

\$327,315,000			
DORMITORY AUTHORITY OF THE STATE OF NEW YORK			
SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS			
\$261,490,000	\$39,975,000	\$8,125,000	\$17,725,000
SERIES 2011A	SERIES 2011B	SERIES 2011C	SERIES 2011D
Dated: Date of Delivery		Due: As shown on the inside cover	

Payment and Security: The School Districts Revenue Bond Financing Program Revenue Bonds, Series 2011A (the "Series 2011A Bonds"), the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2011B (the "Series 2011B Bonds"), the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2011C (the "Series 2011C Bonds"), and the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2011D (the "Series 2011D Bonds" and, together with the Series 2011A Bonds, the Series 2011B Bonds and the Series 2011C Bonds, the "Series 2011 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 April 1, 2011, 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, as amended and supplemented (the "Master Resolution"), and established by the Authority's Series Resolutions, adopted March 30, 2011, authorizing such Series (individually, the "Series 2011A Resolution," the "Series 2011B Resolution," the "Series 2011C Resolution" and the "Series 2011D Resolution," and, together, the "Series 2011 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 2011 Bonds and no real property of any School District secures the Series 2011 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 2011 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 2011 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 applicable Series of the Series 2011 Bonds. See "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2011 BONDS."

The Series 2011 Bonds will not be a debt of the State nor will the State be liable thereon. The Authority has no taxing power.

Bond Insurance: The scheduled payment of principal of and interest on the Series 2011B Bonds and the Series 2011D Bonds (collectively, the "Insured Bonds") when due will be guaranteed under a financial guaranty insurance policy to be issued concurrently with the delivery of the Insured Bonds by Assured Guaranty Corp. ("AGC").



Description: The Series 2011 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, 2012) on the Series 2011 Bonds will be payable by check or draft mailed to the registered owners of the Series 2011 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 2011 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 2011 Bonds will be payable at the principal corporate trust office of The Bank of New York Mellon, New York, New York, 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 2011 Bonds, by wire transfer to the Holders of such Series of Series 2011 Bonds as more fully described herein.

The Series 2011 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 2011 Bonds will be made in Book-Entry form without certificates. So long as DTC or its nominee is the registered owner of the Series 2011 Bonds, payments of the principal and interest on such Series of Series 2011 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 2011 BONDS – Book-Entry Only System" herein.

Redemption: *The Series 2011 Bonds are subject to redemption prior to maturity as more fully described herein.*

Tax Exemption: In the opinion of Hiscock & Barclay, LLP, Bond Counsel to the Authority, under existing statutes, regulations, rulings and court decisions and assuming compliance with the covenants described herein and the accuracy of certain representations by the Authority and the School Districts (and their successors), interest on the Series 2011 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that interest on the Series 2011 Bonds is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed under the Code; provided, however, that interest on the Series 2011 Bonds owned by corporations will 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. Bond Counsel is further of the opinion that interest on the Series 2011 Bonds is exempt under existing laws from personal income taxes imposed by the State of New York and its political subdivisions (including The City of New York). See "PART 10–TAX MATTERS" herein regarding certain other tax considerations.

The Series 2011 Bonds are offered when, as and if issued and received by the Underwriters. The offer of the Series 2011 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 Hiscock & Barclay, LLP, Albany, New York, Bond Counsel to the Authority, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Winston & Strawn LLP, New York, New York, and Law Offices of Joseph C. Reid, P.A., New York, New York, and for each School District by its respective bond counsel as listed in Appendix B hereto. The Authority expects to deliver the Series 2011 Bonds in New York, New York, on or about June 8, 2011.

Jefferies & Company	Roosevelt & Cross, Incorporated	RBC Capital Markets
Barclays Capital	Citi	KeyBanc Capital Markets
Morgan Keegan	Morgan Stanley	Oppenheimer & Co. Inc.
Ramirez & Co., Inc.	Raymond James & Associates, Inc.	Rice Financial Products Company
Siebert Brandford Shank & Co., LLC	Stifel, Nicolaus & Company, Inc.	Wells Fargo Securities

\$327,315,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS

\$261,490,000
SERIES 2011A

Due				Due					
October 1,	Amount	Interest Rate	Yield	CUSIP ⁽¹⁾	October 1,	Amount	Interest Rate	Yield	CUSIP ⁽¹⁾
2012	\$ 9,345,000	3.000%	0.850%	649906CZ5	2021	\$20,310,000	5.000%	3.680%	649906DJ0
2013	13,895,000	4.000	1.230	649906DA9	2022	21,355,000	5.000	3.830 ⁽²⁾	649906DK7
2014	4,095,000	4.000	1.720	649906DB7	2023	21,935,000	5.000	4.000 ⁽²⁾	649906DL5
2014	10,430,000	5.000	1.720	649906DU5	2024	23,055,000	5.000	4.160 ⁽²⁾	649906DM3
2015	15,075,000	5.000	2.020	649906DC5	2025	21,295,000	5.000	4.290 ⁽²⁾	649906DN1
2016	15,905,000	5.000	2.340	649906DD3	2026	7,325,000	5.000	4.410 ⁽²⁾	649906DP6
2017	16,705,000	5.000	2.740	649906DE1	2027	1,975,000	4.375	4.510	649906DQ4
2018	17,550,000	5.000	3.020	649906DF8	2028	1,150,000	4.500	4.610	649906DR2
2019	18,420,000	5.000	3.310	649906DG6	2029	1,195,000	4.500	4.710	649906DS0
2020	19,345,000	5.000	3.520	649906DH4	2030	1,130,000	4.625	4.800	649906DT8

\$39,975,000
SERIES 2011B

Due				Due					
October 1,	Amount	Interest Rate	Yield	CUSIP ⁽¹⁾	October 1,	Amount	Interest Rate	Yield	CUSIP ⁽¹⁾
2012 [†]	\$1,400,000	2.000%	0.900%	649906DV3	2019 [†]	\$2,805,000	3.250%	3.460%	649906EC4
2013 [†]	2,195,000	3.000	1.300	649906DW1	2020 [†]	2,895,000	4.000	3.670	649906ED2
2014 [†]	2,260,000	4.000	1.820	649906DX9	2021 [†]	3,010,000	5.000	3.830	649906EE0
2015 [†]	2,350,000	4.000	2.170	649906DY7	2022 [†]	3,160,000	5.250	3.960 ⁽²⁾	649906EJ9
2016 [†]	2,450,000	5.000	2.490	649906DZ4	2023 [†]	3,320,000	5.250	4.110 ⁽²⁾	649906EK6
2017 [†]	2,570,000	5.000	2.890	649906EA8	2024 [†]	3,505,000	5.250	4.260 ⁽²⁾	649906EL4
2018 [†]	2,695,000	4.000	3.170	649906EB6	2025 [†]	3,210,000	5.250	4.375 ⁽²⁾	649906EF7

\$1,120,000 4.750% Term Bonds due October 1, 2031[†], Yield: 4.900% CUSIP⁽¹⁾ 649906EG5
\$1,030,000 5.250% Term Bonds due October 1, 2039[†], Yield: 5.250% CUSIP⁽¹⁾ 649906EH3

\$8,125,000
SERIES 2011C

Due				Due					
October 1,	Amount	Interest Rate	Yield	CUSIP ⁽¹⁾	October 1,	Amount	Interest Rate	Yield	CUSIP ⁽¹⁾
2012	\$ 370,000	2.000%	0.800%	649906EM2	2019	\$605,000	5.000%	3.260%	649906EU4
2013	480,000	4.000	1.180	649906EN0	2020	640,000	5.000	3.470	649906EV2
2014	495,000	4.000	1.670	649906EP5	2021	670,000	3.500	3.630	649906EW0
2015	515,000	5.000	1.970	649906EQ3	2022	695,000	3.500	3.780	649906EX8
2016	545,000	4.000	2.290	649906ER1	2023	720,000	3.750	3.950	649906EY6
2017	570,000	4.000	2.690	649906ES9	2024	745,000	4.000	4.110	649906EZ3
2018	585,000	4.000	2.970	649906ET7	2025	490,000	4.125	4.240	649906FA7

\$17,725,000
SERIES 2011D

Due				Due					
April 1,	Amount	Interest Rate	Yield	CUSIP ⁽¹⁾	April 1,	Amount	Interest Rate	Yield	CUSIP ⁽¹⁾
2012 [†]	\$1,060,000	2.000%	0.730%	649906FB5	2020 [†]	\$1,255,000	5.000%	3.490%	649906FK5
2013 [†]	940,000	3.000	1.140	649906FC3	2021 [†]	1,320,000	5.000	3.690	649906FL3
2014 [†]	970,000	4.000	1.610	649906FD1	2022 [†]	1,385,000	5.000	3.850 ⁽³⁾	649906FM1
2015 [†]	1,010,000	4.000	1.980	649906FE9	2023 [†]	1,450,000	4.000	4.000	649906FN9
2016 [†]	1,050,000	4.000	2.280	649906FF6	2024 [†]	1,510,000	4.000	4.110	649906FP4
2017 [†]	1,090,000	4.000	2.660	649906FG4	2025 [†]	1,575,000	4.125	4.260	649906FQ2
2018 [†]	1,135,000	5.000	2.950	649906FH2	2026 [†]	780,000	4.250	4.380	649906FR0
2019 [†]	1,195,000	5.000	3.250	649906FJ8					

⁽¹⁾ CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. 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 2011 Bonds. Neither the Authority nor the Underwriters are responsible for the selection or uses of the CUSIP numbers and no representation is made as to their correctness on the Series 2011 Bonds or as indicated above. CUSIP numbers are subject to being changed after the issuance of the Series 2011 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such Series 2011 Bonds 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 the Series 2011 Bonds.

⁽²⁾ Priced at the stated yield to the October 1, 2021 optional redemption date at a redemption price of 100% of the principal amount of such Series 2011 Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

⁽³⁾ Priced at the stated yield to the April 1, 2021 optional redemption date at a redemption price of 100% of the principal amount of Series 2011D Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

[†] Insured by Assured Guaranty Corp.

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 2011 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 2011 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.

AGC makes no representation regarding the Series 2011 Bonds or the advisability of investing in the Series 2011 Bonds. In addition, AGC 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 AGC supplied by AGC and presented under the heading "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2011 BONDS - Bond Insurance" and "Appendix G - Specimen Financial Guaranty Insurance Policy".

References in this Official Statement to the Act, the Master Resolution, the Series 2011 Resolutions, the Agreements and the School District Bonds and the Policy do not purport to be complete. Refer to the Act, the Master Resolution, the Series 2011 Resolutions, the Agreements and the School District Bonds for full and complete details of their provisions. Copies of the Master Resolution, the Series 2011 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.

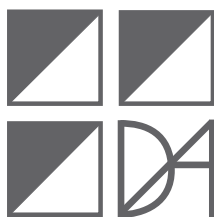
If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates" and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Authority. These forward-looking statements speak only as of the date of this Official Statement. The Authority disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Authority's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2011 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF SUCH BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

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

OFFICIAL STATEMENT RELATING TO

\$327,315,000

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

\$261,490,000	\$39,975,000	\$8,125,000	\$17,725,000
SERIES 2011A	SERIES 2011B	SERIES 2011C	SERIES 2011D

PART 1 – INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page, inside cover page and appendices, is to provide information about the Authority and the School Districts in connection with the offering by the Authority of \$261,490,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2011A (the “Series 2011A Bonds”), \$39,975,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2011B (the “Series 2011B Bonds”), \$8,125,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2011C (the “Series 2011C Bonds”), and \$17,725,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2011D (the “Series 2011D Bonds” and, together with the Series 2011A Bonds, the Series 2011B Bonds and the Series 2011C Bonds, the “Series 2011 Bonds”).

The following is a brief description of certain information concerning each Series of the Series 2011 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 2011 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 2011 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 2011 Bonds); and (ii) to pay the Costs of Issuance of the Applicable Series of Series 2011 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 2011 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 2011 Bonds will be issued pursuant to the Master Resolution, the applicable Series 2011 Resolutions 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 2011 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 2011 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, 2010 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 2011 Bonds

The Series 2011 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 2011 Bonds is payable each April 1 and October 1, commencing April 1, 2012. See “PART 3 – THE SERIES 2011 BONDS – Description of the Series 2011 Bonds.”

Payment of the Series 2011 Bonds

Each Series of the Series 2011 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 2011 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 2011 Bonds and the Pledged Revenues in respect of such Series 2011 Bonds have been pledged to the Trustee to secure solely such Series 2011 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 2011 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 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 2011 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 2011 BONDS – Payment of the Series 2011 Bonds" and "– Bond Insurance."

Security for the Series 2011 Bonds

Each Series of the Series 2011 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 2011 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 2011 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 2011 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 2011 BONDS – Security for the Series 2011 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 2011B Bonds and the Series 2011D Bonds (collectively, the "Insured Bonds"), will be guaranteed under a financial guarantee insurance policy (the "Policy") to be issued concurrently with the delivery of the Series 2011 Bonds by Assured Guaranty Corp. (the "Insurer" or

“AGC”). See “PART 2- SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2011 BONDS – Bond Insurance.”

PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2011 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 2011 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 2011 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 2011 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 2011 Bonds

Each Series of the Series 2011 Bonds will be special obligations of the Authority. The principal and Redemption Price of and interest on each Series of the Series 2011 Bonds are payable solely from the Revenues pledged to such Series 2011 Bonds. The Revenues consist of the payments paid by the applicable School District under its Agreement in respect of such Series 2011 Bonds, including Loan Repayments and the Pledged Revenues. The Revenues and the right to receive them in respect of each Series of the Series 2011 Bonds have been pledged to the Trustee for the payment of such Series 2011 Bonds.

Loan Repayments in respect of each Series of the Series 2011 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 2011 Bonds and which amounts in the aggregate are scheduled to be sufficient to pay principal and interest on such Series 2011 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 2011 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, none of the Authority, the Trustee or the holders of the Series 2011 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 2011 Bonds

Each Series of the Series 2011 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 2011 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 2011 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 2011 Bonds relating to the Loan of such School District. There is no debt service reserve fund securing the Series 2011 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 2011 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 2011 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 2011 Bonds, the proceeds of such Series 2011 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 2011 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: a Series of Bonds in 2002 and loaned a portion of the proceeds of such Series to Belfast Central School District, Chittenango Central School District and South Lewis Central School District; a Series of Bonds in 2008 and loaned a portion of the proceeds of such Series to the City School District of the City of Albany, the City School District of the City of Rome and Whitney Point Central School District; a Series of Bonds in 2009 and loaned a portion of the proceeds of such Series to the City School District of the City of Albany; and a Series of Bonds in 2010 and loaned a portion of the proceeds of such Series to the City School District of the City of Albany and City School District of the City of Rome.

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 2011 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 2011 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 each of the School Districts to the Authority. The Commissioner of Education, in turn, is required to include in the certificate filed with the State Comptroller, a statement showing the amount owed to the Authority by each of the School Districts. 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 any 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 2011 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 has 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 2011 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 2011 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 Master Resolution provides 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 Master Resolution or Applicable Series Resolution 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 Master Resolution or Applicable Series Resolution 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 Master Resolution.*

In the enforcement of any remedy under the Master Resolution and Applicable Series Resolution, 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 Master Resolution and Applicable Series Resolution 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 Master Resolution and Applicable Series Resolution 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 Master Resolution and Applicable Series Resolution 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 AGC.

Bond Insurance Policy

Concurrently with the issuance of the Series 2011 Bonds, Assured Guaranty Corp. (“AGC” or the “Insurer”) will issue its financial guaranty insurance policy (the “Policy”) for the Insured Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included 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 Corp.

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

AGC’s financial strength is rated “AA+” (stable outlook) by Standard & 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”). Each rating of AGC 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 AGC 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 AGC. AGC 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.

Current Financial Strength Ratings

On January 24, 2011, S&P published a Request for Comment: Bond Insurance Criteria (the “Bond Insurance RFC”) in which it requested comments on its proposed changes to its bond insurance ratings criteria. In the Bond Insurance RFC, S&P notes that it could lower its financial strength ratings on existing investment-grade bond insurers (including AGC) by one or more rating categories if the proposed bond insurance ratings criteria are adopted, unless those bond insurers (including AGC) raise additional capital or reduce risk. Reference is made to the Bond Insurance RFC, a copy of which is available at www.standardandpoors.com, for the complete text of S&P’s comments.

On October 25, 2010, S&P published a Research Update in which it downgraded AGC’s counterparty credit and financial strength rating from “AAA” (negative outlook) to “AA+” (stable outlook). 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 December 18, 2009, Moody’s announced that it had confirmed its “Aa3” insurance financial strength rating of AGC, 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 AGC.

For more information regarding AGC'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, 2010, which was filed by AGL with the Securities and Exchange Commission ("SEC") on March 1, 2011, and AGL's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011, which was filed by AGL with the SEC on May 10, 2011.

Capitalization of Assured Guaranty Corp.

As of March 31, 2011, AGC had total admitted assets of \$2,975,338,938 (unaudited), total liabilities of \$2,109,748,930 (unaudited), total surplus of \$865,590,009 (unaudited) and total statutory capital (surplus plus contingency reserves) of \$1,604,567,578 (unaudited), in each case, determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

Incorporation of Certain Documents by Reference

The portions of the following documents filed by AGL with the SEC relating to AGC are hereby 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, 2010 (which was filed by AGL with the SEC on March 1, 2011); and

(ii) The Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011 (which was filed by AGL with the SEC on May 10, 2011).

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

Any statement contained in a document incorporated herein by reference or contained herein under the heading "Bond Insurance — Assured Guaranty Corp." shall be modified or superseded for purposes of this Official Statement to the extent that a statement contained herein or in any subsequently filed document which is incorporated by reference herein also modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement.

Copies of the consolidated financial statements of AGC incorporated by reference herein and of the statutory financial statements filed by AGC with the Maryland Insurance Administration are available upon request by contacting AGC at 31 West 52nd Street, New York, New York 10019 or by calling AGC at (212) 974-0100. In addition, the information regarding AGC that is incorporated by reference in this Official Statement that has been filed by AGL with the SEC is available to the public over the Internet at the SEC's web site at <http://www.sec.gov> and at AGL's web site at <http://www.assuredguaranty.com>, from the SEC's Public Reference Room at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at the office of the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

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

PART 3 – THE SERIES 2011 BONDS

Description of the Series 2011 Bonds

The Series 2011 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 2011 Bonds is payable each April 1 and October 1, commencing April 1, 2012.

The Series 2011 Bonds will be issued as fully registered bonds. The Series 2011 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. The Series 2011 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 2011 Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only System is discontinued for the Series 2011 Bonds, the Series 2011 Bonds will be exchangeable for other fully registered Series 2011 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 2011 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 2011 Bonds by wire transfer to the Holder of the Series 2011 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 2011 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, New York, New York, the Trustee and Paying Agent. As long as the Series 2011 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 2011 Bonds, see “Appendix E – Summary of Certain Provisions of the Master Resolution.”

Redemption Provisions

The Series 2011 Bonds are subject to optional and mandatory redemption as described below.

Optional Redemption

The Series 2011A Bonds maturing on or before October 1, 2021 are not subject to optional redemption prior to maturity. The Series 2011A Bonds maturing after October 1, 2021 are subject to redemption prior to maturity on or after October 1, 2021 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 2011A Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

The Series 2011B Bonds maturing on or before October 1, 2021 are not subject to optional redemption prior to maturity. The Series 2011B Bonds maturing after October 1, 2021 are subject to redemption prior to maturity on or after October 1, 2021 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 2011B Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

The Series 2011C Bonds maturing on or before October 1, 2021 are not subject to optional redemption prior to maturity. The Series 2011C Bonds maturing after October 1, 2021 are subject to redemption prior to maturity on or after October 1, 2021 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 2011C Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

The Series 2011D Bonds maturing on or before April 1, 2021 are not subject to optional redemption prior to maturity. The Series 2011D Bonds maturing after April 1, 2021 are subject to redemption prior to maturity on or after April 1, 2021 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 2011D Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

Mandatory Redemption

The Series 2011B Bonds maturing on October 1, 2031 and October 1, 2039 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 2011B Bonds specified for each of the dates shown below:

Series 2011B Term Bonds Maturing October 1, 2031		Series 2011B Term Bonds Maturing October 1, 2039	
<u>Year</u>	<u>Sinking Fund Installment</u>	<u>Year</u>	<u>Sinking Fund Installment</u>
2026	\$650,000	2032	\$105,000
2027	85,000	2033	110,000
2028	90,000	2034	120,000
2029	95,000	2035	125,000
2030	100,000	2036	130,000
2031	100,000*	2037	140,000
		2038	145,000
		2039	155,000*

*Stated maturity.

Notice of Redemption

Whenever Series 2011 Bonds are to be redeemed, the Trustee will give notice of the redemption of the Series 2011 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 2011 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 2011 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 2011 Bond to be redeemed to receive such notice will not affect the validity of the proceedings for the redemption of the Series 2011 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 2011 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 2011 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 2011 Bonds. The Series 2011 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 2011 Bond certificate will be issued for each maturity of each Series of the Series 2011 Bonds, each in the aggregate principal amount of such maturity of such Series, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, 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"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2011 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2011 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2011 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 2011 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 2011 Bonds, except in the event that use of the book-entry system for the Series 2011 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2011 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 2011 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 2011 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2011 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 2011 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 2011 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 2011 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 2011 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 2011 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2011 Bonds, giving any notice permitted or required to be given to registered owners under the Resolution, registering the transfer of the Series 2011 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 2011 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 2011 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 2011 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 2011 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 2011 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 2011 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 2011 BONDS.**

So long as Cede & Co. is the registered owner of the Series 2011 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2011 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 2011 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 2011 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.

NONE OF THE AUTHORITY, THE INSURER, THE TRUSTEE OR THE UNDERWRITERS 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 2011 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 2011 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 2011 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2011 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 2011A Bonds during each twelve-month period ending October 1 of the years shown.

12-Month Period			
<u>Ending</u>	<u>Principal of the</u>	<u>Interest on the</u>	<u>Total Debt Service on the</u>
<u>October 1,</u>	<u>Series 2011A Bonds</u>	<u>Series 2011A Bonds</u>	<u>Series 2011A Bonds</u>
2012	\$9,345,000	\$16,659,315	\$26,004,315
2013	13,895,000	12,399,044	26,294,044
2014	14,525,000	11,843,244	26,368,244
2015	15,075,000	11,157,944	26,232,944
2016	15,905,000	10,404,194	26,309,194
2017	16,705,000	9,608,944	26,313,944
2018	17,550,000	8,773,694	26,323,694
2019	18,420,000	7,896,194	26,316,194
2020	19,345,000	6,975,194	26,320,194
2021	20,310,000	6,007,944	26,317,944
2022	21,355,000	4,992,444	26,347,444
2023	21,935,000	3,924,694	25,859,694
2024	23,055,000	2,827,944	25,882,944
2025	21,295,000	1,675,194	22,970,194
2026	7,325,000	610,444	7,935,444
2027	1,975,000	244,194	2,219,194
2028	1,150,000	157,788	1,307,788
2029	1,195,000	106,038	1,301,038
2030	1,130,000	52,263	1,182,263

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2011B Bonds during each twelve-month period ending October 1 of the years shown.

12-Month Period Ending October 1,	Principal of the Series 2011B Bonds	Interest on the Series 2011B Bonds	Total Debt Service on the Series 2011B Bonds
2012	\$1,400,000	\$2,357,806	\$3,757,806
2013	2,195,000	1,766,525	3,961,525
2014	2,260,000	1,700,675	3,960,675
2015	2,350,000	1,610,275	3,960,275
2016	2,450,000	1,516,275	3,966,275
2017	2,570,000	1,393,775	3,963,775
2018	2,695,000	1,265,275	3,960,275
2019	2,805,000	1,157,475	3,962,475
2020	2,895,000	1,066,313	3,961,313
2021	3,010,000	950,513	3,960,513
2022	3,160,000	800,013	3,960,013
2023	3,320,000	634,113	3,954,113
2024	3,505,000	459,813	3,964,813
2025	3,210,000	275,800	3,485,800
2026	650,000	107,275	757,275
2027	85,000	76,400	161,400
2028	90,000	72,363	162,363
2029	95,000	68,088	163,088
2030	100,000	63,575	163,575
2031	100,000	58,825	158,825
2032	105,000	54,075	159,075
2033	110,000	48,563	158,563
2034	120,000	42,788	162,788
2035	125,000	36,488	161,488
2036	130,000	29,925	159,925
2037	140,000	23,100	163,100
2038	145,000	15,750	160,750
2039	155,000	8,138	163,138

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2011C Bonds during each twelve-month period ending October 1 of the years shown.

12-Month Period Ending October 1,	Principal of the Series 2011C Bonds	Interest on the Series 2011C Bonds	Total Debt Service on the Series 2011C Bonds
2012	\$370,000	\$429,888	\$799,888
2013	480,000	319,788	799,788
2014	495,000	300,588	795,588
2015	515,000	280,788	795,788
2016	545,000	255,038	800,038
2017	570,000	233,238	803,238
2018	585,000	210,438	795,438
2019	605,000	187,038	792,038
2020	640,000	156,788	796,788
2021	670,000	124,788	794,788
2022	695,000	101,338	796,338
2023	720,000	77,013	797,013
2024	745,000	50,013	795,013
2025	490,000	20,213	510,213

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2011D Bonds during each twelve-month period ending April 1 of the years shown.

12-Month Period Ending April 1,	Principal of the Series 2011D Bonds	Interest on the Series 2011D Bonds	Total Debt Service on the Series 2011D Bonds
2012	\$1,060,000	\$606,525	\$1,666,525
2013	940,000	724,019	1,664,019
2014	970,000	695,819	1,665,819
2015	1,010,000	657,019	1,667,019
2016	1,050,000	616,619	1,666,619
2017	1,090,000	574,619	1,664,619
2018	1,135,000	531,019	1,666,019
2019	1,195,000	474,269	1,669,269
2020	1,255,000	414,519	1,669,519
2021	1,320,000	351,769	1,671,769
2022	1,385,000	285,769	1,670,769
2023	1,450,000	216,519	1,666,519
2024	1,510,000	158,519	1,668,519
2025	1,575,000	98,119	1,673,119
2026	780,000	33,150	813,150

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, 2010 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 State Legislature, 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, in certain cases, 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 certain 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 or any authority, agency or political subdivision of the State, 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 Section 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 9% 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, the United States 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. Each 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 through 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 one month to six weeks after the taxes are due. Generally, 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 \$78,500 or less are eligible for a “full value” exemption of \$60,100 (adopted annually). Other homeowners with household incomes of less than \$750,000 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. The recent economic downturn and global financial crisis have had and may 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. During the State's 2010 fiscal year, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. The State's budget for the current fiscal year includes a significant reduction in State aid for the 2011-2012 school year and limits the growth of future State aid payments to a rate tied to the growth in State personal income, which may result in further reductions in State aid in future fiscal years to certain school districts. Under the current budget, low-wealth school districts would receive proportionally smaller reductions in State aid payments than high-wealth school districts. See Appendix C for information relating to State aid payments for each of the 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 for future fiscal years or cash flow difficulties that may be encountered by the State. 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 2006-2007 through 2009-2010 fiscal years, the budgeted amount of such payments made and to be made to ERS and TRS in the 2010-2011 fiscal year and the proposed amount of such payments to be made to ERS and TRS in the 2011-2012 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. The unfunded actuarial accrued liability of a particular School District could have a material adverse impact on such School District's finances and could force such School District to reduce services, raise taxes or both.

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 2011A	Series 2011B	Series 2011C	Series 2011D
	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>
Principal Amount	\$261,490,000	\$39,975,000	\$8,125,000	\$17,725,000
Net Original Issue Premium	<u>24,763,643</u>	<u>2,682,304</u>	<u>366,357</u>	<u>989,429</u>
Total Estimated Sources	<u>\$286,253,643</u>	<u>\$42,657,304</u>	<u>\$8,491,357</u>	<u>\$18,714,429</u>
 Estimated Uses of Funds				
Deposit to Project Account	\$280,184,777	\$41,526,563	\$8,249,920	\$18,268,819
Costs of Issuance*	4,533,946	896,361 [†]	194,458	343,022 [†]
Underwriter’s Discount	<u>1,534,920</u>	<u>234,380</u>	<u>46,979</u>	<u>102,588</u>
Total Estimated Uses	<u>\$286,253,643</u>	<u>\$42,657,304</u>	<u>\$8,491,357</u>	<u>\$18,714,429</u>

* Includes State of New York Bond Issuance Charge and other costs.

† Includes Bond Insurance.

PART 6 – THE PLAN OF FINANCE

A portion of the proceeds of each Series of the Series 2011 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, 2011, the Authority had approximately \$43.4 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.

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 / Chief Operating Officer & Chief Financial Officer of Earl G. Graves,

Ltd/Black Enterprise, a multi-media company with properties in print, digital media, television, events and the internet. He is a member of the Investment Advisory Committee of the New York Common Retirement Fund and a member of the Board of Directors at Ronald McDonald House of New York. Previously, Mr. Jiha served as Deputy Comptroller for Pension Investment and Public Finance in the Office of the New York State Comptroller. As the state's chief investment officer, he managed the assets of the NY Common Retirement Fund, valued at \$120 billion and was also 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 was the 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 expired on March 31, 2011 and by law he continues to serve until a successor shall be chosen and qualified.

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. By appointment of the Appellate Division, First Department, Mr. Moerdler serves as Vice Chair of the Committee on Character and Fitness and as a Member of the Departmental Disciplinary Committee. 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 as well as the Metropolitan Transportation Authority and is 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 term expired on August 31, 2010 and by law he continues to serve until a successor shall be chosen and qualified.

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. Ronski 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. Ronski 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. Ronski 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. Ronski 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.

NIRAV R. SHAH, M.D., M.P.H., *Commissioner of Health, Albany; ex-officio.*

Nirav R. Shah, M.D., M.P.H., was appointed Commissioner of Health on January 24, 2011. Prior to his appointment he served as Attending Physician at Bellevue Hospital Center, Associate Investigator at the Geisinger Center for Health Research in central Pennsylvania, and Assistant Professor of Medicine at the NYU Langone Medical Center. Dr. Shah is an expert in use of systems-based methods, a leading researcher in use of large scale clinical laboratories and electronic health records and he has served on the editorial boards of various medical journals. He is a graduate of Harvard College, received his medical and master of public health degrees from Yale School of Medicine, was a Robert Wood Johnson Clinical Scholar at UCLA and a National Research Service Award Fellow at NYU.

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 2011 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, 2010. Copies of the most recent audited financial statements are available upon request at the offices of the Authority.

PART 8 – LEGALITY OF THE SERIES 2011 BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2011 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 2011 Bonds.

The Series 2011 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 2011 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 2011 Bonds.

PART 10 – TAX MATTERS

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with the covenants described herein, and the accuracy of the representations by the Authority and the School Districts (and their successors), interest on the Series 2011 Bonds is excluded from gross income for federal income tax purposes. Bond Counsel is also of the opinion that interest on the Series 2011 Bonds is not an “item of tax preference” for purposes of the individual and corporate alternative minimum taxes imposed under the Internal Revenue Code of 1986, as amended (the “Code”); provided, however, that interest on the Series 2011 Bonds owned by corporations will 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.

The Code imposes various requirements that must be met in order that interest on the Series 2011 Bonds will be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Series 2011 Bonds and the rebate of certain earnings in respect of such investments to the United States. Failure to comply with the requirements of the Code may cause interest on the Series 2011 Bonds to be included in gross income for purposes of federal income tax retroactive to the date of original execution and delivery of the Series 2011 Bonds, regardless of the date on which the event causing such inclusion occurs. The Authority and the School Districts have covenanted in the Resolutions, the

Financing Agreements, the Tax Certificates and the Arbitrage and Use of Proceeds Certificates to comply with the requirements of the Code and have made representations in such documents addressing various matters relating to the requirements of the Code. The opinion of Bond Counsel assumes continuing compliance with such covenants as well as the accuracy of such representations made by the Authority and the School Districts (and their successors).

Certain requirements and procedures contained or referred to in the Resolutions, the Financing Agreements, the Tax Certificates, the Arbitrage and Use of Proceeds Certificates 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, upon the advice or with the approving opinion of Bond Counsel. The opinion of Bond Counsel states that no opinion is rendered as to the exclusion from gross income of interest on the Series 2011 Bonds for purposes of federal income taxation on or after the date on which any change occurs or action is taken or omitted under the Resolutions, the Financing Agreements, the Tax Certificates and the Arbitrage and Use of Proceeds Certificates or under any other relevant documents without the advice or approval of, or upon the advice or approval of any bond counsel other than, Hiscock & Barclay, LLP.

Certain maturities of Series 2011 Bonds (the “Discount Bonds”) are being sold to the initial purchasers at prices less than the stated principal amounts thereof. The difference between the stated principal amount of the Discount Bonds and the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discount Bonds of the same maturity were sold constitutes original issue discount that is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2011 Bonds. Further, such original issue discount accrues actuarially on a constant yield basis over the term of each Discount Bond and the basis of such Discount Bond acquired at such initial offering price by an initial purchaser of each Discount Bond will be increased by the amount of such accrued discount.

Certain maturities of Series 2011 Bonds (the “Premium Bonds”) are being sold to the initial purchasers at prices greater than the stated principal amount thereof. The Premium Bonds will be subject to requirements under the Code relating to tax cost reduction associated with the amortization of bond premium and, under certain circumstances, the initial owner of a Premium Bond may realize taxable gain upon disposition of Premium Bonds even though sold or redeemed for an amount less than or equal to such owner’s original cost of acquiring Premium Bonds. The amortization requirements may also result in the reduction of the amount of stated interest that an owner of Premium Bonds is treated as having received for federal tax purposes (and an adjustment to basis). Owners of Premium Bonds are advised to consult with their own tax advisors with respect to the tax consequences of owning such Premium Bonds.

Prospective purchasers of the Series 2011 Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of the Series 2011 Bonds may have collateral federal income tax consequences for certain taxpayers, including financial corporations, insurance companies, Subchapter S corporations, certain foreign corporations, individual recipients of social security or railroad retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisers as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the Series 2011 Bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Interest paid on tax-exempt obligations is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. Interest on the Series 2011 Bonds may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding. Amounts withheld under the backup withholding rules will be paid to the IRS as federal income tax withheld on behalf of the registered owner of the Series 2011 Bonds and will be allowed as a refund or credit against such owner’s federal income tax liability (or the federal income tax liability of the beneficial owner of the Series 2011 Bonds, if other than the registered owner).

In the opinion of Bond Counsel, interest on the Series 2011 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). See “Appendix F – Form of Approving Opinion of Bond Counsel.”

Bond Counsel's engagement with respect to the Series 2011 Bonds ends with the issuance of the Series 2011 Bonds and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the Bondholders regarding the tax-exempt status of the Series 2011 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority and its appointed counsel, including the Bondholders, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2011 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2011 Bonds, and may cause the Authority, the School Districts or the Bondholders to incur significant expense.

PART 11 – STATE NOT LIABLE ON THE SERIES 2011 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 2011 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 2011 Bonds by the Authority are subject to the approval of Hiscock & Barclay, LLP, Albany, New York, Bond Counsel to the Authority, whose approving opinion will be delivered with the Series 2011 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 co-counsel, Winston & Strawn LLP, New York, New York, and Law Offices of Joseph C. Reid, P.A., New York, New York, and for each School District by its respective bond counsel as listed in Appendix B hereto.

Bond Counsel to the Authority 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 2011 Bonds or questioning or affecting the validity of the Series 2011 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 2011A Bonds from the Authority at an aggregate purchase price of \$284,718,723.07 (which represents the par amount of the Series 2011A Bonds less the Underwriter's discount of \$1,534,919.88, plus net original issue premium of \$24,763,642.95) and to make a public offering of the Series 2011A 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 2011B Bonds from the Authority at an aggregate purchase price of \$42,422,923.63 (which represents the par amount of the Series 2011B Bonds less the Underwriter's discount of \$234,380.42, plus net original issue premium of \$2,682,304.05) and to make a public offering of the Series 2011B 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 2011C Bonds from the Authority at an aggregate purchase price of \$8,444,377.71 (which represents the par amount of the Series 2011C Bonds less the Underwriter's discount of \$46,979.04, plus net original issue premium of \$366,356.75) and to make a public offering of the Series 2011C 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 2011D Bonds from the Authority at an aggregate purchase price of \$18,611,840.71 (which represents the par amount of the Series 2011D Bonds less the Underwriter's discount of \$102,588.39, plus net original issue premium of \$989,429.10) and to make a public offering of the Series 2011D 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 2011 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 2011 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 2011 Bonds.

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 2011 Bonds to provide on an annual basis to the Authority and the MSRB through 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, 2011, 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 holders of the Series 2011 Bonds, to provide to the MSRB by and through its EMMA system, in a timely manner not later than ten business days after the occurrence of a listed event, 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 2011 Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (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, IRS notices or other material events affecting the tax status of the Series 2011 Bonds; (7) modifications to the rights of holders of the Series 2011 Bonds, if material; (8) bond calls, if material; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2011 Bonds, if material; (11) rating changes; (12) tender offers; (13) bankruptcy, insolvency, receivership or similar event of a School District; (14) merger, consolidation or acquisition of or involving a School District, if material; and (15) appointment of a successor or additional trustee, or the change in name of a trustee, if material. 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 2011 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 2011 Bonds or by the Trustee on behalf of the Holders of Outstanding Series 2011 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 2011 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 2011 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 2011 Bonds. Copies of all of the Continuing Disclosure Agreements when executed by the parties thereto upon the delivery of the Series 2011 Bonds will be on file at the principal office of the Authority.

Each of the School Districts has certified to the Authority that it 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 "Aa3" and "AA+", respectively, to the Insured Bonds, based on the understanding that the financial guaranty insurance policy of AGC insuring the scheduled repayment of principal and interest due with respect to the Insured Bonds will be issued by AGC upon the issuance of the Insured Bonds. Moody's, Standard & Poor's and Fitch Ratings ("Fitch") have each assigned underlying ratings of "A1", "A+" and "A+", respectively, to the Series 2011A Bonds. Moody's, Standard & Poor's and Fitch have each assigned underlying ratings of "A3", "A+" and "A+", respectively, to the Series 2011B Bonds. Moody's, Standard & Poor's and Fitch have each assigned underlying ratings of "Aa3", "A+" and "A+", respectively, to the Series 2011C Bonds. Moody's, Standard & Poor's and Fitch have each assigned underlying ratings of "A2", "A+" and "A+", respectively, to the Series 2011D 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 2011 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 2011 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 2011 BONDS – Bond Insurance” and “Appendix G – Specimen Financial Guaranty 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 Hiscock & Barclay, LLP, Albany, 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 2011 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 2011 Bonds are fully set forth in the Master Resolution (including any Supplemental and Series Resolutions thereto), and neither any advertisement of the Series 2011 Bonds nor this Official Statement is to be construed as a contract with the purchasers of the Series 2011 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

DEFINITIONS

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CERTAIN DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

Authorized Newspaper means The Bond Buyer or any other newspaper of general circulation printed in the English language and customarily published at least once a day for at least five days (other than legal holidays) in each calendar week in the Borough of Manhattan, City and State of New York, designated by the Authority.

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 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.

Book Entry Bond means a Bond authorized to be issued to, and issued to and registered in the name of, a Depository directly or indirectly for the beneficial owners thereof.

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 Bonds, dated as of April 1, 2011, 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 2011 Resolution, authorizing the issuance of a Series of Bonds adopted by the Authority pursuant to the Master Resolution.

Series 2011A Bond Series Certificate means the Certificate of an authorized officer of the Authority, fixing terms, conditions and other details of the Series 2011A Bonds.

Series 2011B Bond Series Certificate means the Certificate of an authorized officer of the Authority, fixing terms, conditions and other details of the Series 2011B Bonds.

Series 2011C Bond Series Certificate means the Certificate of an authorized officer of the Authority, fixing terms, conditions and other details of the Series 2011C Bonds.

Series 2011D Bond Series Certificate means the Certificate of an authorized officer of the Authority, fixing terms, conditions and other details of the Series 2011D Bonds.

Series 2011A Resolution means the Series Resolution of the Authority authorizing the issuance of the Series 2011A Bonds adopted by the Authority on March 30, 2011.

Series 2011B Resolution means the Series Resolution of the Authority authorizing the issuance of the Series 2011B Bonds adopted by the Authority on March 30, 2011.

Series 2011C Resolution means the Series Resolution of the Authority authorizing the issuance of the Series 2011C Bonds adopted by the Authority on March 30, 2011.

Series 2011D Resolution means the Series Resolution of the Authority authorizing the issuance of the Series 2011D Bonds adopted by the Authority on March 30, 2011.

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

State means the State of New York.

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

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

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

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

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

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

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

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

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

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

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

Listed below are the School Districts receiving loans from the proceeds of the Series 2011 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 2011A Loan</u>	<u>Principal Amount of Series 2011B Loan</u>	<u>Principal Amount of Series 2011C Loan</u>	<u>Principal Amount of Series 2011D Loan</u>
Series 2011A:						
Adirondack Central School District	FA	Trespasz	\$7,850,000			
City School District of the City of Albany	FA	H&B	\$21,295,000			
Camden Central School District	FA	Trespasz	\$19,725,000			
Chittenango Central School District	FA	Trespasz	\$2,900,000			
Edmeston Central School District	FA	Lemery	\$4,410,000			
City School District of the City of Fulton	FA	Trespasz	\$20,495,000			
Greene Central School District	FA	Orrick	\$26,985,000			
LaFargeville Central School District	FA	Trespasz	\$10,440,000			
LaFayette Central School District	FA	Trespasz	\$3,755,000			
Lowville Central School District	FA	Orrick	\$24,955,000			
City School District of the City of Oswego	FA	BSK	\$35,750,000			
Pulaski Central School District	FA	H&B	\$8,780,000			
City School District of the City of Rome	FA	Trespasz	\$5,520,000			
Ticonderoga Central School District	FA	Squire	\$19,000,000			
Waverly Central School District	FA	Trespasz	\$22,970,000			
Whitney Point Central School District	FA	Cahill	\$26,660,000			
Series 2011B:						
Belfast Central School District	FA	Hodgson		\$11,045,000		
Chazy Central Rural School District	FA	BSK		\$6,205,000		
Cherry Valley Springfield Central School District	FA	Hodgson		\$7,575,000		
Gilbertsville-Mt. Upton Central School District	FA	Orrick		\$7,955,000		
Lyncourt Union Free School District	FA	Trespasz		\$4,580,000		
Sandy Creek Central School District	FA	Trespasz		\$2,615,000		
Series 2011C:						
Cooperstown Central School District	FA	Hodgson			\$6,525,000	
Ravena-Coeymans-Selkirk Central School District	FA	Hodgson			\$1,600,000	
Series 2011D:						
South Lewis Central School District	FA	Trespasz				\$17,725,000

Abbreviations for Financial Advisor and Bond Counsel

BSK	Bond Schoeneck & King, PLLC
Cahill	Cahill Gambino LLP
FA	Fiscal Advisors & Marketing, Inc.
H&B	Hiscock & Barclay, LLP
Hodgson	Hodgson Russ LLP
Lemery	Lemery Greisler LLC
Orrick	Orrick, Herrington & Sutcliffe LLP
Squire	Squire, Sanders & Dempsey (US) LLP
Trespasz	Trespasz & Marquardt, LLP

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

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**APPENDIX C-1
DESCRIPTION OF
ADIRONDACK CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-1 a brief description of the Adirondack 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 central part of New York State and has a land area of 370 square miles. The District is located in Oneida County and headquartered in the Village of Boonville. Many residents work in the City of Rome which is approximately 20 miles to the south. Major highways bisecting the District include State Routes #12, #12D, #26, #46 and #294. In close proximity to the District are Interstate 90 (the New York State Thruway) and Interstate 81 providing east-west and north-south access.

The District is primarily residential and agricultural in nature. Gas and electric services are provided by Iroquois Gas Transmission and National Grid (formerly Niagara Mohawk Power Corporation) and Boonville Municipal Commission, respectively. Sewer and water services are available to residents by the Village of Boonville. Banking services are provided to the District by Adirondack Bank, Community Bank, N.A., RBS Citizens, N.A., JPMorgan Chase Bank, N.A. and HSBC Bank USA, N.A.

Population

The current estimated population of the District is 8,618.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Turning Stone Casino	Casino / Hotel	4,777
Central New York Development Service	Social Services	3,000
Rome Memorial Hospital	Healthcare	1,460
Wal-Mart	Retail	1,400
Air Force Research Lab Rome Research Site	Information Technology	1,292

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Iroquois Gas Transmission	Utility	\$41,026,735
State of New York	Land	31,573,295
National Grid	Utility	12,808,793
City of Rome Water	Utility	11,511,100
Adirondack League Club	Sportsmen's Club	7,426,547

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 19.4% 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) are Oneida, Lewis and Herkimer Counties.

	Year Average				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Oneida County	4.4%	4.3%	5.4%	7.5%	7.8%
Lewis County	5.5	5.5	6.6	9.0	9.2
Herkimer County	5.1	5.0	6.1	8.1	8.4
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	Projected <u>2011-12</u>	Projected <u>2012-13</u>	Projected <u>2013-14</u>
K-12	1,439	1,423	1,446	1,394	1,372	1,360	1,360	1,360

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>
130	Adirondack Teachers’ Association	June 30, 2012
120	Non-Teaching Personnel Association	June 30, 2010 ⁽¹⁾
8	Adirondack Central School 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 6, 2011⁽¹⁾**

Full Valuation of Taxable Real Property	\$657,503,882
Debt Limit (10% of Full Valuation)	65,750,388
Gross Indebtedness ⁽²⁾	\$22,462,118
Less: Exclusions – Estimated Building Aid ⁽³⁾	<u>0</u>
Total Net Indebtedness	\$22,462,118
Net Debt Contracting Margin	\$43,288,270
Percentage of Debt Contracting Power Exhausted	34.16%

- (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 \$7,850,000 School District Bonds to the Authority in connection with the refunding of \$8,430,000 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 2009 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:					
Oneida	\$136,054,692	\$16,839,600	\$119,215,092	4.79%	\$5,710,403
Lewis	14,215,000	0	14,215,000	4.39	624,039
Herkimer	9,110,000	9,110,000	0	1.35	0
Towns of:					
Annsville	445,900	112,000	333,900	4.34	14,491
Ava	0	0	0	100.00	0
Boonville	112,613	0	112,613	96.90	109,122
Forestport	1,088,004	961,211	126,793	39.44	50,007
Lee	0	0	0	11.81	0
Lewis	37,920	0	37,920	100.00	37,920
Leyden	24,374	24,374	0	25.38	0
Lyonsdale	139,577	139,577	0	3.87	0
Ohio	287,782	0	287,782	18.32	52,722
Remsen	0	0	0	0.77	0
Russia	663,662	63,662	600,000	0.18	1,080
Steuben	0	0	0	6.44	0
Webb	3,145,000	745,000	2,400,000	1.33	31,920
Western	0	0	0	1.19	0
West Turin	0	0	0	7.66	0
Village of:					
Boonville	2,019,169	1,984,169	35,000	100.00	35,000
				Total	<u>\$6,666,704</u>

(1) Bonds and bond anticipation notes as of close of 2009 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 6, 2011.

Debt Ratios As of May 6, 2011⁽¹⁾

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$22,462,118	\$2,606.42	3.42%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	29,128,821	3,380.00	4.43

(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 8,618.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2010-11 of \$657,503,882.

(4) The District expects to deliver \$7,850,000 School District Bonds to the Authority in connection with the refunding of \$8,430,000 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.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Adirondack Central School District
<http://emma.msrb.org/EA444993-EA345330-EA741202.pdf>
Base CUSIP: 006896

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 2nd to November 1st. On or about November 15th, uncollected taxes are returnable to the Counties for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy**Assessed Valuation
Years Ending June 30,**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Annsville	\$2,744,114	\$3,177,266	\$3,123,051	\$3,136,068	\$3,230,067
Ava	3,919,472	3,993,995	4,060,997	4,050,722	4,043,899
Boonville	178,850,585	186,913,034	183,504,536	184,636,294	185,579,293
Forestport	51,782,929	66,589,631	120,443,011	118,986,074	119,280,698
Lee	1,249,460	1,271,015	1,287,758	1,281,251	1,257,024
Lewis	44,231,904	48,120,183	51,955,177	55,655,590	57,422,838
Leyden	15,534,282	17,784,529	18,919,436	20,072,823	20,529,433
Lyonsdale	1,615,539	2,082,439	3,082,785	3,402,026	3,366,998
Ohio	2,101,741	2,122,369	2,137,920	2,131,516	2,124,286
Remsen	551,705	551,705	551,705	551,705	551,705
Russia	215,984	208,325	208,415	209,092	335,675
Steuben	3,026,920	3,932,131	4,003,912	4,023,136	3,928,892
Webb	15,045,339	19,759,189	19,418,899	19,585,728	20,009,968
Western	5,403,419	5,547,218	5,641,105	5,699,666	5,705,710
West Turin	64,624	77,600	75,756	74,714	73,294
Total Assessed Valuation	<u>\$326,338,017</u>	<u>\$362,130,629</u>	<u>\$418,414,463</u>	<u>\$423,496,405</u>	<u>\$427,439,780</u>

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Annsville	66.33%	63.00%	61.50%	61.50%	61.50%
Ava	15.00	13.60	12.00	12.00	11.50
Boonville	78.00	72.00	70.00	64.00	63.00
Forestport	78.00	72.00	99.00	93.13	93.30
Lee	4.07	3.80	3.40	3.30	3.40
Lewis	100.00	100.00	100.00	100.00	100.00
Leyden	100.00	100.00	100.00	100.00	100.00
Lyonsdale	93.00	84.00	100.00	92.41	94.57
Ohio	6.95	6.60	5.82	5.76	5.88
Remsen	80.00	72.00	70.00	68.00	65.00
Russia	75.29	66.08	64.41	61.25	100.00
Steuben	100.00	100.00	100.00	100.00	97.70
Webb	90.14	83.00	74.00	74.00	82.00
Western	76.73	68.70	66.50	63.67	63.50
West Turin	7.11	7.55	6.00	5.35	5.00
Taxable Full Valuation	\$477,039,872	\$558,408,869	\$612,398,229	\$652,345,531	\$657,503,882

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$6,716,050	\$6,876,081	\$7,171,519	\$7,291,608	\$7,610,203
% Uncollected When Due ⁽¹⁾	20.6%	23.6%	20.3%	20.1%	19.2%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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>
2006-2007	\$13,531,407	\$22,529,145	60.06%
2007-2008	14,069,056	23,222,355	60.58
2008-2009	15,323,560	24,776,667	61.85
2009-2010	14,117,471	24,328,888	58.03
2010-2011 (Budgeted)	15,333,984	24,536,129	62.50
2011-2012 (Proposed)	14,681,612	24,236,828	60.58

⁽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 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$229,293	\$691,235
2008-2009	246,576	768,142
2009-2010	229,293	694,458
2010-2011 (Budgeted)	322,029	634,763
2011-2012 (Proposed)	492,736	806,539

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

GASB 45 and OPEB

The District contracted with Harbridge Consulting Group, LLC to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2010, the most recent actuarial valuation date, 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 \$56,449,819. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$56,449,819. For the fiscal year ending June 30, 2010, the District's beginning year Net OPEB obligation was \$3,031,459. The District's annual OPEB expense was \$4,638,609 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,604,804 to the Plan for the fiscal year ending June 30, 2010, resulting in a net increase to its unfunded OPEB obligation of \$3,033,805, for a fiscal year ending June 30, 2010

total net unfunded OPEB obligation of \$6,065,264. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2010 financial statements. See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*.”

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District’s revenues exceeded its expenditures by \$1,237,300 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$564,114 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$3,436,123	\$ –	\$3,436,123
2011-2012	3,432,278	824,811	4,257,089
2012-2013	3,448,420	821,700	4,270,120
2013-2014	3,463,440	823,500	4,286,940
2014-2015	3,467,108	824,500	4,291,608
2015-2016	3,464,533	824,750	4,289,283
2016-2017	3,458,943	823,750	4,282,693
2017-2018	3,478,744	821,500	4,300,244
2018-2019	470,731	823,000	1,293,731
2019-2020	470,475	823,000	1,293,475
2020-2021	344,631	821,500	1,166,131
2021-2022	343,200	823,500	1,166,700
2022-2023	346,000	823,750	1,169,750
2023-2024	343,200	822,250	1,165,450
2024-2025	–	399,000	399,000

**APPENDIX C-2
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF ALBANY**

There follows in this Appendix C-2 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.

The City is the capital of New York State and the County Seat of Albany County. The City is also a trading and distribution center of agricultural and manufactured products between western New York State, the New England States, northeast New York, Canada, New York City and points south with transportation available by air, rail, truck and water. The Port of Albany, operated by the Albany Port District Commission, handles cargo consisting of more than a dozen different commodities originating in and being shipped to foreign countries and other cities in the United States. Industrial activity in the City includes printing, publishing, foundries, machine shops, bakeries, meat packing, dental equipment and paper products.

The City is a center for higher education and is the site of the State University of New York at Albany, as well as Albany Law School, Albany College of Pharmacy and Albany Medical College. Within close proximity to the City are Siena College in the Town of Colonie, and Rensselaer Polytechnic Institute and Russell Sage College, both of which are in the City of Troy.

Rail passenger service to New York City and to the City of Buffalo and the west is provided by Amtrak at the Rensselaer station, which is located outside the City of Albany but is easily accessible. Major bus lines operate in all directions from the Albany Bus Terminal. Truck traffic is facilitated by US Interstates #87 (Adirondack Northway) and #90 (New York State Thruway) with two access points in the City. Other major highways include Interstate #787, US Routes #9W and #20, and State Routes #5, #35, #43, #85, #144 and #377. The Albany International Airport, located nearby in the Town of Colonie, provides passenger and freight service and accommodates both general aviation and military services.

Population

The current estimated population of the District is 93,836.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
State of New York ⁽¹⁾⁽²⁾	Government	38,465
United States ⁽¹⁾	Government	8,600
Albany Medical Center	Hospital	5,959
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 Albany County.

⁽²⁾ Does not include public authorities.

Ten Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$207,862,109
625 Broadway LLC	Commercial	60,236,300
99 Washington Ave LC	Commercial	43,200,000
Verizon Communications	Utility	37,216,367
Crossgates Commons	Commercial	36,832,000
Wal-Mart Stores East	Commercial	24,500,000
First State Investors	Bank	19,225,000
80 State St LLC	Commercial	18,800,000
Omni	Commercial	17,000,000
Columbia Circle	Commercial	15,525,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 9.37% 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.

	<u>Year Average</u>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Albany County	3.9%	3.9%	4.8%	6.9%	7.2%
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	8,760	8,418	8,016	7,982	7,931	7,730	7,530	7,330

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>
834	Albany Public School Teachers' Association	June 30, 2011
40	Albany Public School Administrators' Association	June 30, 2012
536	Albany Public School United Employees' Association	June 30, 2008 ⁽¹⁾
31	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 6, 2011⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$5,131,913,601	\$5,365,781,337
Debt Limit (5% of full valuation) ⁽²⁾	256,595,680	268,289,067
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds.....	\$146,440,000	\$146,440,000
Bond Anticipation Notes.....	28,283,227	28,283,227
Total Inclusions ⁽³⁾	<u>\$174,723,227</u>	<u>\$174,723,227</u>
<u>Exclusions</u>		
Appropriations.....	\$5,835,000	\$5,835,000
NYPA.....	1,038,570	1,038,570
EPA Loan.....	47,631	47,631
Total Exclusions.....	<u>\$6,921,201</u>	<u>\$6,921,201</u>
Total Net Indebtedness.....	\$167,802,026	\$167,802,026
Net Debt Contracting Margin.....	\$88,793,654	\$100,487,041
Percentage of Debt Contracting Power Exhausted.....	65.40%	62.55%

(1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$21,295,000 School District Bonds to the Authority in connection with the refunding of \$22,924,228 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 Tax 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 2009 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: Albany	\$247,087,893	\$30,853,728	\$216,234,165	23.90%	\$51,679,965
City of: Albany	156,028,036	21,871,036	134,157,000	100.00	134,157,000
				Total	<u>\$185,836,965</u>

(1) Bonds and bond anticipation notes as of close of the 2009 fiscal year.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 6, 2011.

Debt Ratios As of May 6, 2011⁽¹⁾

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$174,723,227	\$1,862.01	3.26%
Gross Indebtedness Plus Net Overlapping Indebtedness	360,560,192	3,842.45	6.72

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

(2) Based on the District's current estimated population of 93,836.

(3) Based on the District's five year average full value of taxable real estate using the special State equalization ratios for 2010-11 of \$5,365,781,337.

(4) The District expects to deliver \$21,295,000 School District Bonds to the Authority in connection with the refunding of \$22,924,228 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the debt ratios as it is already accounted for in the above calculations.

Cash Flow Borrowing

The following is a history of Tax Anticipation Note ("TAN") and Revenue Anticipation Note ("RAN") borrowings for the last five years. The District does not anticipate the need to issue a RAN and/or a TAN for the 2011-12 fiscal year.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
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	10,000,000	RAN	6/15/10	09/20/10

Capital Project Plans

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.

Other than as listed above and for the issuance of the School District Bonds the District has no authorized and unissued indebtedness for capital.

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 of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

City School District of the City of Albany
<http://emma.msrb.org/EA444995-EA345332-EA741206.pdf>
 Base CUSIP: 012434

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 and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
City of:					
Albany	\$3,505,983,087	\$5,208,770,416	\$5,222,191,986	\$5,126,905,050	\$5,095,326,262

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
City of:					
Albany	71.00%	100.00%	101.30%	98.00%	99.40%
Taxable Full Valuation	\$4,938,004,348	\$5,208,770,416	\$5,155,174,715	\$5,231,535,765	\$5,126,082,759

**Special State Equalization Ratios
Years Ending June 30,**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
City of:					
Albany	66.17%	99.23%	99.92%	94.75%	90.28%
Taxable Full Valuation	\$5,298,448,069	\$5,249,189,173	\$5,226,373,084	\$5,410,981,583	\$5,643,914,778

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$95,573,452	\$98,116,752	\$100,561,391 ⁽¹⁾	\$103,125,848	\$107,113,370
% Uncollected When Due ⁽²⁾	6.16%	6.20%	6.25%	6.37%	6.76%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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>
2006-2007	\$53,943,262	\$163,906,980	32.91%
2007-2008	70,156,241	183,936,569	38.14
2008-2009	83,873,134	200,387,913	41.86
2009-2010	79,062,089	201,748,027	39.19
2010-11 (Budgeted)	77,577,277	195,216,199	39.74
2011-12 (Proposed)	76,549,605	204,696,825	37.40

⁽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 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$1,566,190	\$6,721,905
2008-2009	1,488,594	6,940,612
2009-2010	1,547,607	4,550,299
2010-2011 (Budgeted)	1,889,977	5,389,437
2011-2012 (Proposed)	2,831,578	7,258,824

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

GASB 45 and OPEB

The District contracted with Capital Region Boards of Cooperative Educational Services (BOCES) to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2010, the most recent actuarial valuation date, 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, was \$46,161,526. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$46,161,526. For the fiscal year ending June 30, 2010, the District's annual required contribution ("ARC") was \$22,721,264, of which it paid \$8,486,211 on a pay-as-you-go basis to over 850 employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$8,783,052 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$15,418,884 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$13,634,188	\$ —	\$13,634,188
2011-2012	12,864,972	2,285,627	15,150,599
2012-2013	12,741,053	2,287,000	15,028,053
2013-2014	12,726,328	2,360,200	15,086,528
2014-2015	12,744,553	2,211,750	14,956,303
2015-2016	12,755,403	2,300,250	15,055,653
2016-2017	12,748,466	2,301,000	15,049,466
2017-2018	12,475,856	2,308,000	14,783,856
2018-2019	12,287,181	2,305,750	14,592,931
2019-2020	12,289,006	2,314,500	14,603,506
2020-2021	11,412,019	2,313,500	13,725,519
2021-2022	10,374,200	2,328,000	12,702,200
2022-2023	8,774,050	1,847,000	10,621,050
2023-2024	8,777,088	1,855,000	10,632,088
2024-2025	8,237,800	808,500	9,046,300
2025-2026	7,467,831	—	7,467,831
2026-2027	7,472,463	—	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	5,885,850	—	5,885,850
2032-2033	4,251,100	—	4,251,100
2033-2034	4,176,538	—	4,176,538
2034-2035	3,636,381	—	3,636,381
2035-2036	1,624,181	—	1,624,181

⁽¹⁾ Schedule does include payments of \$1,154,997 due under a New York State Power Authority Loan.

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

There follows in this Appendix C-3 a brief description of the Belfast 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 Western New York State’s Genesee River Valley in Allegany County and has a land area of approximately 100 square miles. The District includes the Towns of Allen, Angelica, Belfast, Canadea, and New Hudson. The District is 1-1/2 hours south of both Buffalo and Rochester.

The area is noted for its outstanding recreational activities, including hunting, fishing, horseback riding and hiking. The area is a center for many year-round recreational activities with many excellent golf courses, ski resorts, boating opportunities, and State parks.

Educational and cultural opportunities are abundant including nearby Houghton College, St. Bonaventure University, Alfred University, SUNY Alfred and SUNY Geneseo.

The major highway serving the District is State Rt. 19, which connects the District with Interstate Highway 86 (formerly Route 17).

Population

The current estimated population of the District is 2,470.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Belfast Central School	Education	114
Harringtons	Grocery	20
ACCORD	Government	15
Town of Belfast	Government	8
Community Bank	Banking	5

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Rochester Gas & Electric	Utility	\$3,188,885
State of New York	Government	2,838,180
Dominion Resources	Commercial	1,139,930
National Fuel	Utility	880,497
Verizon	Utility	735,236

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 11.7% 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 Allegany County.

	Year Average				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Allegany County	5.3%	5.5%	6.4%	8.9%	9.4%
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	438	426	411	386	383	382	382	382

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>
44	Belfast Central School Faculty Association	June 30, 2014
46	Belfast Central School Service Unit	June 30, 2013

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 6, 2011⁽¹⁾

Full Valuation of Taxable Real Property	\$92,688,277
Debt Limit (10% of Full Valuation)	9,268,827
Gross Indebtedness ⁽²⁾	\$15,416,176
Less: Exclusions – Estimated Building Aid ⁽³⁾	13,994,675
Total Net Indebtedness	<u>\$1,421,501</u>
Net Debt Contracting Margin	7,847,326
Percentage of Debt Contracting Power Exhausted	15.34%

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

⁽²⁾ The District historically does not issue Tax Anticipation Notes or Revenue Anticipation Notes and accordingly 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 \$11,045,000 School District Bonds to the Authority in connection with the refunding of \$11,420,387 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in gross indebtedness above.

⁽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 2009 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: Allegany	\$39,480,000	\$0	\$39,480,000	5.11%	\$2,017,428
Towns of:					
Allen	113,325	0	113,325	26.25	29,748
Angelica	392,497	0	392,497	3.44	13,502
Belfast	0	0	0	96.53	0
Caneadea	512,696	400,396	112,300	37.30	41,888
New Hudson	213,325	0	213,325	11.90	25,386
	\$39,480,000	\$0	\$39,480,000	5.11	<u>\$2,017,428</u>
				Total	<u><u>\$2,127,952</u></u>

⁽¹⁾ Bonds and bond anticipation notes as of close of the 2009 fiscal year.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 6, 2011.

**Debt Ratios
As of May 6, 2011⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$15,416,176	\$6,241.37	16.63%
Gross Indebtedness Plus Net Overlapping Indebtedness	17,544,128	7,102.89	18.93

- (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 2,470.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2010-11 of \$92,688,277.
- (4) The District expects to deliver \$11,045,000 School District Bonds to the Authority in connection with the refunding of \$11,420,387 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as they are already included in gross indebtedness above.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Belfast Central School District
<http://emma.msrb.org/EA445010-EA345344-EA741223.pdf>
 Base CUSIP: 077680

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 Allegany 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. 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 and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Allen	\$6,439,422	\$6,497,312	\$6,518,025	\$7,384,195	\$7,536,060
Angelica	1,674,972	1,704,784	2,030,822	2,088,517	2,871,761
Belfast	36,714,491	37,697,155	44,504,244	44,706,482	44,978,057
Caneadea	23,011,007	23,456,104	27,489,330	27,730,651	27,834,154
New Hudson	2,515,744	2,602,987	2,599,839	3,212,521	3,215,217
Total Assessed Valuation	\$70,355,636	\$71,958,342	\$83,142,260	\$85,122,366	\$86,435,249

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Allen	100.00%	100.00%	95.00%	100.00%	100.00%
Angelica	100.00	100.00	100.00	98.00	96.00
Belfast	91.00	75.00	89.18	85.00	88.00
Caneadea	87.00	84.00	100.00	97.00	100.00
New Hudson	100.00	100.00	91.00	100.00	100.00
Taxable Full Valuation	\$77,425,166	\$88,991,890	\$89,142,036	\$93,912,017	\$92,688,277

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$1,388,101	\$1,429,057	\$1,429,057	\$1,486,076	\$1,515,819
% Uncollected When Due ⁽¹⁾	12.0%	12.3%	12.3%	12.2%	11.9%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

<u>Fiscal Year</u>	State Aid and Revenues		Percentage of Total
	Total State Aid⁽¹⁾	Total Revenues⁽¹⁾	Revenues Consisting of State Aid⁽¹⁾
2006-2007	\$5,489,777	\$7,026,483	78.13%
2007-2008	5,557,993	7,083,272	78.47
2008-2009	6,059,956	7,581,149	79.93
2009-2010	6,031,456	7,558,925	79.79
2010-2011 (Budgeted)	6,777,512	8,476,701	79.95
2011-2012 (Proposed)	6,450,885	8,221,678	78.46

⁽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 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$80,289	\$221,463
2008-2009	69,036	214,805
2009-2010	62,749	206,369
2010-2011 (Budgeted)	102,970	220,000
2011-2012 (Proposed)	144,618	269,044

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

GASB 45 and OPEB

The District contracted with Nyhart to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of July 1, 2010, the most recent actuarial valuation date, 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, was \$1,987,590. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,987,590. For the fiscal year ending June 30, 2010, the District's annual required contribution ("ARC") was \$123,854, of which it paid \$75,333 on a pay-as-you-go basis to over 107 employees and retirees. The aforementioned liability and ARC will be recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2011 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$36,108 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$706,559 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$434,538	\$ –	\$434,538
2011-2012	434,478	871,789	1,306,267
2012-2013	434,803	1,074,488	1,509,291
2013-2014	434,200	1,077,238	1,511,438
2014-2015	373,320	1,078,438	1,451,758
2015-2016	376,120	1,078,638	1,454,758
2016-2017	373,320	1,081,388	1,454,708
2017-2018	374,790	1,077,388	1,452,178
2018-2019	375,300	1,078,988	1,454,288
2019-2020	–	1,074,938	1,074,938
2020-2021	–	1,079,538	1,079,538
2021-2022	–	1,074,788	1,074,788
2022-2023	–	1,076,213	1,076,213
2023-2024	–	1,080,275	1,080,275
2024-2025	–	611,713	611,713
2025-2026	–	160,200	160,200
2026-2027	–	161,400	161,400
2027-2028	–	162,363	162,363
2028-2029	–	163,088	163,088
2029-2030	–	163,575	163,575
2030-2031	–	158,825	158,825
2031-2032	–	159,075	159,075
2032-2033	–	158,563	158,563
2033-2034	–	162,788	162,788
2034-2035	–	161,488	161,488
2035-2036	–	159,925	159,925
2036-2037	–	163,100	163,100
2037-2038	–	160,750	160,750
2038-2039	–	163,138	163,138

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**APPENDIX C-4
DESCRIPTION OF
CAMDEN CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-4 a brief description of the Camden 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 Oneida, Lewis and Oswego. Centered in the Village of Camden, the District is approximately 20 miles to the west of the City of Rome and approximately 35 miles northeast of the City of Syracuse. Major highways serving the District include State Routes 13, 49 and 69. The land area of the District is approximately 330 square miles. The District is residential and commercial in nature, with wood products such as lumber, furniture and manufacturing wire mills as its principal industries.

Population

The current estimated population of the District is 13,372.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Camden Central School	School District	450
Harden Furniture Company	Manufacturing	250
Mystic Stamps	Manufacturing	250
Camden Wire Company, Inc.	Manufacturing	200
Bryant Core Sand	Manufacturing	15

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$17,000,000
Harden Furniture Company	Manufacturing	7,950,000
Camden Wire Company, Inc.	Manufacturing	6,800,000
Oneida Water Supply	Utility	4,405,000
Verizon	Utility	3,825,000

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) are Oneida, Oswego and Lewis Counties.

	Year Average				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Oneida County	4.4%	4.3%	5.4%	7.5%	7.8%
Oswego County	5.9	5.7	6.9	10.0	10.5
Lewis County	5.5	5.5	6.6	9.0	9.2
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	2,718	2,630	2,570	2,497	2,422	2,450	2,425	2,400

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>
235	Camden Teachers' Association	June 30, 2012
190	CSEA	June 30, 2010 ⁽¹⁾
13	Camden 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 6, 2011⁽¹⁾

Full Valuation of Taxable Real Property	\$688,999,806
Debt Limit (10% of Full Valuation)	68,899,981
Gross Indebtedness ⁽²⁾	\$50,425,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$50,425,000
Net Debt Contracting Margin	18,474,981
Percentage of Debt Contracting Power Exhausted	73.19%

⁽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 \$19,725,000 School District Bonds to the Authority in connection with the refunding of \$17,000,000 of the District's outstanding bond anticipation notes and financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the Gross Indebtedness of the District is within the debt limit, the District is not required to apply for a 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 2009 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	\$136,054,692	\$16,839,600	\$119,215,092	6.46%	\$7,701,295
Lewis	14,215,000	0	14,215,000	2.28	324,102
Oswego	3,300,000	0	3,300,000	0.01	330
Towns of:					
Camden	143,000	0	143,000	100.00	143,000
Annsville	445,900	112,000	333,900	90.18	301,111
Florence	30,000	0	30,000	100.00	30,000
Osceola	128,344	128,344	0	92.87	0
Vienna	5,882,407	5,722,407	160,000	74.19	118,704
Lee	0	0	0	1.28	0
Constantia	0	0	0	0.04	0
Village of:					
Camden	63,111	0	63,111	100.00	63,111
				Total	<u>\$8,681,653</u>

⁽¹⁾ Bonds and bond anticipation notes as of close of 2009 fiscal year. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 6, 2011.

**Debt Ratios
As of May 6, 2011⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$50,425,000	\$3,770.94	7.32%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	59,106,653	4,420.18	8.58

- (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 13,372.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2010-11 of \$688,999,806.
- (4) The District expects to deliver \$19,725,000 School District Bonds to the Authority in connection with the refunding of \$17,000,000 of the District’s outstanding bond anticipation notes and financing of the District’s capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District does issue Revenue Anticipation Notes, but has issued no such notes for the last two fiscal years or for the current fiscal year and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

In March 2011, the District’s voters approved a proposition authorizing a project consisting of certain renovations to the District’s existing artificial turf athletic field. The District has not yet issued indebtedness for this project.

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 of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Camden Central School District
<http://emma.msrb.org/EA445037-EA345372-EA741256.pdf>
 Base CUSIP: 133123

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged for the next 30 days. On November 15th, uncollected taxes are returnable to Oneida, Oswego and Lewis Counties for collection. The District receives this amount 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 and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Camden	\$5,197,333	\$5,250,258	\$5,261,580	\$5,278,291	\$5,282,389
Annsville	64,692,347	65,351,975	65,854,559	65,120,268	65,494,483
Florence	12,904,400	12,977,677	13,133,293	13,008,487	13,230,702
Osceola	23,963,417	24,184,535	39,052,273	39,848,460	40,065,361
Vienna	150,823,583	151,794,566	152,337,820	152,811,464	155,052,531
Lee	133,500	133,419	139,166	139,027	131,376
Constantia	33,600	117,400	119,700	119,700	248,900
Total Assessed Valuation	<u>\$257,748,180</u>	<u>\$259,809,830</u>	<u>\$275,898,391</u>	<u>\$276,325,697</u>	<u>\$279,505,747</u>

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Camden	2.82%	2.60%	2.34%	2.29%	2.30%
Annsville	66.33	63.00	61.50	59.00	61.50
Florence	23.85	23.00	21.50	20.75	18.87
Osceola	80.00	74.00	100.00	100.00	100.00
Vienna	77.50	65.00	63.00	59.00	65.00
Lee	4.07	3.80	3.40	3.30	3.40
Constantia	75.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$563,830,384	\$631,931,308	\$678,090,668	\$706,741,477	\$688,999,806

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$9,299,882	\$9,557,779	\$9,936,267	\$9,820,445	\$10,014,889
% Uncollected When Due ⁽¹⁾	8.7%	9.2%	9.7%	9.0%	10.8%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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>
2006-2007	\$25,035,226	\$36,279,273	69.01%
2007-2008	28,469,677	39,601,625	71.89
2008-2009	31,023,317	42,306,103	73.33
2009-2010	28,879,089	41,611,673	69.40
2010-2011 (Budgeted)	29,908,180	41,755,669	71.63
2011-2012 (Proposed)	30,384,128	42,201,449	72.00

⁽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 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$211,397	\$1,328,863
2008-2009	213,469	1,442,384
2009-2010	211,397	1,319,770
2010-2011 (Budgeted)	495,220	1,582,640
2011-2012 (Proposed)	512,553	1,638,032

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

GASB 45 and OPEB

The District contracted with Questar III – BOCES calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. Based on the most recent actuarial evaluation dated July 1, 2008, 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 \$75,438,908. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$75,438,908. The District's beginning year Net OPEB obligation was \$4,708,754. The District's annual OPEB expense was \$6,596,273 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,488,448 to the Plan for the fiscal year ending June 30, 2010, resulting in a net increase to its unfunded OPEB obligation of \$4,107,825, for a fiscal year ending June 30, 2010 total net unfunded OPEB obligation of \$8,816,579. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$3,853,247 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$6,011,376 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

The District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$1,913,814	\$ –	\$1,913,814
2011-2012	3,748,711	1,905,501	5,654,212
2012-2013	3,668,299	1,913,150	5,581,449
2013-2014	3,685,936	1,913,750	5,599,686
2014-2015	3,694,036	1,912,750	5,606,786
2015-2016	3,685,718	1,909,500	5,595,218
2016-2017	3,697,086	1,903,750	5,600,836
2017-2018	3,712,186	1,905,500	5,617,686
2018-2019	2,869,661	1,909,250	4,778,911
2019-2020	2,367,064	1,914,750	4,281,814
2020-2021	2,367,411	1,911,750	4,279,161
2021-2022	2,149,513	1,910,500	4,060,013
2022-2023	2,153,133	1,910,750	4,063,883
2023-2024	1,468,813	1,912,250	3,381,063
2024-2025	1,197,213	1,664,750	2,861,963
2025-2026	1,029,413	1,515,500	2,544,913
2026-2027	1,024,150	835,000	1,859,150

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**APPENDIX C-5
DESCRIPTION OF
CHAZY CENTRAL RURAL SCHOOL DISTRICT**

There follows in this Appendix C-5 a brief description of the Chazy Central Rural 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 an area of approximately 44.5 square miles. The character of the District is primarily suburban and rural with the majority of homes being single family. The District is situated in the northeast corner of New York State in the eastern sector of Clinton County. It includes portions of the Towns of Chazy, Beekmantown and Champlain. The City of Plattsburgh is located approximately 10 miles south. The District is located 10 miles south of the United States/Canadian border and is bounded by Lake Champlain to the east. The Canadian City of Montreal is approximately 60 miles to the north and the City of Albany, New York, is approximately 150 miles to the south.

The major highway accessing the District is Interstate Highway #87. Population clusters and commercial development activity are concentrated along this transportation corridor. Also, this highway provides easy access to the Plattsburgh area for many District residents who commute to employment in the City and recently abandoned United States Air Force Base at Plattsburgh which is experiencing a period of civilian commercial redevelopment.

Population

The current estimated population of the District is 3,106.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
CVPH Medical Center	Health Care	1,450
Plattsburgh State University	State University	872
Clinton County	Local Government	722
Georgia-Pacific Corporation	Paper Products	500
Plattsburgh City School District	Education	380

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Wyeth Pharmaceuticals Inc.	Commercial	\$12,000,000 ⁽¹⁾
NYSEG	Utility	10,174,132 ⁽¹⁾
Rovers Farms Inc.	Farm	5,425,000
Giroux's Poultry Farm Inc.	Farm	5,004,164
North Country Gas Pipeline	Utility	4,301,317

⁽¹⁾ Tax Certiorari proceedings pending.

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 20.8% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Clinton County.

	Year Average				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Clinton County	5.5%	5.7%	6.5%	9.5%	10.2%
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	Projected <u>2011-12</u>	Projected <u>2012-13</u>	Projected <u>2013-14</u>
K-12	569	547	527	485	491	485	485	485

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>
54	Chazy Teachers’ Association	June 30, 2011 ⁽¹⁾
33	Civil Service Employees’ Association	June 30, 2011 ⁽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 6, 2011⁽¹⁾

Full Valuation of Taxable Real Property	\$225,651,982
Debt Limit (10% of Full Valuation)	22,565,198
Gross Indebtedness ⁽²⁾	\$10,110,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	<u>0</u>
Total Net Indebtedness	<u>\$10,110,000</u>
Net Debt Contracting Margin	\$12,455,198
Percentage of Debt Contracting Power Exhausted	44.80%

⁽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 \$6,205,000 School District Bonds to the Authority in connection with the refunding of \$6,419,181 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 2009 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:					
Clinton	\$35,203,318	\$3,722,293	\$31,481,025	4.98%	\$1,567,755
Towns of:					
Beekmantown	1,155,531	1,117,425	38,106	1.30	495
Champlain	506,183	506,183	0	8.80	0
Chazy	1,900,254	699,959	1,200,295	69.37	832,645
Village of:					
Champlain	1,381,313	1,258,275	123,038	100.00	123,038
Fire Districts (Estimated)	0	0	0	Various	<u>0</u>
				Total	<u>\$2,523,933</u>

⁽¹⁾ Bonds and bond anticipation notes as of close of 2009 fiscal year. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 6, 2011.

Debt Ratios As of May 6, 2011⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$10,110,000	\$3,254.99	4.48%
Gross Indebtedness Plus Net Overlapping Indebtedness	12,633,933	4,067.59	5.60

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

(2) Based on the District's current estimated population of 3,106.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2010-11 of \$225,651,982.

(4) The District expects to deliver \$6,205,000 School District Bonds to the Authority in connection with the refunding of \$6,419,181 of the District's outstanding bond anticipation notes and financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Chazy Central Rural School District
<http://emma.msrb.org/EA445056-EA345390-EA741280.pdf>
 Base CUSIP: 162658

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, with a penalty of 3% from November 1st to November 15th. After November 15th, 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 assuring 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 and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Beekmantown	\$3,637,424	\$4,026,764	\$4,247,428	\$4,289,132	\$4,771,334
Champlain	27,252,967	32,388,797	32,532,650	34,182,851	34,519,402
Chazy	160,495,808	171,759,198	179,765,231	182,237,316	186,361,246
Total Assessed Valuation	<u>\$191,386,199</u>	<u>\$208,174,759</u>	<u>\$216,545,309</u>	<u>\$220,709,299</u>	<u>\$225,651,982</u>

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Beekmantown	100.00%	100.00%	100.00%	100.00%	100.00%
Champlain	100.00	100.00	100.00	100.00	100.00
Chazy	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$191,386,199	\$208,174,759	\$216,545,309	\$220,709,299	\$225,651,982

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$3,144,875	\$3,342,679	\$3,370,620	\$3,423,763	\$3,599,701
% Uncollected When Due ⁽¹⁾	6.2%	5.3%	6.4%	6.2%	5.3%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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>
2006-2007	\$3,875,890	\$8,300,320	46.70%
2007-2008	4,106,093	8,724,542	47.06
2008-2009	4,538,966	8,992,295	50.48
2009-2010	4,085,566	8,573,539	47.65
2010-2011 (Budgeted)	4,668,829	9,143,986	51.06
2011-2012 (Proposed)	4,298,700	9,914,989	43.36

⁽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 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$72,145	\$281,632
2008-2009	63,916	284,238
2009-2010	69,219	251,302
2010-2011 (Budgeted)	87,000	240,000
2011-2012 (Proposed)	107,000	288,000

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") plan (the "Plan") in accordance with GASB 45. Based on the most recent actuarial evaluation dated July 1, 2009, 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 \$25,998,445. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$25,998,445. The District's beginning year Net OPEB obligation was \$0. For the fiscal year ending June 30, 2010, the District's annual OPEB expense was \$2,525,326 and was equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$742,499 to the Plan for the fiscal year ending June 30, 2010, resulting in a net increase to its unfunded OPEB obligation of \$1,782,827, for a fiscal year ending June 30, 2010 total net unfunded OPEB obligation of \$1,782,827. The aforementioned liability and ARC are recognized and are disclosed in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$321,703 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$1,467,984 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$581,731	\$ –	\$581,731
2011-2012	586,756	628,192	1,214,948
2012-2013	591,188	621,125	1,212,313
2013-2014	589,944	625,625	1,215,569
2014-2015	592,431	626,025	1,218,456
2015-2016	594,206	625,825	1,220,031
2016-2017	595,281	626,075	1,221,356
2017-2018	590,013	625,325	1,215,338
2018-2019	–	622,925	622,925
2019-2020	–	623,300	623,300
2020-2021	–	624,700	624,700
2021-2022	–	620,450	620,450
2022-2023	–	623,938	623,938
2023-2024	–	625,850	625,850
2024-2025	–	616,188	616,188
2025-2026	–	10,475	10,475

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**APPENDIX C-6
DESCRIPTION OF
CHERRY VALLEY SPRINGFIELD CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-6 a brief description of the Cherry Valley Springfield 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 165 square miles and includes various portions of the Towns of Canajoharie, Cherry Valley, Decatur, Middlefield, Minden, Otsego, Roseboom, Springfield, Warren and Westford. The character of the District is primarily rural agricultural with the majority of homes being single-family residences. There are many seasonal homes and motels around Otsego Lake. Commercial activity in the District is centered in and around the Villages of Cherry Valley, East Springfield and Springfield Center. Although industrial development within the District is limited, the addition of a Wal-Mart distribution center has had a positive impact to the economic development of the area.

Transportation is provided to and from the District by New York State Route 20 and Interstate 88. Major airline service is provided at the Albany County Airport, which is located about 45 miles to the east of the District.

Electricity is supplied throughout the District by Niagara National Grid, the New York State Electric & Gas Corporation and Otsego Electric Co-op. The Village of Cherry Valley maintains its own water supply and distribution system, primarily supported from user charges. The balance of the District is supplied from well water. Sanitary sewage collection and treatment facilities have not been constructed within the District. Police protection is provided by the New York State Police and the County Sheriff's Offices. Fire protection and ambulance service is provided by local volunteer units.

Population

The current estimated population of the District is 4,027.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Bassett Healthcare	Hospital	2,700
New York Central Mutual Fire Insurance Company	Insurance	1,000
Otsego County	Government	857
Wal-Mart	Retail	470
Baseball Hall of Fame	Museum	210

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
State of New York	State Land	\$23,354,722
Tennessee Gas Pipeline Co.	Utility	13,814,609
New York State Electric & Gas	Utility	6,146,218
National Grid	Utility	4,679,852
Stitzels Water Pt. Farm	Farm	3,568,332

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 15.5% 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) are Otsego, Montgomery and Herkimer Counties.

	Year Average				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Otsego County	4.5%	4.6%	5.7%	7.7%	7.7%
Montgomery County	5.9	5.9	7.0	9.7	9.8
Herkimer County	5.1	5.0	6.1	8.1	8.4
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	619	615	624	583	550	545	525	525

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>
64	Cherry Valley-Springfield Valley Teachers Association (NYSUT)	June 30, 2011 ⁽¹⁾
43	Cherry Valley-Springfield Instructional Support Staff	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 6, 2011⁽¹⁾**

Full Valuation of Taxable Real Property	\$438,838,253
Debt Limit (10% of Full Valuation)	43,883,825
Gross Indebtedness ⁽²⁾	\$13,315,847
Less: Exclusions – Estimated Building Aid ⁽³⁾	<u>0</u>
Total Net Indebtedness	\$13,315,847
Net Debt Contracting Margin	\$30,567,978
Percentage of Debt Contracting Power Exhausted	30.34%

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

⁽²⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$7,575,000 School District Bonds to the Authority in connection with the refunding of \$7,876,176 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 2009 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:					
Otsego	\$22,350,804	\$285,804	\$22,065,000	8.19%	\$1,807,124
Montgomery	44,915,650	0	44,915,650	1.08	485,089
Herkimer	9,110,000	9,110,000	0	0.01	0
Towns of:					
Cherry Valley	252,376	0	252,376	92.49	233,423
Middlefield	0	0	0	24.27	0
Otsego	0	0	0	0.07	0
Roseboom	0	0	0	91.18	0
Springfield	0	0	0	88.80	0
Westford	0	0	0	3.97	0
Canajoharie	171,766	0	171,766	4.01	6,888
Minden	0	0	0	9.75	0
Warren	140,316	0	140,316	0.06	84
Village of:					
Cherry Valley	643,000	643,000	0	100.00	0
Total					<u>\$2,532,608</u>

⁽¹⁾ Bonds and bond anticipation notes as of close of 2009 fiscal year. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 6, 2011.

**Debt Ratios
As of May 6, 2011⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$13,315,847	\$3,306.64	3.03%
Gross Indebtedness Plus Net Overlapping Indebtedness	15,848,454	3,935.55	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 4,027.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2010-11 of \$438,838,253.
- (4) The District expects to deliver \$7,575,000 School District Bonds to the Authority in connection with the refunding of \$7,876,176 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.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Cherry Valley Springfield Central School District
<http://emma.msrb.org/ER439367-ER342093-ER738266.pdf>
 Base CUSIP: 164771

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 and payable during the month of September. Taxes paid during the month of October are subject to a 2% penalty and a 3% penalty during the month of November. On November 15th, uncollected taxes are turned over to the 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 and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Canajoharie	\$4,374,781	\$4,228,120	\$4,555,284	\$4,606,189	4,615,458
Cherry Valley	30,581,966	30,824,586	30,979,522	31,174,242	30,765,550
Decatur	655,350	655,700	655,350	655,350	656,350
Middlefield	44,100,230	44,362,777	45,150,013	45,045,772	46,066,326
Minden	10,145,765	10,068,189	10,045,690	17,216,308	17,564,833
Otsego	142,326	142,165	577,491	582,425	585,254
Roseboom	26,999,016	27,056,723	27,169,652	27,393,139	27,567,479
Springfield	89,497,015	90,512,524	91,321,920	91,901,401	92,624,766
Warren	25,100	25,100	25,100	25,100	25,100
Westford	1,219,092	1,325,624	1,343,931	1,357,301	1,364,718
Total Assessed Valuation	<u>\$207,740,641</u>	<u>\$209,201,508</u>	<u>\$211,823,953</u>	<u>\$219,957,227</u>	<u>\$221,835,834</u>

State Equalization Rates Years Ending June 30,

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Canajoharie	73.39%	66.00%	62.00%	60.60%	60.00%
Cherry Valley	47.00	41.35	41.35	34.00	32.02
Decatur	69.00	60.51	50.00	44.31	45.75
Middlefield	90.00	78.00	72.00	60.97	65.00
Minden	78.32	70.37	65.28	100.00	100.00
Otsego	38.00	34.16	100.00	100.00	100.00
Roseboom	65.00	60.00	56.15	47.96	52.00
Springfield	74.00	65.00	51.02	48.00	49.00
Warren	85.92	70.73	68.60	67.65	70.20
Westford	65.00	58.00	58.00	48.63	54.00
Taxable Full Valuation	\$298,691,442	\$340,300,069	\$391,986,372	\$443,855,596	\$438,838,253

Total District Property Tax Collections Years Ending June 30,

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$3,493,517	\$3,602,076	\$3,704,842	\$3,779,742	\$3,950,834
% Uncollected When Due ⁽¹⁾	11.5%	11.8%	12.4%	12.3%	12.1%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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>
2006-2007	\$6,276,432	\$10,828,474	57.96%
2007-2008	6,462,269	11,052,886	58.47
2008-2009	6,901,579	11,525,405	59.88
2009-2010	6,450,842	11,492,464	56.13
2010-2011 (Budgeted)	7,128,915	11,549,063	61.73
2011-2012 (Proposed)	6,842,471	12,397,010	55.19

⁽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 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$96,092	\$322,780
2008-2009	79,360	341,465
2009-2010	73,270	221,138
2010-2011 (Budgeted)	100,000	230,000
2011-2012 (Proposed)	142,000	408,000

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”) plan (the “Plan”) in accordance with GASB 45. Based on the most recent actuarial evaluation dated July 1, 2009, 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 \$25,229,415. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$25,229,415. For the fiscal year ending June 30, 2010, the District’s annual OPEB expense was \$2,234,124 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$749,919 to the Plan for the fiscal year ending June 30, 2010, resulting in a fiscal year ending unfunded OPEB obligation of \$1,484,205. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2010 financial statements. See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*”

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's expenditures exceeded its revenues by \$260,180 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$548,039 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$943,835	\$ –	\$943,835
2011-2012	854,518	744,981	1,599,499
2012-2013	849,068	747,675	1,596,743
2013-2014	852,855	745,225	1,598,080
2014-2015	643,743	743,225	1,386,968
2015-2016	646,805	745,625	1,392,430
2016-2017	643,810	742,625	1,386,435
2017-2018	644,985	743,625	1,388,610
2018-2019	40,145	743,425	783,570
2019-2020	38,448	746,363	784,811
2020-2021	36,732	744,563	781,295
2021-2022	–	746,313	746,313
2022-2023	–	745,075	745,075
2023-2024	–	747,263	747,263
2024-2025	–	742,613	742,613
2025-2026	–	361,388	361,388

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

There follows in this Appendix C-7 a brief description of the Chittenango 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 central portion of the State, sixteen miles east of the City of Syracuse on Route 5. The District, which is in the northwestern portion of Madison County and the eastern perimeter of Onondaga County, encompasses an area of 75 square miles. It extends from the area near Chittenango Falls State Park northward to the southern shore of Oneida Lake.

The area, predominantly rural, has been the scene in the past decade of numerous residential developments. The labor force works in Syracuse or in the industrial communities to the east. However, certain portions of the area are still given over to farming.

The State Thruway cuts through the heart of the District with access to various interchanges. The residents are served by air, bus and train terminals, all located within sixteen miles of the community. The Syracuse-Hancock International Airport is served by Air Canada, American Eagle, Continental, Delta, JetBlue, United Express and USAirways.

The colleges and universities which are located in the area (but not within the District) include Syracuse University, LeMoyne College, Colgate University, Hamilton College, Utica College, Cazenovia College and the State University College of Education (SUNY) at Morrisville.

Banking needs are provided by the State Bank of Chittenango and Oneida Savings Bank, which are located within the District, as well as branches of various Syracuse banks located within a ten-mile radius of the District offices.

Ample fire protection is afforded the residents through volunteer services. Police protection is available through State, County and local agencies.

Population

The current estimated population of the District is 13,682.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Chittenango CSD	Public Education	406
ESCO Turbine Technologies	Manufacturer	350
Manth Brownell	Manufacturer	180
Stonehedge Health & Rehab Center	Nursing Home	100
New York Bus Sales	Bus Distributor	50

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$23,994,917
Verizon New York Inc.	Utility	4,111,784
Shadylane Mobile Manor	Mobile Home Park	3,984,848
Tall Pines Lakehaven Assoc., LLC	Mobile Home Park	3,030,303
North Atlantic Development Inc.	Commercial	2,808,858

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 6.4% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Onondaga and Madison Counties.

	<u>Year Average</u>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Onondaga County	4.4%	4.1%	5.2%	7.8%	8.0%
Madison County	4.7	4.7	5.7	8.3	8.4
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	2,383	2,338	2,250	2,224	2,174	2,143	2,099	2,050

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>
205	Chittenango Teachers' Association	June 30, 2013
39	Teamsters Local 317	June 30, 2013
33	AFSCME Local 2630A (Maintenance)	June 30, 2013
118	Non-Affiliated	N/A
11	Empire Administrators	June 30, 2013

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 6, 2011⁽¹⁾

Full Valuation of Taxable Real Property	\$762,486,872
Debt Limit (10% of Full Valuation)	76,248,687
Gross Indebtedness ⁽²⁾	\$26,246,850
Less: Exclusions – Estimated Building Aid ⁽³⁾	<u>0</u>
Total Net Indebtedness	\$26,246,850
Net Debt Contracting Margin	\$50,001,837
Percentage of Debt Contracting Power Exhausted	34.42%

⁽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 \$2,900,000 School District Bonds to the Authority in connection with the refunding of \$3,083,357 of the District's \$3,500,000 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 2009 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:					
Madison	\$350,000	\$0	\$350,000	20.46%	\$71,610
Onondaga	354,408,234	182,239,834	172,168,400	0.01	17,217
Towns of:					
Sullivan	3,251,513	1,274,670	1,976,843	90.62	1,791,415
Cazenovia	670,434	92,200	578,234	1.48	8,558
Lincoln	202,638	202,638	0	0.97	0
Lenox	2,333,750	0	2,333,750	1.73	40,374
Cicero	3,160,196	475,064	2,685,132	0.02	537
Manlius	451,794	87,029	364,765	0.05	182
Village of:					
Chittenango	5,655,225	5,584,444	70,781	100.00	<u>70,781</u>
				Total	<u>\$2,000,674</u>

⁽¹⁾ Bonds and bond anticipation notes as of close of the 2009 fiscal year.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 6, 2011.

**Debt Ratios
As of May 6, 2011⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$26,246,850	\$1,918.35	3.44%
Gross Indebtedness Plus Net Overlapping Indebtedness	28,247,524	2,064.58	4.86

- (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 13,682.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2010-11 of \$762,486,872.
- (4) The District expects to deliver \$2,900,000 School District Bonds to the Authority in connection with the refunding of \$3,083,357 of the District’s \$3,500,000 outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District issued \$1,500,000 of Revenue Anticipation Notes in the 2005-2006 fiscal year and \$2,000,000 Revenue Anticipation Notes in the 2006-2007 fiscal year. The District has not issued any such notes since that time, and does not expect to issue any such notes in the current fiscal year.

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Chittenango Central School District
<http://emma.msrb.org/EA445067-EA345404-EA741293.pdf>
 Base CUSIP: 170214

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

School taxes are payable during the month of September without penalty. A 2% penalty is imposed for late payment in October, and 3% penalty in November. Unpaid school taxes are returned to the Madison County Treasurer and the Chief Fiscal Officer of Onondaga County on November 15th and the District is reimbursed in full, from the Counties before the end of the fiscal year in which the taxes are levied.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Sullivan	\$581,504,689	\$595,467,080	\$608,501,585	\$617,890,802	\$627,071,857
Cazenovia	7,892,911	8,067,292	8,253,990	8,262,400	8,304,546
Lincoln	681,433	672,134	829,769	922,167	791,673
Lenox	6,290,976	6,215,396	7,619,716	7,347,539	7,421,138
Cicero	14,731	18,312	19,351	17,458	19,958
Manlius	515,829	798,617	1,034,356	988,293	1,532,167
Total Assessed Valuation	<u>\$596,900,569</u>	<u>\$611,238,831</u>	<u>\$626,258,767</u>	<u>\$635,428,659</u>	<u>\$645,141,339</u>

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Sullivan	93.00%	90.00%	88.00%	82.50%	84.50%
Cazenovia	84.50	81.00	78.00	76.50	83.00
Lincoln	90.00	87.00	100.00	98.00	97.25
Lenox	90.00	87.00	100.00	98.00	97.25
Cicero	5.20	5.10	4.90	4.90	4.90
Manlius	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$643,160,821	\$680,664,086	\$711,939,872	\$769,542,125	\$762,486,872

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$13,850,316	\$14,366,215	\$14,944,067	\$15,787,650	\$15,894,114
% Uncollected When Due ⁽¹⁾	6.2%	5.9%	5.7%	7.2%	7.3%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

<u>Fiscal Year</u>	State Aid and Revenues		
	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	Percentage of Total Revenues Consisting of State Aid⁽¹⁾
2006-2007	\$18,672,934	\$33,695,562	55.42%
2007-2008	19,437,790	34,903,395	55.69
2008-2009	19,895,415	35,770,438	55.62
2009-2010	18,563,677	36,165,045	51.33
2010-2011 (Budgeted)	17,849,678	36,450,320	48.97
2011-2012 (Proposed)	16,177,510	36,193,962	44.70

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$370,563	\$1,185,405
2008-2009	356,937	1,077,656
2009-2010	376,550	1,887,425
2010-2011 (Budgeted)	596,298	1,180,000
2011-2012 (Proposed)	807,350	1,463,800

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

GASB 45 and OPEB

The District engaged the services of Armory Associates, LLC to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2010, the most recent actuarial valuation date, the actuarial accrued liability (AAL) for benefits was \$47,135,605, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$47,135,605. For the fiscal year ending June 30, 2010, the District's annual OPEB cost was \$5,204,879 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,129,251 to the Plan for the fiscal year ending June 30, 2010 resulting in a year-end Net OPEB obligation of \$6,878,394. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$1,002,990 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$2,093,607 and a total General Fund balance of \$7,133,037 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$3,266,630	\$ –	\$3,266,630
2011-2012	3,271,626	298,222	3,569,848
2012-2013	3,271,010	296,000	3,567,010
2013-2014	3,272,037	294,600	3,566,637
2014-2015	3,275,135	298,000	3,573,135
2015-2016	3,135,450	294,250	3,429,700
2016-2017	2,188,945	295,250	2,484,195
2017-2018	2,184,805	295,750	2,480,555
2018-2019	2,189,130	295,750	2,484,880
2019-2020	864,900	295,250	1,160,150
2020-2021	681,200	294,250	975,450
2021-2022	–	297,750	297,750
2022-2023	–	295,500	295,500
2023-2024	–	297,750	297,750
2024-2025	–	299,250	299,250

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

There follows in this Appendix C-8 a brief description of the Cooperstown 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 north-central sector of Otsego County. The City of Albany is approximately 70 miles to the east, the City of Utica, approximately 50 miles northwest and the City of Oneonta, 20 miles to the south. Major highways serving the District include New York State Routes 20, 28, 80, 166 and 205, as well as Interstate 88.

With a land area of approximately 99.4 square miles, the District is residential and agricultural in nature. The Village of Cooperstown, with a current estimated population of 2,033 and a land area of 1.8 square miles is the commercial center within the District and the County Seat. The Village is best known for its various internationally known museums, including the National Baseball Hall of Fame and Museum, Fenimore House and the Farmer’s Museum.

Population

The current estimated population of the District is 7,032.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Bassett Healthcare/A.O. Fox Memorial	Hospitals	3,808
Hartwick College/SUNY Oneonta	Higher Education	1,537
New York Central Mutual	Property/Casualty Insurance	1,000
Otsego County	County Government	850
Wal-Mart	Retail	470

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Leatherstocking Corporation	Commercial	\$31,140,100
Clark Foundation	Commercial	16,680,408
Cooperstown Prop. LLC	Commercial	16,325,800
Hager, Louis B. Jr.	Residential	11,345,400
Waterford Company, Inc.	Commercial	9,300,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 10.5% 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 Otsego County.

	Year Average				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Otsego County	4.5%	4.6%	5.7%	7.7%	7.7%
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	1,068	1,046	1,037	996	985	985	985	985

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>
94	Cooperstown Central School Faculty Association	June 30, 2013
65	Cooperstown Central School Service Unit	June 30, 2010 ⁽¹⁾
2	Cooperstown Central School Administrators Assoc.	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 6, 2011⁽¹⁾

Full Valuation of Taxable Real Property	\$1,155,885,610
Debt Limit (10% of Full Valuation)	115,588,561
Gross Indebtedness ⁽²⁾	\$10,765,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	<u>0</u>
Total Net Indebtedness	\$10,765,000
Net Debt Contracting Margin	\$104,823,561
Percentage of Debt Contracting Power Exhausted	9.31%

⁽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 \$6,525,000 School District Bonds to the Authority in connection with the refunding of \$6,645,000 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 2009 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:					
Otsego	\$22,350,804	\$285,804	\$22,065,000	17.80%	\$3,927,570
Towns of:					
Burlington	0	0	0	1.89%	0
Hartwick	2,004,548	1,816,000	188,548	85.38	160,982
Middlefield	0	0	0	63.87	0
New Lisbon	246,400	160,000	86,400	0.27	233
Otsego	0	0	0	91.44	0
Village of:					
Cooperstown	3,730,000	2,690,000	1,040,000	100.00	<u>1,040,000</u>
				Total:	<u>\$5,128,785</u>

⁽¹⁾ Bonds and bond anticipation notes as of close of the 2009 fiscal year.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 6, 2011.

Debt Ratios As of May 6, 2011⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$10,765,000	\$1,530.86	0.93%
Gross Indebtedness Plus Net Overlapping Indebtedness	15,893,786	2,260.21	1.38

(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 7,032.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2010-11 of \$1,155,885,610.

(4) The District expects to deliver \$6,525,000 School District Bonds to the Authority in connection with the refunding of \$6,645,000 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.

Cash Flow Borrowing

The District has not issued Tax Anticipation Notes or Revenue Anticipation Notes for the past five years.

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Cooperstown Central School District
<http://emma.msrb.org/EA449804-EA349175-EA745113.pdf>
 Base CUSIP: 216872

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 Otsego 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. 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 and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Burlington	\$842,647	\$842,567	\$841,947	\$835,247	\$844,947
Hartwick	67,580,710	69,249,666	221,780,261 ⁽¹⁾	216,132,227	215,078,413
Middlefield	116,276,398	117,783,777	118,790,359	120,150,986	120,830,395
New Lisbon	118,569	118,569	111,901	108,568	108,568
Otsego	211,082,613	211,832,266	744,164,352 ⁽¹⁾	748,133,184	753,152,964
Total Assessed Valuation	<u>\$395,900,937</u>	<u>\$399,826,845</u>	<u>\$1,085,688,820</u>	<u>\$1,085,360,212</u>	<u>\$1,090,015,287</u>

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Burlington	71.00%	56.00%	52.00%	52.00%	56.00%
Hartwick	44.00	36.35	100.00 ⁽¹⁾	100.00	100.00
Middlefield	90.00	78.00	72.00	60.97	65.00
New Lisbon	59.00	48.13	48.00	42.68	43.00
Otsego	38.00	34.16	100.00 ⁽¹⁾	100.00	100.00
Taxable Full Valuation	\$839,656,872	\$963,381,674	\$1,132,783,479	\$1,163,191,779	\$1,155,885,610

⁽¹⁾ Significant change from previous year due to full re-evaluation of assessments.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$8,075,333	\$8,297,558	\$8,771,917	\$9,791,105	\$10,358,200
% Uncollected When Due ⁽¹⁾	9.3%	9.6%	8.6%	8.5%	10.3%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

<u>Fiscal Year</u>	State Aid and Revenues		Percentage of Total
	Total State Aid⁽¹⁾	Total Revenues⁽¹⁾	Revenues Consisting of State Aid⁽¹⁾
2006-2007	\$5,138,750	\$14,780,302	34.77%
2007-2008	5,490,505	15,414,547	35.62
2008-2009	5,838,020	16,093,441	36.28
2009-2010	4,828,615	16,101,502	29.99
2010-2011 (Budgeted)	4,989,753	15,665,503	31.85
2011-2012 (Proposed)	5,345,853	16,212,987	32.97

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$168,623	\$483,970
2008-2009	138,754	517,007
2009-2010	167,487	453,647
2010-2011 (Budgeted)	232,060	421,271
2011-2012 (Proposed)	348,946	610,474

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") plan (the "Plan") in accordance with GASB 45. As of July 1, 2009, the most recent actuarial date, the District's plan was 0% funded. The actuarial accrued liability for benefits (AAL) was \$23,822,051, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$23,822,051. For the fiscal year ending June 30, 2010, the District's annual OPEB cost was \$1,821,609 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$551,406 to the Plan for the fiscal year ending June 30, 2010 resulting in a year-end Net OPEB obligation of \$2,606,093. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$374,455 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$2,232,495 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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	Total Debt Service
2010-2011	\$593,240	\$ –	\$593,240
2011-2012	593,980	635,405	1,229,385
2012-2013	597,860	637,088	1,234,948
2013-2014	538,450	631,888	1,170,338
2014-2015	535,580	631,288	1,166,868
2015-2016	541,845	636,038	1,177,883
2016-2017	286,800	638,838	925,638
2017-2018	292,400	635,838	928,238
2018-2019	292,400	632,238	924,638
2019-2020	292,000	633,238	925,238
2020-2021	291,200	632,988	924,188
2021-2022	–	634,438	634,438
2022-2023	–	635,188	635,188
2023-2024	–	633,813	633,813
2024-2025	–	510,213	510,213

⁽¹⁾ Schedule does not include payments due under an energy performance contract which as of June 30, 2012 had a remaining balance of \$244,132.

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

There follows in this Appendix C-9 a brief description of the Edmeston 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, 12 miles west of the Village of Cooperstown. The City of Albany is approximately 75 miles to the east, the City of Utica approximately 30 miles north and the City of Oneonta is 20 miles to the south. Major highways serving the District include New York State Routes #80, #51 and #8.

With a land area of approximately 95 square miles, the District is residential and agricultural in nature. The incorporated areas of Edmeston and Burlington Flats serve as the commercial centers within the District.

Population

The current estimated population of the District is 2,753.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
New York Central Mutual	Insurance	1,000
Pathfinder Village	Down Syndrome School and Facilities	180
Edmeston Central School District	Education	105
Otsego Mutual Insurance	Insurance	23
Aqua Valley Springs	Bottled Spring Water	14

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York Central Mutual	Insurance	\$7,575,200
Otsego Electric Corp.	Utility	1,622,557
State of New York	Forest Lands	1,865,841
New York State Electric & Gas	Utility	1,490,506
Verizon	Utility	1,196,631

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 14.37% 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) Otsego County.

	Year Average				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Otsego County	4.5%	4.6%	5.6%	7.5%	7.7%
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	552	568	535	502	487	480	475	470

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	Edmeston Central School Faculty Association	June 30, 2013

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 6, 2011 ⁽¹⁾

Full Valuation of Taxable Real Property	\$201,165,391
Debt Limit (10% of Full Valuation)	20,116,539
Gross Indebtedness ⁽²⁾	\$12,312,543
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$12,312,543
Net Debt Contracting Margin	\$7,803,996
Percentage of Debt Contracting Power Exhausted	61.21%

⁽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 \$4,410,000 School District Bonds to the Authority in connection with the refunding of \$4,725,000 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 2009 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:					
Otsego	\$22,350,804	\$285,804	\$22,065,000	4.54%	\$1,001,751
Madison	350,000	0	350,000	0.04	140
Towns of:					
Burlington	0	0	0	99.58	0
Edmeston	0	0	0	89.03	0
Exeter	176,896	0	176,896	5.53	9,782
New Lisbon	246,400	160,000	86,400	13.31	11,500
Otsego	0	0	0	0.60	0
Pittsfield	0	0	0	3.86	0
Plainfield	0	0	0	0.69	0
Brookfield	37,600	0	37,600	1.71	643
Fire Districts (Estimated)	0	0	0	Various	0
				Total	<u>\$1,023,816</u>

(1) Bonds and bond anticipation notes as of close of 2009 fiscal year.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 6, 2011.

Debt Ratios As of May 6, 2011⁽¹⁾

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$12,312,543	\$4,472.41	6.12%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	13,336,359	4,884.30	6.63

(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 2,753.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2010-11 of \$201,165,391.

(4) The District expects to deliver \$4,410,000 School District Bonds to the Authority in connection with the refunding of \$4,725,000 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.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Edmeston Central School District
<http://emma.msrb.org/ER438241-ER341205-ER737301.pdf>
 Base CUSIP: 281096

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or about November 1st, uncollected taxes are returnable to the Counties of Otsego and Madison 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 and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Burlington	\$43,130,221	\$43,582,816	\$45,772,888	\$46,034,028	\$43,481,262
Edmeston	56,652,149	53,372,556	66,198,302	66,645,623	54,465,729
Exeter	1,810,459	1,827,045	2,026,403	2,024,735	1,948,943
New Lisbon	5,166,353	5,353,338	5,494,105	5,665,162	5,418,030
Otsego	1,366,166	1,327,578	4,767,944	4,787,656	4,453,582
Pittsfield	1,655,863	1,649,416	1,699,422	1,698,785	1,640,902
Plainfield	230,320	225,660	221,150	215,675	481,610 ⁽¹⁾
Brookfield	1,504,442	1,511,300	1,549,708	1,550,108	2,013,299
Total Assessed Valuation	<u>\$111,515,973</u>	<u>\$108,849,709</u>	<u>\$127,729,922</u>	<u>\$128,621,772</u>	<u>\$113,903,357</u>

⁽¹⁾ Significant change due to revaluation.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Burlington	71.00%	56.00%	52.00%	52.00%	56.00%
Edmeston	66.48	60.97	60.50	54.30	56.00
Exeter	64.36	52.33	50.41	52.00	54.00
New Lisbon	59.00	48.13	48.00	42.68	43.00
Otsego	38.00	34.16	100.00	100.00	100.00
Pittsfield	64.00	55.79	54.00	52.00	52.00
Plainfield	85.00	78.00	65.42	57.00	112.43
Brookfield	100.00	95.00	89.00	80.00	100.00
Taxable Full Valuation	\$165,491,037	\$188,702,532	\$222,903,674	\$238,800,790	\$201,165,391

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$1,714,424	\$1,758,412	\$1,826,226	\$1,864,634	\$1,930,591
% Uncollected When Due	15.34%	16.74%	16.22%	14.28%	17.61%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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>
2006-2007	\$5,693,659	\$8,095,035	70.34%
2007-2008	6,298,722	8,743,984	72.03
2008-2009	6,904,274	9,289,985	74.32
2009-2010	6,527,276	9,405,560	69.40
2010-2011 (Budgeted)	7,055,530	9,478,030	74.44
2011-2012 (Proposed)	7,386,546	9,946,870	74.26

⁽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 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$77,506	\$260,175
2008-2009	63,436	278,475
2009-2010	55,984	233,537
2010-2011 (Budgeted)	84,125	225,200
2011-2012 (Proposed)	150,870	342,260

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

GASB 45 and OPEB

The District contracted with the Capital Region Boards of Cooperative Educational Services (BOCES) to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of January 1, 2009, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, was \$19,510,200. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$19,510,200. For the fiscal year ending June 30, 2010, the District's annual required contribution ("ARC") was \$1,687,800, of which \$1,687,800 was paid on a pay-as-you-go basis to employees. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$198,222 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$1,162,024 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$1,044,833	\$ —	\$1,044,833
2011-2012	943,803	452,092	1,395,895
2012-2013	908,943	449,600	1,358,543
2013-2014	880,667	450,000	1,330,667
2014-2015	823,377	452,500	1,275,877
2015-2016	797,868	454,250	1,252,118
2016-2017	800,983	450,250	1,251,233
2017-2018	807,283	450,750	1,258,033
2018-2019	807,080	450,500	1,257,580
2019-2020	540,613	449,500	990,113
2020-2021	275,468	452,750	728,218
2021-2022	—	450,000	450,000
2022-2023	—	451,500	451,500
2023-2024	—	452,000	452,000
2024-2025	—	451,500	451,500

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**APPENDIX C-10
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF FULTON**

There follows in this Appendix C-10 a brief description of the City School District of the City of Fulton (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 80 square miles, includes all of the City of Fulton, major portions of the Towns of Granby and Volney, and minor portions of the Towns of Minetto, Oswego, Palermo and Scriba. Located on the Oswego River in the southwest corner of Oswego County, the City of Fulton is approximately 25 miles northwest of the City of Syracuse. Major highways in and around the District include State Highways #3, #48, #49, #57, #176 and #481.

The District's area is primarily residential and agricultural, although by valuation it is approximately 50% industrial and commercial. In addition to employment in industries listed in this Official Statement, residents are employed in the Syracuse and Oswego areas.

Population

The current estimated population of the District is 20,557.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Fulton City School District	School District	625
Huhtamaki Corp	Manufacturer	580
Black Clawson Company	Manufacturer	450
Kraft Food International	Manufacturer	300
Interface Solutions, Inc.	Manufacturer	255

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$62,699,414
Erie Blvd Hydropower LP	Utility	19,471,695
Wal-Mart Stores East, LP	Retailer	14,550,000
Windstream New York, Inc.	Utility	7,346,810
Bemsa Holding, Inc.	Manufacturer	7,600,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 18.3% 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 Oswego County. Over the past five years, Oswego County's unemployment rate has been historically above the State average unemployment rate.

	Year Average				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Oswego County	5.9%	5.7%	6.9%	10.0%	10.5%
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	Projected <u>2011-12</u>	Projected <u>2012-13</u>	Projected <u>2013-14</u>
K-12	3,878	3,860	3,807	3,784	3,756	3,750	3,750	3,750

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>
390	Fulton City School Teachers' Association	June 30, 2010 ⁽¹⁾
243	CSEA	June 30, 2011 ⁽¹⁾
20	Fulton City School 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 6, 2011⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$704,813,395	\$760,896,655
Debt Limit (5% of full valuation) ⁽²⁾	\$35,240,670	\$38,044,833
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds.....	\$6,235,000	\$6,235,000
Bond Anticipation Notes.....	23,290,450	23,290,450
Total Inclusions.....	<u>\$29,525,450</u>	<u>\$29,525,450</u>
<u>Exclusions</u>		
Bonds Previously Refunded.....	\$0	\$0
Appropriations.....	605,000	605,000
Total Exclusions.....	<u>\$605,000</u>	<u>\$605,000</u>
Total Net Indebtedness.....	\$28,920,450	\$28,920,450
Net Debt Contracting Margin.....	\$6,320,220	\$9,124,383
Percentage of Debt Contracting Power Exhausted.....	82.07%	76.02%

- ⁽¹⁾ The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$20,495,000 School District Bonds to the Authority in connection with the refunding of \$21,990,000 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 Tax 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 2009 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:					
Oswego	\$3,300,000	\$0	\$3,300,000	14.62%	\$482,460
City of:					
Fulton	9,165,153	3,068,332	6,096,821	100.00	6,096,821
Towns of:					
Granby	7,873,752	72,704	7,801,048	62.70	4,891,257
Minetto	650,000	290,000	360,000	4.65	16,740
Oswego	1,391,985	114,105	1,277,880	1.13	14,440
Palermo	31,820	31,820	0	1.79	0
Scriba	15,690,127	15,690,127	0	0.93	0
Volney	7,556,159	5,803,159	1,753,000	81.02	1,420,281
				Total	<u>\$12,921,999</u>

(1) Bonds and bond anticipation notes as of close of 2009 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 6, 2011.

Debt Ratios As of May 6, 2011⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$28,920,450	\$1,406.84	3.56%
Gross Indebtedness Plus Net Overlapping Indebtedness	41,842,449	2,035.44	5.15

(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 20,557.

(3) Based on the District's full value of taxable real estate using the special State equalization ratios for 2010-11 of \$813,214,645.

(4) The District expects to deliver \$20,495,000 School District Bonds to the Authority in connection with the refunding of \$21,990,000 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.

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>
2006-2007	\$5,000,000	RAN	7/27/06	6/29/07
2007-2008	4,000,000	RAN	7/18/07	6/27/08
2009-2010	5,000,000	RAN	6/22/10	12/22/10

The District has no short-term cash flow indebtedness outstanding at this time and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

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

FINANCIAL FACTORS**General Information**

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Fulton City School District
<http://emma.msrb.org/ER441236-ER343441-ER739693.pdf>
 Base CUSIP: 360676

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

Real property taxes are levied annually by the Board of Education no later than September 1. During the current fiscal year, the taxes became a lien on August 24, 2010. Taxes which were due September 14, 2010 can be payable in full by October 15, 2010 or in two equal installments payable: (i) between September 14, 2010 and October 15, 2010; and (ii) between February 14, 2011 and April 8, 2011.

Uncollected real property taxes are subsequently enforced by the City of Fulton and the County of Oswego. An amount representing uncollected real property taxes transmitted to Oswego County for enforcement is paid by Oswego County to the District no later than the December 31 of the year in which such property taxes are due.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
City of:					
Fulton	\$295,644,172	\$305,335,951	\$341,000,993	\$355,065,803	\$355,515,634
Towns of:					
Granby	127,827,284	135,637,912	156,760,918	157,626,902	158,485,114
Minetto	4,089,521	4,205,015	4,294,147	4,375,803	4,406,455
Oswego	2,611,427	2,215,463	2,690,801	2,670,835	2,692,151
Palermo	2,330,534	2,286,261	2,327,166	2,364,406	2,365,210
Scriba	2,725,847	2,991,030	2,853,700	2,963,880	2,855,744
Volney	<u>198,490,124</u>	<u>203,064,150</u>	<u>198,467,879</u>	<u>197,893,212</u>	<u>198,559,703</u>
Total Assessed Valuation	<u>\$633,718,909</u>	<u>\$655,735,782</u>	<u>\$708,395,604</u>	<u>\$722,960,841</u>	<u>\$724,880,011</u>

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
City of:					
Fulton	100.00%	100.00%	100.00%	100.00%	100.00%
Towns of:					
Granby	100.00	100.00	100.00	100.00	100.00
Minetto	100.00	100.00	100.00	100.00	100.00
Oswego	88.42	83.25	100.00	100.00	100.00
Palermo	100.00	85.82	91.47	100.00	100.00
Scriba	100.00	100.00	100.00	100.00	100.00
Volney	100.00	95.00	92.00	88.00	90.00
Taxable Full Valuation	\$634,060,917	\$667,246,881	\$725,870,699	\$749,946,279	\$746,942,200

**Special State Equalization Ratios
Years Ending June 30,**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
City of:					
Fulton	96.11%	90.79%	92.81%	95.55%	94.10%
Towns of:					
Granby	91.99	83.93	89.53	95.75	91.81
Minetto	85.44	87.73	85.99	85.99	86.48
Oswego	83.21	77.81	76.83	92.73	87.32
Palermo	78.61	81.42	88.73	87.96	86.79
Scriba	91.15	92.79	97.97	96.64	94.28
Volney	87.58	90.41	88.63	83.30	79.79
Taxable Full Valuation	\$687,086,624	\$736,193,959	\$780,471,737	\$787,516,312	\$813,214,645

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$16,664,020	\$17,438,916	\$18,037,851	\$18,398,608	\$18,728,402
% Uncollected When Due ⁽¹⁾	7.74%	7.21%	6.95%	7.30%	8.19%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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>
2006-2007	\$31,811,961	\$51,471,171	61.81%
2007-2008	34,735,304	55,048,618	63.10
2008-2009	37,350,721	58,492,507	63.86
2009-2010	34,252,964	58,532,938	58.52
2010-2011 (Budgeted)	38,039,342	58,996,994	64.48
2011-2012 (Proposed)	36,500,973	60,240,095	60.59

⁽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 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$450,043	\$1,976,140
2008-2009	372,250	1,828,387
2009-2010	484,121	1,511,108
2010-2011 (Budgeted)	629,000	2,109,685
2011-2012 (Proposed)	647,200	2,329,422

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

GASB 45 and OPEB

The District contracted with Milliman, Inc. to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. Based on the most recent actuarial evaluation dated June 30, 2010, 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 \$21,736,007. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$21,736,007. For the fiscal year ending June 30, 2010, the District's beginning year Net OPEB obligation was \$1,077,404. The District's annual OPEB expense was \$1,715,727 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$903,100 to the Plan for the fiscal year ending June 30, 2010, resulting in a net increase to its unfunded OPEB obligation of \$812,627, for a fiscal year ending June 30, 2010 total net unfunded OPEB obligation of \$1,890,031. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$1,174,347 in its General Fund for the fiscal year ended June 30, 2009, resulting in an unreserved undesignated General Fund balance of \$2,427,878 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$1,228,098	\$ —	\$1,228,098
2011-2012	1,242,797	2,095,100	3,337,897
2012-2013	1,242,244	2,091,700	3,333,944
2013-2014	933,834	2,091,500	3,025,334
2014-2015	941,588	2,094,500	3,036,088
2015-2016	942,413	2,093,250	3,035,663
2016-2017	951,088	2,094,000	3,045,088
2017-2018	—	2,091,500	2,091,500
2018-2019	—	2,095,750	2,095,750
2019-2020	—	2,091,250	2,091,250
2020-2021	—	2,093,250	2,093,250
2021-2022	—	2,091,250	2,091,250
2022-2023	—	2,095,250	2,095,250
2023-2024	—	2,094,750	2,094,750
2024-2025	—	2,094,750	2,094,750

⁽¹⁾ Schedule does not include remaining payments of \$1,696,443 due under an energy performance contract.

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**APPENDIX C-11
DESCRIPTION OF
GILBERTSVILLE-MOUNT UPTON CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-11 a brief description of the Gilbertsville-Mount Upton 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 Towns of Butternuts, Morris and Unadilla in Otsego County and the Towns of Guilford and Norwich in Chenango County.

The District is rural in nature, with many residents commuting to large industrial firms within the general area.

Population

The current estimated population of the District is 3,103.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Bassett Healthcare	Teaching Hospital	2,808
New York Central Mutual	Insurance	1,000
Chenango Memorial Hospital	Health Care	440
NBT Bank, N.A.	Banking	300
Gilbertsville-Mount Upton CSD	Education	106

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
NYSEG	Utility	\$1,790,420
Otsego Electric Coop, Inc.	Utility	1,440,098
TEPPCO	Substation – Corporation	918,394
Allen Skolnick	Residence/Agriculture	810,100
Clayton L. Collins	Residence	691,100

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 3.83% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Otsego and Chenango Counties.

	<u>Year Average</u>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Otsego County	4.5%	4.6%	5.7%	7.7%	7.7%
Chenango County	5.0	5.0	6.3	9.1	9.1
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	514	494	460	467	458	453	433	412

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>
51	Gilbertsville-Mount Upton Teachers' Association	June 30, 2012
44	Gilbertsville-Mount Upton Central School District	June 30, 2013
11	Gilbertsville-Mount Upton Administrators Assoc.	N/A

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 6, 2011 ⁽¹⁾**

Full Valuation of Taxable Real Property	\$197,311,849
Debt Limit (10% of Full Valuation)	19,731,185
Gross Indebtedness ⁽²⁾	\$8,904,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	<u>\$8,904,000</u>
Net Debt Contracting Margin	\$10,827,185
Percentage of Debt Contracting Power Exhausted	45.13%

⁽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 \$7,955,000 School District Bonds to the Authority in connection with the refunding of \$8,310,000 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 2009 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:					
Otsego	\$22,350,804	\$285,804	\$22,065,000	3.00%	\$661,950
Chenango	2,895,000	0	2,895,000	2.00	57,900
Towns of:					
Butternuts	147,536	0	147,536	93.00	137,208
Guilford	1,835,774	0	1,835,774	37.00	679,236
Morris	200,000	200,000	0	5.00	0
Norwich	714,895	0	714,895	1.00	7,149
Unadilla	329,097	0	329,097	6.00	19,746
Village of:					
Gilbertsville	2,210,545	0	2,210,545	100.00	2,210,545
				Total	<u>\$3,773,734</u>

(1) Bonds and bond anticipation notes as of close of the 2009 fiscal year.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 6, 2011.

Debt Ratios As of May 6, 2011⁽¹⁾

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$8,904,000	\$2,869.48	4.51%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	12,677,734	4,085.64	6.43

(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 3,103.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2010-11 of \$197,311,849.

(4) The District expects to deliver \$7,955,000 School District Bonds to the Authority in connection with the refunding of \$8,310,000 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.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes ("RAN"). However, on June 30, 2003 the District issued \$450,000 of RAN to address cash flow issues due to a delay in State aid payments. The RAN matured on September 30, 2003 and was paid in full with available funds. The District does not expect to issue such notes in the current fiscal year.

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Gilbertsville-Mount Upton Central School District
<http://emma.msrb.org/ER439384-ER342110-ER738285.pdf> (See page 20 of the PDF)
 Base CUSIP: 375465

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 due September 1. Taxes will be collected during the first thirty days with no penalty, during the second thirty days with a two percent penalty and for at least one day in November with a three percent penalty as approved by the Board so that uncollected taxes can be returned to the County Treasurers on November 15.

The District is reimbursed by the Counties for all unpaid taxes so that it is assured of 100% collection of its tax levy each year.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Butternuts	\$67,115,589	\$67,714,330	\$68,504,438	\$68,808,199	\$127,890,915 ⁽¹⁾
Morris	3,001,146	3,009,679	3,045,089	3,062,118	3,021,996
Unadilla	7,192,998	7,259,414	7,419,401	7,573,920	7,681,784
Guilford	28,577,161	28,651,312	28,771,656	28,821,530	29,082,648
Norwich	14,000	14,000	14,000	14,000	14,000
Total Assessed Valuation	<u>\$105,900,894</u>	<u>\$106,648,735</u>	<u>\$107,754,584</u>	<u>\$108,279,767</u>	<u>\$167,691,343</u>

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Butternuts	73.00%	67.00%	67.00%	57.00%	100.00% ⁽¹⁾
Morris	68.00	59.97	60.00	52.69	53.00
Unadilla	66.00	62.00	58.19	58.19	58.19
Guilford	75.00	60.60	56.50	52.00	57.60
Norwich	51.65	53.00	49.59	50.31	51.59
Taxable Full Valuation	\$145,381,082	\$165,099,345	\$171,022,397	\$194,997,403	\$197,311,849

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$1,988,500	\$2,008,385	\$2,047,003	\$2,089,936	\$2,169,546
% Uncollected When Due	12.57%	12.93%	12.93%	15.20%	14.39%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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>
2006-2007	\$4,519,729	\$6,895,589	65.55%
2007-2008	5,185,887	7,560,340	68.59
2008-2009	5,475,090	7,859,901	69.66
2009-2010	5,074,303	7,865,177	64.52
2010-2011 (Budgeted)	6,033,798	8,867,844	68.04
2011-2012 (Proposed)	5,555,052	8,560,471	64.89

⁽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 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$64,034	\$240,652
2008-2009	68,643	221,228
2009-2010	60,271	247,755
2010-2011 (Budgeted)	100,336	203,512
2011-2012 (Proposed)	147,193	304,657

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") plan (the "Plan") in accordance with GASB 45. As of June 30, 2010, the most recent actuarial valuation date, the actuarial present value of the total projected benefits for the District's 113 active employees and 35 retirees was \$7,923,097. 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 \$7,923,097. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,923,097. For the fiscal year ending June 30, 2010, the District's annual OPEB cost was \$879,166 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$866,130 to the Plan for the fiscal year ending June 30, 2010, resulting in a year-end Net OPEB obligation of \$1,455,094. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$122,578 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$518,019 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$148,187	\$ —	\$148,187
2011-2012	110,323	800,724	911,047
2012-2013	77,769	802,763	880,532
2013-2014	39,375	799,113	838,488
2014-2015	37,000	800,513	837,513
2015-2016	—	801,113	801,113
2016-2017	—	800,863	800,863
2017-2018	—	799,363	799,363
2018-2019	—	802,163	802,163
2019-2020	—	803,313	803,313
2020-2021	—	799,313	799,313
2021-2022	—	803,313	803,313
2022-2023	—	798,925	798,925
2023-2024	—	802,963	802,963
2024-2025	—	799,900	799,900

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**APPENDIX C-12
DESCRIPTION OF
GREENE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-12 a brief description of the Greene 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 238 square miles is located in upstate New York. The City of Binghamton lies 18 miles to the south, the City of Cortland lies 30 miles to the northwest and the City of Oneonta lies 35 miles to the east. The District includes the incorporated Village of Greene, the whole Town of Greene and portions of the Towns of Coventry, German, McDonough, Oxford and Smithville in Chenango County, the Town of Triangle in Broome County and the Town of Willet in Cortland County.

The District is mostly residential in nature with professional and commercial services afforded residents in the Village of Greene as well as the Binghamton metropolitan area. Higher educational opportunities are provided by the State University of New York (SUNY) Campuses located in nearby Binghamton, Cortland and Oneonta.

Major highways intersecting or in closing proximity to the District include Interstates #81 and #88, as well as N.Y.S. Routes #12, #41 and #206. Air transportation is available from the Broome County Airport.

Many of the District residents commute to the Broome County metropolitan area. Employment at Raymond Corporation has been stable over the last 5 years and is expected to remain so.

Population

The current estimated population of the District is 7,018.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Raymond Corporation	Manufacturer	900
Granite Capital Holdings	Fuel Services	740
Chenango Memorial Hospital	Health Care	440
NBT Bank, N.A.	Banking	300
Greene CSD	Education	250

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Raymond Corporation	Manufacturing	\$12,609,820
State of New York	State Land	10,675,134
New York State Electric and Gas	Utility	7,744,624
Citizens Telecom	Utility	2,090,318
Raymond Corporation	Warehousing/Distribution	1,752,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 10.6% 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) are the Counties of Broome, Chenango and Cortland.

	Year Average				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Broome County	4.7%	4.5%	5.6%	8.3%	8.8%
Chenango County	5.0	5.0	6.3	9.1	9.1
Cortland County	5.4	5.2	6.4	9.3	9.1
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	1,311	1,259	1,255	1,220	1,185	1,180	1,170	1,160

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>
133	Greene Teachers' Association	June 30, 2011 ⁽¹⁾
8	Greene Administrators' Association	June 30, 2011 ⁽¹⁾
21	Bus Drivers	June 30, 2011 ⁽¹⁾
11	Teamsters (Cafeteria)	June 30, 2011 ⁽¹⁾
62	Greene Educational Support Professional Association (GESPA) (Teacher Aides, Monitors, Custodial, Secretaries)	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 6, 2011 ⁽¹⁾

Full Valuation of Taxable Real Property	\$375,203,624
Debt Limit (10% of Full Valuation)	37,520,362
Gross Indebtedness ⁽²⁾	\$38,801,675
Less: Exclusions – Estimated Building Aid ⁽³⁾	<u>32,164,135</u>
Total Net Indebtedness	\$6,637,540
Net Debt Contracting Margin	\$30,882,822
Percentage of Debt Contracting Power Exhausted	17.69%

⁽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 \$26,985,000 School District Bonds to the Authority in connection with the refunding of \$28,865,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not 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 2009 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	\$190,898,594	\$41,277,496	\$149,621,098	0.01%	\$14,962
Chenango	2,895,000	0	2,895,000	15.13	438,014
Cortland	21,280,000	0	21,280,000	0.11	23,408
Towns of:					
Barker	0	0	0	0.20	0
Coventry	0	0	0	21.46	0
German	0	0	0	4.41	0
Greene	0	0	0	100.00	0
McDonough	0	0	0	3.24	0
Oxford	116,200	0	116,200	0.30	349
Smithville	0	0	0	80.41	0
Triangle	50,000	0	50,000	0.67	335
Willet	90,000	0	90,000	5.33	4,797
Village of:					
Greene	2,061,265	0	2,061,265	100.00	2,061,265
Fire Districts (Estimated)	0	0	0	Various	0
				Total	<u>\$2,543,130</u>

⁽¹⁾ Bonds and bond anticipation notes as of close of the 2009 fiscal year.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 6, 2011.

**Debt Ratios
As of May 6, 2011⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$38,801,675	\$5,528.88	10.34%
Gross Indebtedness Plus Net Overlapping Indebtedness	41,344,805	5,891.25	11.02

- (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 7,018.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2010-11 of \$375,203,624.
- (4) The District expects to deliver \$26,985,000 School District Bonds to the Authority in connection with the refunding of \$28,865,000 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.

Cash Flow Borrowing

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

Capital Project Plans

The project for which the School District Bonds are being issued is part of a \$35,300,000 authorization to pay the cost of the construction of additions to and the reconstruction of various District buildings. The School District Bonds are the first bonding against such authorization and will permanently finance majority of the project. The project has come in under budget, and the total estimated cost is currently \$32,000,000. The District currently plans to identify additional items for the project and apply for additional State Education Department project numbers using the remaining authorized amount.

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Greene Central School District
<http://emma.msrb.org/ER438294-ER341258-ER737366.pdf>
 Base CUSIP: 394720

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged for the next 30 days. On or about November 15th, uncollected taxes are returnable to

the Counties of Chenango, Cortland and Broome for collection. The District receives this amount 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 and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Barker	\$153,227	\$153,227	\$153,227	\$153,227	\$153,227
Coventry	12,211,188	12,526,414	12,524,397	20,136,578 ⁽¹⁾	20,088,506
German	947,397	981,170	1,031,095	1,022,177	1,013,097
Greene	137,666,843	140,515,850	141,293,102	280,011,538 ⁽¹⁾	280,876,212
McDonough	1,875,549	1,877,215	1,884,212	1,896,928	1,891,649
Oxford	297,193	302,635	302,610	303,085	303,055
Smithville	40,740,394	41,118,225	41,917,210	42,013,547	42,194,119
Triangle	541,500	482,500	482,500	484,500	484,500
Willet	1,194,804	1,194,492	1,577,103	1,577,446	1,579,795
Total Assessed Valuation	<u>\$195,628,095</u>	<u>\$199,151,728</u>	<u>\$201,165,456</u>	<u>\$347,599,026</u>	<u>\$348,584,160</u>

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

State Equalization Rates Years Ending June 30,

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Barker	80.00%	76.20%	70.70%	65.80%	65.70%
Coventry	93.00	87.50	77.82	100.00 ⁽¹⁾	100.00
German	60.50	52.00	48.00	45.75	45.00
Greene	62.00	55.00	51.00	100.00 ⁽¹⁾	100.00
McDonough	89.21	83.00	75.00	69.20	75.00
Oxford	77.00	70.00	65.00	59.00	63.00
Smithville	80.00	75.96	74.34	66.30	63.58
Triangle	81.00	71.50	64.50	62.00	60.00
Willet	88.00	75.00	100.00	98.00	100.00
Taxable Full Valuation	\$292,371,190	\$330,980,156	\$357,193,010	\$371,630,119	\$375,203,624

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

Total District Property Tax Collections Years Ending June 30,

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$5,780,740	\$5,780,740	\$5,780,740	\$5,809,979	\$5,977,151
% Uncollected When Due	8.27%	8.96%	8.72%	8.83%	9.23%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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>
2006-2007	\$11,929,951	\$18,602,852	64.13%
2007-2008	13,567,257	20,279,866	66.90
2008-2009	14,901,116	21,322,174	69.89
2009-2010	14,093,549	21,133,146	66.69
2010-2011 (Budgeted)	17,164,717	23,397,368	73.36
2011-2012 (Proposed)	16,331,549	23,453,520	69.63

⁽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 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$139,220	\$604,924
2008-2009	140,391	549,207
2009-2010	144,293	428,484
2010-2011 (Budgeted)	238,688	644,310
2011-2012 (Proposed)	330,200	862,500

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") plan (the "Plan") in accordance with GASB 45. As of June 30, 2010, the most recent actuarial valuation date, the actuarial present value of the total projected benefits for the District's 235 active employees and 81 retirees was \$8,346,617. 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, was \$4,642,140. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,642,140. For the fiscal year ending June 30, 2010, the District's annual OPEB cost was \$542,303 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$365,269 to the Plan for the fiscal year ending June 30, 2010, resulting in a year-end Net OPEB obligation of \$552,761. The aforementioned liability and ARC will be recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2011 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$950,704 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$4,831,942 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$1,810,994	\$ –	\$1,810,994
2011-2012	1,806,994	2,671,137	4,478,131
2012-2013	1,229,281	2,671,456	3,900,737
2013-2014	1,226,563	2,670,856	3,897,419
2014-2015	781,281	2,673,606	3,454,887
2015-2016	473,175	2,672,606	3,145,781
2016-2017	477,706	2,672,856	3,150,562
2017-2018	476,413	2,674,106	3,150,519
2018-2019	434,500	2,671,106	3,105,606
2019-2020	433,619	2,673,856	3,107,475
2020-2021	432,119	2,671,856	3,103,975
2021-2022	–	2,675,106	2,675,106
2022-2023	–	2,673,106	2,673,106
2023-2024	–	2,675,856	2,675,856
2024-2025	–	2,672,856	2,672,856
2025-2026	–	414,106	414,106
2026-2027	–	412,106	412,106
2027-2028	–	331,575	331,575
2028-2029	–	333,525	333,525
2029-2030	–	334,800	334,800

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

There follows in this Appendix C-13 a brief description of the LaFargeville 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 portion of upstate New York and is comprised of approximately 125 square miles in the northern sector of Jefferson County. The City of Watertown is located approximately 15 miles south of the District.

The District is comprised of portions of the Towns of Alexandria, Clayton, LeRay, Orleans, Pamela and Theresa, with the largest component being the Town of Orleans.

Jefferson County and the greater Watertown area is an economic hub for northern New York. Over 40,000 workers are employed in the County in a variety of economic sectors including agriculture, manufacturing, health care, technology, tourism, retail services and government.

The County is a regional administrative center for State government programs and also benefits from being the home of the 10th Mountain Division and (“The New”) Fort Drum. The expansion of Fort Drum in the 1980s and past year has brought a boom in construction and trade. The County’s economy is favorably blessed by its location adjacent to large Canadian markets.

Transportation needs of the area are served by various bus lines, the Watertown International Airport and various major highways including Interstate #81 and State Highways #12, #180 and #411.

Population

The current estimated population of the District is 2,883.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Crowley Foods	Manufacturing	175
Thousand Island Bridge Authority	State Bridge Authority	60
F.K. Gailey	Service (Heating)	20
LaFargeville Market	Grocery	20
Gillbuilt Transportation	Trucking	18

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
T.I. Park Corporation	Resort Complex	\$11,500,000
National Grid	Utility	9,306,458
D.E.C Properties	Resort/Amusement Facility	6,604,409
Crowley Foods	Milk Plant	3,317,500
Cosman, Bradford	Mfg. Housing Park	2,453,800

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 10.7% 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 Jefferson County.

	Year Average				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Jefferson County	5.6%	5.5%	6.8%	9.0%	9.6%
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	587	592	622	606	613	618	620	625

District Employees

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

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
46	LaFargeville Teachers’ Association	June 30, 2014
35	LaFargeville Civil Service Employees’ Association	June 30, 2013

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 6, 2011⁽¹⁾**

Full Valuation of Taxable Real Property	\$390,707,437
Debt Limit (10% of Full Valuation)	39,070,743
Gross Indebtedness ⁽²⁾	\$13,731,754
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	<u>\$13,731,754</u>
Net Debt Contracting Margin	\$25,338,990
Percentage of Debt Contracting Power Exhausted	35.15%

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

⁽²⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$10,440,000 School District Bonds to the Authority in connection with the refunding of \$11,205,000 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 2009 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:					
Jefferson	\$23,003,627	\$68,627	\$22,935,000	5.80%	\$1,330,230
Towns of:					
Alexandria	4,106,848	0	4,106,848	3.50	143,740
Clayton	2,169,750	0	2,169,750	7.90	171,410
LeRay	8,001,693	8,001,693	0	0.12	0
Orleans	4,795,249	0	4,795,249	85.87	4,117,680
Pamela	3,791,403	3,791,403	0	0.22	0
Theresa	0	0	0	3.79	0
Fire District:					
Orleans	0	0	0	100.00	0
				Total	<u>\$5,763,060</u>

⁽¹⁾ Bonds and bond anticipation notes as of close of the 2009 fiscal year.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 6, 2011.

**Debt Ratios
As of May 6, 2011⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$13,731,754	\$4,847.07	3.51%
Gross Indebtedness Plus Net Overlapping Indebtedness	19,494,814	6,881.33	4.99

(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 2,833.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2010-11 of \$390,707,437.

(4) The District expects to deliver \$10,440,000 School District Bonds to the Authority in connection with the refunding of \$11,205,000 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.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS**General Information**

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

LaFargeville Central School District
<http://emma.msrb.org/EP526693-EP411084-EP808571.pdf>
 Base CUSIP: 505864

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged for the next 30 days. The uncollected taxes are then turned over to the County with additional penalties added. The District receives the uncollected tax amount with an additional 2% penalty prior to the end of the District's fiscal year, thereby assuming 100% tax collection annually. Tax sales are held annually by said County.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Alexandria	\$8,870,289	\$21,309,046 ⁽¹⁾	\$21,206,131	\$21,404,540	\$21,507,369
Clayton	18,177,915	18,770,569	55,316,779 ⁽¹⁾	54,759,260	54,259,970
LeRay	364,048	426,598	525,071	535,900	532,979
Orleans	284,659,895	314,121,015	316,752,261	316,529,040	304,949,857
Pamelia	291,415	304,982	300,610	301,173	286,732
Theresa	3,472,628	3,566,041	3,615,943	3,734,602	3,775,433
Total Assessed Valuation	<u>\$315,836,100</u>	<u>\$358,498,251</u>	<u>\$397,716,795</u>	<u>\$397,264,515</u>	<u>\$385,312,340</u>

⁽¹⁾ Significant change due to revaluation.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Alexandria	88.00%	100.00% ⁽¹⁾	95.00%	93.00%	93.00%
Clayton	64.00	57.00	100.00 ⁽¹⁾	100.00	100.00
LeRay	100.00	100.00	100.00	100.00	100.00
Orleans	100.00	100.00	100.00	100.00	100.00
Pamelia	74.00	64.50	60.00	58.50	56.50
Theresa	74.00	62.00	57.00	53.50	51.50
Taxable Full Valuation	\$328,593,324	\$375,012,001	\$401,761,130	\$402,335,225	\$390,707,437

⁽¹⁾ Significant change due to revaluation.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$2,896,055	\$2,981,297	\$3,052,897	\$3,077,486	\$3,182,190
% Uncollected When Due ⁽¹⁾	5.6%	7.1%	5.7%	6.7%	9.7%

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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⁾
2006-2007	\$4,495,543	\$7,783,704	57.76%
2007-2008	4,693,965	8,170,257	57.45
2008-2009	5,029,407	8,510,245	59.10
2009-2010	4,663,947	8,402,391	55.51
2010-2011 (Budgeted)	5,452,729	9,050,326	60.25
2011-2012 (Proposed)	5,251,158	8,944,687	58.71

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$52,548	\$252,542
2008-2009	78,277	252,795
2009-2010	63,737	233,212
2010-2011 (Budgeted)	104,331	206,307
2011-2012 (Proposed)	153,883	320,684

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

GASB 45 and OPEB

The District contracted with Harbridge Consulting Group, LLC to calculate its "other post-employment benefits" ("OPEB") in accordance with GASB 45. As of June 30, 2010, the most recent actuarial valuation date, the actuarial accrued liability (AAL) for benefits was \$14,935,669, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$14,935,669. For the fiscal year ended June 30, 2010, the District's annual OPEB cost was \$1,254,442 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$421,758 to the Plan for the fiscal year ending June 30, 2010, resulting in a year-end Net OPEB obligation of \$832,684. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's expenditures exceeded its revenues by \$169,775 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$556,161 and a total General Fund balance of \$2,161,072 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$547,320	\$ –	\$547,320
2011-2012	534,070	1,067,850	1,601,920
2012-2013	520,150	1,066,300	1,586,450
2013-2014	510,540	1,068,500	1,579,040
2014-2015	–	1,068,750	1,068,750
2015-2016	–	1,067,500	1,067,500
2016-2017	–	1,069,750	1,069,750
2017-2018	–	1,070,250	1,070,250
2018-2019	–	1,069,000	1,069,000
2019-2020	–	1,066,000	1,066,000
2020-2021	–	1,066,250	1,066,250
2021-2022	–	1,069,500	1,069,500
2022-2023	–	1,070,500	1,070,500
2023-2024	–	1,069,250	1,069,250
2024-2025	–	1,065,750	1,065,750

⁽¹⁾ Schedule does not include payments due of an energy performance contract originally issued in the amount of \$1,078,126. Principal payments are due annually July 20, 2011-2025.

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**APPENDIX C-14
DESCRIPTION OF
LAFAYETTE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-14 a brief description of the LaFayette 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, and is situated in the County of Onondaga. It is approximately ten miles south of the City of Syracuse. The City of Cortland is located twenty miles to the south. It encompasses an estimated land area of 39 square miles.

The District is primarily residential and agricultural in character. A portion of the Onondaga Nation Native American Reservation is located within the District. Commercial and professional services, as well as employment opportunities are located in the hamlet of LaFayette, as well as in other sectors of the Syracuse metropolitan area.

Major highways serving the District include Interstate #81, #11 and #20, as well as State Highways #11A and #91. Air transportation is available at the Syracuse Hancock International Airport, which is located within twenty miles of the District.

Population

The current estimated population of the District is 5,857.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Lafayette Central School District	Public Education	220
McDonald’s Restaurant	Restaurant	30
Byrne Dairy	Office	15
CNY Auto Auction	Auto Auction	15
M&T Bank	Bank	6

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Tennessee Gas Pipeline	Utility	\$14,448,788
Niagara Power Corp	Utility	7,507,729
National Grid	Utility	4,007,363
Willow Wood Apart LLC	Real Estate	3,118,280
AR Apartments	Real Estate	984,409

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 11.9% 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 Onondaga County.

	Year Average				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Onondaga County	4.4%	4.1%	5.2%	7.8%	8.0%
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	922	892	871	892	876	900	900	900

District Employees

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

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
153	LaFayette Teachers' Association	June 30, 2011 ⁽¹⁾
55	LaFayette Non-Instructional Employee Association	June 30, 2013
7	LaFayette Clerical Association	June 30, 2012
5	LaFayette 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 6, 2011⁽¹⁾

Full Valuation of Taxable Real Property	\$308,396,967
Debt Limit (10% of Full Valuation)	30,839,697
Gross Indebtedness ⁽²⁾	\$12,568,432
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	<u>\$12,568,432</u>
Net Debt Contracting Margin	\$18,271,265
Percentage of Debt Contracting Power Exhausted	40.75%

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

⁽²⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$3,755,000 School District Bonds to the Authority in connection with the refunding of \$3,576,520 of the District's \$5,200,000 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 2009 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	\$354,408,234	\$182,239,834	\$172,168,400	1.23%	\$2,117,671
Towns of:					
Fabius	0	0	0	2.16	0
LaFayette	750,000	0	750,000	79.76	598,200
Onondaga	2,871,870	1,045,000	1,826,870	3.34	61,017
Tully	132,122	132,122	0	0.20	0
				Total	<u>\$2,776,888</u>

⁽¹⁾ Bonds and bond anticipation notes as of close of the 2009 fiscal year.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 6, 2011.

**Debt Ratios
As of May 6, 2011⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$12,568,432	\$2,145.88	4.08%
Gross Indebtedness Plus Net Overlapping Indebtedness	15,345,320	2,620.00	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 5,857.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2010-11 of \$308,396,967.

(4) The District expects to deliver \$3,755,000 School District Bonds to the Authority in connection with the refunding of \$3,576,520 of the District's \$5,200,000 outstanding bond anticipation notes and financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The 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	\$2,000,000	RAN	8/29/07	6/27/08
2008-2009	2,500,000	RAN	7/17/08	6/30/09
2009-2010	3,000,000	RAN	7/1/09	6/30/10
2010-2011	3,000,000	RAN	7/1/10	6/30/11
2011-2012	1,500,000	RAN	2/10/11	6/30/11

Capital Project Plans

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

FINANCIAL FACTORS**General Information**

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

LaFayette Central School District
<http://emma.msrb.org/ER438318-ER341282-ER737401.pdf>
 Base CUSIP: 506549

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or about November 1st, uncollected taxes are returnable to the Treasurer of Onondaga 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 October 31st are relieved at an additional 7% penalty with the State and County Taxes which are due on January 1st and therefore, such taxes may not be paid between October 31st and January 1st.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Fabius	\$2,184,055	\$2,199,299	\$2,209,429	\$2,220,815	\$2,216,994
LaFayette	230,958,573	235,072,799	237,750,556	241,602,620	242,183,531
Onondaga	40,863,778	40,822,209	43,579,559	43,517,696	45,054,611
Tully	404,500	404,500	493,700	493,700	493,700
Total Assessed Valuation	<u>\$274,410,906</u>	<u>\$278,498,807</u>	<u>\$284,033,244</u>	<u>\$287,834,831</u>	<u>\$289,948,836</u>

State Equalization Rates Years Ending June 30,

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Fabius	100.00%	95.00%	91.00%	91.00%	91.00%
LaFayette	100.00	93.00	93.00	98.00	93.00
Onondaga	100.00	100.00	100.00	100.00	100.00
Tully	92.00	76.50	100.00	100.00	100.00
Taxable Full Valuation	\$274,446,080	\$296,432,469	\$302,146,962	\$292,985,138	\$308,396,967

Total District Property Tax Collections Years Ending June 30,

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$4,858,203	\$4,945,144	\$5,044,547	\$5,141,402	\$5,242,688
% Uncollected When Due ⁽¹⁾	6.0%	6.0%	6.6%	5.4%	6.8%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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>
2006-2007	\$10,952,798	\$18,902,747	57.94%
2007-2008	11,284,375	19,518,027	57.82
2008-2009	11,534,482	18,975,601	60.79
2009-2010	11,889,655	19,374,016	61.37
2010-2011 (Budgeted)	9,618,732	16,148,598	59.56
2011-2012 (Proposed)	9,341,836	16,011,410	58.34

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$161,316	\$691,804
2008-2009	142,365	638,327
2009-2010	135,296	654,373
2010-2011 (Budgeted)	125,500	613,450
2011-2012 (Proposed)	171,651	617,595

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

GASB 45 and OPEB

The District contracted with Onondaga Cortland Madison Counties BOCES to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2010, the most recent actuarial valuation date, the actuarial accrued liability (AAL) for benefits was \$21,297,399, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$21,297,399. For the fiscal year ended June 30, 2010, the District's annual OPEB cost was \$1,686,101 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$647,700 to the Plan for the fiscal year ending June 30, 2010, resulting in a year-end Net OPEB obligation of \$2,021,901. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$6,940 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$663,297 and a total General Fund balance of \$5,082,786 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$985,227	\$ –	\$985,227
2011-2012	1,053,451	385,179	1,438,630
2012-2013	1,009,489	383,450	1,392,939
2013-2014	1,018,439	385,250	1,403,689
2014-2015	971,228	384,500	1,355,728
2015-2016	979,619	383,250	1,362,869
2016-2017	831,850	386,500	1,218,350
2017-2018	832,784	384,000	1,216,784
2018-2019	842,256	386,000	1,228,256
2019-2020	357,306	382,250	739,556
2020-2021	114,100	383,000	497,100
2021-2022	115,200	383,000	498,200
2022-2023	116,100	382,250	498,350
2023-2024	116,800	385,750	502,550
2024-2025	117,300	383,250	500,550

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**APPENDIX C-15
DESCRIPTION OF
LOWVILLE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-15 a brief description of the Lowville 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 285 square miles in the County of Lewis. It includes the Towns of Denmark, Greig, Harrisburg, Lowville, Martinsburg, Montague, New Bremen, Pinckney, Turin, Watson and West Turin as well as the Villages of Castorland and Lowville.

Population

The current estimated population of the District is 8,090.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Fort Drum	Military Installation	16,950 Military 3,960 Civilians
Lewis County General Hospital	Healthcare	509
County of Lewis	Municipality	414
Kraft Foods	Manufacturing - Food	340
Climax Manufacturing	Manufacturing - Cardboard Boxes	268

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
State of New York	Forest Preserves	\$20,459,224
National Grid	Utility	19,406,184
Brookside Development	Residential	9,238,700
Kraftco	Manufacturing	7,750,000
Walmart	Commercial	7,449,200

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 Lewis County.

	<u>Year Average</u>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Lewis County	5.5%	5.5%	6.6%	9.0%	9.2%
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	Projected <u>2011-12</u>	Projected <u>2012-13</u>	Projected <u>2013-14</u>
K-12	1,470	1,423	1,474	1,476	1,486	1,500	1,500	1,500

District Employees

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

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
129	Lowville Teachers' Association	June 30, 2011 ⁽¹⁾
6	Lowville Supervisory-Administrative Group	June 30, 2011 ⁽¹⁾
95	Lowville Academy & Central School Non Teaching 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 6, 2011 ⁽¹⁾

Full Valuation of Taxable Real Property	\$466,402,436
Debt Limit (10% of Full Valuation)	46,640,244
Gross Indebtedness ⁽²⁾	\$37,226,921
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	<u>\$37,226,921</u>
Net Debt Contracting Margin	\$429,413,323
Percentage of Debt Contracting Power Exhausted	79.82%

⁽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 \$24,955,000 School District Bonds to the Authority in connection with the refunding of \$26,850,000 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 2009 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:					
Lewis	\$14,215,000	\$0	\$14,215,000	24.96%	\$3,548,064
Towns of:					
Denmark	765,000	0	765,000	28.31	216,572
Greig	35,300	0	35,300	1.44	508
Harrisburg	200,000	0	200,000	48.74	97,480
Lowville	1,134,228	1,134,228	0	100.00	0
Martinsburg	391,092	391,092	0	69.08	0
Montague	0	0	0	100.00	0
New Bremen	0	0	0	2.65	0
Pinckney	41,517	0	41,517	59.17	24,566
Turin	440,000	0	440,000	11.49	50,556
Watson	0	0	0	36.60	0
West Turin	0	0	0	0.44	0
Village of:					
Castorland	72,000	72,000	0	100.00	0
Lowville	3,753,110	1,283,110	2,470,000	100.00	2,470,000
				Total	<u>\$6,407,746</u>

(1) Bonds and bond anticipation notes as of close of the 2009 fiscal year.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 6, 2011.

Debt Ratios As of May 6, 2011⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$37,226,921	\$4,601.60	7.98%
Gross Indebtedness Plus Net Overlapping Indebtedness	43,634,667	5,393.65	9.36

(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 8,090.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2010-11 of \$466,402,436.

(4) The District expects to deliver \$24,955,000 School District Bonds to the Authority in connection with the refunding of \$26,850,000 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.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Lowville Central School District
<http://emma.msrb.org/ER438332-ER341294-ER737418.pdf>
 Base CUSIP: 548837

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged for the next 30 days. On 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 assuring 100% tax collection annually.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Denmark	\$28,249,515	\$32,227,450	\$37,356,909	\$38,218,909	\$39,009,232
Greig	2,274,100	2,459,200	2,803,800	2,905,917	3,016,670
Harrisburg	5,990,715	6,405,398	6,619,034	6,702,501	14,511,797 ⁽¹⁾
Lowville	73,208,812	207,919,509 ⁽¹⁾	211,464,463	215,448,801	220,032,442
Martinsburg	35,215,615	36,463,031	40,274,966	42,195,460	43,244,036
Montague	16,089,369	16,702,063	30,976,474 ⁽¹⁾	34,998,636	34,661,125
New Bremen	3,443,752	2,961,535	3,610,201	3,749,389	3,819,003
Pinckney	6,382,981	6,485,105	6,719,217	20,936,465 ⁽¹⁾	20,538,408
Turin	4,686,388	5,539,237	5,576,100	6,137,025	6,137,879
Watson	50,809,961	50,053,379	59,476,649	63,376,614	64,248,062
West Turin	<u>28,062</u>	<u>27,600</u>	<u>27,600</u>	<u>27,600</u>	<u>31,110</u>
Total Assessed Valuation	<u>\$226,379,270</u>	<u>\$367,243,507</u>	<u>\$404,905,413</u>	<u>\$434,697,317</u>	<u>\$449,249,764</u>

⁽¹⁾ Significant change due to revaluation.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Denmark	100.00%	100.00%	100.00%	100.00%	100.00%
Greig	100.00	100.00	100.00	100.00	100.00
Harrisburg	65.00	61.00	52.50	46.64	100.00 ⁽¹⁾
Lowville	46.00	100.00 ⁽¹⁾	96.00	93.00	93.00
Martinsburg	100.00	100.00	100.00	100.00	100.00
Montague	75.00	73.00	100.00 ⁽¹⁾	100.00	100.00
New Bremen	100.00	100.00	100.00	100.00	100.00
Pinckney	55.00	51.00	48.00	100.00 ⁽¹⁾	100.00
Turin	100.00	100.00	100.00	100.00	100.00
Watson	100.00	100.00	100.00	100.00	100.00
West Turin	7.55	6.58	6.00	5.35	5.00
Taxable Full Valuation	\$326,475,001	\$384,138,877	\$427,416,634	\$459,070,394	\$466,402,436

⁽¹⁾ Significant change due to revaluation.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$4,150,221	\$3,851,072	\$3,851,072	\$3,851,071	\$3,851,071
% Uncollected When Due ⁽¹⁾	11.23%	9.79%	9.46%	12.45%	11.78%

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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>
2006-2007	\$12,205,899	\$19,913,740	61.29%
2007-2008	13,698,612	21,820,216	62.78
2008-2009	15,076,482	23,351,029	64.56
2009-2010	14,735,077	23,874,025	61.72
2010-2011 (Budgeted)	17,082,750	25,216,410	67.74
2011-2012 (Proposed)	16,665,404	25,385,410	65.65

⁽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 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$186,464	\$646,001
2008-2009	173,385	682,522
2009-2010	170,764	646,868
2010-2011 (Budgeted)	333,000	656,000
2011-2012 (Proposed)	450,000	889,000

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

GASB 45 and OPEB

The District engaged the services of Harbridge Consulting Group, LLC to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2010, the most recent actuarial valuation date, 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, was \$30,251,031. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$30,251,031. For the fiscal year ended June 30, 2010, the District's annual OPEB cost was \$2,653,254 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$591,157 to the Plan for the fiscal year ending June 30, 2010, resulting in a year-end Net OPEB obligation of \$4,011,355. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$4,240,896 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$3,794,362 and a total General Fund balance of \$12,386,351 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$2,039,544	\$ —	\$2,039,544
2011-2012	2,038,498	2,575,521	4,614,019
2012-2013	2,043,105	2,564,950	4,608,055
2013-2014	2,043,119	2,569,750	4,612,869
2014-2015	279,681	2,572,750	2,852,431
2015-2016	275,800	2,567,000	2,842,800
2016-2017	276,738	2,572,750	2,849,488
2017-2018	202,313	2,569,250	2,771,563
2018-2019	—	2,571,750	2,571,750
2019-2020	—	2,569,750	2,569,750
2020-2021	—	2,573,250	2,573,250
2021-2022	—	2,576,750	2,576,750
2022-2023	—	2,565,000	2,565,000
2023-2024	—	2,573,500	2,573,500
2024-2025	—	2,201,000	2,201,000
2025-2026	—	26,250	26,250

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**APPENDIX C-16
DESCRIPTION OF
LYNCOURT UNION FREE SCHOOL DISTRICT**

There follows in this Appendix C-16 a brief description of the Lyncourt Union Free School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District is located in the central part of New York State in Onondaga County and headquartered in the Town of Salina. Many residents work in the City of Syracuse which is coterminous to the District. Major highways bisecting the District include State Routes #5 and #11. In close proximity to the District are Interstate 90 (the New York State Thruway) and Interstate 81 providing east-west and north-south access.

The District is primarily residential and industrial in nature. Gas and electric services are prepared by National Grid. Sewer and water services are available to residents by the City of Syracuse and the Onondaga County Water Authority.

Banking services are provided to the District by various banks located in the City of Syracuse.

Population

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

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Lockheed Martin	Electronics	2,300
Syracuse Research Corp.	Defense / Environment	800
Crouse Hospital	Healthcare	700
Cxstec	Computer Cable	300
Haylor, Freyer & Coon	Insurance	220

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
General Motors Corp	Manufacturing	\$7,500,000
National Grid	Utility	7,254,846
National Grid	Utility	6,938,347
Verizon New York, Inc.	Utility	4,538,521
Shop City PW/LB LLC	Retail	3,991,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 21.5% 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 Onondaga County.

	Year Average				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Onondaga County	4.4%	4.1%	5.2%	7.8%	8.0%
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	345	345	345	345	345	345	345	345

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>
43	Lyncourt Teachers' Association	June 30, 2011 ⁽¹⁾
17	Service Employee International Union	June 30, 2011 ⁽¹⁾
7	Confidential Administration	June 30, 2011 ⁽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 6, 2011⁽¹⁾

Full Valuation of Taxable Real Property	\$177,240,667
Debt Limit (10% of Full Valuation)	17,724,067
Gross Indebtedness ⁽²⁾	\$7,245,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	<u>0</u>
Total Net Indebtedness	<u>\$7,245,000</u>
Net Debt Contracting Margin	\$10,479,067
Percentage of Debt Contracting Power Exhausted	40.88%

⁽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 \$4,580,000 School District Bonds to the Authority in connection with the refunding of \$4,750,000 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 2009 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	\$354,408,234	\$182,239,834	\$172,168,400	0.70%	\$1,205,179
Town of:					
Salina	16,722,284	0	16,722,284	10.57	<u>1,767,545</u>
				Total	<u>\$2,972,724</u>

⁽¹⁾ Bonds and bond anticipation notes as of close of 2009 fiscal year. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 6, 2011.

**Debt Ratios
As of May 6, 2011⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$7,245,000	\$1,958.64	4.09%
Gross Indebtedness Plus Net Overlapping Indebtedness	10,217,724	2,762.29	5.76

- (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 using the State equalization rates for 2010-11 of \$177,240,667.
- (4) The District expects to deliver \$4,580,000 School District Bonds to the Authority in connection with the refunding of \$4,750,000 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.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Lyncourt Union Free School District
<http://emma.msrb.org/ER438334-ER341298-ER737421.pdf>
 Base CUSIP: 551264

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

Real property tax payments are due September 1 of each year. There is no penalty charge for the first thirty-four days after taxes are due, but a 2% penalty for the next twenty-seven days. On November 15th, uncollected taxes are returnable to the County tax enforcement officer who is required to enforce collection of such unpaid taxes. The District receives the uncollected balance of its tax levy in full from the County before the end of the school year. Responsibility for the collection of unpaid taxes rests with the County.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Town of:					
Salina	\$155,666,454	\$167,514,704	\$171,507,991	\$175,996,648	\$177,240,667
Total Assessed Valuation	<u>\$155,666,454</u>	<u>\$167,514,704</u>	<u>\$171,507,991</u>	<u>\$175,996,648</u>	<u>\$177,240,667</u>

	State Equalization Rates Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Town of:					
Salina	100.00%	100.00%	100.00%	100.00%	100.00%
Taxable Full Valuation	\$155,666,454	\$167,514,704	\$171,507,991	\$175,996,648	\$177,240,667

	Total District Property Tax Collections Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$4,467,477	\$4,597,682	\$4,712,789	\$4,846,842	\$4,985,803
% Uncollected When Due ⁽¹⁾	5.1%	6.2%	5.7%	5.7%	6.0%

⁽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 four completed fiscal years, the figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

<u>Fiscal Year</u>	State Aid and Revenues		
	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2006-2007	\$2,130,691	\$6,843,251	31.14%
2007-2008	2,367,002	7,245,969	32.67
2008-2009	2,908,550	8,069,701	36.04
2009-2010	2,667,456	8,067,106	33.07
2010-2011 (Budgeted)	2,649,540	8,056,385	32.89
2011-2012 (Proposed)	2,806,804	8,593,969	32.66

⁽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 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$43,695	\$222,853
2008-2009	36,633	247,411
2009-2010	33,187	245,723
2010-2011 (Budgeted)	60,000	280,000
2011-2012 (Proposed)	70,807	345,000

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") plan (the "Plan") in accordance with GASB 45. Based on the most recent actuarial evaluation dated July 1, 2009, 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 \$8,702,549. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,702,549. For the fiscal year ended June 30, 2010, the District's beginning year Net OPEB obligation was \$0. The District's annual OPEB expense was \$1,012,668 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$254,725 to the Plan for the fiscal year ending June 30, 2010, resulting in a net increase to its unfunded OPEB obligation of \$757,943, for a fiscal year ending June 30, 2010 total net unfunded OPEB obligation of \$757,943. The aforementioned liability and ARC are recognized and are disclosed in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$280,622 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$643,285 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$316,875	\$ —	\$316,875
2011-2012	318,700	449,068	767,768
2012-2013	320,150	451,188	771,338
2013-2014	321,069	448,688	769,757
2014-2015	321,450	448,488	769,938
2015-2016	321,444	452,888	774,332
2016-2017	315,888	448,888	764,776
2017-2018	179,956	449,388	629,344
2018-2019	183,581	452,188	635,769
2019-2020	181,888	451,788	633,676
2020-2021	179,981	448,588	628,569
2021-2022	177,863	451,588	629,451
2022-2023	102,125	447,688	549,813
2023-2024	—	448,000	448,000
2024-2025	—	452,263	452,263
2025-2026	—	225,213	225,213

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

There follows in this Appendix C-17 a brief description of the City School District of the City of Oswego (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District has an area of approximately 65 square miles. The District includes all of the City of Oswego as well as portions of the Towns of Minetto, Oswego, Scriba and Volney in Oswego County and the Town of Sterling in Cayuga County.

Population

The current estimated population of the District is 32,189.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Oswego State University	University	1,721
County of Oswego	Government	1,138
Constellation Energy Group	Utility	1,060
Oswego Hospital	Hospital/Human Services	1,049
Walmart	Retail	750

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Nine Mile Point Nuclear St LLC	Utility	\$284,804,378
Oswego Harbor Power LLC	Utility	143,700,987
National Grid	Utility	91,384,149
Erie Blvd Hydropower LP	Utility	15,635,000
Alcan Aluminum Corp	Manufacturing	15,635,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 34.5% 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) are Oswego and Cayuga Counties.

	<u>Year Average</u>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Oswego County	5.9%	5.7%	6.9%	10.0%	10.5%
Cayuga County	4.8	4.5	5.5	8.4	8.3
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	Projected <u>2011-12</u>	Projected <u>2012-13</u>	Projected <u>2013-14</u>
K-12	4,367	4,264	4,188	4,164	4,025	3,985	3,955	3,915

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>
412	Oswego Classroom Teachers' Association (OCTA)	June 30, 2011 ⁽¹⁾
16	Association of Administrative Personnel (AAP)	June 30, 2010 ⁽²⁾
286	Civil Service Employees' Association (CSEA)	June 30, 2011 ⁽²⁾
281	Oswego Per Diem Substitute Teachers (OCTA II)	June 30, 2012
7	Central Office Administrators/Supervisors Association	June 30, 2011 ⁽²⁾

⁽¹⁾ OCTA has agreed to a pay freeze and continuation of the current terms of its contract for the 2011-2012 fiscal year.

⁽²⁾ 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 6, 2011⁽¹⁾**

	Based on Conventional Equalization Rates	Based on Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$1,404,235,768	\$1,442,675,813
Debt Limit (5% of full valuation) ⁽²⁾	70,211,788	72,133,791
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds	\$8,791,911	\$8,791,911
Bond Anticipation Notes.....	<u>47,725,000</u>	<u>47,725,000</u>
Total Inclusions.....	\$56,516,911	\$56,516,911
<u>Exclusions</u>		
Appropriations	<u>\$405,000</u>	<u>\$405,000</u>
Total Exclusions.....	\$405,000	\$405,000
Total Net Indebtedness	\$56,111,911	\$56,111,911
Net Debt Contracting Margin	\$14,099,877	\$16,021,880
Percentage of Debt Contracting Power Exhausted	79.92%	77.79%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$35,750,000 School District Bonds to the Authority in connection with the refunding of \$38,524,282 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 Tax 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 2009 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:					
Oswego	\$3,300,000	\$0	\$3,300,000	27.36%	\$902,880
Cayuga	50,576,223	15,690,000	34,886,223	.06	20,932
City of:					
Oswego	47,226,691	30,889,591	16,337,100	100.00	16,337,100
Towns of:					
Minetto	650,000	290,000	360,000	95.56	344,016
Oswego	1,391,985	114,105	1,277,880	84.62	1,081,342
Scriba	15,690,127	15,690,127	0	82.07	0
Sterling	50,000	0	50,000	1.23	615
Volney	7,556,159	5,803,159	1,753,000	4.25	74,503
				Total	<u>\$18,761,388</u>

(1) Bonds and bond anticipation notes as of close of the 2009 fiscal year.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 6, 2011.

Debt Ratios As of May 6, 2011⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$56,516,911	\$1,755.78	3.32%
Gross Indebtedness Plus Net Overlapping Indebtedness	75,278,299	2,338.63	4.42

(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 32,189

(3) Based on the District's full value of taxable real estate using the special State equalization ratios for 2010-11 of \$1,702,661,546.

(4) The District expects to deliver \$35,750,000 School District Bonds to the Authority in connection with the refunding of \$38,524,282 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.

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>
2006-2007	\$4,000,000	TAN	8/3/06	6/25/07
2007-2008	3,000,000	TAN	7/26/07	1/25/08
2008-2009	N/A	N/A	N/A	N/A
2009-2010	N/A	N/A	N/A	N/A
2010-2011	N/A	N/A	N/A	N/A

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

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

City School District of the City of Oswego
<http://emma.msrb.org/ER435880-ER339217-ER735200.pdf>
 Base CUSIP: 688715

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

The District’s taxes are payable in two equal installments to an appointed tax collector for the District. School taxes levied are collected by the District. Also, the District has a tax “Lock Box” arrangement with JPMorgan Chase Bank for mail payments. The first tax installment is payable during the month of October without penalty. If paid after October 31, a penalty of 1% per month is imposed from October 1. The second tax installment is payable during the month of February without penalty. If paid after February 28, a penalty of 1% per month is imposed from February 1. From March, all unpaid taxes and penalties are charged an additional 1% per month until they are turned over to the City and Counties as applicable and additional penalties are added.

Uncollected School taxes in the towns are returned to the respective Counties who reimburse the District in full in the same fiscal year in which the taxes were levied. Uncollected School taxes in the City of Oswego are returned to the City for collection under Section 1332 of the Real Property Tax Law. The District also includes a tax overlay in its budget.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
City of:					
Oswego	\$873,562,697	\$801,886,271	\$781,748,228	\$767,297,099	\$778,704,805
Towns of:					
Minetto	\$78,590,565	\$83,750,889	\$87,997,394	\$94,248,892	\$91,993,033
Oswego	160,848,784	161,011,655	200,786,827	201,550,230	202,958,703
Scriba	234,012,050	250,709,240	252,457,590	253,728,892	543,135,059
Sterling	1,695,074	1,698,214	2,337,758	2,378,829	2,262,206
Volney	10,402,532	10,431,520	10,163,741	10,384,631	10,393,551
Total Assessed Valuation	<u>\$1,359,111,702</u>	<u>\$1,309,487,789</u>	<u>\$1,335,491,538</u>	<u>\$1,329,588,573</u>	<u>\$1,629,447,357</u>

Regular State Equalization Rates Years Ending June 30,

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
City of:					
Oswego	100.00%	100.00%	100.00%	100.00%	100.00%
Towns of:					
Minetto	100.00	100.00	100.00	100.00	100.00
Oswego	88.42	83.25	100.00	100.00	100.00
Scriba	100.00	100.00	100.00	100.00	100.00
Sterling	90.00	81.00	100.00	100.00	100.00
Volney	100.00	95.00	92.00	88.00	90.00
Taxable Full Valuation	\$1,380,365,740	\$1,342,830,901	\$1,336,375,342	\$1,331,004,659	\$1,630,602,196

Special State Equalization Ratios Years Ending June 30,

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
City of:					
Oswego	101.32%	101.58%	98.56%	99.23%	98.73%
Towns of:					
Minetto	88.13	86.38	93.53	94.92	88.47
Oswego	78.34	77.36	98.70	94.24	90.38
Scriba	92.98	98.17	98.49	96.47	95.23
Sterling	75.66	74.00	95.14	92.05	86.77
Volney	90.83	89.04	89.78	86.78	83.49
Taxable Full Valuation	\$1,422,052,136	\$1,363,896,008	\$1,360,792,022	\$1,363,977,355	\$1,702,661,546

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$23,409,168	\$27,370,133	\$28,668,250	\$28,668,250	\$34,699,450
% Uncollected When Due ⁽¹⁾	8.45%	8.53%	7.93%	8.78%	6.54%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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>
2006-2007	\$13,177,732	\$62,344,822	21.14%
2007-2008	15,670,681	65,548,600	23.91
2008-2009	17,545,662	67,004,721	26.19
2009-2010	14,948,679	67,564,120	22.13
2010-2011 (Budgeted)	16,949,554	67,726,644	25.03
2011-2012 (Proposed)	19,171,686	71,012,916	27.00

⁽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 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$558,129	\$2,051,023
2008-2009	746,175	2,094,351
2009-2010	572,329	1,802,372
2010-2011 (Budgeted)	843,000	2,662,352
2011-2012 (Proposed)	1,301,247	2,855,560

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

GASB 45 and OPEB

The District contracted with Capital Region Boards of Cooperative Educational Services (BOCES) to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2010, the most recent actuarial valuation date, 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, was \$202,028,643. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$202,028,643. For the fiscal year ended June 30, 2010, the District's annual OPEB cost was \$18,914,613 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 \$13,611,227 to the Plan for the fiscal year ending June 30, 2010 resulting in a year-end Net OPEB obligation of \$26,893,132. The aforementioned liability and ARC are recognized and disclosed

in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$713,026 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$3,549,240 and a total General Fund Balance of \$16,826,448 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$1,602,695	\$ –	\$1,602,695
2011-2012	1,553,427	3,700,050	5,253,477
2012-2013	1,385,107	3,701,700	5,086,807
2013-2014	1,387,323	3,696,500	5,083,823
2014-2015	1,284,444	3,697,500	4,981,944
2015-2016	1,173,907	3,698,250	4,872,157
2016-2017	1,098,720	3,693,500	4,792,220
2017-2018	1,096,926	3,703,250	4,800,176
2018-2019	338,794	3,696,500	4,035,294
2019-2020	345,044	3,698,750	4,043,794
2020-2021	–	3,699,250	3,699,250
2021-2022	–	3,702,750	3,702,750
2022-2023	–	3,698,750	3,698,750
2023-2024	–	3,702,250	3,702,250
2024-2025	–	2,887,500	2,887,500

⁽¹⁾ Schedule does not include payments due of an energy performance contract originally issued in the amount of \$5,463,738.

**APPENDIX C-18
DESCRIPTION OF
PULASKI CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-18 a brief description of the Pulaski 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, formed in 1938, is situated in the County of Oswego, and is comprised of portions of the Towns of Albion, Richland and Sandy Creek. The Village of Pulaski (the “Village”) lies wholly within the District, with the City of Syracuse, approximately 37 miles to the south. The District, which borders the eastern edge of Lake Ontario, has a land area of approximately 66 square miles.

The District is primarily rural in character with numerous resort facilities along Lake Ontario. Various retail and commercial centers in the Village and around the Cities of Syracuse and Watertown accommodate residents’ shopping requirements. The Salmon River, which runs through the Village and into Lake Ontario, provides yearly spawning grounds for freshwater salmon and as a result is frequented by fishermen from all over the northeast and Canada.

Sewer and water services are provided to residents by the Village and local municipalities. Gas and electric facilities are provided by National Grid. Police protection is furnished by State, County and Village agencies and fire protection is furnished by the Pulaski and Richland Volunteer Fire Companies. Banking services are provided by branch offices of Community Bank, N.A., KeyBank, N.A. and Alliance Bank, N.A.

Over the last five or so years the greater Pulaski area has been transforming from an agricultural and manufacturing area to a residential and tourist service area. Municipal water has been installed in a large area of the rural township. Plans have been submitted for a significant resort complex which is expected to bring a number of jobs. Small businesses continue to thrive and expand. A large Byrne Dairy convenient store with gas station and a Tractor Supply Co. store have opened in the last year. The local economy is in a changing state, however, it currently is very stable.

Population

The current estimated population of the District is 5,977.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Felix and Schoeller Technical Papers	Manufacturing	235
Fulton Companies	Manufacturing	232
Pulaski Schools	Education	226
Pulaski Health Center	Medical	87
Tops Markets	Grocery Store	60

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Niagara Mohawk dba National Grid	Resort	\$11,915,921
MHC Brennan Beach, LLC	Utility	10,989,011
Schoeller Technical Papers	Manufacturing	6,043,956
Tops	Commercial	3,296,703
Hollander, David G	Commercial	2,977,582

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 14.7% 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 Oswego County.

	<u>Year Average</u>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Oswego County	5.9%	5.7%	6.9%	10.0%	10.5%
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	1,211	1,227	1,183	1,171	1,172	1,160	1,155	1,160

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>
101	Pulaski Teachers' Association	June 30, 2011 ⁽¹⁾
90	Civil Service Employees Association	June 30, 2012
12	Administration and Management	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 6, 2011⁽¹⁾

Full Valuation of Taxable Real Property	\$302,772,631
Debt Limit (10% of Full Valuation)	30,277,263
Gross Indebtedness ⁽²⁾	\$27,435,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	<u>\$27,435,000</u>
Net Debt Contracting Margin	\$2,842,263
Percentage of Debt Contracting Power Exhausted	90.61%

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

⁽²⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$8,780,000 School District Bonds to the Authority in connection with the refunding of \$8,549,195 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 2009 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:					
Oswego	\$3,300,000	\$0	\$3,300,000	5.59%	\$184,470
Towns of:					
Albion	175,774	0	175,774	9.44	16,593
Richland	11,001,387	11,001,387	0	91.97	0
Sandy Creek	831,000	0	831,000	5.41	44,957
Village of:					
Pulaski	6,229,179	6,229,179	0	100.00	0
				Total	<u><u>\$246,020</u></u>

⁽¹⁾ Bonds and bond anticipation notes as of close of the 2009 fiscal year.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 6, 2011.

**Debt Ratios
As of May 6, 2011⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$27,435,000	\$4,590.10	9.06%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	27,681,020	4,631.26	9.14

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 5,977.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2010-11 of \$302,772,631.
- (4) The District expects to deliver \$8,780,000 School District Bonds to the Authority in connection with the refunding of \$8,549,195 of the District’s outstanding bond anticipation notes and financing of the District’s capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Pulaski Central School District
<http://emma.msrb.org/EP463566-EP362037-EP758995.pdf>
 Base CUSIP: 745592

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

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

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Albion	\$5,897,451	\$6,334,796	\$6,836,919	\$7,935,661	\$7,848,504
Richland	240,340,515	243,480,324	257,721,352	254,037,742	255,642,020
Sandy Creek	10,360,659	11,857,895	13,116,766	13,684,538	13,998,830
Total Assessed Valuation	<u>\$256,598,625</u>	<u>\$261,673,015</u>	<u>\$277,675,037</u>	<u>\$275,657,941</u>	<u>\$277,489,354</u>

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Albion	100.00%	100.00%	100.00%	100.00%	100.00%
Richland	100.00	100.00	100.00	90.00	91.00
Sandy Creek	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$256,598,625	\$261,673,015	\$277,675,037	\$303,884,357	\$302,772,631

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$3,664,882	\$4,332,340	\$4,614,949	\$4,554,458	\$4,730,235
% Uncollected When Due ⁽¹⁾	13.2%	12.6%	12.5%	13.9%	13.8%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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>
2006-2007	\$9,934,430	\$16,030,398	61.97%
2007-2008	11,988,955	18,203,388	65.86
2008-2009	13,136,637	19,698,111	66.69
2009-2010	12,565,880	19,827,665	63.38
2010-2011 (Budgeted)	13,353,955	20,162,000	66.23
2011-2012 (Proposed)	12,910,348	20,454,000	63.12

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$117,881	\$658,199
2008-2009	128,734	565,603
2009-2010	101,808	581,483
2010-2011 (Budgeted)	174,265	669,192
2011-2012 (Proposed)	338,200	962,802

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

GASB 45 and OPEB

The District contracted with Capital Region Boards of Cooperative Educational Services (BOCES) to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2010, the actuarial accrued liability for benefits was \$46,937,465, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$46,937,465. For the fiscal year ending June 30, 2010, the District's annual OPEB cost was \$3,725,437 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$768,591 to the Plan for the fiscal year ending June 30, 2010, resulting in a year-end Net OPEB obligation of \$5,610,179. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$1,242,633 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$844,482 and a total General Fund balance of \$4,971,272 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$2,193,286	\$ –	\$2,193,286
2011-2012	2,194,011	875,168	3,069,179
2012-2013	2,191,724	871,894	3,063,618
2013-2014	2,182,311	873,694	3,056,005
2014-2015	1,914,268	874,944	2,789,212
2015-2016	1,912,311	874,944	2,787,255
2016-2017	1,243,268	873,694	2,116,962
2017-2018	1,238,124	876,194	2,114,318
2018-2019	1,241,699	872,194	2,113,893
2019-2020	1,238,555	876,944	2,115,499
2020-2021	1,238,911	874,944	2,113,855
2021-2022	1,231,993	871,444	2,103,437
2022-2023	973,549	876,444	1,849,993
2023-2024	974,205	874,444	1,848,649
2024-2025	973,253	875,694	1,848,947
2025-2026	965,765	119,944	1,085,709
2026-2027	966,275	119,944	1,086,219
2027-2028	–	125,350	125,350
2028-2029	–	120,175	120,175

⁽¹⁾ The District leases certain equipment under the terms of non-cancelable leases. Rental expense for the year ended June 30, 2011 was \$57,000. The lease payments run through 2014, and the total amount of remaining payments is \$127,074.

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**APPENDIX C-19
DESCRIPTION OF
RAVENA-COEYMANS-SELKIRK CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-19 a brief description of the Ravena-Coeymans-Selkirk 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 a rural-suburban setting in Albany and Greene Counties. The 125 square miles of rolling hills are situated in the Towns of Coeymans, Bethlehem, New Scotland and New Baltimore. Bordered on the east by the Hudson River and on the South by the Catskills, the community is only minutes away from the State capital in Albany.

Major highways serving the area are US Route 9W, Route #144, Route #396 and Route #32. There is convenient access to NYS Thruway #87 and Interstate #90.

The area offers many advantages to its residents. Four major local industries help provide a favorable tax base for the District. Montreal, Boston and New York City are readily accessible. Nearby Albany is rich with cultural, historical, educational and recreational possibilities. It is also home to a major teaching medical center.

Continuing education opportunities are abundant in nearby universities and colleges, including the State University of New York at Albany, Rensselaer Polytechnic Institute, Union College, Skidmore, and Russell Sage, plus several junior colleges.

The Saratoga Performing Arts Center, summer home of the Philadelphia Orchestra and the New York City Ballet Company, and the Saratoga racetrack are a picturesque one-hour drive away, as are Tanglewood and the Berkshire Mountains.

Population

The current estimated population of the District is 14,354.

Larger Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Ravena-Coeymans-Selkirk CSD	Public School	480
Sabic	Plastics	420
Owens Corning	Building Products	180
LaFarge	Cement	175

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Atlantic Cement Company	Commercial	\$99,187,600
Albany Water Board	Utility	29,113,800
Oakbrook Manor	Apartments	9,299,800
National Grid	Utility	6,865,303
CSX	Railroad	6,008,667

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 12.8% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Albany and Greene Counties.

	Year Average				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Albany County	3.9%	3.9%	4.8%	6.9%	7.2%
Greene County	4.8	4.8	5.9	8.5	8.6
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	Projected <u>2011-12</u>	Projected <u>2012-13</u>	Projected <u>2013-14</u>
K-12	2,264	2,263	2,171	2,080	2,041	2,010	1,980	1,950

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>
226	Ravena-Coeymans-Selkirk Teachers' Association	June 30, 2013
6	Ravena-Coeymans-Selkirk Administrators' Association	June 30, 2014
75	Teacher Aide & Monitor Association	June 30, 2012
96	CSEA Local 1000	June 30, 2012
18	Ravena-Coeymans-Selkirk Food Service Association	June 30, 2012
14	Unrepresented	N/A

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 6, 2011⁽¹⁾

Full Valuation of Taxable Real Property	\$1,227,387,671
Debt Limit (10% of Full Valuation)	122,738,767
Gross Indebtedness ⁽²⁾	\$23,395,793
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	<u>\$23,395,793</u>
Net Debt Contracting Margin	\$99,342,974
Percentage of Debt Contracting Power Exhausted	19.06%

⁽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 \$1,600,000 School District Bonds to the Authority in connection with the refunding of \$1,604,920 of the District's \$2,353,243 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 2009 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:					
Albany	\$247,087,893	\$30,853,728	\$216,234,165	4.72%	\$10,206,253
Greene	26,969,118	0	26,969,118	1.67	450,384
Towns of:					
Coeymans	0	0	0	97.59	0
Bethlehem	19,951,000	17,820,000	2,131,000	13.57	289,177
New Baltimore	435,400	0	435,400	31.64	137,761
New Scotland	2,108,627	2,043,844	64,783	6.16	3,991
				Total	<u><u>\$11,087,566</u></u>

⁽¹⁾ Bonds and bond anticipation notes as of close of the 2009 fiscal year.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 6, 2011.

**Debt Ratios
As of May 6, 2011⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$23,395,793	\$1,629.91	1.91%
Gross Indebtedness Plus Net Overlapping Indebtedness	34,483,359	2,402.35	2.81

- (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 14,354.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2010-11 of \$1,227,387,671.
- (4) The District expects to deliver \$1,600,000 School District Bonds to the Authority in connection with the refunding of \$1,604,920 of the District’s \$2,353,243 outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District issued \$5,000,000 of Revenue Anticipation Notes in the 2010-2011 fiscal year which matured on October 15, 2010. The District does not expect to issue additional Revenue Anticipation Notes in the current fiscal year.

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Ravena-Coeymans-Selkirk Central School District
<http://emma.msrb.org/ER436206-ER339543-ER735537.pdf>
 Base CUSIP: 754229

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 due September 1. If paid by September 30, no penalty is imposed. There is a 2% penalty if paid by October 31. No tax is collected after November 1. On November 15, a list of all unpaid taxes is given to the County Treasurers for relevy on County/Town tax rolls with additional penalties. The District is reimbursed by the Counties for all unpaid taxes so that it is assured of 100% collection of its tax each year no later than April 1.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Coeymans	\$386,836,807	\$601,161,982 ⁽¹⁾	\$600,850,253	\$600,353,452	\$600,570,168
Bethlehem	447,902,416	445,152,935	454,535,872	442,619,040	453,767,809
New Baltimore	64,897,276	64,858,115	65,745,019	66,891,550	66,988,652
New Scotland	56,308,570	56,084,979	56,795,459	57,814,595	57,548,666
Total Assessed Valuation	<u>\$955,945,069</u>	<u>\$1,167,258,011</u>	<u>\$1,177,926,603</u>	<u>\$1,167,678,637</u>	<u>\$1,178,875,295</u>

⁽¹⁾ Significant change due to revaluation.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Coeymans	75.00%	100.00% ⁽¹⁾	100.00%	99.25%	100.00%
Bethlehem	100.00	92.45	92.45	93.00	97.00
New Baltimore	76.00	64.50	64.00	64.00	68.50
New Scotland	100.00	95.00	94.00	94.00	94.00
Taxable Full Valuation	\$1,105,384,548	\$1,242,260,709	\$1,255,653,438	\$1,246,847,515	\$1,227,387,671

⁽¹⁾ Significant change due to revaluation.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$17,072,466	\$18,285,852	\$18,692,829	\$19,333,643	\$20,053,156
% Uncollected When Due ⁽¹⁾	4.1%	5.0%	5.0%	4.3%	4.5%

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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>
2006-2007	\$15,639,043	\$39,277,435	39.82%
2007-2008	16,055,188	40,717,777	39.43
2008-2009	16,586,924	41,346,194	40.12
2009-2010	15,896,186	42,978,127	36.99
2010-2011 (Budgeted)	15,230,480	42,297,686	36.01
2011-2012 (Proposed)	14,589,420	42,037,866	34.71

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$432,440	\$1,794,675
2008-2009	365,661	1,583,356
2009-2010	371,329	1,469,970
2010-2011 (Budgeted)	628,058	1,259,401
2011-2012 (Proposed)	831,000	1,819,000

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

GASB 45 and OPEB

The District contracted with Capital Region Boards of Cooperative Educational Services (BOCES) to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2010, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$41,007,811, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$41,007,811. For the fiscal year ending June 30, 2010, the District's annual OPEB cost was \$5,056,427 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$787,833 to the Plan for the fiscal year ending June 30, 2010, resulting in a year-end Net OPEB obligation of \$8,515,436. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$1,263,160 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$984,377 and a total General Fund balance of \$2,996,495 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$3,344,370	\$ –	\$3,344,370
2011-2012	3,338,789	164,483	3,503,272
2012-2013	2,950,235	162,700	3,112,935
2013-2014	2,950,624	163,700	3,114,324
2014-2015	2,967,001	164,500	3,131,501
2015-2016	2,977,496	164,000	3,141,496
2016-2017	2,070,813	164,400	2,235,213
2017-2018	1,945,094	159,600	2,104,694
2018-2019	1,944,625	159,800	2,104,425
2019-2020	169,800	163,550	333,350
2020-2021	168,300	161,800	330,100
2021-2022	–	161,900	161,900
2022-2023	–	161,825	161,825
2023-2024	–	161,200	161,200

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**APPENDIX C-20
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF ROME**

There follows in this Appendix C-20 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.

The character of the District is both urban and suburban residential. The District is comprised of multi-family and single-family residences, and there has recently been co-operative and condominium development. There has been moderate development of the industrial and commercial sectors. A portion of the District has been zoned for industrial development and expansion. The West Rome Industrial Park, developed in the late 1960's under a grant from the Economic Development Administration, has over 66 acres of new industrial development. Commercial activity within the District is concentrated in several commercially zoned areas and in shopping malls. Within the District there are also tourism and recreational facilities, including several parks, Fort Stanwix, and Erie Canal Village.

Transportation is provided to and from the District by bus companies and a network of highways. The District is served by the New York State Thruway, and New York State Routes 12B, 26, 46, 69, 233 and 365. Rail passenger service to and from the District is provided by Amtrak. The State Barge Canal also serves the District. Major airline service is provided at the Syracuse Hancock International Airport.

Electricity and natural gas are supplied throughout the District by National Grid. The City and Towns maintain water supply and distribution systems, entirely supported from user charges, and they provide sanitary sewage collection and treatment facilities. These services are supported from user charges and special benefit assessments.

Police protection is provided by the State Police, the Rome Police Department, the County Sheriff's Office, and by Police Departments of the respective Towns. Fire protection service is provided by the Rome Fire Department and by local volunteer units. Ambulance service is provided by private companies.

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>
National Grid	Utility	\$50,979,865
Wal-Mart Real Estate Business Trust	Retail	12,184,590
Super Intermediateco, LLC (Price Chopper, Mohawk Acres)	Retail	11,564,060
Verizon New York, Inc.	Utility	11,459,857
DDR GLH Freedom Plaza	Shopping Complex	11,007,222

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Oneida County.

	<u>Year Average</u>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Oneida County	4.4%	4.3%	5.4%	7.5%	7.8%
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	6,130	5,757	5,724	5,733	5,661	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, 2013
522	Rome City School District Teachers' Association	June 30, 2013
301	Rome City School District Aides, Monitors & Cafeterias' Employees	June 30, 2013
90	Local200B – SEIU – AFL-CIO (The Custodial Unit)	June 30, 2013
42	Rome City School District C.S.E.A.	June 30, 2013
173	Rome City School District Substitute Teachers	June 30, 2013
11	Rome City School District UPSEU	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 6, 2011⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$1,366,524,660	\$1,475,427,634
Debt Limit (5% of full valuation) ⁽²⁾	\$68,326,233	\$73,771,382
<u>Inclusions</u>		
Bonds.....	\$60,960,000 ⁽²⁾	\$60,960,000 ⁽²⁾
Bond Anticipation Notes.....		
Revenue Anticipation Notes.....	10,000,000	10,000,000
Total Inclusions.....	<u>\$70,960,000</u>	<u>\$70,960,000</u>
<u>Exclusions</u>		
Appropriations.....	\$4,395,000	\$4,395,000
Revenue Anticipation Notes.....	10,000,000	10,000,000
Total Exclusions.....	<u>\$14,395,000</u>	<u>\$14,395,000</u>
Total Net Indebtedness.....	\$56,565,000	\$56,565,000
Net Debt Contracting Margin.....	\$11,761,233	\$17,206,382
Percentage of Debt Contracting Power Exhausted.....	82.79%	76.68%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$5,520,000 School District Bonds to the Authority in connection with the refunding of \$5,900,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as such debt is already included in the calculations above.

⁽²⁾ The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Tax 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 2009 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:					
Oneida	\$136,054,692	\$16,839,600	\$119,215,092	13.83%	\$16,487,447
City of:					
Rome	59,678,126	21,820,146	37,857,980	94.56	35,798,506
Towns of:					
Lee	0	0	0	94.21	0
Western	0	0	0	55.73	0
Verona	743,000	335,000	408,000	1.33	5,426
Annsville	445,900	112,000	333,900	5.84	19,500
				Total	<u>\$52,310,879</u>

(1) Bonds and bond anticipation notes as of close of the 2009 fiscal year.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 6, 2011.

Debt Ratios As of May 6, 2011⁽¹⁾

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$70,960,000	\$1,693.92	4.47%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	123,270,879	2,942.66	7.77

(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 using the special State equalization ratios for 2010-11 of \$1,587,126,529.

(4) The District expects to deliver \$5,520,000 School District Bonds to the Authority in connection with the refunding of \$5,900,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the debt ratios as such debt is already included in the calculations above.

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	\$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
2010-2011 ⁽¹⁾	10,000,000	RAN	6/24/2011	6/22/2012

(1) Projected borrowing.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the project which includes the issuance of the School District Bonds. The project for which the School District Bonds are being issued for is part of a \$30,000,000 authorization. The School District Bonds are the first bonding against such authorization. Future borrowings against such authorization will occur based on cash flow requirements.

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 of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

City School District of the City of Rome
<http://emma.msrb.org/ER436053-ER339390-ER735382.pdf>
Base CUSIP: 776066

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, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
City of:					
Rome	\$780,996,175	\$789,951,979	\$794,080,461	\$799,697,126	\$801,817,539
Towns of:					
Lee	9,222,621	9,464,720	9,464,720	9,424,159	9,484,680
Western	40,612,340	40,581,650	40,581,650	42,038,736	42,310,229
Verona	3,003,214	3,139,936	3,139,936	3,143,193	3,158,631
Annsville	<u>3,837,222</u>	<u>3,857,509</u>	<u>3,857,509</u>	<u>3,955,313</u>	<u>3,955,613</u>
Total Assessed Valuation	<u>\$837,671,572</u>	<u>\$846,995,794</u>	<u>\$851,124,276</u>	<u>\$858,258,527</u>	<u>\$860,726,692</u>

	State Equalization Rates Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
City of:					
Rome	83.05%	77.11%	76.11%	74.11%	75.00%
Towns of:					
Lee	4.07	3.80	3.40	3.30	3.40
Western	76.73	68.70	66.50	63.67	63.50
Verona	77.29	78.80	74.00	72.67	74.00
Annsville	66.33	63.00	61.50	59.00	61.50
Taxable Full Valuation	\$1,229,592,355	\$1,342,698,278	\$1,393,247,310	\$1,441,703,536	\$1,425,381,822

	Special State Equalization Ratios Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
City of:					
Rome	75.04%	72.82%	73.86%	70.80%	67.69%
Towns of:					
Lee	3.32	3.22	3.32	3.16	3.01
Western	65.80	62.87	62.84	59.82	56.00
Verona	72.83	70.65	70.31	66.21	62.40
Annsville	60.68	58.73	61.25	59.29	57.65
Taxable Full Valuation	\$1,390,731,121	\$1,454,297,329	\$1,435,540,782	\$1,509,442,419	\$1,587,126,529

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$27,781,096	\$28,192,639	\$28,192,639	\$28,724,145	\$29,292,788
% Uncollected When Due ⁽¹⁾	1.36%	1.28%	0.83%	1.42%	36.63%

⁽¹⁾ As of April 6, 2011. Unpaid taxes are not returned to the County until June 1st of each year. 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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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>
2006-2007	\$56,495,020	\$88,805,226	63.62%
2007-2008	60,911,282	94,716,917	64.31
2008-2009	61,415,561	96,172,950	63.86
2009-2010	58,316,072	94,485,825	61.72
2010-2011 (Budgeted)	59,907,897	94,000,000	63.73
2011-2012 (Proposed)	58,000,000	92,200,000	62.91

⁽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 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$673,238	\$2,891,023
2008-2009	620,460	3,128,600
2009-2010	579,088	2,705,026
2010-2011 (Budgeted)	1,000,000	3,000,000
2011-2012 (Proposed)	1,200,000	3,800,000

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”) plan (the “Plan”) in accordance with GASB 45. As of July 1, 2009, the most recent actuarial valuation date, 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, was \$246,650,807. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$246,650,807. For the fiscal year ending June 30, 2010, the District’s annual OPEB cost was \$20,715,110 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid (\$8,887,828) to the Plan for the fiscal year ending June 30, 2010, resulting in a year-end Net OPEB obligation of \$52,858,197. The District has reserved \$0 toward its OPEB liability. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2010 financial statements. See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*.”

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District’s revenues exceeded its expenditures by \$2,695,817 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$6,430,145 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$7,461,367	\$ –	\$7,461,367
2011-2012	7,476,044	219,018	7,695,062
2012-2013	7,480,319	466,100	7,946,419
2013-2014	7,485,994	547,300	8,033,294
2014-2015	7,496,756	544,000	8,040,756
2015-2016	7,507,119	543,625	8,050,744
2016-2017	7,435,350	542,500	7,977,850
2017-2018	7,440,219	540,625	7,980,844
2018-2019	7,367,100	542,875	7,909,975
2019-2020	2,948,100	544,125	3,492,225
2020-2021	2,302,200	539,500	2,841,700
2021-2022	2,243,450	539,000	2,782,450
2022-2023	2,002,950	542,375	2,545,325
2023-2024	1,709,700	539,625	2,249,325
2024-2025	1,713,800	540,750	2,254,550
2025-2026	–	540,625	540,625
2026-2027	–	261,375	261,375

**APPENDIX C-21
DESCRIPTION OF
SANDY CREEK CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-21 a brief description of the Sandy 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, formed in 1929, is situated in the Counties of Oswego, Jefferson and Lewis, and is comprised of portions of the Towns of Sandy Creek, Orwell, Redfield, Boylston, Williamstown, Osceola, Richland and Ellisburg. The Village of Sandy Creek lies wholly within the District, with the City of Syracuse, approximately 37 miles to the south. The District, which borders the eastern edge of Lake Ontario, and has a land area of approximately 206 square miles.

The District is primarily rural in character with numerous resort facilities near Lake Ontario. Various retail and commercial centers in the Village of Sandy Creek and around the Cities of Syracuse and Watertown accommodate residents with their shopping requirements.

Water services are provided to residents by local municipalities. Gas and electric facilities are provided by National Grid Corporation. Police and fire protection is furnished by State and County agencies

Population

The current estimated population of the District is 5,630.

Five Largest Employers

The larger employers listed below are not necessarily within the District, however many District residents find employment at these employers.

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Oswego State University	University	4,030
Constellation Energy	Utility	899
Wal-Mart	Retail	840
Oswego Hospital	Hospital	815
Sandy Creek CSD	Education	204

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
NYS Reforestation	State Lands	\$22,387,530
National Grid	Utility	13,142,486
Farm East, LLC	Manufacturing	3,408,590
Citizens Telecommunications	Utility	2,217,009
Greene Point	Camp Sites	1,676,900

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 12.5% 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 Oswego County.

	Year Average				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Oswego County	5.9%	5.7%	6.9%	10.0%	10.5%
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	Projected <u>2011-12</u>	Projected <u>2012-13</u>	Projected <u>2013-14</u>
K-12	1,012	999	984	950	924	920	920	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>
3	Sandy Creek Administrators' Association	June 30, 2012
105.5	Sandy Creek Teachers' Association	June 30, 2012
81.8	Sandy Creek Non-Instructional Staff Association	June 30, 2013
7	Confidential Staff Employees	N/A

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 6, 2011 ⁽¹⁾

Full Valuation of Taxable Real Property	\$394,611,201
Debt Limit (10% of Full Valuation)	39,461,120
Gross Indebtedness ⁽²⁾	\$22,855,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	<u>0</u>
Total Net Indebtedness	<u>\$22,855,000</u>
Net Debt Contracting Margin	\$16,606,120
Percentage of Debt Contracting Power Exhausted	57.92%

⁽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 \$2,615,000 School District Bonds to the Authority in connection with the refunding of \$2,700,000 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 2009 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	\$3,300,000	\$0	\$3,300,000	0.63%	\$20,790
Jefferson	23,003,627	68,627	22,935,000	0.04	9,174
Lewis	14,215,000	0	14,215,000	0.08	11,372
Towns of:					
Sandy Creek	831,000	0	831,000	97.61	811,139
Orwell	110,000	110,000	0	55.45	0
Redfield	362,500	0	362,500	100.00	362,500
Boylston	0	0	0	97.61	0
Williamstown	175,000	0	175,000	4.70	8,225
Osceola	128,344	128,344	0	3.20	0
Richland	11,001,387	11,001,387	0	0.36	0
Ellisburg	3,101,426	3,101,426	0	0.74	0
Village of:					
Sandy Creek	2,829,012	2,504,320	324,692	100.00	324,692
Fire Districts (Estimated)	127,197	127,197	0	Various	0
				Total	<u>\$1,547,892</u>

⁽¹⁾ Bonds and bond anticipation notes as of close of the 2009 fiscal year.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 6, 2011.

**Debt Ratios
As of May 6, 2011 ⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$22,855,000	\$4,059.50	5.79%
Gross Indebtedness Plus Net Overlapping Indebtedness	24,402,892	4,334.44	6.18

- (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 5,630.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2010-11 of \$394,611,201.
- (4) The District expects to deliver \$2,615,000 School District Bonds to the Authority in connection with the refunding of \$2,700,000 of the District’s outstanding bond anticipation notes and financing of the District’s capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Sandy Creek Central School District
<http://emma.msrb.org/ER435623-ER339007-ER734978.pdf>
 Base CUSIP: 800307

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, with a penalty of 3% from November 1st to November 15th. After November 15th, uncollected taxes are returnable to Oswego, Jefferson and Lewis Counties for collection. The District receives this amount from said Counties prior to the end of the District’s fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by said Counties.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy**Assessed Valuation
Years Ending June 30,**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Sandy Creek	\$185,892,399	\$206,832,515	\$225,962,924	\$239,124,650	\$240,965,814
Orwell	26,247,963	36,285,145 ⁽¹⁾	37,799,074	38,778,579	39,634,834
Redfield	52,470,654	57,147,699	58,137,873	58,194,794	58,440,331
Boylston	31,119,560	33,994,699	36,017,184	36,356,322	37,861,894
Williamstown	2,244,254	2,263,166	2,440,208	2,796,541	2,842,502
Osceola	954,364	1,000,139	1,333,969 ⁽¹⁾	1,590,371	1,542,502
Richland	947,523	933,838	1,017,248	1,026,937	1,070,990
Ellisburg	1,317,021	1,296,920	1,689,815 ⁽¹⁾	1,766,604	1,833,412
Total Assessed Valuation	<u>\$301,193,738</u>	<u>\$339,754,121</u>	<u>\$364,398,295</u>	<u>\$379,634,798</u>	<u>\$384,192,279</u>

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Sandy Creek	100.00%	100.00%	100.00%	100.00%	100.00%
Orwell	76.93	100.00 ⁽¹⁾	100.00	100.00	100.00
Redfield	100.00	100.00	95.00	85.00	85.00
Boylston	100.00	100.00	100.00	100.00	100.00
Williamstown	100.00	90.00	85.00	100.00	100.00
Osceola	80.00	74.00	100.00 ⁽¹⁾	100.00	100.00
Richland	100.00	100.00	100.00	90.00	91.00
Ellisburg	85.00	73.00	100.00 ⁽¹⁾	100.00	100.00
Total Assessed Valuation	\$309,536,063	\$340,836,667	\$367,888,808	\$390,018,572	\$394,611,201

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$6,399,558	\$6,419,559	\$6,089,519	\$6,105,578	\$6,109,519
% Uncollected When Due	11.34%	11.49%	10.69%	11.03%	10.48%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

<u>Fiscal Year</u>	State Aid and Revenues		Percentage of Total
	Total State Aid⁽¹⁾	Total Revenues⁽¹⁾	Revenues Consisting of State Aid⁽¹⁾
2006-2007	\$12,696,837	\$19,604,513	64.76%
2007-2008	13,560,836	20,593,000	65.85
2008-2009	15,047,923	22,095,433	68.10
2009-2010	14,012,534	21,246,072	65.95
2010-2011 (Budgeted)	14,584,146	20,916,068	69.73
2011-2012 (Proposed)	14,226,957	20,592,676	69.09

⁽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 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$162,628	\$537,008
2008-2009	166,521	645,964
2009-2010	164,667	514,206
2010-2011 (Budgeted)	249,011	440,111
2011-2012 (Proposed)	305,000	772,000

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

GASB 45 and OPEB

The District has engaged the services of KBM Management, Inc. to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2010, the most recent actuarial valuation date, the District's plan was 0% funded. 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 \$42,884,749. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$42,884,749. For the fiscal year ended June 30, 2010, the District's annual OPEB cost was \$4,156,585 and is equal to the annual required contribution (ARC) of \$4,156,585. The District is on a pay-as-you-go funding basis and was expected to have paid \$4,041,641 to the Plan for the fiscal year ending June 30, 2010, resulting in a year-end Net OPEB obligation of \$9,384,009. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$1,979,500 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$9,328,239 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$1,041,832	\$ –	\$1,041,832
2011-2012	948,998	263,052	1,212,050
2012-2013	854,641	264,288	1,118,929
2013-2014	755,279	264,788	1,020,067
2014-2015	648,410	263,588	911,998
2015-2016	526,800	262,188	788,988
2016-2017	397,925	263,938	661,863
2017-2018	257,250	265,188	522,438
2018-2019	131,100	262,788	393,888
2019-2020	–	261,613	261,613
2020-2021	–	263,813	263,813
2021-2022	–	263,563	263,563
2022-2023	–	262,275	262,275
2023-2024	–	260,463	260,463
2024-2025	–	263,125	263,125

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**APPENDIX C-22
DESCRIPTION OF
SOUTH LEWIS CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-22 a brief description of the South Lewis 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 County of Lewis. The City of Rome is approximately 20 miles to the south, the City of Watertown approximately 30 miles northeast and the Village of Lowville 15 miles to the north. Major highways bisecting the District include State Routes #12, #12D and #26. The District includes of the Towns of Greig, Leyden, Lyonsdale, Martinsburg, Osceola, Turin, Watson and West Turin as well as the Village of Turin.

The District is primarily residential and agricultural in nature. It is also known as a year-around tourist area, with winter sports being the primary recreation. Commercial and professional services are located in the Village of Turin, as well as in nearby communities as aforementioned.

Population

The current estimated population of the District is 6,862.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
South Lewis CSD	Public Education	225
Snow Ridge (seasonal)	Ski Resort	100
Otis Technology	Manufacturer	62
Marks Farm	Farm	50
Burrows Paper Company	Manufacturer	41

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
State of New York	State Land	\$43,002,575
Iroquois Gas	Utility	22,234,730
National Grid	Utility	17,961,925
Fortisus	Commercial	13,073,700
Northbrook	Farm	10,021,300

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 22.7% 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 Lewis County.

	Year Average				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Lewis County	5.5%	5.5%	6.6%	9.0%	9.2%
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	1,158	1,130	1,122	1,100	1,080	1,100	1,100	1,100

District Employees

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

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
105	South Lewis Teachers' Association	June 30, 2011 ⁽¹⁾
108	South Lewis Non-Teachers' Association	June 30, 2013

⁽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 6, 2011⁽¹⁾

Full Valuation of Taxable Real Property	\$586,602,590
Debt Limit (10% of Full Valuation)	58,660,259
Gross Indebtedness ⁽²⁾	\$26,038,673
Less: Exclusions – Estimated Building Aid ⁽³⁾	<u>0</u>
Total Net Indebtedness	\$26,038,673
Net Debt Contracting Margin	\$32,621,586
Percentage of Debt Contracting Power Exhausted	44.39%

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

⁽²⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$17,725,000 School District Bonds to the Authority in connection with the refunding of \$17,553,024 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 2009 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:					
Lewis	\$14,215,000	\$0	\$14,215,000	32.62%	\$4,636,933
Towns of:					
Greig	35,300	0	35,300	98.56	34,792
Leyden	24,374	24,374	0	74.62	0
Lyonsdale	139,577	139,577	0	96.13	0
Martinsburg	391,092	391,092	0	30.92	0
Osceola	128,344	128,344	0	3.43	0
Turin	440,000	0	440,000	88.51	389,444
Watson	0	0	0	31.27	0
West Turin	0	0	0	98.37	0
Village of:					
Turin	285,000	285,000	0	100.00	0
				Total	<u>\$5,061,169</u>

⁽¹⁾ Bonds and bond anticipation notes as of close of the 2009 fiscal year.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 6, 2011.

**Debt Ratios
As of May 6, 2011⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$26,038,673	\$3,794.62	4.44%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	31,099,842	4,532.18	5.30

- (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 6,862
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2010-11 of \$586,602,590.
- (4) The District expects to deliver \$17,725,000 School District Bonds to the Authority in connection with the refunding of \$17,553,024 of the District’s outstanding bond anticipation notes and financing of the District’s capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

South Lewis Central School District
<http://emma.msrb.org/ER437911-ER340825-ER736906.pdf>
 Base CUSIP: 838706

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 collected by the District tax collector. 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 October 31.

On or about November 1, the tax collector files a report of any uncollected school taxes with the County. The County thereafter on or before April 30 pays to the District the amount of its uncollected taxes. 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 and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy**Assessed Valuation
Years Ending June 30,**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Greig	\$149,462,571	\$167,361,116	\$183,384,382	\$199,022,572	\$199,414,642
Leyden	46,660,389	51,702,012	55,420,565	59,013,050	60,921,496
Lyonsdale	51,985,620	54,592,954	105,099,181 ⁽¹⁾	84,464,183	77,571,237
Martinsburg	16,441,025	17,141,133	18,392,354	18,889,146	18,853,592
Osceola	843,979	843,359	1,357,925	1,470,484	1,430,915
Turin	36,812,411	42,003,251	45,540,880	47,283,209	47,464,785
Watson	42,002,631	42,085,694	48,678,064	54,154,260	54,211,754
West Turin	<u>5,775,701</u>	<u>5,979,043</u>	<u>6,040,947</u>	<u>6,157,238</u>	<u>6,114,010</u>
Total Assessed Valuation	<u>\$349,984,327</u>	<u>\$381,708,562</u>	<u>\$463,914,298</u>	<u>\$470,454,142</u>	<u>\$465,982,431</u>

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Greig	100.00%	100.00%	100.00%	100.00%	100.00%
Leyden	100.00	100.00	100.00	100.00	100.00
Lyonsdale	84.00	80.00	100.00 ⁽¹⁾	92.41	94.57
Martinsburg	100.00	100.00	100.00	100.00	100.00
Osceola	80.00	74.00	100.00	100.00	100.00
Turin	100.00	100.00	100.00	100.00	100.00
Watson	100.00	100.00	100.00	100.00	100.00
West Turin	7.55	6.58	6.00	5.35	5.00
Taxable Full Valuation	\$430,820,995	\$480,540,988	\$558,555,801	\$586,322,843	\$586,602,590

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$4,150,000	\$3,851,072	\$3,851,072	\$3,851,071	\$3,851,071
% Uncollected When Due ⁽¹⁾	11.23%	9.79%	9.46%	12.45%	11.78%

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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>
2006-2007	\$13,049,243	\$20,111,671	64.88%
2007-2008	13,269,427	21,064,670	62.99
2008-2009	14,651,589	22,639,154	64.72
2009-2010	13,997,164	22,670,571	61.74
2010-2011 (Budgeted)	14,035,884	21,977,339	63.87
2011-2012 (Proposed)	14,921,148	23,369,009	63.85

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$219,035	\$684,792
2008-2009	214,221	639,110
2009-2010	221,447	599,069
2010-2011 (Budgeted)	387,750	829,178
2011-2012 (Proposed)	526,510	860,682

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

GASB 45 and OPEB

The District contracted with Harbridge Consulting Group, LLC to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2010, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$23,240,625, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$23,240,625. For the fiscal year ended June 30, 2010, the District's annual OPEB cost was \$2,046,484 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$540,523 to the Plan for the fiscal year ending June 30, 2010, resulting in a year-end Net OPEB obligation of \$3,208,449. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$933,589 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$1,768,552 and a total General Fund balance of \$3,322,590 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$2,381,604	\$ –	\$2,381,604
2011-2012	2,421,727	1,666,525	4,088,252
2012-2013	2,403,089	1,664,019	4,067,108
2013-2014	994,650	1,665,819	2,660,469
2014-2015	902,020	1,667,019	2,569,039
2015-2016	860,554	1,666,619	2,527,173
2016-2017	–	1,664,619	1,664,619
2017-2018	–	1,666,019	1,666,019
2018-2019	–	1,669,269	1,669,269
2019-2020	–	1,669,519	1,669,519
2020-2021	–	1,671,769	1,671,769
2021-2022	–	1,670,769	1,670,769
2022-2023	–	1,666,519	1,666,519
2023-2024	–	1,668,519	1,668,519
2024-2025	–	1,673,119	1,673,119
2025-2026	–	813,150	813,150

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**APPENDIX C-23
DESCRIPTION OF
TICONDEROGA CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-23 a brief description of the Ticonderoga 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 170 square miles, lies 80 miles north of Albany and 50 miles north of Saratoga Springs, in the eastern sector of the Adirondack Park. The District includes most of the Town of Ticonderoga in Essex County and most of the Town of Hague in Warren County (each a “Town” and collectively the “Towns”).

Major highways within or in close proximity to the District include Interstate Route 87, which extends north to Canada and south to New York City, and New York State Routes #9N, #8 and #22. Air transportation via the Saranac Lake Airport is provided by various national, commuter and regional airlines. Electric service is provided by the National Grid Power Corporation. Sewer and water services are provided in the District by the municipalities located in the District. Police protection is provided by the respective Town, County and State agencies. Fire protection is provided by various volunteer units within the District. Banking services are provided by Glens Falls National Bank and Trust Company. Other banks in close proximity to the District include: TD Banknorth and Community Bank, N.A.

Population

The current estimated population of the District is 6,000.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
The International Paper Company	Paper Mill	650
Moses-Ludington Hospital	Hospital	279
Wal-Mart	Retail	200
Ticonderoga Central School District	Education	193
Fort Ticonderoga	Tourist Attraction	82 ⁽¹⁾

⁽¹⁾ Of the 82 employees listed, 12 are full-time and the remaining 70 are seasonal employees

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
International Paper Company	Manufacturing	\$79,845,500
New York State	Forest Preserve	61,777,055
Lachute Hydro Company	Utility	12,576,000
Ticonderoga Property Dev LLC	Commercial	8,200,000
Wal-Mart	Retail	7,747,600

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 17% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Essex and Warren Counties.

	Year Average				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Essex County	5.7%	5.7%	6.6%	9.3%	9.3%
Warren County	4.6	4.5	5.6	8.1	8.5
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	1,009	974	970	901	899	868	840	833

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>
118	Ticonderoga Central School District Teachers' Association	June 30, 2012
56	Ticonderoga Central School District Support Services' Association	June 30, 2014

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 6, 2011⁽¹⁾

Full Valuation of Taxable Real Property	\$1,142,894,076
Debt Limit (10% of Full Valuation)	114,289,407
Gross Indebtedness ⁽²⁾	\$28,368,175
Less: Exclusions – Estimated Building Aid ⁽³⁾	<u>0</u>
Total Net Indebtedness	<u>\$28,368,175</u>
Net Debt Contracting Margin	\$85,921,232
Percentage of Debt Contracting Power Exhausted	24.82%

⁽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 \$19,000,000 School District Bonds to the Authority in connection with the refunding of \$20,058,175 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as it is currently included in the Gross Indebtedness figures.

⁽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 2009 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:					
Essex	\$45,035,800	\$585,000	\$44,450,800	9.23%	\$4,102,809
Warren	60,128,835	1,715,000	58,413,835	4.83	2,821,388
Towns of:					
Ticonderoga	11,070,330	2,884,500	8,185,830	100.00	8,185,830
Hague	2,583,015	0	2,583,015	95.82	2,475,045
				Total	<u>\$17,585,072</u>

⁽¹⁾ Bonds and bond anticipation notes as of close of the 2009 fiscal year.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 6, 2011.

**Debt Ratios
As of May 6, 2011⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$28,368,175	\$4,728.03	2.48%
Gross Indebtedness Plus Net Overlapping Indebtedness	45,953,247	7,658.87	4.02

- (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 using the State equalization rates for 2010-11 of \$1,142,894,076.
- (4) The District expects to deliver \$19,000,000 School District Bonds to the Authority in connection with the refunding of \$20,058,175 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the percentage of debt contracting power exhausted as it is currently included in the Gross Indebtedness figures.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Ticonderoga Central School District
<http://emma.msrb.org/ER437417-ER340566-ER736643.pdf>
 Base CUSIP: 886346

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. Unpaid school taxes are returned to the respective County Treasurers in November. All taxes that remain unpaid after the return date in November are relieved with an additional penalty, together with the State and County taxes, which are due on January 1. The County Treasurers reimburse the District in full for unpaid taxes prior to the end of the District’s fiscal year thus ensuring 100% collection of taxes by the District.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Ticonderoga	\$404,916,060	\$428,454,420	\$431,622,874	\$431,979,378	\$541,942,656 ⁽¹⁾
Hague	424,539,451	427,992,968	432,344,670	435,960,410	437,492,634
Total Assessed Valuation	\$829,455,511	\$856,447,388	\$863,967,544	\$867,939,788	\$979,435,290

⁽¹⁾ Significant change due to revaluation.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Ticonderoga	89.97%	80.29%	73.51%	73.00%	100.00% ⁽¹⁾
Hague	79.50	70.50	73.30	70.40	72.80
Taxable Full Valuation	\$984,068,640	\$1,140,715,827	\$1,176,991,137	\$1,211,014,519	\$1,142,894,076

⁽¹⁾ Significant change due to revaluation.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$8,422,418	\$8,574,045	\$8,895,869	\$9,145,204	\$9,581,358
% Uncollected When Due ⁽¹⁾	10.94%	10.57%	10.85%	11.49%	11.22%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

<u>Fiscal Year</u>	State Aid and Revenues		
	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	Percentage of Total Revenues Consisting of State Aid⁽¹⁾
2006-2007	\$5,432,597	\$14,238,497	38.15%
2007-2008	6,583,392	16,079,083	40.94
2008-2009	6,435,305	16,390,042	39.26
2009-2010	6,238,888	16,329,900	38.21
2010-2011 (Budgeted)	6,631,052	17,230,991	38.48
2011-2012 (Proposed)	6,151,600	17,971,531	34.23

⁽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 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2010-2011 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$149,753	645,091
2008-2009	125,079	495,497
2009-2010	118,805	408,914
2010-2011 (Budgeted)	215,700	555,000
2011-2012 (Proposed)	275,000	722,000

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") plan (the "Plan") in accordance with GASB 45. As of June 30, 2010, the most recent actuarial valuation date, the District's plan was 0% funded. The actuarial accrued liability for benefits was \$39,668,939 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$39,668,939. For the fiscal year ending June 30, 2010, the District's annual OPEB cost was \$4,058,476 and represents the annual required contribution (ARC) of \$4,108,084, Interest on Prior Net Obligation of \$119,426 and ARC adjustment of (\$169,034). The District is on a pay-as-you-go funding basis and paid approximately \$984,831 to the Plan for the fiscal year ending June 30, 2010, resulting in a year-end Net OPEB obligation of \$6,059,302 which includes the Prior Net OPEB Obligation of \$2,985,657. The aforementioned liability and ARC will be recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2011 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's expenditures exceeded its revenues by \$526,454 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$793,512 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$933,421	\$ –	\$933,421
2011-2012	933,591	1,743,120	2,676,711
2012-2013	927,928	1,739,494	2,667,422
2013-2014	941,382	1,740,894	2,682,276
2014-2015	933,737	1,737,144	2,670,881
2015-2016	950,242	1,736,394	2,686,636
2016-2017	810,065	1,743,394	2,553,459
2017-2018	811,945	1,742,644	2,554,589
2018-2019	812,673	1,739,394	2,552,067
2019-2020	812,233	1,738,644	2,550,877
2020-2021	805,839	1,735,144	2,540,983
2021-2022	255,364	1,738,894	1,994,258
2022-2023	197,223	1,739,394	1,936,617
2023-2024	–	1,736,644	1,736,644
2024-2025	–	1,735,644	1,735,644
2025-2026	–	851,144	851,144
2026-2027	–	852,144	852,144
2027-2028	–	850,863	850,863
2028-2029	–	847,338	847,338
2029-2030	–	847,463	847,463

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**APPENDIX C-24
DESCRIPTION OF
WAVERLY CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-24 a brief description of the Waverly 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, centralized in 1957, is located in the Town of Barton, Tioga County, and the Towns of Ashland, Baldwin and Chemung, Chemung County. The District is situated adjacent to the Pennsylvania border, approximately 17 miles southeast of the City of Elmira.

The District is served by New York State Routes 17 (the "Southern Tier Expressway"), 34 and 96, and by Pennsylvania State Route 220. Bus service is available in Waverly, rail service in nearby Sayre, Pennsylvania, and air transportation at the Elmira-Corning Regional Airport.

The District is basically a rural/residential area, with roughly half of its population residing in the Village of Waverly. Residents find employment locally, or commute to Elmira, Owego and Sayre.

Public water and sewer services are provided by the Village of Waverly, with the outlying area using private wells and septic systems. Electricity and natural gas are provided by New York State Electric & Gas Corporation, Pennsylvania Electric and Pennsylvania Southern Gas. Telephone service is provided by NYNEX. Police protection is provided by the Village of Waverly and by the Tioga and Chemung County Sheriffs’ departments, supplemented by the New York State Police. Fire protection and ambulance service are provided by volunteer organizations.

The District provides public education for grades K-12. Opportunities for higher education are available nearby at Elmira College and Corning Community College, as well as in the Ithaca, Binghamton and Cortland areas.

District residents find commercial services in the Village, as well as in Sayre, Elmira and Corning. The Village of Waverly is served by offices of Chemung Canal Trust Company, HSBC Bank U.S.A. and Tioga State Bank.

Population

The current estimated population of the District is 9,998.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Robert Packer Hospital	Health Care	500
Vulcraft Steel Fabrication	Manufacturer	500
Waverly Central School District	Education	260
Leprino Foods	Food Products	250
Avery Dennison Corporation	Manufacturer	230

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Vulcraft	Commercial	\$17,784,833
Millenium Pipeline	Utility	15,879,570
NYSEG	Utility	7,100,570
Tioga Property Co. (Elderwood)	Commercial	5,864,100
Norfolk Southern	Railroad	5,062,933

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 17.4% 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) are Tioga and Chemung Counties.

	<u>Year Average</u>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Tioga County	4.4%	4.8%	5.3%	8.3%	8.1%
Chemung County	5.0	4.6	5.6	9.1	8.5
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	1,847	1,785	1,726	1,746	1,761	1,800	1,800	1,800

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>
120	Waverly CSD Teachers' Association	June 30, 2012
63	Waverly CSD Association of Support Personnel	June 30, 2011 ⁽¹⁾
7	Waverly CSD Administrative & Professional Association	June 30, 2011 ⁽¹⁾
9	Waverly CSD Food Service Employees' Association	June 30, 2011 ⁽¹⁾
4	Waverly CSD Library Clerks' Association	June 30, 2011 ⁽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 6, 2011⁽¹⁾

Full Valuation of Taxable Real Property	\$399,440,236
Debt Limit (10% of Full Valuation)	39,944,024
Gross Indebtedness ⁽²⁾	\$32,445,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	<u>\$32,445,000</u>
Net Debt Contracting Margin	\$7,499,024
Percentage of Debt Contracting Power Exhausted	81.23%

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

⁽²⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$22,970,000 School District Bonds to the Authority in connection with the refunding of \$24,588,479 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 2009 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:					
Tioga	\$3,660,000	\$3,660,000	\$0	11.02%	\$0
Chemung	44,169,483	3,150,999	41,018,484	3.28	1,345,406
Towns of:					
Barton	1,820,751	1,820,751	0	84.84	0
Chemung	0	0	0	93.46	0
Baldwin	0	0	0	6.05	0
Ashland	0	0	0	0.46	0
Village of:					
Waverly	2,722,527	2,247,527	475,000	100.00	475,000
				Total	<u>\$1,820,406</u>

⁽¹⁾ Bonds and bond anticipation notes as of close of 2009 fiscal year. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 6, 2011.

**Debt Ratios
As of May 6, 2011⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$32,445,000	\$3,245.15	8.12%
Gross Indebtedness Plus Net Overlapping Indebtedness	34,265,406	3,427.23	8.58

- (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 9,998.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2010-11 of \$399,440,236.
- (4) The District expects to deliver \$22,970,000 School District Bonds to the Authority in connection with the refunding of \$24,588,479 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.

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>
2006-2007	\$4,500,000	RAN	6/29/06	6/29/07
2007-2008	4,500,000	RAN	7/12/07	6/27/08
2008-2009	4,500,000	RAN	7/10/08	6/30/09

The District does issue Revenue Anticipation Notes, but has issued no such notes in the last fiscal year or for the current fiscal year and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Waverly Central School District
<http://emma.msrb.org/ER436925-ER340029-ER736055.pdf>
 Base CUSIP: 94381

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 during the month of September, but a 2% penalty is charged from October 1st to October 31st. On or about November 1st, uncollected taxes plus penalties are returnable to the Counties of Tioga and Chemung. The School District receives these amounts from the respective Counties prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Barton	\$18,899,815	\$18,791,536	\$254,872,430 ⁽¹⁾	\$262,645,953	278,362,589
Chemung	82,835,644	81,753,655	116,977,560 ⁽¹⁾	117,708,800	117,721,508
Baldwin	61,017	61,317	60,867	59,967	62,874
Ashland	<u>5,384</u>	<u>4,973</u>	<u>4,982</u>	<u>4,982</u>	<u>4,920</u>
Total Assessed Valuation	<u>\$101,801,860</u>	<u>\$100,611,481</u>	<u>\$371,915,839</u>	<u>\$380,419,702</u>	<u>\$396,151,891</u>

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

State Equalization Rates Years Ending June 30,

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Barton	7.69%	7.50%	100.00% ⁽¹⁾	100.00%	100.00%
Chemung	78.00	76.00	100.00 ⁽¹⁾	100.00	100.00
Baldwin	2.65	2.41	2.14	2.10	2.02
Ashland	2.20	2.12	2.02	2.10	2.02
Taxable Full Valuation	\$354,518,126	\$360,903,261	\$374,940,876	\$383,447,563	\$399,440,236

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

Total District Property Tax Collections Years Ending June 30,

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$6,395,743	\$6,139,913	\$6,139,913	\$6,201,312	\$6,201,312
% Uncollected When Due ⁽¹⁾	8.5%	8.1%	9.2%	8.3%	8.1%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

<u>Fiscal Year</u>	State Aid and Revenues		Percentage of Total
	Total State Aid⁽¹⁾	Total Revenues⁽¹⁾	Revenues Consisting of State Aid⁽¹⁾
2006-2007	\$13,106,965	\$20,861,406	62.83%
2007-2008	14,021,222	21,923,612	63.95%
2008-2009	15,115,651	22,163,823	68.20%
2009-2010	14,605,628	22,142,617	65.96%
2010-2011 (Budgeted)	15,316,431	22,426,089	68.30%
2011-2012 (Proposed)	16,247,430	23,744,212	68.43%

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$174,042	\$621,262
2008-2009	162,304	591,765
2009-2010	135,994	565,056
2010-2011 (Budgeted)	206,209	727,160
2011-2012 (Proposed)	243,229	873,422

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

GASB 45 and OPEB

The District contracted with EBS-RMSCO, Inc. (Employee Benefit Solutions) to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. Based on the most recent actuarial evaluation dated July 1, 2008, 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, was \$28,391,297. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$28,391,297. The District's beginning year Net OPEB obligation was \$1,465,031. For the fiscal year ending June 30, 2010, the District's annual OPEB expense was \$2,425,383 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,016,000 to the Plan for the fiscal year ending June 30, 2010, resulting in a net increase to its unfunded OPEB obligation of \$1,409,383, for a fiscal year ending June 30, 2010 total net unfunded OPEB obligation of \$2,874,414. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2010 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$1,728,638 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$2,627,482 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$470,434	\$ –	\$470,434
2011-2012	347,644	2,248,526	2,596,170
2012-2013	342,769	2,248,250	2,591,019
2013-2014	346,175	2,242,250	2,588,425
2014-2015	343,800	2,242,750	2,586,550
2015-2016	345,750	2,245,250	2,591,000
2016-2017	–	2,249,500	2,249,500
2017-2018	–	2,245,250	2,245,250
2018-2019	–	2,242,750	2,242,750
2019-2020	–	2,241,750	2,241,750
2020-2021	–	2,242,000	2,242,000
2021-2022	–	2,243,250	2,243,250
2022-2023	–	2,245,250	2,245,250
2023-2024	–	2,242,750	2,242,750
2024-2025	–	2,245,750	2,245,750
2025-2026	–	2,178,750	2,178,750

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**APPENDIX C-25
DESCRIPTION OF
WHITNEY POINT CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-25 a brief description of the Whitney Point 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 and is situated principally in the County of Broome, with small portions situated in Chenango, Cortland and Tioga Counties. The City of Binghamton is approximately 20 miles south; Cortland, 25 miles north; and Ithaca, 30 miles west. The District encompasses approximately 132 square miles of land area. Major highways of service to the District include Interstate Route 81 and State highways 26, 79 and 206.

The District is principally residential and agricultural in nature. Professional and commercial services are available to residents in the Village of Whitney Point and in the nearby Cities of Binghamton, Cortland and Ithaca. Commercial banking services are provided by M&T Bank, JPMorgan Chase Bank, N.A., Citizens Bank, Tioga State Bank, Alliance Bank of Cortland, KeyBank, N.A., HSBC Bank, USA, N.A. and NBT Bank, N.A.

Many of the residents are employed in the more than 350 manufacturing firms in Broome County. Such firms include Endicott Interconnect Technologies, supplying advanced electronic packaging solutions including printed circuit board fabrication, semiconductor packaging and assembly service; International Business Machines Corporation, manufacturing data-processing equipment and computer circuits; Lockheed Martin, providing systems engineering, software development and complex program management for global security, civil and commercial markets; BAE, a global defense, security and aerospace company delivering products and services for air, land and naval forces, as well as advanced electronics, security, information technology solutions and support; The Allied Amphenol Products, manufacturing electronic equipment; Universal Instruments Corporation, manufacturing printed circuit board assembly machines, component preparation machines and semi-automatic wire-termination machines; and the Raymond Corporation, manufacturing narrow-aisle electric fork lift trucks.

Police protection is afforded residents through local and State agencies. Fire protection is provided by various volunteer fire departments.

Population

The current estimated population of the District is 11,680.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
United Health Services	Hospital	3,300
Our Lady of Lourdes Hospital	Hospital	2,300
Broome Development Center	Education	1,400
New York State Electric & Gas	Utility	1,100
Whitney Point CSD	Education	318

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric & Gas Corporation	Utility	\$17,894,797
Whitney Point MHP, LLC	Mobile Home Park	3,642,667
Citizens Telecommunications	Utility	3,338,043
Rerob, LLC	Express Mart	2,557,833
Glezen Farms Realty LLC	Farm	2,050,317

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.92% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are the Counties of Broome, Chenango, Cortland and Tioga.

	<u>Year Average</u>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Broome County	4.7%	4.5%	5.6%	8.3%	8.8%
Chenango County	5.0	5.0	6.3	9.1	9.1
Cortland County	5.4	5.2	6.4	9.3	9.1
Tioga County	4.4	4.8	5.3	8.3	8.1
New York State	4.6	4.5	5.3	8.4	8.6

Enrollment

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>
K-12	1,720	1,612	1,523	1,514	1,490	1,505	1,500	1,495

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>
155	New York State United Teachers	June 30, 2012
7	Whitney Point CSD Administrators' Association	June 30, 2012
59	Whitney Point CSD Bus Drivers' Association	June 30, 2013
8	Whitney Point CSD Clerical Association	June 30, 2013
56	Whitney Point CSD Staff Organization Association	June 30, 2011 ⁽¹⁾
16	Whitney Point CSD Custodians' Association	June 30, 2013

⁽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 6, 2011 ⁽¹⁾**

Full Valuation of Taxable Real Property	\$404,602,270
Debt Limit (10% of Full Valuation)	40,460,227
Gross Indebtedness ⁽²⁾	\$34,063,270
Less: Exclusions – Estimated Building Aid ⁽³⁾	<u>0</u>
Total Net Indebtedness	<u>\$34,063,270</u>
Net Debt Contracting Margin	\$6,396,957
Percentage of Debt Contracting Power Exhausted	84.19%

⁽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 \$26,660,000 School District Bonds to the Authority in connection with the refunding of \$19,872,732 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 2009 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:					
Broome	\$190,898,594	\$41,277,496	\$149,621,098	3.31%	\$4,952,458
Chenango	2,895,000	0	2,895,000	0.07	2,027
Cortland	21,280,000	0	21,280,000	0.13	27,664
Tioga	3,660,000	3,660,000	0	0.20	0
Towns of:					
Barker	0	0	0	61.77	0
Chenango	12,026,000	11,363,500	662,500	5.21	34,516
Lisle	0	0	0	83.34	0
Maine	0	0	0	1.28	0
Nanticoke	150,000	0	150,000	96.87	145,305
Triangle	50,000	0	50,000	98.32	49,160
Greene	0	0	0	0.08	0
Smithville	0	0	0	1.90	0
Lapeer	0	0	0	0.01	0
Willet	90,000	0	90,000	6.15	5,535
Richford	0	0	0	9.38	0
Village of:					
Whitney Point	8,098,471	7,565,471	533,000	100.00	533,000
				Total	<u>\$5,749,665</u>

(1) Bonds and bond anticipation notes as of close of the 2009 fiscal year.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 6, 2011.

Debt Ratios As of May 6, 2011 ⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$34,063,270	\$2,916.38	8.42%
Gross Indebtedness Plus Net Overlapping Indebtedness	39,812,935	3,408.64	9.84%

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

(2) Based on the District's current estimated population of 11,680.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2010-11 of \$404,602,270.

(4) The District expects to deliver \$26,660,000 School District Bonds to the Authority in connection with the refunding of \$19,872,732 of the District's outstanding bond anticipation notes and financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The 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	4,500,000	RAN	7/6/06	6/29/07
2007-2008	2,000,000	RAN	7/9/07	6/27/08
2008-2009	3,000,000	RAN	7/1/08	6/30/09
2009-2010	3,000,000	RAN	6/25/09	6/25/10
2010-2011	3,000,000	RAN	6/24/10	6/24/11
2011-2012	3,000,000	RAN	6/23/11	6/22/12

The District does issue Revenue Anticipation Notes, and expects to issue \$3,000,000 in June 2011 for the 2011-12 fiscal year.

Capital Project Plans

The project for which the School District Bonds are being issued is part of a \$36,145,634 authorization to pay the cost of school building reconstruction and renovation. After issuance of the School District Bonds, the District will have \$6,645,634 authorized and unissued against this authorization. Future borrowings will be depending on construction cash flow needs and State Education Department approval. State Building aid is estimated to be 95% of debt service, with a building aid ratio of 98.0%.

Except as described above, the District has no other authorized and unissued indebtedness for capital or other purposes other than what is shown above.

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 Marketing Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Whitney Point Central School District
<http://emma.msrb.org/ER438028-ER340961-ER737038.pdf>
 Base CUSIP: 966646

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 during the month of September, but a 2% penalty is charged from October 1st to October 31st with a penalty of 3% from November 1st to November 15th. After November 15th, uncollected taxes plus penalties are returnable to the respective Counties for collection. The District receives these amounts from the respective Counties prior to the end of the District’s fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy**Assessed Valuation
Years Ending June 30,**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Barker	\$47,705,506	\$49,918,488	\$50,599,109	\$51,159,630	\$51,482,532
Chenango	20,960,505	21,115,960	21,231,522	21,290,366	21,326,399
Lisle	57,749,316	58,521,538	59,466,230	59,478,520	58,970,076
Maine	1,752,378	1,737,652	1,734,577	1,739,778	1,737,840
Nanticoke	40,159,305	41,060,754	41,110,022	41,044,416	40,715,065
Triangle	74,383,403	74,660,531	75,730,039	75,407,411	75,728,968
Greene	11,500	11,500	11,500	14,200 ⁽¹⁾	14,200
Smithville	673,371	662,807	662,807	662,807	662,807
Lapeer	15,700	37,500	37,500	37,500	37,500
Willet	574,940	574,485	904,658	903,344	893,394
Richford	2,267,965	4,300,343	4,373,525	4,338,226	5,446,918
Total Assessed Valuation	<u>\$246,253,889</u>	<u>\$252,601,558</u>	<u>\$255,861,489</u>	<u>\$256,076,198</u>	<u>\$257,015,699</u>

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Towns of:					
Barker	80.00%	76.20%	70.70%	65.80%	65.70%
Chenango	88.00	80.00	75.50	69.75	67.25
Lisle	81.00	77.00	68.50	60.00	63.00
Maine	73.05	68.93	62.47	59.53	65.59
Nanticoke	81.00	77.00	68.50	60.00	63.00
Triangle	81.00	71.50	64.50	62.00	60.00
Greene	62.00	55.00	51.00	100.00 ⁽¹⁾	100.00
Smithville	80.00	75.96	74.34	66.30	63.58
Lapeer	75.00	100.00	96.00	94.00	98.00
Willet	88.00	75.00	100.00	98.00	100.00
Richford	68.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$303,425,494	\$334,170,951	\$372,935,573	\$406,673,434	\$404,602,270

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Tax Levy	\$5,476,686	\$5,679,946	\$6,030,124	\$6,665,242	\$6,916,338
% Uncollected When Due ⁽¹⁾	7.53%	7.49%	7.71%	6.80%	8.48%

⁽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 four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2011-2012 fiscal year.

State Aid and Revenues

<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>
2006-2007	\$17,673,127	\$23,910,291	73.91%
2007-2008	19,002,277	25,496,045	74.53
2008-2009	20,633,305	27,501,903	75.03
2009-2010	19,545,092	28,123,923	69.50
2010-2011 (Budgeted)	19,623,703	27,741,263	70.74
2011-2012 (Proposed)	20,834,036	29,049,663	71.72

⁽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 2007-2008 fiscal year, the budgeted payments for the 2010-2011 fiscal year and the proposed payments for the 2011-2012 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2007-2008	\$216,004	\$857,813
2008-2009	195,553	767,413
2009-2010	153,600	620,867
2010-2011 (Budgeted)	251,374	684,042
2011-2012 (Proposed)	393,388	997,989

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

GASB 45 and OPEB

The District contracted with Questar III – BOCES GASB 45 Services to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2010, the most recent actuarial valuation date, 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, was \$36,606,459. For the fiscal year ended June 30, 2010, the District's annual required contribution ("ARC") was \$3,590,851, of which \$3,550,794 was paid on a pay-as-you-go basis to its employees. The District has reserved \$0 toward its OPEB liability. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's 2010 financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$1,665,656 in its General Fund for the fiscal year ended June 30, 2010, resulting in an unreserved undesignated General Fund balance of \$1,341,565 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 District will be voting on the budget for the 2011-12 fiscal year on May 17, 2011.

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>	<u>Total Debt Service</u>
2010-2011	\$2,361,942	\$ –	\$2,361,942
2011-2012	2,193,278	2,322,844	4,516,122
2012-2013	1,554,049	2,634,300	4,188,349
2013-2014	1,472,981	2,635,500	4,108,481
2014-2015	1,387,866	2,635,500	4,023,366
2015-2016	1,288,388	2,637,000	3,925,388
2016-2017	1,292,213	2,634,750	3,926,963
2017-2018	1,288,288	2,633,750	3,922,038
2018-2019	1,297,000	2,633,750	3,930,750
2019-2020	1,245,000	2,634,500	3,879,500
2020-2021	1,232,775	2,635,750	3,868,525
2021-2022	1,233,500	2,632,250	3,865,750
2022-2023	636,475	2,634,000	3,270,475
2023-2024	36,488	2,635,500	2,671,988
2024-2025	–	2,631,500	2,631,500
2025-2026	–	2,562,000	2,562,000

**SUMMARY OF CERTAIN PROVISIONS
OF THE FINANCING AGREEMENTS**

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SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENTS

The following is a brief summary of certain provisions of the Financing Agreements to be executed by each of the School Districts. Such summary does not purport to be complete and reference is made to the Agreement for full and complete statements of such provisions. Defined terms used in the Agreement have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

Loan Clauses

(A) **Loan Consummation.** Subject to the conditions and in accordance with the terms of the Agreement, the Authority agrees to make the Loan and the School District agrees to accept and repay the Loan in an aggregate principal amount of up to the Principal Amount at a net interest cost not to exceed the Maximum Rate. As evidence of the Loan made to the School District, the School District agrees to issue to or upon the order of the Authority, and to deliver to or upon the order of the Authority, the School District Bonds in an aggregate principal amount of up to the Principal Amount, bearing interest at rates not exceeding the Maximum Rate and expected to mature at the times and in the amounts set forth in the Agreement.

(B) **Payment to Trustee.** On the dates set forth in the Agreement, the School District will deposit or cause to be deposited with the Trustee the full amount of the payment due on the School District Bonds on such dates, respectively; provided, however that the School District agrees to pay the amount due on such initial payment date on or before the date of issuance of the Authority Bonds or on such other date as maybe set forth in the Agreement. Amounts so deposited by the School District prior to the payment date for the Authority Bonds will be invested by the Trustee at the direction of the Authority. Investment earnings on such amounts will accrue to the benefit of the School District and will be paid to the School District at the direction of the Authority in accordance with the section of the Agreement described below under the heading “Application of Interest Earnings.”

(C) **Pledge and Assignment.** The School District assigns and pledges to the Authority a sufficient portion of any and all public funds to be apportioned or otherwise to be made payable by the State to the School District to cover the payments required by the Agreement and directs and acknowledges that such amounts will be paid directly to the Trustee as provided in the Act and the Memorandum of Understanding upon the occurrence of any Event of Default under the Agreement. Such assignment and pledge is irrevocable and will continue until the date on which the liabilities of the Authority and the School District with respect to the Project have been discharged and the School District’s Proportionate Share of the Authority Bonds has been paid or otherwise discharged. The School District agrees that it will not create or suffer to be created any pledge or assignment of the public funds mentioned in the Agreement to be apportioned or otherwise payable by the State other than pledges or assignments to secure subsequent Series of Authority Bonds or to secure bonds issued by any agency or instrumentality of the United States of America or the State of New York or any authority, agency or political subdivision thereof, or as otherwise consented to in writing by the Authority.

(Section 3.1)

Other Amounts Payable

(A) The School District expressly agrees to pay to the Authority:

(i) Upon the issuance and sale of the Authority Bonds, the initial financing fee, the Authority’s annual administrative fee and its Proportionate Share (or such other portion thereof as shall be agreed upon by the School District and the Authority) of the costs and expenses of the Authority in the preparation, sale and delivery of the Authority Bonds, the preparation and delivery of any legal instruments, closing transcripts and documents necessary in connection therewith and with the Agreement their filing and recording, if required, and all taxes and charges payable in connection with any of the foregoing, all as specified in the Notice of Terms. Such costs are payable from the sources identified in Exhibit C to the Agreement and in the amount specified in the Notice of Terms, subject to the limit set forth in the Agreement;

(ii) Other Costs of Issuance payable to consultants and attorneys utilized by the School District in connection with the issuance of the School District Bonds as set forth in the Notice of Terms;

(iii) As such expenses are incurred, the amount of any Authority expenses (including but not limited to investment losses and the reasonable fees and expenses of the Authority, the Trustee, the owners of Authority Bonds, and attorneys representing any of the foregoing) incurred as a result of the School District's failure to make any payment on the School District Bonds when due or failure to otherwise comply with the terms of the Agreement or the School District Bonds; and

(iv) In the event that after the date set forth in the Agreement the School District does not proceed to the closing of the Loan, the fees of the Authority's bond counsel incurred with respect to the School District's Loan.

(B) Indemnification. To the extent permitted by law, the School District agrees to indemnify, defend and hold harmless the Authority and each member, officer and employee of the Authority against any and all liabilities, losses, costs, damages or claims, and will pay any and all judgments or expenses of any and all kinds or nature and however arising, imposed by law, including interest thereon, which it or any of them may sustain, be subject to or be caused to incur by reason of any claim, action, suit, charge or proceeding arising from or out of (1) the making of the Loan by the Authority to the School District, (2) any failure by the School District to deliver the School District Bonds to the Authority or (3) an allegation that an official statement, prospectus, placement memorandum or other offering document prepared in connection with the sale and issuance of the Authority Bonds contained an untrue or misleading statement of a material fact obtained from the School District relating to the School District or the Project, or omitted to state a material fact relating to the School District or the Project necessary in order to make the statements made therein in light of the circumstances under which they were made not misleading; provided, however, that neither the Authority nor a member, officer or employee of the Authority will be released, indemnified or held harmless from any claim for damages, liability, loss, cost, damage, judgment or expense arising out of the gross negligence or willful misconduct of the Authority, such member, officer or employee.

The Authority agrees to give the School District prompt notice in writing of the assertion of any claim or the institution of each such suit, action or proceeding and to cooperate with the School District in the investigation of such claim and the defense, adjustment, settlement or compromise of any such action or proceeding. The Authority will not settle any such suit, action or proceeding without the prior written consent of counsel to the School District.

Except as provided in the following paragraph, the School District, at its own cost and expense, will defend any and all suits, actions or proceedings which may be brought or asserted against the Authority, its members, officers or employees for which the School District is required to indemnify the Authority or hold the Authority harmless, but this provision will not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for in the Agreement from its obligation to defend the School District, the Authority and any other insured named in such policy of insurance in connection with claims, suits or actions covered by such policy.

The Authority and each member, officer or employee thereof will, at the cost and expense of the School District, be entitled to employ separate counsel in any action or proceeding arising out of any alleged act or omission which occurred or is alleged to have occurred while the member, officer or employee was acting within the scope of his or her employment or duties in connection with the issuance of the Authority Bonds or the refinancing or use of the Project, and to conduct the defense thereof, in which (i) the counsel to the School District determines, based on his or her investigation and review of the facts and circumstances of the case, that the interests of such person and the interests of the School District are in conflict, or in the event such counsel determines that no conflict exists, a court of competent jurisdiction subsequently determines that such person is entitled to employ separate counsel, or (ii) such person may have an available defense which cannot as a matter of law be asserted on behalf of such person by the School District or by counsel employed by it, or (iii) such person may be subject to criminal liability, penalty or forfeiture, or (iv) the School District has consented to the employment of separate counsel or the counsel retained by the School District pursuant to the Agreement is not reasonably acceptable to the Authority; provided, however, that the School District will not be liable for attorneys' fees of separate counsel so retained or any other expenses incurred in connection with the defense of an action or proceeding described in clause (iii) of this paragraph, unless

the member, officer or employee has prevailed on the merits or such action or proceeding was dismissed or withdrawn, or an adverse judgment was reversed upon appeal, and such action or proceeding may not be recommenced. Attorney's fees of separate counsel retained in accordance with this paragraph will be paid only upon the audit of an appropriate School District officer.

(Section 3.2)

Application of Loan Proceeds and Unspent Proceeds

(A) To the extent the proceeds of the Loan are to be used to pay costs of issuance of Authority Bonds or School District Bonds or any amounts payable to the Authority under the Agreement, the portion of the proceeds to be so used will be held on deposit with the Trustee for the account of the School District. Amounts so deposited will be invested and disbursed in accordance with the Master Resolution and the Series Resolution.

(B) To the extent the proceeds of the Loan are to be used to refinance the Refunded Obligations, the Authority will direct the Trustee to pay the Refunded Obligations or to deposit the portion of the proceeds to be so used in a separate account established with the Bank (not commingled with any other funds of the School District) to pay the Refunded Obligations as they become due. Amounts in such account will be invested as directed by the Authority in Government Obligations. Earnings, if any, on such amounts will be credited against amounts due from the School District pursuant to the Agreement. The School District covenants and agrees to pay directly to the paying agent for the Refunded Obligations any principal and/or interest due on the Refunded Obligations on their redemption date in excess of the amount held pursuant to the Financing Agreement for the payment of the Refunded Obligations.

(C) To the extent that the proceeds of the Loan are to be used to finance the Project, they will be maintained in a separate account established with the Bank (not commingled with any other funds of the School District) pursuant to Section 165.00 of the Local Finance Law and Sections 10 and 11 of the General Municipal Law and maintained in accordance with the provisions of the Arbitrage and Use of Proceeds Certificate. Amounts in such account will be invested as directed by the School District in accordance with the General Municipal Law. Earnings, if any, on such amounts will be credited against amounts due from the School District pursuant to the Agreement. Disbursements will be made from such account upon delivery to the Bank of a written requisition of the School District stating that such disbursement is (1) for payment to the School District for the reimbursement of costs of the Project previously paid by the School District or (2) for direct payment of Project costs, accompanied by copies of the invoice(s) to be paid.

(D) The School District expressly acknowledges and agrees that, with respect to any remaining unspent proceeds of the Refunded Obligations, either (i) such proceeds are required for the completion of the Project and the School District will, prior to issuance of the Authority Bonds, unless otherwise directed or agreed to by the Authority, transfer any remaining unspent proceeds of the Refunded Obligations to the account established pursuant to subsection (C) above to be applied in accordance with such subsection or (ii) to the extent that the unspent proceeds of the Refunded Obligations are not needed to complete the Project the School District will, unless otherwise directed by the Authority, transfer any remaining unspent proceeds of the Refunded Obligations to the account established pursuant to subsection (B) above to be applied in accordance with such subsection.

(E) The School District expressly acknowledges and agrees that the Authority will have the right to obtain and review the records of the Bank relating to accounts established for the School District pursuant to the Agreement and hereby authorizes the Bank to deliver copies of such records to the Authority upon request of the Authority. The School District covenants and agrees to maintain records with respect to the Project costs for a period of not less than three (3) years subsequent to the maturity or earlier redemption of the Authority Bonds and expressly acknowledges and agrees to provide copies of such records to the Authority upon request.

(Section 3.4)

Effective Date and Term

The date of the Agreement is for reference purposes only and the Agreement will become effective upon the date of execution and delivery of the Agreement, will remain in full force and effect from such date and will expire on such date as all Authority Bonds are discharged and satisfied in accordance with the provisions thereof and all obligations of the School District to the Authority are satisfied.

(Section 3.5)

Trustee; Investment of Loan Proceeds and School District Bond Prepayments

The School District authorizes the Trustee to invest, in accordance with instructions of the Authority, amounts that are held by the Trustee for the account of the School District in accordance with the provisions of the Master Resolution. The School District acknowledges that the Authority and the Trustee will not be liable or responsible for any loss, direct or indirect, resulting from any investment authorized by the Master Resolution and the Agreement or from the redemption, sale or maturity of any such investment as therein authorized or from any depreciation in value of any such investment.

(Section 3.7)

Authorization to Acquire Investments

The School District authorizes the Authority to acquire the investments, if any, required by the Agreement, including forward purchase contracts.

(Section 3.9)

Application of Interest Earnings

The Authority agrees that it will cause to be deposited in the Debt Service Fund the interest earned and paid on the investment of moneys in the Debt Service Fund. Pursuant to the Master Resolution, the Authority agrees that, so long as no event of default has occurred under the Agreement, the Authority will pay to the School District annually the School District's Allocable Portion (as determined by the Authority) of excess amounts in the Debt Service Fund described in the Resolution.

(Section 3.10)

Compliance with Laws and Agreements

(A) Compliance. The School District agrees that the Project will at all times during the term of any Loan be in compliance with applicable federal and State laws and regulations. The School District will at all times construct and operate (or cause to be constructed and operated) the Project, in compliance with all applicable federal, State and local laws, ordinances, rules, regulations (including approvals of the State Education Department) and the Agreement, and with all other applicable laws and regulations to the extent necessary to ensure the availability of the Project for its intended purposes and to ensure the safety of the public.

(B) SEQRA. The School District certifies with respect to the Project that it has complied, and agrees to continue to comply, with all requirements of the State Environmental Quality Review Act.

(Section 4.1)

No Warranty Regarding Condition, Suitability or Cost of Project

The Authority makes no warranty, either express or implied, as to the Project or its condition or that it is suitable for the School District's purposes or needs, or that the proceeds of the Loan are sufficient to pay the costs of the Project. Nothing in the Agreement will relieve the School District of its responsibility to properly plan, design, build and effectively operate and maintain the Project as required by laws, regulations, permits and good

management practices. The School District acknowledges and agrees that the Authority or its representatives are not responsible for increased costs resulting from defects in the plans, design drawings and specifications or other Project documents.

(Section 4.2)

Construction of Project

(A) Construction. To the extent, if any, that the Project is not yet complete, the School District agrees to ensure that the Project is constructed expeditiously.

(B) Completion Certificate. To the extent, if any, that the Project is not yet complete, the School District will deliver to the Authority a certificate of the School District stating that the Project has been completed in accordance with the Agreement within seven (7) Business Days following such completion.

(Section 4.3)

Application of Loan Proceeds

The School District will apply the proceeds of the Loan solely as provided in the Agreement.

(Section 5.1)

Tax Covenant

The School District covenants that it will not take any action or inaction, nor fail to take any action or permit any action to be taken, with respect to the Project or the portion of the proceeds of the Authority Bonds made available to it as part of the Loan including amounts treated as proceeds of the Authority Bonds for any purpose of Section 103 of the Code, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Authority Bonds under Section 103 of the Code. This provision will control in case of conflict or ambiguity with any other provision of the Agreement. Without limiting the generality of the foregoing, the School District covenants that it will comply with the instructions and requirements of the Arbitrage and Use of Proceeds Certificate, which is fully incorporated into the Agreement. The School District covenants that it will not take any action or inaction, nor fail to take any action or permit any action to be taken, if any such action or inaction, which, assuming the School District Bonds were issued as bonds the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code, would cause the School District Bonds to be “private activity bonds,” “private loan bonds,” “arbitrage bonds” or “prohibited advance refunding bonds” within the meaning of Sections 141, 148 or 149 of the Code. The School District (or any related party within the meaning of Treasury Regulation Section 1.150-1(b)) will not, pursuant to an arrangement, formal or informal, purchase Authority Bonds in an amount related to the amount of any obligation to be acquired from the School District by the Authority. The School District will, on a timely basis, provide the Authority with all necessary information and funds to the extent required to enable the Authority to comply with the arbitrage and rebate requirements of the Code.

(Section 5.2)

Covenant as to Restrictions on Religious Use

The School District agrees that with respect to the Project or any portion thereof, so long as the Project or portion thereof exists and unless and until the Project or portion thereof is sold for the fair market value thereof, the Project or, any portion thereof will not be used for sectarian religious instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; provided, however, that the foregoing restriction will not prohibit the free exercise of any religion and will not restrict or inhibit compliance with the Equal Access Act, 20 U.S.C. Sections 4071-4074; and, further provided, however, that if at any time hereafter, in the opinion of Bond Counsel, the then applicable law would permit the Project or a portion thereof to be used without regard to the above stated restriction, said restriction will not apply to the Project or any portion thereof. The Authority and its agents may conduct such inspections as the Authority

deems necessary to determine whether the Project or any portion of real property thereof refinanced by the Authority Bonds is being used for any purpose proscribed under the Agreement. The School District further agrees that prior to any disposition of any portion of the Project for less than fair market value, it will execute and record in the appropriate real property records an instrument subjecting, to the satisfaction of the Authority, the use of such portion of the Project to the restriction that (i) so long as such portion of the Project (and, if included in the Project, the real property on or in which such portion of the Project is situated) will exist and (ii) until such portion of the Project is sold or otherwise transferred to a person who purchases the same for the fair market value thereof at the time of such sale or transfer, such portion of the Project will not be used for sectarian religious instruction or as a place of religious worship or used in connection with any part of the program of a school or department of divinity of any religious denomination. The instrument containing such restriction will further provide that such restriction may be enforced at the instance of the Authority or the Attorney General of the State, by a proceeding in any court of competent jurisdiction, by injunction, mandamus or by other appropriate remedy. The instrument containing such restriction will also provide that if at any time thereafter, in the opinion of Bond Counsel, the then applicable law would permit such portion of the Project, or, if included in the Project, the real property on or in which such portion is situated, to be used without regard to the above stated restriction, then said restriction will be without any force or effect. For the purposes of the Agreement an involuntary transfer or disposition of the Project or a portion thereof, upon foreclosure or otherwise, will be considered a sale for the fair market value thereof.

(Section 5.3)

Payment of School District Bonds

The School District covenants and agrees that it will duly and punctually pay or cause to be paid the principal installments or redemption price of its School District Bonds and the interest thereon, at the dates and places and in the manner stated in such School District Bonds and in accordance with the section of the Agreement described above under the heading “Loan Clauses” hereof and that such obligation will not be subject to any defense (other than payment) or any rights of setoff, recoupment, abatement, counterclaim or deduction and will be without any rights of suspension, deferment, diminution or reduction it might otherwise have against the Authority, the Trustee or the owner of any Authority Bond.

(Section 5.4)

Actions Regarding State Aid

The School District covenants and agrees that it will submit to the State all documentation required by the State as a condition to the payment of any State aid in sufficient time to permit such aid to be paid on its scheduled payment date.

(Section 5.5)

Defaults

An “event of default” or a “default” under the Agreement means any one or more of the following events: (a) Failure by the School District to pay or cause to be paid when due the amounts to be paid under the School District Bonds; (b) Failure by the School District to pay or to cause to be paid when due any other payment required to be made under the Agreement which failure continues for a period of thirty (30) days after payment thereof was due, provided that written notice thereof has been given to the School District not less than thirty (30) days prior to the due date thereof; (c) Failure by the School District to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraphs (a) and (b) of this paragraph, which failure continues for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the School District by the Authority or such longer period, as is required to cure such default, if by reason of the nature of such failure the same cannot be remedied within such thirty (30) day period and the School District has within such thirty (30) day period commenced to take appropriate actions to remedy such failure and is diligently pursuing such actions; (d) Any representation or warranty of the School District contained in the Agreement shall have been at the time it was made untrue in any material respect; or (e) The School District generally does not pay its debts as such debts become due, or admits in writing its inability to pay its debts generally, or makes a general assignment for the benefit of creditors; or any proceeding is instituted by or against the School

District seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it for any substantial part of its property; or the School District authorizes any of the actions set forth above in this subparagraph (e).

(Section 6.1)

Remedies

Whenever any event of default referred to in the Agreement described under the heading “Defaults” shall have happened and is continuing, the Authority may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the School District, including requiring payment to the Trustee of any public funds otherwise payable to the School District by the State of New York as provided in the Memorandum of Understanding, the exercise of any remedy authorized by Article VIII of the State Constitution with respect to obtaining payment on the School District Bonds and any other administrative enforcement action and actions for breach of contract.

(Section 7.1)

No Remedy Exclusive

No remedy is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and in addition to every other remedy given under the Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it, it will not be necessary to give any notice, other than such notice as may be expressly required by the Agreement.

(Section 7.2)

Waiver and Non-Waiver

In the event any agreement is breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach under the Agreement. No delay or omission by the Authority to exercise any right or power accruing upon default will impair any right or power or will be construed to be a waiver of any such default or acquiescence therein.

(Section 7.3)

Amendments, Supplements and Modifications

The Agreement may not be amended, supplemented or modified except by a written instrument executed by the Authority and the School District and, if such amendment occurs after the issuance of the Authority Bonds, upon compliance with the provisions of the Master Resolution.

(Section 8.4)

Further Assurances; Disclosure of Financial Information, Operating Data and Other Information

(A) The School District will, at the request of the Authority, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be deemed necessary or desirable by the Authority, in its sole discretion, for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by the Agreement and the School District Bonds. The School District also agrees to furnish to the Authority such

additional information concerning the financial condition of the School District as the Authority may from time to time reasonably request.

(B) Without limiting the generality of the foregoing, the School District agrees to comply with the terms of the Continuing Disclosure Agreement.

(C) If and so long as the offering of the Authority Bonds continues (a) the School District will furnish such information with respect to itself as the Underwriters of the Authority Bonds may from time to time reasonably request and (b) if any event relating to the School District occurs as a result of which it is necessary, in the opinion of Bond Counsel to the Authority, General Counsel of the Authority or counsel for such Underwriters, to amend or supplement the Official Statement of the Authority used in connection with the offering of the Authority Bonds in order to make such information not misleading in light of the circumstances then existing, the School District will forthwith prepare and furnish to the Authority and the Underwriters such information relating to the School District as may be necessary to permit the preparation of an amendment of or supplement to such Official Statement (in form and substance satisfactory to the Bond Counsel to the Authority and counsel for the Underwriters) which will amend or supplement such Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make statements therein, in light of the circumstances then existing, not misleading. Unless the School District has been notified to the contrary in writing by the Authority or the Underwriters, the School District is entitled to presume that the offering by the Authority and that its obligations under this paragraph have ceased twenty-five (25) days after the date of delivery of the Authority Bonds.

(Section 8.9)

**SUMMARY OF CERTAIN PROVISIONS
OF THE MASTER RESOLUTION**

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SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION

The following is a brief summary of certain provisions of the Master Resolution. Such summary does not purport to be complete and reference is made to the Master Resolution for full and complete statements of such provisions. Defined terms used in the Master Resolution have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

Master Resolution and Bonds Constitute Separate Contracts

With respect to each Applicable Series of Bonds, in consideration of the purchase and acceptance of any and all of the Bonds of an Applicable Series authorized to be issued under the Master Resolution and under the Applicable Series Resolution by those who hold or own the same from time to time, the Master Resolution and the Applicable Series Resolution are deemed to be and constitute a contract among the Authority, the Trustee and the Holders from time to time of such Bonds, and the pledge and assignment made in the Master Resolution and the covenants and agreements set forth to be performed by or on behalf of the Authority are for the equal and ratable benefit, protection and security of the Holders of any and all of such Bonds of an Applicable Series, all of which, regardless of the time or times of their issue or maturity, are of equal rank without preference, priority or distinction of any such Bonds of such Series over any other Bonds except as expressly provided or permitted by the Master Resolution or by the Applicable Series Resolution.

(Section 1.03)

Authorization of Each Series of Bonds

Each Series of Bonds is issued pursuant to the Master Resolution, the applicable Series Resolution and the Act.

The Bonds of the Authority will not be a debt of the State, nor will the State be liable thereon, nor will the Bonds be payable out of any funds other than those of the Authority pledged by the Master Resolution to the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds.

(Section 2.01)

Additional Bonds and Other Obligations

The Authority reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate resolutions or agreements of the Authority, so long as such bonds, notes or other obligations are not, or such other indebtedness is not, except as provided in the Master Resolution, entitled to a charge or lien or right prior or equal to the charge or lien created by the Master Resolution, or prior or equal to the rights of the Authority and Holders of Bonds or with respect to the moneys pledged pursuant to the Master Resolution or pursuant to an Applicable Series Resolution.

(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, unless the Bonds are Book Entry Bonds, 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.

If directed in writing by any Authorized Officer of the Authority, the Trustee will also give such notice by publication thereof once in an Authorized Newspaper, such publication to be not less than thirty (30) days nor more than sixty (60) days prior to the redemption date; provided, however, that such publication shall not be a condition

precedent to such redemption, and failure to so publish any such notice or a defect in such notice or in the publication thereof shall not affect the validity of the proceedings for the redemption of the Bonds.

The Trustee will (i) if any of the Bonds to be redeemed are Book Entry Bonds, mail a copy of the notice of redemption to the Depository for such Book Entry Bonds not less than thirty-five (35) days prior to the redemption, but, if notice of redemption is to be published as described in the preceding paragraph, in no event later than five (5) Business Days prior to the date of publication, and (ii) mail a copy of the notice of redemption to Kenny Information Systems Notification Service and to Standard & Poor's Called Bond Record, in each case at the most recent address therefor, or to any successor thereof.

(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)

Deposit and Allocation of Revenues

Except as provided in the Applicable Series Resolution or Bond Series Certificate, 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.

After making the payments required by the preceding paragraph, any balance remaining on the immediately succeeding Interest Payment Date will be paid by the Trustee upon and in accordance with the direction of the Authority to each of the respective Applicable School Districts in the respective amounts set forth in such direction, free and clear of any pledge, lien, encumbrance or security interest created by the Master Resolution or by any of the Agreements.

(Section 5.05)

Debt Service Fund

Except as provided in the Applicable Series Resolution or Bond Series Certificate, 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 the Master Resolution, 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 described 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.

(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)

**FORM OF APPROVING OPINION
OF BOND COUNSEL**

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Form of Approving Opinion of Bond Counsel

[Letterhead of Hiscock & Barclay, LLP]

June 8, 2011

Dormitory Authority of the
State of New York
515 Broadway
Albany, New York 12207

Re: \$327,315,000 Dormitory Authority of the State of New York School Districts Revenue Bond Financing Program Revenue Bonds, consisting of: \$261,490,000 Series 2011A (the "Series 2011A Bonds"); \$39,975,000 Series 2011B (the "Series 2011B Bonds"); \$8,125,000 Series 2011C (the "Series 2011C Bonds"); and \$17,725,000 Series 2011D (the "Series 2011D 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 \$327,315,000 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, as amended and supplemented (the "Master Resolution"), and the applicable Series Resolutions Authorizing up to \$500,000,000 School Districts Revenue Bond Financing Program Revenue Bonds (the "Series 2011 Resolutions"), adopted March 30, 2011. The Master Resolution and the Series 2011 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 2011A Bonds, the Authority has entered into Financing Agreements, dated as of April 1, 2011 (the "Series 2011A Financing Agreements"), with the school districts identified on Schedule A (the "Series 2011A School Districts") providing, among other things, for a loan to the Series 2011A School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2011 Resolution. With respect to the Series 2011B Bonds, the Authority has entered into Financing Agreements, dated as of April 1, 2011 (the "Series 2011B Financing Agreements"), with the school districts identified on Schedule A (the "Series 2011B School Districts") providing, among other things, for a loan to the Series 2011B School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2011 Resolution. With respect to the Series 2011C Bonds, the Authority has entered into Financing Agreements, dated as of April 1, 2011 (the "Series 2011C Financing Agreement"), with the school districts identified on Schedule A (the "Series 2011C School Districts") providing, among other things, for a loan to the Series 2011C School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2011 Resolution. With respect to the Series 2011D Bonds, the Authority has entered into a Financing Agreement, dated as of April 1, 2011 (the "Series 2011D Financing Agreement"), with the school district identified on Schedule A (the "Series 2011D School District") providing, among other things, for a loan to the Series 2011D School District for the purposes permitted thereby and by the Master Resolution and the applicable Series 2011 Resolution. Pursuant to the Series 2011A Financing Agreements, the Series 2011A 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 2011A 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 2011A Bonds. Pursuant to the Series 2011B Financing Agreements, the Series 2011B 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 2011B 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 2011B Bonds. Pursuant to the Series 2011C Financing Agreements, the Series 2011C 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 2011C 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 2011C Bonds. Pursuant to the Series 2011D Financing Agreement, the Series 2011D 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 2011D 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 2011D 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 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 excluded from 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.

In rendering the opinion set forth in paragraph 6 below, we have assumed the accuracy of certain factual certifications of, and continuing compliance with, the covenants, representations, warranties, provisions and procedures set forth in the Resolutions, the Financing Agreements, the Tax Certificates and the Arbitrage and Use of Proceeds Certificate. In the event of the inaccuracy or incompleteness of any of the certifications made by the Authority or any of the School Districts, or the failure by the Authority or any of the School Districts to comply with the covenants, representations, warranties, provisions and procedures set forth in the Resolutions, the Financing Agreements and the Tax Certificates and the Arbitrage and Use of Proceeds Certificates, interest on the Bonds could become includable in gross income for federal income tax purposes retroactive to the date of the original execution and delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs. We render no opinion as to the exclusion from gross income of interest on the Bonds for purposes of federal income taxation on or after the date on which any change occurs or action is taken or omitted under the Resolutions, the Financing Agreements, the Tax Certificates and the Arbitrage and Use of Proceeds Certificates or under any other relevant documents without the advice or approval of, or upon the advice or approval of any bond counsel other than, Hiscock & Barclay, LLP. In addition, we have 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 Bonds may affect the tax status of interest on the Bonds. Further, although interest on the Bonds is excluded from gross income for purposes of federal income taxation, receipt or accrual of the interest may otherwise affect the tax liability of a holder of a Bond depending upon the tax status of such holder and such holder's other items of income and deduction. Except as stated in paragraph 6 below, we express no opinion as to federal or state and local tax consequences of the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

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, and 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 the foregoing and subject to the further assumptions and qualifications hereinafter set forth, we are of the opinion that:

1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York, with the right and lawful authority and power to adopt the Resolutions and to issue the Bonds thereunder.

2. The Resolutions have been duly and lawfully adopted by the Authority, are in full force and effect, and constitute legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms. The Master Resolution and the Series 2011 Resolutions 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 2011 Resolutions, except the Arbitrage Rebate Fund created thereby, subject to the provisions of the Master Resolution and the applicable Series 2011 Resolutions permitting the application thereof for the purposes and on the terms and conditions set forth in the Master Resolution and the applicable Series 2011 Resolutions.

3. The Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State of New York, including the Act, and in accordance with the Resolutions. The Bonds are legal, valid and binding special obligations of the Authority payable solely from the sources provided therefor in the Master Resolution and the applicable Series 2011 Resolution, and will be entitled to the benefit of the Master Resolution, the applicable Series 2011 Resolution and the Act.

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 the representations (as to which we have made no independent investigation) referenced above, interest on the

Bonds is excluded from gross income for federal income tax purposes. We are also of the opinion that interest on the Bonds is not an “item of tax preference” for purposes of computing the individual and corporate alternative minimum taxes imposed under the Code; provided, however, interest on the Bonds owned by corporations will 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.

7. 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.

We have also examined an executed Series 2011A Bond, an executed Series 2011B Bond, an executed Series 2011C Bond and an executed Series 2011D Bond and the form of said bonds and their execution are regular and proper.

Very truly yours,

SCHEDULE A

SERIES 2011A:

Adirondack Central School District
City School District of the City of Albany
Camden Central School District
Chittenango Central School District
Edmeston Central School District
City School District of the City of Fulton
Greene Central School District
LaFargeville Central School District
LaFayette Central School District
Lowville Central School District
City School District of the City of Oswego
Pulaski Central School District
City School District of the City of Rome
Ticonderoga Central School District
Waverly Central School District
Whitney Point Central School District

SERIES 2011B:

Belfast Central School District
Chazy Central Rural School District
Cherry Valley Springfield Central School District
Gilbertsville-Mt. Upton Central School District
Lyncourt Union Free School District
Sandy Creek Central School District

SERIES 2011C:

Cooperstown Central School District
Ravena-Coeymans-Selkirk Central School District

SERIES 2011D:

South Lewis Central School District

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SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY

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Financial Guaranty Insurance Policy

Issuer:

Policy No.:

Obligations:

Premium:

Effective Date:

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

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

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

Except to the extent expressly modified by any endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Avoided Payment" means any amount previously distributed to a Holder in respect of any Insured Payment by or on behalf of the Issuer, which amount has been recovered from such Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction that such payment constitutes an avoidable preference with respect to such Holder. "Business Day" means any day other than (i) a Saturday or Sunday, (ii) any day on which the offices of the Trustee, the Paying Agent or AGC are closed, or (iii) any day on which banking institutions are authorized or required by law, executive order or governmental decree to be closed in the City of New York or in the State of Maryland. "Due for Payment" means (i) when referring to the principal of an Obligation, the stated maturity date thereof, or the date on which such Obligation shall have been duly called for mandatory sinking fund redemption, and does not refer to any earlier date on which payment is due by reason of a call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless AGC in its sole discretion elects to make any principal payment, in whole or in part, on such earlier date) and (ii) when referring to interest on an Obligation, the stated date for payment of such interest. "Holder" means, in respect of any Obligation, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Obligation to payment of principal or interest thereunder, except that Holder shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Obligations. "Insured Payments" means that portion of the principal of and interest on the Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment. Insured Payments shall not include any additional amounts owing by the Issuer solely as a result of the failure by the Trustee or the Paying Agent to pay such amount when due and payable, including without limitation any such additional amounts as may be attributable to penalties or to interest accruing at a default rate, to amounts payable in respect of indemnification, or to any other additional amounts payable by the Trustee or the Paying Agent by reason of such failure. "Nonpayment" means, in respect of an Obligation, the failure of the Issuer to have provided sufficient funds to the Trustee or the Paying Agent for payment in full of all principal and interest Due for Payment on such Obligation. It is further understood that the term "Nonpayment" in respect of an Obligation includes any Avoided Payment. "Receipt" or "Received" means actual receipt or notice of or, if notice is given by overnight or other delivery service, or by certified or registered United States mail, by a delivery receipt signed by a person authorized to accept delivery on behalf of the person to whom the notice was given. Notices to AGC may be mailed by registered mail or personally delivered or telecopied to it at 31 West 52nd Street, New York, New York 10019, Telephone Number: (212) 974-0100, Facsimile Number: (212) 581-3268, Attention: Risk Management Department - Public Finance Surveillance, with a copy to the General Counsel at the same address and at generalcounsel@assuredguaranty.com or at the following Facsimile Number: (212) 445-8705, or to such other address as shall be specified by AGC to the Trustee or the Paying Agent in writing. A Notice of Nonpayment will be deemed to be Received by AGC on a given Business Day if it is Received prior to 12:00 noon (New York City

time) on such Business Day; otherwise it will be deemed Received on the next Business Day. "Term" means the period from and including the Effective Date until the earlier of (i) the maturity date for the Obligations, or (ii) the date on which the Issuer has made all payments required to be made on the Obligations.

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

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

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

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

(SEAL)

ASSURED GUARANTY CORP.

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

Signature attested to by:

Counsel

