,000 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 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 2008 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Total Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾⁽³⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Net Indebtedness</u>
Counties of:					
Oneida	\$124,419,002	\$13,943,267	\$110,475,735	1.46%	\$1,612,946
Herkimer	7,695,000	7,695,000	0	0.68	0
Towns of:					
Boonville	0	0	0	3.02	0
Forestport	1,179,688	1,179,688	0	6.77	0
Ohio	341,503	7,363	334,140	7.79	26,030
Remsen	0	0	0	96.42	0
Russia	95,493	95,493	0	9.97	0
Steuben	0	0	0	51.62	0
Trenton	443,718	377,655	66,063	2.41	1,593
Village of:					
Remsen	2,086,000	2,086,000	0	100.00	0
				Total	\$1,640,568

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$3,555,000	\$1,001.41	1.65%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	5,195,568	1,463.54	2.42

(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 3,550.

(3) Based on the District's full value of taxable real estate for 2009-10 of \$214,638,272.

(4) The District expects to deliver \$915,000 School District Bonds to the Authority in connection with the refunding of \$1,060,000 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 2008 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>
2007-2008	\$475,000	RAN	6/26/08	10/31/08

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

Capital Project Plans

The District, has no other projects authorized or contemplated at this time.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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

District taxes are collected by the School Tax Collector and are payable during the month of September without penalty. Taxes paid in October are subject to a 2% penalty and a 3% penalty if paid during the first week in November. In November a list of all unpaid taxes is given to Oneida County and Herkimer County for relevy on County/Town tax rolls. The District is reimbursed by the Counties for all unpaid taxes in April of each year and is thus assured of 100% collection of its annual levy.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State Equalization Rates, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Boonville	\$4,810,670	\$5,023,150	\$5,124,555	\$5,687,655	\$5,903,126
Forrestport	9,424,659	9,594,300	20,004,774	19,407,468	19,160,315
Ohio	711,742	718,853	701,673	693,322	677,612
Remsen	66,991,419	68,148,687	69,528,460	70,451,612	70,697,577
Russia	13,691,635	13,906,997	13,878,012	13,991,178	14,167,190
Steuben	25,546,835	27,132,767	32,974,533	34,296,727	34,774,349
Trenton	7,228,638	6,977,895	6,996,904	7,224,441	7,059,358
Total Assessed Valuation	\$128,405,598	\$131,502,649	\$149,208,911	\$151,752,403	\$152,439,527

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Boonville	87.00%	78.00%	72.00%	70.00%	64.00%
Forrestport	78.00	72.00	100.00	99.00	93.13
Ohio	7.57	6.95	6.60	5.82	5.76
Remsen	85.00	80.00	72.00	70.00	68.00
Russia	80.43	75.29	66.08	64.41	61.25
Steuben	100.00	100.00	100.00	100.00	100.00
Trenton	88.00	81.00	72.00	69.00	63.00
Taxable Full Valuation	\$156,612,217	\$169,513,113	\$198,015,216	\$206,775,624	\$214,638,272

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$3,513,113	\$3,513,113	\$3,805,071	\$4,148,695	\$4,339,921
% Uncollected When Due ⁽¹⁾	0.0%	0.0%	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 2010-11 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>
2004-05	\$4,702,081	\$8,081,058	58.2%
2005-06	4,992,378	8,541,979	58.4
2006-07	5,314,885	9,025,270	58.9
2007-08	5,516,754	9,482,755	58.2
2008-09	6,113,172	10,498,267	58.2
2009-10 (Estimated)	6,051,998	10,514,219	57.6
2010-11 (Budgeted)	5,504,010	10,350,751	53.2

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$86,387	\$387,228
2007-2008	88,681	401,332
2008-2009	59,462	408,076
2009-2010 (Estimated)	62,000	400,000
2010-2011 (Budgeted)	65,000	380,000

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's present value OPEB liability has been determined to be \$11,739,533 at June 30, 2009. The District's annual required contribution ("ARC") is \$1,137,205 of which \$248,340 is paid annually to cover 43 retirees. The District has not reserved any funds 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 \$520,878 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$316,095 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 2010-11 budget was approved by voters on May 18, 2010.

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>
2009-2010	\$395,718	\$ --	\$395,718
2010-2011	393,965	96,138	490,103
2011-2012	361,210	97,169	458,379
2012-2013	309,376	94,869	404,245
2013-2014	309,250	97,269	406,519
2014-2015	268,676	94,519	363,195
2015-2016	264,000	96,719	360,719
2016-2017	264,100	93,550	357,650
2017-2018	263,520	95,300	358,820
2018-2019	267,240	92,200	359,440
2019-2020	--	93,700	93,700
2020-2021	--	94,950	94,950
2021-2022	--	95,950	95,950
2022-2023	--	96,700	96,700
2023-2024	--	47,200	47,200
TOTAL	<u>\$3,097,055</u>	<u>\$1,286,233</u>	<u>\$4,383,288</u>

(1) Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX C-24
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF ROME**

There follows in this Appendix C-24 a brief description of the City School District of the City of Rome (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 central New York State in the central portion of Oneida County, about 15 miles northwest of the City of Utica. It encompasses approximately 130 square miles, and is located primarily within the City of Rome (the “City”), however, it does not include the entire City. Additionally, the District encompasses various portions of the Towns of Annsville, Lee, Verona and Western (collectively, the “Towns”). The District lies within the Utica-Rome Standard Metropolitan Statistical Area.

Population

The current estimated population of the District is 41,891.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
CNY NY Development Service	Commercial	1,670
Rome City School District	School	1,100
Rome Memorial Hospital Inc.	Health Facility	900
Air Force Research Lab	Research	825
Department of Defense Finance Center	Government Accounting	650

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Niagara Mohawk Power Corporation	Utility	\$35,944,474
Wal-Mart Real Estate Business Trust	Retail	9,010,000
Verizon New York, Inc.	Utility	9,199,622
Super Intermediateco, LLC (Price Chopper, Mohawk Acres)	Retail	8,338,220
DDR GLH Freedom Plaza	Shopping Complex	7,983,026

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 10.87% 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 Oneida County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Oneida County	4.7%	4.4%	4.3%	5.3%	4.7%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	6,215	6,130	5,757	5,724	5,255	5,757	5,757	5,757

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>
24	Rome City School District Administrators' Association	June 30, 2011
522	Rome City School District Teachers' Association	June 30, 2011
301	Rome City School District Aides, Monitors & Cafeterias' Employees	June 30, 2011
90	Local200B – SEIU – AFL-CIO (The Custodial Unit)	June 30, 2011
42	Rome City School District C.S.E.A	June 30, 2011
173	Rome City School District Substitute Teachers	June 30, 2011
11	Rome City School District UPSEU	June 30, 2012

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 10, 2010 ⁽¹⁾**

	Based on Conventional Equalization Rates	Based on Special Equalization Rates
Five-Year Average Full Valuation of Taxable Real Property.....	\$1,303,272,538	\$1,498,315,388
Debt Limit (5% of Full Valuation)	65,163,627	74,915,679
<u>Inclusions:</u>		
Bonds.....	\$ 46,075,000	\$ 46,075,000
Bond Anticipation Notes	<u>23,160,000</u>	<u>23,160,000</u>
Total Inclusions ⁽³⁾	\$69,235,000	\$69,235,000
<u>Exclusions:</u>		
Appropriations.....	<u>\$3,070,000</u>	<u>\$3,070,000</u>
Total Exclusions	\$3,070,000	\$3,070,000
Total Net Indebtedness ⁽²⁾	\$66,165,000	\$66,165,000
Net Debt-Contracting Margin	\$ (1,001,373)	\$ 8,750,769
The percent of debt contracting power exhausted is.....	101.54%	88.32%

- ⁽¹⁾ The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$17,955,000 School District Bonds to the Authority in connection with the refunding of \$23,160,000 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 2008 fiscal year 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:					
Oneida	\$111,016,695	\$17,391,321	\$93,625,374	13.83%	\$12,948,389
City of:					
Rome	48,534,765	13,949,429	34,585,335	94.56	32,703,893
Towns of:					
Lee	0	0	0	94.21	0
Western	0	0	0	55.73	0
Verona	1,101,460	663,460	428,000	1.33	5,825
Annsville	655,900	134,000	521,900	5.84	30,479
				Total	<u>\$45,688,586</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$69,235,000	\$1,652.74	4.10%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	114,923,586	2,743.40	6.81

(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 41,891.

(3) Based on the District's full value of taxable real estate (based on special equalization ratios) for 2009-10 of \$1,687,626,374.

(4) The District expects to deliver \$17,955,000 School District Bonds to the Authority in connection with the refunding of \$23,160,000 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 2008 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	\$10,000,000	RAN	6/24/2004	6/24/2005
2005-2006	10,000,000	RAN	6/23/2005	6/23/2006
2006-2007	10,000,000	RAN	6/23/2006	6/22/2007
2007-2008	10,000,000	RAN	6/22/2007	6/20/2008
2008-2009	10,000,000	RAN	6/25/2008	6/25/2009
2009-2010	10,000,000	RAN	6/25/2009	6/25/2010

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

Capital Project Plans

The District has multiple authorizations for unissued indebtedness for capital projects, including for a \$70,000,000 school renovation project approved by the District's voters on January 26, 2010. This authorization allows the District to incur indebtedness in excess of the District's constitutional debt limitation, subject to New York State Comptroller's approval.

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 real property taxes of the District are collected by the Receiver of Taxes of the District. Such taxes are due and payable on October 1, and may be paid in full until October 31, without penalty. Alternatively, such taxes may be paid in two equal installments, the first installment payable from October 1 through 31, inclusive, without penalty, and the second installment payable from April 1 through April 30, inclusive, without penalty. There is a 2% penalty upon first installment taxes paid through November. There is an additional 1% per month penalty upon first installment taxes beginning in December, through to the time of payment. The second installment may be paid anytime between October 1 and April 30, inclusive, without penalty. There is a 2% penalty upon second installment taxes paid through May 31. There is an additional 1% per month penalty upon second installment taxes beginning in June, through time of payment.

Between May 1 and June 30, uncollected school taxes are reported to the City and the County, as applicable. The County normally pays in full to the District its portion of such uncollected school taxes, plus a 2% penalty, by August 1. The City collects its portion of such uncollected school taxes through the close of the succeeding fiscal year, and makes monthly payments to the District of such tax payments received. The City is required to remit in full, any remaining delinquencies upon its portion of the uncollected school taxes by October 31 of the second succeeding fiscal year.

The District is not responsible for the collection of taxes of any other unit of government.

Valuations and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property, the State Equalization Rates, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of:					
Rome	\$778,044,504	\$780,996,175	\$789,951,979	\$794,080,461	\$799,697,126
Towns of:					
Lee	7,116,712	9,222,621	9,464,720	9,464,720	9,424,159
Western	39,830,844	40,612,340	40,581,650	40,581,650	42,038,736
Verona	2,839,645	3,003,214	3,139,936	3,139,936	3,143,193
Annsville	3,868,983	3,837,222	3,857,509	3,857,509	3,955,313
Total Assessed Valuation	\$833,700,688	\$837,671,572	\$846,995,794	\$851,124,276	\$858,258,527
State Equalization Rates					
Years Ending June 30,					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of:					
Rome	94.00%	83.05%	77.11%	76.11%	74.11%
Towns of:					
Lee	4.07	4.07	3.80	3.40	3.30
Western	82.00	76.73	68.70	66.50	63.67
Verona	87.80	77.29	78.80	74.00	72.67
Annsville	68.99	66.33	63.00	61.50	59.00
Taxable Full Valuation	\$1,109,121,211	\$1,229,592,355	\$1,342,698,278	\$1,393,247,310	\$1,441,703,539
Special State Equalization Ratios					
Years Ending June 30,					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of:					
Rome	75.17%	74.33%	72.14%	67.83%	63.80%
Towns of:					
Lee	3.65	3.28	3.18	2.95	2.75
Western	65.60	65.11	62.22	57.16	53.29
Verona	71.42	70.44	70.34	65.39	61.33
Annsville	61.48	60.15	58.22	55.63	52.92
Taxable Full Valuation	\$1,355,806,300	\$1,404,909,978	\$1,468,971,535	\$1,574,262,753	\$1,687,626,374

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$26,441,096	\$27,781,096	\$28,192,639	\$28,192,639	\$28,724,145
% Uncollected When Due ⁽²⁾	2.43%	1.36%	1.28%	4.48%	3.6%

⁽¹⁾ As of April 9, 2010. 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 2010-11 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⁾
2004-05	\$48,467,809	\$77,145,294	62.83%
2005-06	51,416,551	82,557,442	62.28
2006-07	56,495,020	88,805,226	64.31
2007-08	60,911,282	94,716,917	64.31
2008-09	61,415,561	96,172,950	63.86
2009-10 (Estimated)	61,590,242	95,622,690	64.41
2010-11 (Budgeted)	61,272,548	94,849,146	64.60

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$670,738	\$2,696,128
2007-2008	673,238	2,891,023
2008-2009	612,051	3,084,448
2009-2010 (Estimated)	579,091	3,209,787
2010-2011 (Budgeted)	924,724	3,314,313

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

GASB 45 and OPEB

The District contracted with Questar III to assist in the determination of the costs and liabilities associated with the District's OPEB plan (the "Plan"). This analysis has been completed in accordance with GASB Statement No. 45; Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pensions.

As of June 30, 2009 the actuarial present value of the total projected benefits for the District's 920 active employees and 773 retirees was \$342,676,771. The actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$252,007,186.

The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$252,007,186. The District's annual OPEB cost was \$20,215,888 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid (\$6,374,680) to the Plan for the fiscal year ending June 30, 2009 resulting in a year-end Net OPEB obligation of \$39,235,186. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Recent Operating Results

The District's revenues exceeded its expenditures by \$5,661,922 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$5,828,593 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 2010-11 budget was approved by voters on May 18, 2010.

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>
2009-2010	\$5,717,253	\$ --	\$5,717,253
2010-2011	5,727,780	1,733,587	7,461,367
2011-2012	5,741,400	1,734,644	7,476,044
2012-2013	5,743,375	1,736,944	7,480,319
2013-2014	5,749,000	1,736,994	7,485,994
2014-2015	5,759,863	1,736,894	7,496,757
2015-2016	5,768,325	1,738,794	7,507,119
2016-2017	5,699,450	1,735,900	7,435,350
2017-2018	5,706,069	1,734,150	7,440,219
2018-2019	5,630,650	1,736,450	7,367,100
2019-2020	1,213,900	1,734,200	2,948,100
2020-2021	568,250	1,733,950	2,302,200
2021-2022	523,000	1,720,450	2,243,450
2022-2023	288,750	1,714,200	2,002,950
2023-2024	--	1,709,700	1,709,700
2024-2025	--	1,713,800	1,713,800
TOTAL	<u>\$59,837,065</u>	<u>\$25,950,657</u>	<u>\$85,787,722</u>

(1) Schedule does not include payments due under a \$4,832,945 energy performance contract.

(2) Totals may not add due to rounding.

**APPENDIX C-25
DESCRIPTION OF
SHERMAN CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-25 a brief description of the Sherman 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 100 square miles in the Towns of Chautauqua, Clymer, French Creek, Mina, North Harmony, Ripley, Sherman and Westfield in Chautauqua County. The Village of Sherman is located within the District.

Population

The current estimated population of the District is 2,800.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Sherman Central School District	Public Education	90
Triple E Manufacturing	Manufacturer – Harness/Tack	22
Nickerson Farms, LLC	Dairy Farm	16
Farmer's Mill	Feed Store/Agway	13
Weise's Garage	Truck Service	10

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Tennessee Gas Pipeline Co.	Utility	\$3,418,533
National Grid	Utility	2,218,574
Energy Systems	Gas Transmission	1,231,156
Norse Pipeline	Utility	926,051
Edward Abrain	Residence	804,919

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 7.85% 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 Chautauqua County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Chautauqua County	4.9%	4.6%	4.5%	5.5%	8.3%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	500	488	505	498	453	517	531	531

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	Sherman Teachers' Association	June 30, 2010 ⁽¹⁾
27	Sherman Central School CSEA	June 30, 2011

⁽¹⁾ Currently under negotiations.

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 10, 2010⁽¹⁾**

Full Valuation of Taxable Real Property	\$ 126,919,825
Debt Limit (10% of Full Valuation)	12,691,982
Gross Indebtedness ⁽²⁾	\$ 8,318,639
Less: Exclusions – Estimated Building Aid ⁽³⁾	6,958,448
Total Net Indebtedness	\$ 1,360,191
Net Debt Contracting Margin	\$ 11,331,791
Percentage of Debt Contracting Power Exhausted	10.72%

⁽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 \$5,405,000 School District Bonds to the Authority in connection with the refunding of \$5,405,000 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 2008 fiscal year 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:					
Chautauqua	\$43,711,465	\$0	\$43,711,465	1.98%	\$ 865,487
Towns of:					
Chautauqua	1,587,500	0	1,587,500	1.31	20,796
Clymer	145,567	0	145,567	0.99	1,441
French Creek	0	0	0	3.84	0
Mina	0	0	0	18.78	0
North	397,841	0	397,841	1.31	5,212
Harmony					
Ripley	1,057,000	0	1,057,000	18.43	194,805
Sherman	0	0	0	100.00	0
Westfield	432,000	0	432,000	4.46	19,267
Village of:					
Sherman	192,000	0	192,000	100.00	<u>192,000</u>
				Total	<u>\$1,299,008</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$8,318,639	\$2,970.94	6.55%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	9,617,647	3,434.87	7.58

(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 2,800.

(3) Based on the District's full value of taxable real estate for 2009-10 of \$126,919,825.

(4) The District expects to deliver \$5,405,000 School District Bonds to the Authority in connection with the refunding of \$5,405,000 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 debt ratios accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

On May 18, 2010, the voters of the District approved the issuance of \$200,000 of general obligation bonds to finance the acquisition of school buses. Other than such indebtedness and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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 taxes paid through November 15 are subject to a penalty fee of 3%. All taxes remaining unpaid after November 15 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Chautauqua	\$10,706,280	\$10,349,940 ⁽¹⁾	\$11,547,700 ⁽¹⁾	\$11,682,169	\$11,815,857
Clymer	379,546	376,258	377,697	379,167	379,837
French Creek	3,453,210	3,470,548	3,498,112	3,545,104	3,793,069
Mina	20,854,224	20,339,046	20,377,229	20,581,617 ⁽¹⁾	22,381,404 ⁽¹⁾
North					
Harmony	2,556,434	3,138,317	3,057,599	2,913,741	2,921,207
Ripley	13,877,493	14,848,125	15,125,923	16,012,402	16,477,283
Sherman	51,378,094	50,488,057	51,379,313	52,096,839 ⁽¹⁾	56,923,534 ⁽¹⁾
Westfield	9,034,211	9,077,852	9,239,506	9,149,108	9,474,182
Total Assessed Valuation	\$112,239,492	\$112,088,143	\$114,603,079	\$116,360,147	\$124,166,373

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Chautauqua	95.00%	88.50%	100.00%	100.00%	93.50%
Clymer	94.00	91.66	89.00	87.00	74.88
French Creek	100.00	100.00	100.00	100.00	100.00
Mina	100.00	100.00	100.00	100.00	100.00
North	100.00	100.00	100.00	89.50	100.00
Harmony					
Ripley	100.00	100.00	100.00	100.00	100.00
Sherman	100.00	100.00	100.00	100.00	100.00
Westfield	100.00	94.00	91.00	88.00	84.00
Taxable Full					
Valuation	\$112,827,206	\$114,046,722	\$115,563,557	\$118,006,244	\$126,919,825

⁽¹⁾ Difference due to townwide revaluation.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$1,854,190	\$2,159,125	\$2,234,125	\$2,302,166	\$2,242,002
% Uncollected When Due ⁽¹⁾	18.52%	17.04%	16.98%	16.22%	17.10%

⁽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 2010-11 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⁾
2004-05	\$4,275,405	\$6,198,713	68.97%
2005-06	4,620,322	6,798,109	67.96
2006-07	4,857,952	7,170,982	67.74
2007-08	5,413,922	8,106,293	66.79
2008-09	5,864,138	8,452,235	69.38
2009-10 (Estimated)	5,882,638	8,790,473	66.92
2010-11 (Budgeted)	6,472,949	8,950,096	72.32

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$60,521	\$226,319
2007-2008	59,708	269,443
2008-2009	55,019	282,328
2009-2010 (Estimated)	63,124	257,680
2010-2011 (Budgeted)	135,518	313,276

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 is not subject to GASB 45 accounting for post retirement benefits, including sick leave conversion benefits. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Recent Operating Results

The District's revenues exceeded its expenditures by \$791,128 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$1,679,474 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 2010-11 budget was approved by voters on May 18, 2010.

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⁾
2009-2010	\$450,688	\$ --	\$450,688
2010-2011	456,812	434,707	891,519
2011-2012	451,212	430,244	881,456
2012-2013	450,212	435,344	885,556
2013-2014	208,612	435,244	643,856
2014-2015	211,012	430,044	641,056
2015-2016	67,762	429,064	496,826
2016-2017	--	431,776	431,776
2017-2018	--	433,251	433,251
2018-2019	--	433,989	433,989
2019-2020	--	428,664	428,664
2020-2021	--	432,789	432,789
2021-2022	--	430,976	430,976
2022-2023	--	433,383	433,383
2023-2024	--	429,783	429,783
2024-2025	--	280,783	280,783
2025-2026	--	122,183	122,183
2026-2027	--	124,323	124,323
2027-2028	--	121,243	121,243
2028-2029	--	123,163	123,163
2029-2030	--	119,863	119,863
2030-2031	--	121,563	121,563
2031-2032	--	122,763	122,763
2032-2033	--	123,725	123,725
2033-2034	--	124,450	124,450
2034-2035	--	119,938	119,938
2035-2036	--	120,425	120,425
2036-2037	--	120,675	120,675
2037-2038	--	120,688	120,688
2038-2039	--	120,463	120,463
TOTALS	<u>\$2,296,310</u>	<u>\$8,035,506</u>	<u>\$10,331,816</u>

⁽¹⁾ Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX C-26
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF SHERRILL**

There follows in this Appendix C-26 a brief description of the City School District of the City of Sherrill (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

Description

The District, with a land area of approximately 150 square miles, is located in upstate New York in the western sector of Oneida County. The City of Utica is located 10 miles to the east and the City of Syracuse 30 miles to the west. The District comprises all of, or portions of the Cities of Sherrill, Oneida and Rome, as well as the Towns of Vernon, Verona, Kirkland, Westmoreland and Vienna.

Population

The current estimated population of the District is 12,534.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Oneida Indian Nation	Casino & Resort	5,000
PAR Technology Corporation	Radar Systems Testing	700
Oneida Ltd.	Silver	500
Sherrill Manufacturing	Manufacturer	400
Hood Manufacturing	Milk Processing	100

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Oneida Ltd.	Manufacturing	\$11,848,000
National Grid	Utility	11,459,966
Vernon Downs (Midstate Raceway)	Raceway	10,127,600
Sherrill Manufacturing	Manufacturing	4,000,000
Verizon	Utility	2,928,199

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 10.0% 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 Oneida County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Oneida County	4.8%	4.4%	4.3%	5.3%	7.4%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>	Projected <u>2012-13</u>
K-12	2,373	2,304	2,255	2,267	2,184	2,174	2,164	2,154

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>
138	VVS Civil Service Employees’ Association	June 30, 2011
188	VVS Teachers’ Association	June 30, 2013
7	VVS 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 10, 2010⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Rates
Five Year Average Full Valuation of Taxable Real Property	\$583,830,526	\$675,095,674
Debt Limit (5% of full valuation) ⁽²⁾	29,191,527	33,754,784
<u>Inclusions</u>		
Bonds.....	\$17,235,000	\$17,235,000
Bond Anticipation Notes	<u>5,380,000</u>	<u>5,380,000</u>
Total Inclusions ⁽³⁾	\$22,615,000	\$22,615,000
<u>Exclusions</u>		
Bonds Previously Refunded	\$0	\$0
Appropriations.....	<u>0</u>	<u>0</u>
Total Exclusions	\$0	\$0
Total Net Indebtedness	\$22,615,000	\$22,615,000
Net Debt Contracting Margin	\$6,576,527	\$11,139,784
Percentage of Debt Contracting Power Exhausted	77.47%	67.00%

- (1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$4,975,000 School District Bonds to the Authority in connection with the refunding of \$5,380,000 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 2008 fiscal year 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	\$124,419,002	\$13,943,267	\$110,475,735	6.37%	\$7,037,304
Madison	1,340,000	0	1,340,000	0.86	11,524
Towns of:					
Vernon	0	0	0	72.85	0
Verona	798,000	375,000	423,000	66.94	283,156
Kirkland	1,061,900	162,900	899,000	0.14	1,259
Westmoreland	1,475,000	875,000	600,000	4.72	28,320
Vienna	6,007,826	6,007,826	0	1.05	0
Cities of:					
Rome	59,193,050	22,664,522	36,528,528	1.62	591,762
Oneida	15,068,730	11,500,750	3,567,980	5.36	191,244
Sherrill	1,659,250	0	1,659,250	99.48	<u>1,650,622</u>
				Total	<u>\$9,795,191</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$22,615,000	\$1,804.29	3.47%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	32,410,191	2,585.78	4.98

(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 12,534.

(3) Based on the District's full value of taxable real estate for 2009-10 of \$650,841,563.

(4) The District expects to deliver \$4,975,000 School District Bonds to the Authority in connection with the refunding of \$5,320,000 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 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

The District has \$100,000 authorized and unissued indebtedness for an emergency roof project. Other than such indebtedness and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Cities of:					
Rome	\$13,439,341	\$13,533,041	\$13,661,782	\$13,696,218	\$13,764,293
Oneida	21,518,551	21,590,428	26,419,001	26,282,346	26,321,274
Towns of:					
Kirkland	498,663	473,193	463,748	458,284	458,130
Vernon ⁽¹⁾	264,071,980	264,854,921	269,821,398	269,981,363	267,509,787
Verona	141,479,464	146,194,036	151,126,535	153,251,510	157,962,109
Vienna	2,015,623	1,995,727	2,005,059	2,167,613	2,057,470
Westmoreland	9,759,518	9,558,734	9,690,895	9,783,147	9,862,208
Total Assessed Valuation	\$452,783,140	\$458,200,080	\$473,188,418	\$475,620,481	\$477,935,271

⁽¹⁾ Includes the total taxable assessed valuation of the City of Sherrill which is 100% within the Town and the District.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Cities of:					
Rome	94.00%	83.05%	77.11%	76.11%	74.11%
Oneida	95.00	86.00	100.00	100.00	100.00
Towns of:					
Kirkland	77.00	70.00	65.00	58.00	58.00
Vernon	97.00	85.00	79.00	74.50	72.50
Verona	87.80	77.29	78.80	74.00	72.62
Vienna	86.00	77.50	65.00	63.00	59.00
Westmoreland	87.16	82.00	74.00	68.00	65.00
Taxable Full Valuation	\$484,514,380	\$557,052,342	\$594,361,250	\$632,383,147	\$650,841,563

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$11,247,124	\$11,455,124	\$11,191,239	\$11,627,934	\$11,802,353
% Uncollected When Due ⁽¹⁾	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 2010-11 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>
2004-05	\$14,701,975	\$26,721,635	55.0%
2005-06	15,529,287	27,850,600	55.8
2006-07	17,005,873	30,124,452	56.5
2007-08	17,917,447	30,424,002	58.9
2008-09	18,926,468	31,955,377	59.2
2009-10 (Estimated)	18,691,517	31,070,456	60.2
2010-11 (Budgeted)	17,459,978	32,279,589	54.09

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$1,036,039	\$324,142
2007-2008	1,096,918	240,316
2008-2009	895,865	254,706
2009-2010 (Estimated)	767,012	257,149
2010-2011 (Budgeted)	1,085,778	367,525

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

GASB 45 and OPEB

The District contracted with Armory Associates 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 \$148,117,458 at June 30, 2010. The District's annual required contribution ("ARC") is \$9,604,415, of which \$9,495,900 is paid annually to District employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has reserved \$0 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 \$2,549,995 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$968,953 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 2010-11 budget was approved by voters on May 18, 2010.

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>
2009-2010	\$2,371,793	\$ --	\$2,371,793
2010-2011	2,305,363	314,170	2,619,533
2011-2012	2,303,688	508,694	2,812,382
2012-2013	2,018,838	512,494	2,531,332
2013-2014	2,032,219	508,944	2,541,163
2014-2015	2,032,031	510,494	2,542,525
2015-2016	2,033,700	511,094	2,544,794
2016-2017	2,041,975	510,250	2,552,225
2017-2018	2,044,631	513,250	2,557,881
2018-2019	793,000	512,350	1,305,350
2019-2020	794,800	508,600	1,303,400
2020-2021	790,400	509,100	1,299,500
2021-2022	--	513,600	513,600
2022-2023	--	511,850	511,850
2023-2024	--	509,100	509,100
2024-2025	--	<u>256,000</u>	<u>256,000</u>
TOTAL	<u>\$21,562,438</u>	<u>\$7,209,990</u>	<u>\$28,772,428</u>

⁽¹⁾ Totals may not add due to rounding.

**APPENDIX C-27
DESCRIPTION OF
SOUTH GLENS FALLS CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-27 a brief description of the South Glens 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

Located in the northeastern section of upstate New York's Saratoga County. The District spans approximately fifty square miles of an area which offers village, suburban, and rural settings to the prospective resident. The District encompasses all of the Town of Moreau (including the Village of South Glens Falls) and northern segments of the Towns of Northumberland and Wilton.

Population

The current estimated population of the District is 34,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Glens Falls Hospital	Hospital	2,000 (Regional)
National Grid	Utility	1,500 (Regional)
Finch Pruyn & Company, Inc.	Manufacturing	1,000
South Glens Falls Central School District	Education	749
ENCORE Paper Company	Manufacturing	250

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Erie Boulevard Hydropower	Utility	\$57,268,849 ⁽¹⁾
Ace Hardware	Retail Warehouse	38,300,000
SCA Tissue North America	Manufacturing	10,003,850
Parillo, Frank J.	Commercial Real Estate	9,480,600
National Grid	Utility	7,963,530 ⁽¹⁾⁽²⁾

⁽¹⁾ Has filed an Article 7 petition for reduced assessment.

⁽²⁾ The Town of Moreau is in negotiations with National Grid over a reduced assessment. The School District has intervention status and is not bound by the settlement reached with the Town of Moreau. The School District's tax base is thus not expected to be negatively impacted by any settlement reached between the Town and National Grid.

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 20.4% 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 Saratoga County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Saratoga County	3.5%	3.5%	3.7%	4.5%	6.3.9%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	3,359	3,418	3,463	3,466	3,444	3,439	3,413	3,431

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>
289	NYS United Teachers' Association (NYSUT)	June 30, 2010 ⁽¹⁾
Varies	Southern Adirondack Substitute Teacher Alliance	June 30, 2013
235	Civil Service Employees' Association (CSEA)	June 30, 2011
10	South Glens Falls Administrators' Association	June 30, 2012

⁽¹⁾ Currently under negotiations.

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 10, 2010⁽¹⁾

Full Valuation of Taxable Real Property	\$1,456,724,531
Debt Limit (10% of Full Valuation)	145,672,453
Gross Indebtedness ⁽²⁾	\$ 51,261,490
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$ 51,261,490
Net Debt Contracting Margin	\$ 94,410,963
Percentage of Debt Contracting Power Exhausted	35.19%

(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 \$6,370,000 School District Bonds to the Authority in connection with the refunding of \$7,851,358 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 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 2008 fiscal year 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:					
Saratoga	\$13,865,000	\$0	\$13,865,000	8.38%	\$1,161,887
Towns of:					
Moreau	0	0	0	100.00	0
Northumberland	60,000	60,000	0	34.57	20,742
Wilton	955,000	955,000	0	11.16	0
Village of:					
South Glens Falls	75,000	0	75,000	100.00	75,000
				Total	<u>\$1,257,629</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$51,261,490	\$1,507.69	3.52%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	52,519,119	1,544.68	3.61

(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 34,000.

(3) Based on the District's full value of taxable real estate for 2009-10 of \$1,456,724,531.

(4) The District expects to deliver \$6,370,000 School District Bonds to the Authority in connection with the refunding of \$7,851,358 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 2008 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	\$7,000,000	RAN	6/16/2004	6/16/2005
2005-2006	5,000,000	RAN	6/17/2005	6/16/2006
2006-2007	5,000,000	RAN	6/19/2006	6/19/2007
2007-2008	5,000,000	RAN	7/05/2007	7/03/2008
2008-2009	5,000,000	RAN	6/19/2008	6/19/2009
2009-2010	N/A	N/A	N/A	N/A

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

Capital Project Plans

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

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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 due and payable without penalty during the month of September. Taxes paid during the month of October are subject to a 2% penalty. After October 30, uncollected taxes are turned over to the County Treasurer for

collection with a penalty and additional interest added. The County Treasurer 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Moreau	\$333,516,601	\$340,321,724	\$334,880,358	\$337,812,940	\$338,771,640
Northumberland	44,104,080	88,147,899 ⁽¹⁾	89,716,495	96,113,682	103,383,175
Wilton	142,216,774 ⁽¹⁾	151,233,651	162,318,278	282,627,145 ⁽¹⁾	288,021,553
Total Assessed Valuation	\$519,837,455	\$579,703,274	\$586,915,131	\$716,553,767	\$730,176,368

⁽¹⁾ Significant change due to Town wide revaluation.

State Equalization Rates Years Ending June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Moreau	43.00%	36.00%	32.00%	32.00%	31.80%
Northumberland	65.00	100.00 ⁽¹⁾	92.00	89.00	100.00
Wilton	94.00 ⁽¹⁾	80.00	71.00	100.00 ⁽¹⁾	100.00
Taxable Full Valuation	\$994,766,874	\$1,222,528,085	\$1,372,636,341	\$1,446,285,484	\$1,456,724,531

⁽¹⁾ Significant change due to Town wide revaluation.

Total District Property Tax Collections Years Ending June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$20,357,821	\$22,282,337	\$23,171,431	\$23,577,906	\$23,483,989
% Uncollected When Due ⁽¹⁾	5.14%	6.50%	4.75%	4.00%	4.57%

⁽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 2010-11 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⁾
2004-05	\$18,547,538	\$40,049,470	46.31%
2005-06	19,790,759	42,928,904	46.10
2006-07	20,786,190	46,407,351	44.79
2007-08	23,058,321	49,612,730	46.48
2008-09	25,776,972	51,409,817	50.14
2009-10 (Estimated)	25,879,774	51,736,692	50.02
2010-11 (Budgeted)	22,873,503	48,439,775	47.22

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$372,252	\$1,477,412
2007-2008	647,626	1,662,279
2008-2009	538,096	1,470,383
2009-2010 (Estimated)	436,422	1,261,202
2010-2011 (Budgeted)	588,942	1,729,037

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

GASB 45 and OPEB

The District contracted with an actuarial firm 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 \$63,480,000 at June 30, 2009. The District's annual required contribution ("ARC") is \$5,560,000, of which \$1,790,000 is paid annually to over 238 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has reserved \$0 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 \$2,190,275 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$2,476,787 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 2010-11 budget was approved by voters on May 18, 2010.

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>
2009-2010	\$7,683,596	\$ --	\$7,683,596
2010-2011	6,282,983	630,348	6,913,331
2011-2012	6,280,289	624,356	6,904,645
2012-2013	6,268,360	625,606	6,893,966
2013-2014	6,258,849	624,206	6,883,055
2014-2015	6,241,248	627,856	6,869,104
2015-2016	6,228,264	625,206	6,853,470
2016-2017	6,207,952	625,950	6,833,902
2017-2018	6,189,204	630,200	6,819,404
2018-2019	182,375	625,700	808,075
2019-2020	180,703	627,950	808,653
2020-2021	180,703	628,950	809,653
2021-2022	181,375	628,700	810,075
2022-2023	178,828	627,200	806,028
2023-2024	--	624,450	624,450
2024-2025	--	376,200	376,200
TOTAL	<u>\$58,544,729</u>	<u>\$9,152,878</u>	<u>\$67,697,607</u>

⁽¹⁾ Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX C-28
DESCRIPTION OF
SOUTH KORTRIGHT CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-28 a brief description of the South Kortright 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 located in Delaware County (the "County") in the south central sector of the State and lies approximately 60 miles northeast of the City of Binghamton, 40 miles northwest of the City of Kingston, 45 miles southwest of the City of Albany and 15 miles southeast of the City of Oneonta. The District has a land area of approximately 100 square miles.

Population

The current estimated population of the District is 2,438.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Covidien Inc.	Pharmaceuticals	480
South Kortright CSD	Public Education	87
Phoenix House Foundation Inc.	Rehabilitation Services	33
Kortright Center Dairies	Farming	15
Richard Swantak Farm	Farming	3

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Graham Dm Laboratories	Commercial	\$41,889,507
Mallinckrodt Inc.	Pharmaceutical	3,190,647
City of New York	Commercial	2,848,791
NYSEG	Utility	2,326,467
Verizon New York Inc.	Communications	1,953,154

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 20.6% 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 Delaware County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Delaware County	4.5%	4.4%	4.4%	5.9%	8.5%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	371	351	349	355	372	360	360	360

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>
36	Educational Support	June 30, 2010 ⁽¹⁾
42	Teachers’	June 30, 2009 ⁽¹⁾

⁽¹⁾ Currently under negotiations.

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 10, 2010⁽¹⁾**

Full Valuation of Taxable Real Property	\$ 272,893,225
Debt Limit (10% of Full Valuation)	27,289,323
Gross Indebtedness ⁽²⁾	\$ 6,248,732
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness.....	\$ 6,248,732
Net Debt Contracting Margin	\$ 21,040,591
Percentage of Debt Contracting Power Exhausted	22.90%

⁽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 \$2,870,000 School District Bonds to the Authority in connection with the refunding of \$3,223,732 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 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 2008 fiscal year 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:					
Delaware	\$26,020,000	\$ 0	26,020,000	4.3%	\$1,118,860
Towns of:					
Delhi	0	0	0	0.7	0
Harpersfield	250,000	0	250,000	5.1	12,750
Kortright	421,063	244,130	176,933	74.0	130,930
Meredith	168,073	168,073	0	63.4	0
Stamford	0	0	0	1.3	0
Village of:					
Hobart	1,358,578	1,358,578	0	100.00	0
				Total	<u>\$1,262,540</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$6,248,732	\$2,563.06	2.29%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	7,511,272	3,080.92	2.75

(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 2,438.

(3) Based on the District's full value of taxable real estate for 2009-10 of \$272,893,225.

(4) The District expects to deliver \$2,870,000 School District Bonds to the Authority in connection with the refunding of \$3,223,732 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 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

On May 18, 2010, the voters of the District approved the issuance of \$110,000 of general obligation bonds to finance the costs of the acquisition of school buses. Other than such indebtedness, the District has no authorized and unissued indebtedness for capital or other purposes.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Bovina	\$4,242,134	\$4,273,984	\$4,361,806	\$4,586,263	\$4,531,571
Delhi	1,354,335	1,361,093	1,361,255	1,360,439	1,378,741
Harpersfield	1,864,229	2,088,041	2,105,979	2,164,697	2,205,390
Kortright	80,647,856	89,970,006	106,764,756	112,728,183	114,604,209
Meredith	575,526	578,254	2,589,155 ⁽¹⁾	2,610,526	2,673,466
Stamford	32,852,471	33,739,596	35,652,249	37,039,774	35,170,624
Total Assessed Valuation	\$121,536,551	\$132,010,974	\$152,835,200	\$160,489,882	\$160,564,001

	State Equalization Rates Years Ending June 30,				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Bovina	38.00%	30.25%	27.37%	24.00%	24.42%
Delhi	75.96	70.75	56.56	56.56	56.56
Harpersfield	30.74	30.00	25.47	25.24	27.20
Kortright	100.00	100.00	100.00	100.00	100.00
Meredith	37.79	35.00	100.00 ⁽¹⁾	100.00	100.00
Stamford	30.00	29.00	27.00	27.50	27.80
Taxable Full Valuation	\$210,690,025	\$230,978,411	\$268,010,940	\$280,119,982	\$272,893,225

⁽¹⁾ Significant increase due to town wide revaluation.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$2,638,518	\$2,751,771	\$2,775,859	\$3,041,178	\$3,161,347
% Uncollected When Due ⁽¹⁾	13.85%	13.22%	13.92%	14.03%	15.07%

⁽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 2010-11 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>
2004-05	\$2,796,451	\$5,938,722	47.1%
2005-06	3,689,426	7,174,175	51.4
2006-07	3,838,155	7,503,644	51.1
2007-08	3,925,954	7,582,077	51.8
2008-09	3,884,186	7,696,555	50.5
2009-10 (Estimated)	3,672,362	7,863,045	46.7
2010-11 (Budgeted)	3,737,712	8,082,804	46.2

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$59,048	\$215,880
2007-2008	43,747	235,533
2008-2009	52,315	255,629
2009-2010 (Estimated)	88,592	258,627
2010-2011 (Budgeted)	90,164	265,351

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

GASB 45 and OPEB

The District contracted with Capital Region BOCES 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 \$25,072,004 at June 30, 2009. The District's annual required contribution ("ARC") is \$1,580,953, of which \$715,447 is paid annually to over 81 employees. The aforementioned liability and ARC will be recognized and disclosed in accordance with GASB 45 standards in the District's 2010 financial statements. The District has reserved \$0 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 \$189,080 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$304,270 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 2010-11 budget was approved by voters on May 18, 2010.

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</u> ⁽¹⁾	<u>Total Debt Service</u> ⁽¹⁾
2009-2010	\$370,390	\$ --	\$370,390
2010-2011	370,490	258,755	629,245
2011-2012	375,185	256,681	631,866
2012-2013	374,208	256,481	630,689
2013-2014	372,838	260,331	633,169
2014-2015	371,075	258,981	630,056
2015-2016	333,920	252,256	586,176
2016-2017	293,000	260,188	553,188
2017-2018	298,000	257,188	555,188
2018-2019	297,400	259,938	557,338
2019-2020	296,400	256,188	552,588
2020-2021	--	257,188	257,188
2021-2022	--	257,688	257,688
2022-2023	--	257,688	257,688
2023-2024	--	257,188	257,188
2024-2025	--	256,488	256,488
2025-2026	--	86,188	86,188
2026-2027	--	83,125	83,125
2027-2028	--	85,063	85,063
2028-2029	--	81,781	81,781
2029-2030	--	83,500	83,500
TOTAL	<u>\$3,752,906</u>	<u>\$4,282,884</u>	<u>\$8,035,790</u>

⁽¹⁾ Totals may not add due to rounding.

**APPENDIX C-29
DESCRIPTION OF
THE ENLARGED CITY SCHOOL DISTRICT OF TROY**

There follows in this Appendix C-29 a brief description of The Enlarged City School District of Troy (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

Description

The District is in the County of Rensselaer and is situated on the east bank of the Hudson River approximately 8 miles northeast of Albany (the State Capital). The District, which encompasses an area of 9 square miles, contains approximately 70% of the assessed valuation of the City of Troy and approximately 30% of the assessed valuation of the Town of Brunswick.

Population

The current estimated population of the District is 40,310

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
State of New York	Government	2,200
Rensselaer Polytechnic Institute	Institute for Higher Learning	1,450
Northeast Health	Full Service Health Care	1,400
Rensselaer County	Government	1,150
Seton Health	Full Service Health Care	1,120

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Public Utility	\$37,906,899
Center Albany Associates	Apartments	19,027,837
Troy SRALP, LLC	Commercial	16,368,911
Regency Realty Associates	Real Estate	13,426,399
Brunswick Associates	Apartments	11,995,868

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 7.99% 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 Rensselaer County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Rensselaer County	4.2%	4.2%	4.3%	5.1%	7.4%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>	Projected <u>2012-13</u>
K-12	4,241	4,524	4,283	4,232	3,877	3,877	3,877	3,877

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>
21	Administrators Association	June 30, 2010 ⁽¹⁾
450	Troy Teachers Association	June 30, 2011
180	CSEA	June 30, 2009 ⁽¹⁾
11	Management Confidential – Exempt	N/A
4	Superintendent & Cabinet Members	N/A

⁽¹⁾ Currently in negotiations.

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 10, 2010⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Rates
Five Year Average Full Valuation of Taxable Real Property	\$1,486,975,456	\$1,897,228,077
Debt Limit (5% of full valuation) ⁽²⁾	44,812,345	44,812,345
<u>Inclusions</u>		
Bonds.....	\$37,970,000	\$37,970,000
Bond Anticipation Notes	<u>6,842,345</u>	<u>6,842,345</u>
Total Inclusions ⁽³⁾	\$44,812,345	\$44,812,345
<u>Exclusions</u>		
Deficit Financing Program	\$4,975,000	\$4,975,000
Appropriations.....	<u>0</u>	<u>0</u>
Total Exclusions	\$4,975,000	\$4,975,000
Total Net Indebtedness	\$39,837,345	\$39,837,345
Net Debt Contracting Margin	\$34,511,428	\$55,024,059
Percentage of Debt Contracting Power Exhausted	53.58%	42.00%

- (1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$6,420,000 School District Bonds to the Authority in connection with the refunding of \$6,842,345 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 2008 fiscal year 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:					
Rensselaer	\$165,083,463	\$36,282,450	\$128,801,013	19.53%	\$25,154,838
City of:					
Troy	67,147,241	59,547,241	7,600,000	76.6	5,821,600
Town of:					
Brunswick	2,483,866	2,185,000	289,866	33.1	<u>95,946</u>
				Total	<u>\$31,072,384</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$44,812,345	\$1,111.69	2.51%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	75,884,729	1,882.53	4.25

(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 40,310.

(3) Based on the District's full value of taxable real estate for 2009-10 of \$1,787,012,505.

(4) The District expects to deliver \$6,420,000 School District Bonds to the Authority in connection with the refunding of \$6,842,345 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 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

The District voters authorized a \$56,362,233 capital project on February 10, 2010 for the reconstruction of Doyle Middle School, upgrading facilities at Troy High School and improvements for the District's athletic fields. The first anticipated borrowing against said authorization will be in Spring 2011.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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 due and payable in two equal installments, July 1 to July 31 and January 1 to January 31, without penalty. After July 31, penalties are imposed at the rate of 1% per month on the first installment to a maximum of 15%; after January 31, penalties are imposed at a rate of 1% per month on the second installment to a maximum of 9%. After March 1, uncollected taxes are returned to the City (for property in the City) or the County (for property in the Town of Brunswick) and a 5% collection fee is added to the delinquent taxes and penalties. The City Treasurer is required to pay to the District, as collected, all monies realized from the collection of unpaid taxes and the interest thereon, less the 5% collection fee. The City Treasurer is also required to reimburse the District in full the amount of uncollected taxes which remain unpaid two years after the return of uncollected taxes to the City Treasurer. The County reimburses the District in full by 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of:						
	Troy	\$187,647,586	\$186,743,071	\$185,628,040	\$185,407,092	\$191,942,276
Town of:						
	Brunswick	75,044,851	76,863,970	77,936,278	78,192,961	81,095,220
Total Assessed Valuation		\$262,692,437	\$263,607,041	\$263,564,318	\$263,600,053	\$273,037,296
		State Equalization Rates Years Ending June 30,				
		<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of:						
	Troy	20.00%	17.50%	16.00%	13.50%	13.22%
Town of:						
	Brunswick	34.10	28.75	26.00	24.30	24.20
Taxable Full Valuation		\$1,158,310,807	\$1,334,456,202	\$1,459,930,165	\$1,695,167,599	\$1,787,012,505

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of:					
Troy	15.27%	12.90%	12.60%	11.20%	9.97%
Town of:					
Brunswick	24.80	23.32	23.27	21.17	19.34
Taxable Full Valuation	\$1,531,464,554	\$1,777,226,066	\$1,808,160,106	\$2,024,777,862	\$2,344,511,799

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$27,198,423	\$27,969,467	\$28,411,748	\$29,546,570	\$30,333,625
% Uncollected When Due ⁽¹⁾	8.00%	7.36%	7.45%	8.29%	7.73%

⁽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 2010-11 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⁾
2004-05	\$42,272,270	\$72,460,807	58.3%
2005-06	41,191,437	73,750,209	55.9
2006-07	45,653,614	80,072,567	57.0
2007-08	50,358,450	84,980,312	59.3
2008-09	51,074,072	86,585,842	57.0
2009-10 (Estimated)	51,602,809	88,598,673	58.2
2010-11 (Budgeted)	49,334,103	85,706,302	57.6

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$583,952	\$2,335,002
2007-2008	550,228	2,718,331
2008-2009	625,536	2,443,052
2009-2010 (Estimated)	880,052	2,400,936
2010-2011 (Budgeted)	964,074	3,161,850

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" ("OPEB") in accordance with GASB 45. The District's present value OPEB liability has been determined to be \$113,365,205 at June 30, 2009. The District's annual required contribution ("ARC") is \$10,894,102. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 financial statements. The District has reserved \$0 toward its OPEB liability. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Recent Operating Results

The District's expenditures exceeded its revenues by \$1,461,564 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$3,585,463 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 2010-11 budget was rejected by voters on May 18, 2010. The Board of Education anticipates that on June 2, 2010, it will exercise its option, pursuant to the Education Law, to adopt by resolution a contingency (also known as austerity) budget for the 2010-2011 fiscal year. Such contingency budget provides for ordinary contingent expenses, including debt service.

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⁾
2009-2010	\$5,410,324	\$ --	\$5,410,324
2010-2011	4,428,718	617,953	5,046,671
2011-2012	4,435,330	616,819	5,052,149
2012-2013	4,433,784	618,519	5,052,303
2013-2014	3,308,497	617,569	3,926,066
2014-2015	2,655,688	621,619	3,277,306
2015-2016	2,661,138	619,419	3,280,556
2016-2017	2,658,119	620,650	3,278,769
2017-2018	2,652,169	620,400	3,272,569
2018-2019	2,646,469	621,550	3,268,019
2019-2020	2,640,750	619,300	3,260,050
2020-2021	1,765,488	621,050	2,386,538
2021-2022	1,323,113	616,550	1,939,663
2022-2023	1,324,575	621,050	1,945,625
2023-2024	1,324,013	619,050	1,943,063
2024-2025	1,321,425	616,550	1,937,975
2025-2026	1,321,700	--	1,321,700
2026-2027	1,319,725	--	1,319,725
2027-2028	1,315,500	--	1,315,500
2028-2029	<u>1,313,913</u>	<u>--</u>	<u>1,313,913</u>
TOTAL	<u>\$50,260,438</u>	<u>\$50,260,438</u>	<u>\$59,548,484</u>

⁽¹⁾ Schedule does not include payments due under a \$15,260,000, of which \$4,975,000 is currently outstanding to issue special school deficit program bonds issued by the New York State Municipal Bond Bank Agency.

⁽²⁾ Totals may not add due to rounding.

**APPENDIX C-30
DESCRIPTION OF
TRUMANSBURG CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-30 a brief description of the Trumansburg 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.

Description

The District is located in the Towns of Ulysses, Hector, Enfield and Covert in the Counties of Tompkins, Seneca and Schuyler. The District covers approximately 80 square miles. All of the District's facilities are centrally located on one campus approximately 12 miles north of the City of Ithaca.

Population

The current estimated population of the District is 7,362.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Trumansburg Central School District	Public Education	251
Shur-Save	Supermarket	55
Ehrhart Propane	Heating	23
Trumansburg Home Telephone	Utility	22
Trumansburg Family Health Center	Medical Services	15

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric & Gas Corporation	Utility	\$5,017,254
William J. Auble	Mobile Home Park	3,564,457
Trumansburg Telephone	Utility	2,494,149
BTS Ventures, LLC	Restaurant/Inn	2,160,000
Cayuga Breeders	Agricultural	1,868,200

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 4.6% 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 Tompkins, Seneca and Schuyler Counties. The data set forth below with respect to the Counties and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Tompkins County	3.6%	3.5%	3.4%	4.1%	5.8%
Seneca County	4.7	4.6	4.5	5.4	7.6
Schuyler County	5.5	5.1	5.0	5.7	8.4
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	Projected <u>2010-11</u>	Projected <u>2011-12</u>	Projected <u>2012-13</u>
K-12	1,369	1,319	1,272	1,239	1,149	1,131	1,109	1,090

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>
125	Trumansburg Teachers' Association (NYSUT)	June 30, 2011
107	Trumansburg 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 10, 2010⁽¹⁾

Full Valuation of Taxable Real Property	\$ 496,964,881
Debt Limit (10% of Full Valuation)	49,696,488
Gross Indebtedness ⁽²⁾	\$ 30,432,330
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness.....	\$ 30,432,330
Net Debt Contracting Margin	\$ 19,264,158
Percentage of Debt Contracting Power Exhausted	61.25%

(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 \$8,655,000 School District Bonds to the Authority in connection with the refunding of \$9,221,673 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 Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid.

Note: Gross Indebtedness include \$9,575,000 refunded serial bonds.

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 2008 fiscal year 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	\$68,834,560	\$9,357,005	\$59,447,555	6.41%	\$3,812,511
Seneca	17,975,000	17,975,000	0	5.16	0
Schuyler	140,000	0	140,000	9.90	13,860
Towns of:					
Ulysses	2,212,179	2,212,179	0	84.94	0
Enfield	0	0	0	31.26	0
Covert	0	0	0	55.72	0
Hector	2,983,018	2,880,912	102,106	33.65	34,359
Village of:					
Trumansburg	2,710,000	2,290,000	420,000	100.00	<u>420,000</u>
				Total	<u>\$4,280,730</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$30,432,330	\$4,133.70	6.12%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	34,713,060	4,715.17	6.99

(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 7,362.

(3) Based on the District's full value of taxable real estate for 2009-10 of \$496,964,881.

(4) The District expects to deliver \$8,655,000 School District Bonds to the Authority in connection with the refunding of \$9,221,673 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 2008 fiscal year.

Cash Flow Borrowing

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

Capital Project Plans

On May 18, 2010, the voters of the District approved the issuance of \$390,000 of general obligation bonds to finance the costs of the acquisition of school buses. Other than such indebtedness and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Ulysses	\$223,919,023	\$226,960,581	\$233,257,812	\$281,164,621 ⁽¹⁾	\$287,790,915
Enfield	33,616,386	34,484,711	34,909,528	40,683,352 ⁽¹⁾	42,330,219
Covert	50,429,774	50,936,081	63,109,606 ⁽¹⁾	63,666,971	73,069,503
Hector	45,923,896	46,481,680	78,585,186 ⁽¹⁾	79,104,282	83,335,744
Total Assessed Valuation	\$353,889,079	\$358,863,053	\$409,862,132	\$464,619,226	\$486,526,381
State Equalization Rates Years Ending June 30,					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Ulysses	100.00%	90.00%	85.00%	100.00% ⁽¹⁾	100.00%
Enfield	100.00	90.00	85.00	100.00 ⁽¹⁾	100.00
Covert	95.00	85.00	100.00 ⁽¹⁾	93.00	87.50
Hector	80.00	70.00	100.00 ⁽¹⁾	100.00	100.00
Taxable Full Valuation	\$368,024,251	\$416,821,969	\$457,185,779	\$469,411,363	\$496,964,881

⁽¹⁾ Significant change from previous year due to revaluation of assessments.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$7,717,189	\$8,493,268	\$9,057,196	\$9,561,844	9,738,387
% Uncollected When Due ⁽¹⁾	5.6%	4.9%	4.7%	4.7%	5.2%

⁽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, the estimated figures for the current fiscal year and the budgeted figures for the 2010-11 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⁾
2004-05	\$ 9,807,202	\$16,919,753	57.9%
2005-06	10,261,378	18,758,821	54.7
2006-07	10,846,610	20,119,635	53.9
2007-08	11,419,522	21,318,805	53.6
2008-09	12,650,438	22,752,667	55.6
2009-10 (Estimated)	12,075,536	22,343,904	54.0
2010-11 (Budgeted)	11,836,383	23,114,651	51.2

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$211,781	\$554,965
2007-2008	156,045	570,698
2008-2009	199,180	638,820
2009-2010 (Estimated)	169,605	575,351
2010-2011 (Budgeted)	345,487	538,704

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

GASB 45 and OPEB

The District contracted with Armory Associates LLC to assist in the determination of the costs and liabilities associated with the District's OPEB plan (the "Plan"). This analysis has been completed in accordance with GASB Statement No. 45; Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pensions.

As of June 30, 2010 the actuarial present value of the total projected benefits for the District's 240 active employees and 94 retirees was \$21,412,995. The actuarial accrued liability (AAL), the portion of the actuarial present

value of the total future benefits based on the employees' service rendered to the measurement date, is \$12,029,863. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$12,029,863. The District's annual OPEB cost was \$1,467,379 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,106,228 to the Plan for the fiscal year ending June 30, 2010 resulting in a year-end Net OPEB obligation of \$2,169,876. See also, "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – GASB and OPEB."

Recent Operating Results

The District's revenues exceeded its expenditures by \$1,013,541 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$919,063 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 2010-11 budget was approved by voters on May 18, 2010.

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>
2009-2010	\$3,761,785	\$ --	\$3,761,785
2010-2011	3,738,510	834,460	4,572,970
2011-2012	3,601,285	834,875	4,436,160
2012-2013	3,433,942	836,775	4,270,717
2013-2014	3,328,323	835,125	4,163,448
2014-2015	3,198,698	833,525	4,032,223
2015-2016	3,137,385	835,550	3,972,935
2016-2017	824,835	835,200	1,660,035
2017-2018	219,660	832,950	1,052,610
2018-2019	--	832,750	832,750
2019-2020	--	833,000	833,000
2020-2021	--	836,750	836,750
2021-2022	--	833,750	833,750
2022-2023	--	834,250	834,250
2023-2024	--	833,000	833,000
2024-2025	--	836,000	836,000
TOTAL	<u>\$25,244,423</u>	<u>\$12,517,960</u>	<u>\$37,762,383</u>

⁽¹⁾ Totals may not add due to rounding.

**APPENDIX C-31
DESCRIPTION OF
WELLSVILLE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-31 a brief description of the Wellsville 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 107 square miles in the Towns of Alma, Andover, Independence, Scio, Wellsville and Willing in Allegany County. The Village of Wellsville is located within the District.

Population

The current estimated population of the District is 6,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Dresser Rand	Compressors	750
Air Preheater	Heat Exchangers	625
Jones Memorial Hospital	Hospital	380
Allegany ARC	Rehabilitation	350
Ottis Eastern	Pipeline	300

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Fuel Gas	Utility	\$28,445,597
Riverwalk	Shopping Center	7,496,237
National Grid	Utility	6,276,071
Dominion Transmission	Fuel Transport	4,756,984
Wellsville Realty	Real Estate	3,440,860

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 17.84% 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 Allegany County. The data set forth below with respect to the County and the State of New York is included for informational purposes. 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Allegany County	5.9%	5.3%	5.5%	6.3%	8.7%
New York State	5.0	4.6	4.5	5.3	8.4

Enrollment

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>
K-12	1,368	1,343	1,359	1,392	1,352	1,313	1,306	1,297

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>
138	Wellsville Educators’ Association	June 30, 2011
128	Wellsville Support Staff	June 30, 2010 ⁽¹⁾
6	Wellsville Administrators’ Association	June 30, 2010 ⁽¹⁾

⁽¹⁾ Currently in negotiations.

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 10, 2010⁽¹⁾**

Full Valuation of Taxable Real Property	\$ 333,683,507
Debt Limit (10% of Full Valuation)	33,368,350
Gross Indebtedness ⁽²⁾	\$ 35,245,900
Less: Exclusions – Estimated Building Aid ⁽³⁾	19,972,772
Total Net Indebtedness.....	\$ 15,273,128
Net Debt Contracting Margin	\$ 18,095,222
Percentage of Debt Contracting Power Exhausted	45.77%

⁽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 \$19,850,000 School District Bonds to the Authority in connection with the refunding of \$13,300,000 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 2008 fiscal year 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	\$31,027,711	\$0	\$31,027,711	20.50%	\$ 6,360,681
Towns of:					
Alma	172,013	0	172,013	85.50	147,071
Andover	180,032	0	180,032	4.76	8,570
Independence	57,000	0	57,000	6.15	3,506
Scio	502,554	0	502,554	10.60	53,271
Wellsville	591,165	0	591,165	100.00	591,165
Willing	15,000	0	15,000	88.28	13,242
Village of:					
Wellsville	4,298,900	0	4,298,900	100.00	<u>4,298,900</u>
				Total	<u>\$11,476,406</u>

(1) Bonds and bond anticipation notes as of close of 2008 fiscal year. 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 Finance Years Ended in 2008.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 10, 2010.

Debt Ratios As of May 10, 2010⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$35,245,900	\$5,874.32	10.56%
Gross Indebtedness Plus Net Overlapping Indebtedness ⁽⁵⁾	46,722,306	7,787.05	14.00

(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 6,000.

(3) Based on the District's full value of taxable real estate for 2009-10 of \$333,683,507.

(4) The District expects to deliver \$19,850,000 School District Bonds to the Authority in connection with the refunding of \$13,300,000 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 debt ratios accordingly.

(5) Net Overlapping Indebtedness calculated as of the close of the 2008 fiscal year.

Cash Flow Borrowing

The District issued \$1,500,000 of Revenue Anticipation Notes in the 2007-08 fiscal year. The District has not issued any other Revenue Anticipation Notes since that time, and does not expect to issue any 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 three separate propositions including the issuance of \$100,000 of obligations to finance the acquisition of school buses, the issuance of \$6,000 of obligations to purchase real property for the District of approximately one acre of land and the issuance of \$596,073 of obligations for capital improvements consisting of reconstruction of existing school buildings and facilities.

In addition to the issuance of School district Bonds, on May 18, 2010, the voters of the District approved the issuance of \$110,000 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 Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board 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, 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Alma	\$21,921,902	\$22,315,619	\$22,741,482	\$22,774,009	\$22,887,014
Andover	2,221,774	2,239,739	2,306,468	2,466,004	2,411,411
Independence	2,193,705	2,194,192	2,283,733	2,276,476	2,393,272
Scio	4,282,595	4,291,851	4,318,772	4,283,029	4,288,167
Wellsville	210,654,144	211,021,325	211,250,061	213,011,249	213,977,479
Willing	59,908,239	59,462,537 ⁽¹⁾	66,305,985 ⁽¹⁾	66,621,442	67,246,107
Total Assessed Valuation	\$301,182,359	\$301,525,263	\$309,206,501	\$311,432,209	\$313,203,450

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Alma	100.00%	100.00%	100.00%	95.00%	93.00%
Andover	100.00	100.00	94.37	100.00	94.40
Independence	100.00	86.00	85.00	84.00	74.00
Scio	85.00	80.00	76.00	76.00	72.00
Wellsville	100.00	100.00	100.00	95.00	93.00
Willing	100.00	95.00	100.00	100.00	100.00
Taxable Full Valuation	\$301,938,111	\$306,085,026	\$311,110,935	\$325,628,108	\$333,683,507

⁽¹⁾ Difference due to townwide revaluation.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$6,649,692	\$6,865,804	\$7,023,000	\$7,383,511	\$7,679,000
% Uncollected When Due ⁽¹⁾	10.32%	9.87%	7.72%	11.52%	9.18%

⁽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 2010-11 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>
2004-05	\$11,164,944	\$18,045,449	61.87%
2005-06	12,164,517	19,509,471	62.35
2006-07	12,649,003	20,116,117	62.88
2007-08	13,256,640	21,165,146	62.63
2008-09	14,586,022	22,623,598	64.47
2009-10 (Estimated)	15,116,080	25,143,033	60.12
2010-11 (Budgeted)	16,002,071	25,280,850	63.30

⁽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 2006-2007 fiscal year, the estimated payments for the 2009-2010 fiscal year and the budgeted payments for the 2010-2011 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2006-2007	\$216,102	\$834,078
2007-2008	194,899	703,529
2008-2009	163,203	639,153
2009-2010 (Estimated)	147,857	704,588
2010-2011 (Budgeted)	259,402	795,213

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

GASB 45 and OPEB

The District's present value Net OPEB liability has been determined to be \$104,509 at June 30, 2009. The District's annual required contribution ("ARC") is \$237,576. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2009 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 \$522,613 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$770,274 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 2010-11 budget was approved by voters on May 18, 2010.

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⁾
2009-2010	\$2,409,803	\$ --	\$2,409,803
2010-2011	2,404,237	1,553,838	3,958,075
2011-2012	2,404,303	1,568,356	3,972,659
2012-2013	2,406,432	1,600,456	4,006,888
2013-2014	2,405,122	1,606,556	4,011,678
2014-2015	2,346,775	1,607,156	3,953,931
2015-2016	2,341,650	1,609,386	3,951,036
2016-2017	2,218,475	1,606,474	3,824,949
2017-2018	1,916,813	1,604,234	3,521,047
2018-2019	1,614,600	1,604,459	3,219,059
2019-2020	1,606,800	1,605,784	3,212,584
2020-2021	1,606,275	1,604,278	3,210,553
2021-2022	1,603,050	1,604,840	3,207,890
2022-2023	1,596,075	1,607,178	3,203,253
2023-2024	--	1,605,978	1,605,978
2024-2025	--	1,607,778	1,607,778
2025-2026	--	357,378	357,378
2026-2027	--	359,018	359,018
2027-2028	--	355,218	355,218
2028-2029	--	356,198	356,198
2029-2030	--	356,738	356,738
2030-2031	--	356,838	356,838
2031-2032	--	355,675	355,675
2032-2033	--	359,038	359,038
2033-2034	--	356,688	356,688
2034-2035	--	358,863	358,863
2035-2036	--	355,325	355,325
2036-2037	--	356,313	356,313
2037-2038	--	356,588	356,588
2038-2039	--	356,150	356,150
TOTAL	<u>\$28,880,410</u>	<u>\$28,992,779</u>	<u>\$57,873,189</u>

⁽¹⁾ Totals may not add due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**SUMMARY OF CERTAIN PROVISIONS
OF THE FINANCING AGREEMENTS**

[THIS PAGE INTENTIONALLY LEFT BLANK]

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**

[THIS PAGE INTENTIONALLY LEFT BLANK]

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)

[THIS PAGE INTENTIONALLY LEFT BLANK]

**FORM OF APPROVING OPINION
OF BOND COUNSEL**

[THIS PAGE INTENTIONALLY LEFT BLANK]

Form of Approving Opinion of Bond Counsel

[Letterhead of Winston & Strawn LLP]

June 15, 2010

Dormitory Authority of the
State of New York
515 Broadway
Albany, New York 12207

Re: \$252,755,000 Dormitory Authority of the State of New York School Districts Revenue Bond Financing Program Revenue Bonds, Series 2010A (the "Series 2010A Bonds"), \$54,190,000 Series 2010B (the "Series 2010B Bonds"), \$23,485,000 Series 2010C (the "Series 2010C Bonds") and \$4,625,000 Series 2010D (the "Series 2010D 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 \$335,055,000 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 2010 Resolutions"), adopted April 29, 2009. The Master Resolution and the Series 2010 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 2010A Bonds, the Authority has entered into Financing Agreements, dated as of May 1, 2010 (the "Series 2010A Financing Agreements"), with the school districts identified on Schedule A (the "Series 2010A School Districts") providing, among other things, for a loan to the Series 2010A School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2010 Resolution. With respect to the Series 2010B Bonds, the Authority has entered into Financing Agreements, dated as of May 1, 2010 (the "Series 2010B Financing Agreements"), with the school districts identified on Schedule A (the "Series 2010B School Districts") providing, among other things, for a loan to the Series 2010B School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2010 Resolution. With respect to the Series 2010C Bonds, the Authority has entered into a Financing Agreement, dated as of May 1, 2010 (the "Series 2010C Financing Agreement"), with the school district identified on Schedule A (the "Series 2010C School District") providing, among other things, for a loan to the Series 2010C School District for the purposes permitted thereby and by the Master Resolution and the applicable Series 2010 Resolution. With respect to the Series 2010D Bonds, the Authority has entered into a Financing Agreement, dated as of May 1, 2010 (the "Series 2010D Financing Agreement" and, together with the Series 2010A Financing Agreements, the Series 2010B Financing Agreements and the Series 2010C Financing Agreement, the "Series 2010 Financing Agreements"), with the school district identified on Schedule A (the "Series 2010D School District" and together with the Series 2010A School Districts, the Series 2010B School Districts and the Series 2010C School District, the "School Districts") providing, among other things, for a loan to the Series 2010D School District for the purposes permitted thereby and by the Master Resolution and the applicable Series 2010 Resolution. Pursuant to the Series 2010A Financing Agreements, the Series 2010A 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 2010A 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 2010A Bonds. Pursuant to the Series 2010B Financing Agreements, the Series 2010B 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 2010B 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 2010B Bonds. Pursuant to the Series 2010C Financing

Agreement, the Series 2010C 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 2010C 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 2010C Bonds. Pursuant to the Series 2010D Financing Agreement, the Series 2010D 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 2010D 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 2010D 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 by 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 2010 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 2010A 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 2010 Resolution, will be payable solely from the sources provided therefor in the Master Resolution and the applicable Series 2010 Resolution, and will be entitled to the benefit of the Master Resolution, the applicable Series 2010 Resolution and the Act. The Series 2010B 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 2010 Resolution, will be payable solely from the sources provided therefor in the Master Resolution and the applicable Series 2010 Resolution, and will be entitled to the benefit of the Master Resolution, the applicable Series 2010 Resolution and the Act. The Series 2010C 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 2010 Resolution, will be payable solely from the sources provided therefor in the Master Resolution and the applicable Series 2010 Resolution, and will be entitled to the benefit of the Master Resolution, the applicable Series 2010 Resolution and the Act. The Series 2010D 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 2010 Resolution, will be payable solely from the sources provided therefor in the Master Resolution and the applicable Series 2010 Resolution, and will be entitled to the benefit of the Master Resolution, the applicable Series 2010 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 2010 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 2010 Resolution, except the Arbitrage Rebate Fund created thereby, subject to the provisions of the Master Resolution and the applicable Series 2010 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Master Resolution and the applicable Series 2010 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, constitute 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. 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 2010A Bonds maturing in 2025 and Series 2010C Bonds maturing in 2015 and in 2018-2020, 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 2010A Bonds maturing in 2025 and Series 2010C Bonds maturing in 2015 and in 2018-2020, 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 or disposition of, or the accrual or receipt of interest on the Bonds.

Faithfully yours,

SCHEDULE A

SERIES 2010A:

City School District of the City of Albany
Enlarged Amsterdam City School District of the City of Amsterdam
Averill Park Central School District
Deposit Central School District
Hamilton Central School District
Herkimer Central School District
Indian River Central School District
Johnson City Central School District
Lansingburgh Central School District at Troy
Mohawk Central School District
Norwood-Norfolk Central School District
Oakfield-Alabama Central School District
City School District of the City of Oneonta
Oppenheim-Ephratah Central School District
Otego-Unadilla Central School District
Panama Central School District
Red Creek Central School District
Remsen Central School District
City School District of the City of Rome
City School District of the City of Sherrill
South Glens Falls Central School District
South Kortright Central School District
The Enlarged City School District of Troy
Trumansburg Central School District

SERIES 2010B:

Allegany-Limestone Central School District
Brockport Central School District
Fort Plain Central School District
Sherman Central School District
Wellsville Central School District

SERIES 2010C:

Phoenix Central School District

SERIES 2010D:

North Syracuse Central School District

[THIS PAGE INTENTIONALLY LEFT BLANK]

**SPECIMEN MUNICIPAL BOND
INSURANCE POLICY**

[THIS PAGE INTENTIONALLY LEFT BLANK]



MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. (FORMERLY KNOWN AS FINANCIAL SECURITY ASSURANCE INC.) ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

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

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. (FORMERLY KNOWN AS FINANCIAL SECURITY ASSURANCE INC.) has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.
(FORMERLY KNOWN AS FINANCIAL
SECURITY ASSURANCE INC.)

By _____
Authorized Officer

(212) 826-0100

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

