

OFFICIAL STATEMENT

NEW ISSUE

BOND RATING: Standard & Poor's " " "

SERIAL BONDS

See "RATING" herein

In the opinion of Bond, Schoeneck & King, PLLC, Syracuse, New York, Bond Counsel, assuming continuing compliance by the Town with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes under existing statutes and court decisions. Moreover, interest on the Bonds is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed by the Code. Interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision therein (including The City of New York). See "TAX MATTERS" herein for discussion of certain Federal taxes applicable to corporate owners of the Bonds.

The Bonds will be designated by the Town as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$1,445,000

TOWN OF LYSANDER

ONONDAGA COUNTY, NEW YORK

\$1,445,000 Public Improvement (Serial) Bonds, Series 2010

Dated: February 15, 2010

Due: February 15, 2011-2025

MATURITIES**

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2011	\$ 70,000	2016	\$ 85,000	2021	\$ 105,000 *
2012	75,000	2017	90,000	2022	110,000 *
2013	75,000	2018	95,000	2023	120,000 *
2014	80,000	2019	100,000	2024	120,000 *
2015	85,000	2020	105,000 *	2025	130,000 *

(referred to hereinafter as the "Bonds")

* The Bonds maturing in the years 2020 to 2025 are subject to redemption prior to maturity as described herein under the heading "DESCRIPTION OF THE BONDS - Optional Redemption."

** Subject to change pursuant to the accompanying Notice of Sale in order to achieve substantially level or declining annual debt service.

The Bonds are general obligations of the Town of Lysander, Onondaga County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount as to rate or amount.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on August 15, 2010 and semi-annually thereafter on February 15 and August 15 in each year until maturity. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds, as described herein.

Proposals shall be for not less than \$1,445,000 and accrued interest, if any, on the total principal amount of the Bonds. Proposals shall be accompanied by a good faith deposit in the form of a certified or cashier's check or wire transfer payable to the order of the Town of Lysander, Onondaga County, New York, in the amount of \$28,900.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the unqualified legal opinion as to the validity of the Bonds of Bond, Schoeneck & King, PLLC, Bond Counsel, Syracuse, New York. It is anticipated that the Bonds will be available for delivery in New York, New York on or about February 18, 2010.

January 21, 2010

THE TOWN DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE TOWN HAS AGREED TO UNDERTAKE CONTINUING DISCLOSURE IN ACCORDANCE WITH THE RULE. SEE "LIMITED UNDERTAKING REGARDING MATERIAL EVENT NOTICES" HEREIN.

TOWN OF LYSANDER

ONONDAGA COUNTY, NEW YORK

TOWN OFFICIALS

BARRY W. BULLIS

Supervisor

TOWN BOARD

ARTHUR LEVY
BRIAN MAY

JACK KRISANDA
EDWARD REED

* * * * *

DAVID J. RAHRLE

Town Comptroller

P. DAVID TWICHELL, ESQ.

Town Attorney

FISCAL ADVISORS & MARKETING, INC.

Town Financial Advisors

BOND, SCHOENECK & KING, PLLC

Bond Counsel

No person has been authorized by the Town of Lysander to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town of Lysander.

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT
of the

TOWN OF LYSANDER

ONONDAGA COUNTY, NEW YORK

Relating To

\$1,445,000 Public Improvement (Serial) Bonds, Series 2010

This Official Statement, which includes the cover page and appendices, has been prepared by the Town of Lysander, Onondaga County, New York (the "Town," "County," and "State," respectively), in connection with the sale by the Town of \$1,445,000 Public Improvement (Serial) Bonds, Series 2010 (the "Bonds").

The factors affecting the Town's financial condition and the Bonds are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the Town tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and such proceedings.

DESCRIPTION OF THE BONDS

The Bonds are valid and legally binding general obligations of the Town, and its faith and credit will be pledged for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the Town is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount.

The Bonds will be dated February 15, 2010 and will mature in the principal amounts as set forth on the cover page. The Bonds are subject to redemption prior to maturity as described herein under the heading "Optional Redemption." The "Record Date" of the Bonds will be the last business day of the calendar month preceding each such interest payment date

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in the Bonds. Interest on the Bonds will be payable on August 15, 2010 and semi-annually thereafter on February 15 and August 15 in each year until maturity. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. See "Book-Entry-Only System", herein.

Optional Redemption

Bonds maturing on or before February 15, 2019 shall not be subject to redemption prior to maturity. The Bonds maturing on or after February 15, 2020 shall be subject to redemption prior to maturity on not less than thirty (30) days notice as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the Town on February 15, 2019 or on any date thereafter at par.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the Town by lot in any customary manner of selection as determined by the Town Supervisor. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Purpose of Issue

The Bonds are issued pursuant to the Constitution and statutes of the State, including among others, the Town Law and the Local Finance Law, and a bond resolution dated September 8, 2009 authorizing the acquisition of approximately 5.3 acres of land with building and other improvements thereon at 8220 loop Road known as the SSAC/ABB Administration Building by the Town of Lysander, New York and improvements thereto at a maximum cost of \$2,000,000 and authorizing the issuance of \$2,000,000 serial bonds of the Town to pay the cost thereof.

The proceeds of the Bonds along with \$65,000 available funds will retire bond anticipation notes in the amount of \$1,510,000 originally issued for the above-mentioned purpose.

Book-Entry-Only System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each 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 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all 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 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Principal and interest payments on the 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 in accordance with their respective holdings shown on DTC's records. Payments by participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such participant and not of DTC or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment, principal and interest to DTC is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. See "DESCRIPTION OF THE BONDS - Certificated Bonds", herein.

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. See "DESCRIPTION OF THE BONDS - Certificated Bonds", herein.

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

THE TOWN WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT, OR ANY DIRECT PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; (3) THE DELIVERY OF ANY NOTICE BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO A BONDHOLDER; OR (4) ANY OTHER ACTION TAKEN BY DTC AS OWNER OF THE BONDS.

THE TOWN CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO DIRECT PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF THE PRINCIPAL, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; (2) THE CONFIRMATION OF THEIR OWNERSHIP INTEREST IN THE BONDS; OR (3) OTHER NOTICES SENT BY DTC OR CEDE & CO., AS NOMINEE, AS REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL NOT DO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SO SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

Source: The Depository Trust Company.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Town and discharging its responsibilities with respect thereto under applicable law, or the Town may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof. Principal of the Bonds when due will be payable upon presentation at the office of the fiscal agent bank to be named by the Town upon termination of the book-entry-only system. Interest on the Bonds will be payable August 15, 2010 and semi-annually thereafter on February 15 and August 15 in each year to maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Certificate of the Town Supervisor authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last day of the month preceding an interest payment date and such interest payment date.

THE TOWN

General Information

The Town of Lysander, with an area of 61.9 square miles, is located in the northern section of the City of Syracuse metropolitan area in Onondaga County. The Town is primarily residential in nature with some industrial and agricultural use.

Two major transportation routes serve the Town: The New York State Thruway, extending as Interstate #90 from the City of Boston to the City of Chicago and the west; and Interstate #81, running from Canada to Pennsylvania, connecting via interstate highways to Washington and the south. The New York State Thruway is fed by six interchanges within Onondaga County.

Gas and electrical power are provided by National Grid. Ample fire and police protection are provided by various agencies and volunteer groups.

Banking Facilities

The following commercial banks are located in the Town and / or in the Syracuse metropolitan area:

- JPMorgan Chase Bank, N.A.
- Bank of America, N.A.
- HSBC Bank USA, N.A.
- KeyBank, N.A.
- Manufacturers & Traders Trust Company
- Solvay Bank
- Alliance Bank, N.A.
- RBS Citizens Bank

Population Trends

	<u>Town of Lysander</u>	<u>Onondaga County</u>	<u>New York State</u>
U. S. Census 1970	11,968	45,894	18,236,882
U. S. Census 1980	13,897	48,820	17,558,072
U. S. Census 1990	16,346	48,963	17,990,455
U. S. Census 2000	19,285	48,599	18,976,457

The Town currently has an estimated population of 21,113 (Source: US Census 2008 Estimate).

Major Employers

The following table sets forth the name of the major employers located within the Town and the estimated number of persons employed by each:

<u>Name of Employer</u>	<u>Nature of Entity</u>	<u>Estimated Number of Employees</u>
Anheuser Busch (Budweiser)	Manufacturing	900
McLane Company	Distribution	900
Specialized Packaging	Packaging	180
Swanson Radisson	Warehousing	125
Excellus Healthplan	Health Insurance	75

In addition, many of the Town residents are employed in the various industries, service companies or commercial establishments that constitute the diverse economic base of the City of Syracuse metropolitan area:

<u>Rank</u>	<u>Name</u>	<u>Employees</u>
1	Upstate Medical University	6,500-7,000
2	Syracuse University	6,500-7,000
3	Wegmans Food Markets	4,000-4,500
4	St. Joseph’s Hospital Health Center	3,000-3,500
5	Crouse Hospital	2,500-3,000
6	Loretto Adult Care Facilities	2,000-2,500
7	Lockheed-Martin MS2	2,000-2,500
8	National Grid	1,500-2,000
9	P & C Food Markets	1,500-2,000 ⁽¹⁾
10	Magna – New Process Gear	1,500-2,000
11	Raymour & Flanigan Furniture	1,000-1,500
12	V. A. Medical Center	1,000-1,500
13	Carrier Corporation	1,000-1,500
14	Welch Allyn, Inc.	1,000-1,500
15	United Parcel Service	1,000-1,500
16	Verizon	1,000-1,500
17	Community General Hospital	1,000-1,500
18	Roman Catholic Diocese of Syracuse	1,000-1,500
19	Excellus BCBS of CNY	500-1,000
20	L. & J. G. Stickley, Audi & Co.	500-1,000
21	AXA Equitable Life Insurance	500-1,000
22	Syracuse Research (SRC)	500-1,000
23	Time Warner Cable	500-1,000
24	Bank of New York Mellon Corp.	500-1,000
25	Anheuser Busch	500-1,000

Source: Syracuse Chamber of Commerce, August 2009.

⁽¹⁾ P&C’s parent company, The Penn Traffic Co., filed for Chapter 11 protection on November 18, 2009 in U.S. Bankruptcy Court in Wilmington, Delaware. It’s unclear at this time if the company can be saved or auctioned off. P&C announced on November 25, 2009 that they would be closing four supermarkets.

Form of Town Government

The chief executive officer of the Town is the Supervisor who is elected to a term of four years and is eligible for re-election. The Supervisor is also a member of the Town Board. In addition to the Supervisor, there are four members of the Town Board who are elected for four year terms. There is no limitation as to the number of terms which may be served by members of the Town Board. The Supervisor is elected at large and the Town Board members are elected from within each of the wards of the Town.

The Town Board appoints all department heads and non-elected officials.

Financial Organization

Pursuant to the Local Finance Law, the Supervisor is the chief fiscal officer and the budget officer of the Town. The Supervisor's duties include administration, direction and control of the following divisions: Accounting, Accounts Payable, Accounts Receivable, Audit and Control, Payroll and Benefits administration. The Town Comptroller also has been appointed as the Budget Officer.

Budgetary Procedure

The Budget Officer prepares a tentative budget based upon requests submitted from the various department heads. The Budget Officer, Supervisor, and Town Board review the tentative budget to prepare the preliminary budget. The preliminary budget is presented at a public hearing, subsequent changes if any are made, and the Town Board then adopts the budget. The budget is not subject to referendum.

Investment Policy

Pursuant to the statutes of the State of New York, the Town is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the Town; (6) obligations of a New York public corporation which are made lawful investments by the Town pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of Town moneys held in certain reserve funds established pursuant to law, obligations issued by the Town. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

State Aid

The Town receives financial assistance from the State. In its General Fund budget for the 2010 fiscal year, approximately 28.6% of the operating revenues of the Town is expected to be received from the State as State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. In view of the State's continuing budget problems, future State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also "MARKET AND RISK FACTORS").

Employees

The Town currently employs approximately 21 full-time and 11 part-time employees. The Town's Highway Department and Parks Departments are represented by the Teamsters Local 317 and consists of 14 members.

Pension Payments

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS"). The Retirement System is a cost sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976, with less than 10 years service, must contribute 3% of gross annual salary toward the cost of retirement programs.

In 2009, the Town contributed \$81,416 to ERS and PFRS. In the budget for 2010, the budgeted appropriation for payments to ERS and PFRS is \$136,910.

In the State of New York, historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning the actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year will be based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

On July 20, 2004, Governor Pataki signed into law Chapter 260 of the Laws of 2004 ("Chapter 260"). Chapter 260 contains three components which alter the way municipalities and school districts contribute to the State pension system: (1) revision of the payment due date, (2) extension of the period of time for pension debt amortization, and (3) authorization to establish a pension reserve fund. Prior to the effective date of the provisions of Chapter 260, the annual retirement bill sent to municipalities and school districts from the State had reflected pension payments due between April 1 and March 31, consistent with the State fiscal year.

Chapter 260 provides for the following changes:

- **Contribution Payment Date Change:** The law changes the date on which local pension contributions are due to the State. Effective immediately, the annual required contribution is due Feb. 1 annually instead of Dec. 15. As a result, no payment was due in calendar year 2004.
- **Pension Cost Amortization-Extension of Payout Period:** The law also extends the ability of municipalities and school districts to amortize a portion of the current year pension cost over a period of 10 years, extending the term from five years as authorized under the 2003 Chapter 49 legislation. Municipalities can amortize, either directly through the State retirement system at a fixed interest rate annually determined by the State Comptroller or through the capital markets, pension payments in excess of 9.5% of eligible payroll in 2006, and 10.5% in 2007.
- **Pension Contributions Reserve Fund:** The law creates special authorization to create a new category of reserve fund under the General Municipal Law. Municipalities and school districts may now establish a retirement contribution reserve fund that can be funded from other available current government resources.

In September 2006, the State Comptroller announced that the amortization rate for 2007 is 5% for those employers choosing to amortize through ERS, any portion of the 2007 bill in excess of 10.5% of payroll. The next installment was due with the February 2008 payment.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the Town's employees is not subject to the direction of the Town. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Town which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

While the Town is aware of the potential negative impact on its budget and will take the appropriate steps to budget accordingly for the increase, there can be no assurance that its financial position will not be negatively impacted.

The Town does not provide employment healthcare benefits to former employees. However should such practice take place in the future there is now an accounting rule that will require governmental entities, such as the Town, to account for employment healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting. Although GASB 45 encourages earlier adoption, implementation is required by the following dates, based on the size of government measured by annual revenue:

Annual Revenue	Effective for Fiscal Year Beginning After:
Greater than \$100 million	December 15, 2006
Between \$10 million and \$100 million	December 15, 2007
Less than \$10 million	December 15, 2008

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

GASB 45 will require 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. Unlike GASB 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

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.

Actuarial Valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are less than 200 members.

The Town will not be conducting an actuarial valuation of its OPEB liability.

Unemployment Rate Statistics

Unemployment statistics are not available for the Town as such. The smallest area for which such statistics are available (which includes the Town) is Onondaga County. The information set forth below with respect to Onondaga County is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that Onondaga County is necessarily representative of the Town, or vice versa.

	<u>Annual Average</u>						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Onondaga County	4.9%	5.1%	5.1%	4.5%	4.3%	4.1%	5.3%
New York State	6.2%	6.4%	5.8%	5.0%	4.6%	4.5%	5.4%

	<u>2009 Monthly Figures</u>											
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Onondaga County	7.4%	8.1%	7.7%	7.2%	7.6%	8.3%	7.9%	7.6%	7.9%	7.8%	7.5%	N/A
New York State	7.6%	8.4%	8.1%	7.5%	7.9%	8.6%	8.6%	8.7%	8.8%	8.7%	8.4%	N/A

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Bonds are to be issued is the Town Law and the Local Finance Law.

The procedure for the validation of the Bonds provided in Title 6 of Article 2 of the Local Finance Law has been complied with.

No principal or interest upon any obligation of the Town is past due.

The fiscal year of the Town is the calendar year.

This Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Town.

Financial Statements

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the Town has complied with the requirements of various State and Federal statutes. Copies of the most recent State audit and independent audit reports may be examined at the Town office. Certain financial information of the Town may be found in the Appendices to this Official Statement.

The Town complies with the Uniform System of Accounts as prescribed for towns in New York State by the State Comptroller. This System differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Such generally accepted accounting principles require that contributions for employee retirement benefits be accrued on the basis of current actuarially computed data. The Town is not required by State law to comply with this accounting principle and does not.

TAX INFORMATION

Valuations

Fiscal Years Ending December 31:	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Assessed Valuation	\$1,155,729,080	\$ 1,266,039,481	\$ 1,349,348,138	\$ 1,393,516,195	\$ 1,427,526,402
New York State Equalization Rate	100.00%	100.00%	100.00%	100.00%	100.00%
Full Valuation	\$1,155,729,080	\$ 1,266,039,481	\$ 1,349,348,138	\$ 1,393,516,195	\$ 1,427,526,402

Tax Rate Per \$1,000 (Assessed)

Fiscal Years Ending December 31:	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Town	\$ 0.5215	\$0.5850	\$ 0.8597	\$ 0.7661	\$ 0.8819
Highway	1.07	0.9556	0.8741	0.9366	0.9131

Tax Collection Procedure

Taxes are collected from January 1st to June 1st in each year without penalty. Taxes paid from February 1st to February 28th are subject to a 1% penalty. Taxes paid from March 1st to March 31st are subject to a 1 ½% penalty. Taxes remaining unpaid on April 1st are returned to the County. The Town receives the amount of uncollected taxes from the County by the following January 31st, thereby assuring 100% collection annually.

Tax Collection Record

Fiscal Years Ending December 31:	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy ⁽¹⁾	\$ 13,238,532	\$ 14,056,818	\$ 14,413,145	\$ 15,020,868	\$ 15,323,691
Uncollected ⁽²⁾	0	0	0	0	0
% Uncollected ⁽²⁾	0%	0%	0%	0%	0%

⁽¹⁾ Includes County, Town, Highway, Sewer and Water taxes.

⁽²⁾ The Town receives 100% of its tax levy. See "Tax Collection Procedure".

Ten Largest Taxpayers - 2009 Assessment Roll for 2010

<u>Name</u>	<u>Type</u>	<u>Estimated Assessed Valuation</u>
Anheuser Busch (Budweiser)	Manufacturing	\$ 96,600,000 (1)
National Grid	Utility	38,489,757
Verizon	Communications	21,118,974
Ball Corp.	Manufacturing	16,427,900
McLane Corp.	Distribution	12,875,000
Swanson Warehouse	Warehousing	7,804,700
Sixty Road Associates	Manufacturing	7,018,500
Center Pointe LLC	Apartments	5,648,500
Oswego Hydro Partners	Electric-Hydro	5,297,400
DiMarco Drumlin LLC	Apartments	3,500,800

The larger taxpayers listed above have a total estimated assessed valuation of \$214,781,531 that represents 15% of the tax base of the Town.

(1) Filed tax certiorari to have assessment lowered approximately \$60,000,000.

Additional Tax Information

Real property subject to Town taxes is assessed by the Town.

Veterans' and senior citizens' exemptions are offered to those who qualify.

The total property tax bill of a \$200,000 market value residential property located in the Town is approximately \$6,700 including County, School District and special purpose Town taxes.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The Constitution limits the power of the Town (and municipalities and other Towns of the State) to issue obligations and to contract indebtedness. Such constitutional limitations include the following:

Purpose and Pledge. Subject to certain enumerated exceptions, the Town shall not give or loan any money or property to or in aid of any individual or private corporation or association or give or loan its credit to or in aid of any of the foregoing or any public corporation or association.

The Town may contract indebtedness only for a Town purpose and shall pledge its faith and credit for the payment of the principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute. The Town is required to 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 and such required annual installments on its notes.

Debt Limit. The Town has the power to contract indebtedness for any Town purpose authorized by the State legislature of the State of New York provided the aggregate principal amount thereof shall not exceed seven per centum of the full valuation of the taxable real estate of the Town and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The legislature prescribes the manner by which such ratio shall be determined.

Statutory Procedure

The State legislature has by statute conferred and prescribed the powers and delineated the procedures and requirements for the incurring of indebtedness by Towns subject, of course, to the constitutional provisions set forth above. These statutory provisions are found for the most part in the Local Finance Law, although provisions of various other general and special laws may also apply.

Pursuant to the Local Finance Law, the Town authorizes the issuance of bonds by the adoption of a bond resolution, approved by at least two-thirds of the members of the Town Board, the finance board of the Town. Customarily, the Town Board has delegated to the Supervisor, as chief fiscal officer of the Town, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby may be contested only if:

- (1) Such obligations are authorized for a purpose for which the issuer is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations, and an action contesting such validity is commenced within twenty days after the date of such publication, or
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

The resolutions authorizing the Bonds were duly published with the prescribed form of notice and the 20-day period has elapsed.

The Town Board has the power to adopt bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the Town Supervisor, the chief fiscal officer of the Town, pursuant to the Local Finance Law.

The incurring of other types of Town indebtedness (e.g., bond anticipation notes, budget notes and tax anticipation notes) is also authorized and provided for by the Local Finance Law and reference may be made thereto for the requirements and restrictions as to such other indebtedness.

Debt Outstanding End of Fiscal Year (December 31)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Bonds	\$ 560,000	\$ 535,000	\$ 510,000	\$ 2,492,000	\$ 2,400,000
Bond Anticipation Notes	1,197,600	2,102,100	1,807,100	1,710,000	1,881,400
Other Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$1,757,600</u>	<u>\$2,637,100</u>	<u>\$ 2,317,100</u>	<u>\$ 4,202,000</u>	<u>\$ 4,281,400</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town evidenced by bonds and notes as of January 18, 2010.

<u>Bonds</u>	<u>Maturity</u>	<u>Amount</u>
	2010-2028	\$ 2,400,000
 <u>Bond Anticipation Notes</u>		
Purchase Town Hall Building	February 20, 2010	820,000 ⁽¹⁾
Renovations to Town Hall Building	February 20, 2010	690,000 ⁽¹⁾
W. Genesee Sewer	November 27, 2010	110,000
Parkway Drive/Lincoln Ave. Sewer Improvements	December 4, 2010	4,200
Purchase Plow Truck	November 2, 2010	156,000
Sixty Road Water Improvements	January 30, 2010	1,200
Radisson Sewer - Generator	January 7, 2011	<u>50,000</u>
	Sub-Total Bond Anticipation Notes	<u>\$ 1,831,400</u>
	Total Indebtedness	<u>\$ 4,231,400</u>

⁽¹⁾ To be retired at maturity with \$65,000 available funds and proceeds of the Bonds.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as shown on a Debt Statement prepared as of January 18, 2010:

Five-Year Average Full Valuation of Taxable Real Property	<u>\$ 1,318,431,859</u>
Debt Limit 7% thereof	92,290,230

Inclusions:

Bonds	\$ 2,400,000	
Bond Anticipation Notes	<u>1,831,400</u>	
Total Inclusions		\$ 4,231,400

Exclusions:

Water Indebtedness ⁽¹⁾	\$ 1,200	
Sewer Indebtedness ⁽²⁾	0	
Appropriations ⁽³⁾	<u>95,000</u>	
Total Exclusions		<u>\$ 96,200</u>

Total Net Indebtedness Subject to Debt Limit	<u>\$ 4,135,200</u>
Net Debt-Contracting Margin	<u>88,155,030</u>
The percent of debt contracting power exhausted is	4.48%

- (1) Excluded pursuant to Section 124.10 of the Local Finance Law.
- (2) Excluded pursuant to Section 136 of the Local Finance Law.
- (3) Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

The issuance of the Bonds will not increase the total net indebtedness of the Town.

Bonded Debt Service

A schedule of Bonded Debt Service, including principal of this issue, may be found in APPENDIX - B to this Official Statement.

Other Obligations

On May 15, 2008, the Town entered into an Installment Purchase Agreement in the amount of \$73,973.78 for the lease of one (1) 2008 JCB 3CX Backhoe Loader. The Town will make annual payments of \$16,242.97 with the final payment taking place May 15, 2012.

Authorized But Unissued Items

The Town has no other capital project plans authorized nor are any additional capital projects contemplated at this time.

Overlapping Indebtedness

In addition to the Town, the following political subdivisions have the power to contract indebtedness and to levy taxes or cause taxes to be levied on taxable real property in the Town. Outstanding indebtedness is listed as of the close of the last fiscal year of the respective municipalities.

<u>Unit</u>	<u>Total Indebtedness</u>	<u>Exclusions</u> ⁽¹⁾	<u>Net Indebtedness</u>	<u>Approximate % Applicable</u>	<u>Approximate Net Overlapping Indebtedness</u>
County of:					
Onondaga	\$ 326,756,438	\$ 166,919,038 ⁽²⁾	\$ 159,837,400	6.94%	\$ 11,092,716
School Districts:					
Baldwinsville	46,642,216	36,241,002 ⁽³⁾	10,401,214	100.00%	10,401,214
Cato Meridian	21,462,144	18,865,225 ⁽³⁾	2,596,919	1.31%	34,020
Jordan Elbridge	22,664,257	18,335,384 ⁽³⁾	4,328,873	2.22%	96,101
Phoenix	27,897,225	23,517,361 ⁽³⁾	4,379,864	5.23%	229,067
Fire District:					
Lysander	269,649	0	269,649	100.00%	<u>269,649</u>
				Total	\$ 21,853,118

- (1) Pursuant to applicable constitutional and statutory provisions, this indebtedness is deductible from gross indebtedness for debt limit purposes.
- (2) Sewer and water indebtedness.
- (3) Estimated State building aid.

Debt Ratios

The following table sets forth certain ratios relating to the Town's indebtedness, without giving effect to this financing, as of January 18, 2009:

	<u>Amount of Indebtedness</u>	<u>Per Capita (a)</u>	<u>Percentage of Full Valuation (b)</u>
Net Direct Indebtedness (c)	\$ 4,135,200	\$ 195.86	0.29%
Net Direct Plus Net Overlapping Indebtedness (d)	25,988,318	1,230.92	1.82%

- Note: (a) The Town's 2008 estimated population is 21,113. (See "Population Trends" herein).
- (b) The Town's full valuation of taxable real estate for 2010 is \$1,427,526,402. (See "Valuations" herein).
- (c) See "Calculation of Net Direct Indebtedness" herein.
- (d) The Town's estimated applicable share of net underlying indebtedness is \$17,208,714. (See "Overlapping Indebtedness" herein).

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Town upon any judgment or accrued claim against it shall not exceed nine per centum per annum. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of or interest on the Bonds.

In accordance with the general rule with respect to municipalities, judgments against the Town may not be enforced by levy and execution against property owned by the Town.

The Federal Bankruptcy Code allows public bodies recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 15, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Town.

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness."

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

LIMITED UNDERTAKING REGARDING MATERIAL EVENT NOTICES

In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the Water District has agreed to provide, or cause to be provided, during the period in which the Bonds are outstanding, in a timely manner, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB"), or any other entity designated or authorized by the commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Bonds, if such event is material:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions or events affecting the tax-exempt status of the Bonds
- (g) modifications to rights of Bond holders
- (h) bond calls
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Bonds
- (k) rating changes

The Water District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the Water District determines that any such other event is material with respect to the Bonds; but the Water District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above, or any failure to comply in a timely manner with the requirements of the rule.

In addition, the Water District has agreed to provide or cause to be provided, as an issuer with less than \$10,000,000 in outstanding municipal securities (including the Bonds and excluding exempt municipal securities), certain limited financial information and operating data during any succeeding fiscal year in which the Bonds are outstanding, certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced under the headings "The Water District", "Tax Information", "Water District Indebtedness", "Litigation" and all Appendices and a copy of the audited financial statement (prepared in accordance with generally accepted accounting principles in effect at the time of the audit) for the preceding fiscal year, if any, to the MSRB. Such financial information, operating data and audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is prepared, sixty days following receipt by the Water District of the audited financial statement for the preceding fiscal year, but, in no event, not later than the last business day of each such succeeding fiscal year. All such requests for financial information and operating data should be directed to Mr. Barry Bullis, Town Supervisor, Town of Lysander, 8220 Loop Road, Baldwinsville, New York 13027.

The Water District reserves the right to terminate its obligation to provide the aforescribed (a) notices of material events and (b) financial information and operating data, as set forth above, if and when the Water District no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The Water District acknowledges that its undertakings pursuant to the Rule described under this heading are intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertakings will be limited to a right to obtain specific enforcement of the Water District's obligations under its material event notices undertaking and its limited undertaking regarding financial information and operating data and any failure by the Water District to comply with the provisions of such undertakings will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

A Certificate as to Material Event Notices and Limited Undertaking Regarding Financial Information and Operating Data to this effect shall be provided to the purchaser at closing.

The Water District is in compliance with all prior undertakings pursuant to the Rule.

MARKET AND RISK FACTORS

The financial condition of the Town as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the Town's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Town to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The Town is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the Town. In several recent years, the Town has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "State Aid").

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes. These requirements include provisions which prescribe yield and other limits relative to the investment and expenditures of the proceeds of the Bonds and other amounts and require that certain earnings be rebated to the federal government. The Town will agree to comply with certain provisions and procedures, pursuant to which such requirements can be satisfied. Non-compliance with such requirements may cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance thereof, irrespective of the date on which non-compliance is ascertained.

The Code imposes a 30% branch profits tax on the earnings and profits of a United States branch of certain foreign corporations attributable to its income effectively connected (or treated as effectively connected) with a United States trade or business. Included in the earnings and profits of the United States branch of a foreign corporation is income that would be effectively connected with the United States trade or business if such income were taxable, such as the interest on the Bonds. Existing United States income tax treaties may modify, reduce or eliminate the branch profits tax, except in cases of treaty shopping.

The Code further provides that interest on the Bonds is includable in the calculation of modified adjusted gross income in determining whether a portion of Social Security or railroad retirement benefits is to be included in taxable income of individuals. In addition, certain S Corporations may have a tax imposed on passive income, including tax-exempt interest, such as interest on the Bonds.

Prospective purchasers should consult their tax advisors with respect to the calculations of the alternative minimum tax or foreign branch profits tax liability, and the tax on passive income of S Corporations or the inclusion of Social Security or other retirement payments in taxable income.

In the opinion of Bond Counsel, assuming compliance with certain requirements of the Code, under existing laws interest on the Bonds is not includable in gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds.

The opinion of Bond Counsel described herein with respect to the federal income tax treatment of interest paid on the Bonds is based upon the current provisions of the Code. There can be no assurance that the Code will not be amended in the future so as to reduce or eliminate such favorable federal income tax treatment on the Bonds. Any such future legislation would have an adverse effect on the market value of the Bonds.

In addition, in the opinion of Bond Counsel, under existing laws, interest on the Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City of New York.

LEGAL MATTERS

The legality of the authorization and issuance of the Bonds will be covered by the unqualified legal opinion of Bond, Schoeneck & King, PLLC, Bond Counsel, Syracuse, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Bonds have been authorized and issued in accordance with the Constitution and statutes of the State and constitute valid and legally binding general obligations of the Town, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount to pay the Bonds; (ii) interest on the Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City of New York; and (iii) interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The opinions of Bond Counsel set forth in (iii) above are subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, to continue to be, excluded from gross income for federal income tax purposes. The Town has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds. It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be also subject to exercise of judicial discretion in appropriate cases.

Bond Counsel has not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement (except to the extent, if any, stated in the Official Statement) or any other offering material relating to the Bonds, and Bond Counsel expresses no opinion relating thereto (excepting only matters set forth as Bond Counsel's opinion in the Official Statement).

LITIGATION

The Town is subject to a number of lawsuits in the ordinary conduct of its affairs. The Town does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town.

BOND RATING

Standard & Poor's Corporation, a division of The McGraw-Hills Companies, Inc. ("S & P") has assigned their Municipal Bond rating of " " to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating of the Bonds may have an adverse effect on the market price of the Bonds.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on its website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared its website information for your convenience, but you should not make any decision in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and Fiscal Advisors & Marketing, Inc. assumes no liability or responsibility for errors or omissions on its website. Further, Fiscal Advisors & Marketing, Inc. disclaims any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on its website. Fiscal Advisors & Marketing, Inc. also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Town will act as Paying Agent for the Bonds. The Town contact information is as follows: Town Comptroller, Town of Lysander, 8220 Loop Road, Baldwinsville, New York 13027, Phone: (315) 635-1443, Fax: (315) 635-1515, Email: comptroller@townoflysander.org.

Additional information may be obtained upon request from Fiscal Advisors & Marketing, Inc. (315) 752-0051.

This Official Statement has been duly executed and delivered by the Supervisor of the Town of Lysander.

TOWN OF LYSANDER

Dated: January 21, 2010

BARRY W. BULLIS
Town Supervisor and
Chief Fiscal Officer

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2007</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 691,038	\$ 1,049,214
Accounts Receivables	38,704	47,069
Due from Other Funds	2,109	-
Due from Other Governments	371,802	335,401
Inventory	2,864	2,864
Prepaid Expenses	14,930	21,339
Restricted Assets	-	-
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 1,121,447</u>	<u>\$ 1,455,887</u>
<u>LIABILITES AND FUND EQUITY</u>		
Accounts Payable	\$ 71,841	\$ 73,495
Accrued Liabilities	8,593	2,038
Overpayments	(9,281)	(12,525)
Due to Other Funds	56	25
	<hr/>	<hr/>
TOTAL LIABILITIES	<u>71,209</u>	<u>63,033</u>
<u>FUND EQUITY</u>		
Reserved	\$ -	\$ 640,000
Unreserved:		752,854
Appropriated	550,000	-
Unappropriated	500,238	-
	<hr/>	<hr/>
TOTAL FUND EQUITY	<u>1,050,238</u>	<u>1,392,854</u>
TOTAL LIABILITES and FUND EQUITY	<u>\$ 1,121,447</u>	<u>\$ 1,455,887</u>

Source: Annual financial reports of the Town. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
REVENUES				
Real Property Taxes	\$ 627,667	\$ 151,328	\$ 601,244	\$ 625,792
Real Property Tax Items	116,520	56,668	105,314	123,344
Non Property Tax Items	96,814	105,957	113,999	133,833
Departmental Income	98,501	94,579	106,973	126,389
Use of Money & Property	9,068	51,528	60,143	61,283
Licenses and Permits	13,259	13,074	14,008	13,094
Fines and Forfeitures	57,746	43,627	36,861	41,720
Sale of Property and Compensation for Loss	3,166	4,882	688	451,821
Miscellaneous	2,342	5,644	4,164	1,711
Interfund Revenues	-	-	-	405
Revenues from State Sources	787,725	781,592	736,144	862,150
Revenues from Federal Sources	-	-	-	-
Total Revenues	<u>\$ 1,812,808</u>	<u>\$ 1,308,879</u>	<u>\$ 1,779,538</u>	<u>\$ 2,441,542</u>
Other Sources:				
Interfund Transfers	-	-	950,000	-
Total Revenues and Other Sources	<u>1,812,808</u>	<u>1,308,879</u>	<u>2,729,538</u>	<u>2,441,542</u>
EXPENDITURES				
General Government Support	\$ 941,448	\$ 1,041,163	\$ 1,044,284	\$ 1,213,646
Public Safety	78,374	89,585	51,769	59,593
Transportation	82,909	78,930	64,955	66,121
Economic Assistance and Opportunity	64,948	62,896	70,014	69,392
Culture and Recreation	236,599	243,665	267,313	351,325
Home and Community Services	9,581	10,832	23,807	6,341
Employee Benefits	289,884	304,362	299,576	299,157
Debt Service	51,780	50,730	78,743	375,802
Total Expenditures	<u>\$ 1,755,523</u>	<u>\$ 1,882,163</u>	<u>\$ 1,900,461</u>	<u>\$ 2,441,377</u>
Other Uses:				
Interfund Transfers	-	112,000	748,572	6,388
Total Expenditures and Other Uses	<u>1,755,523</u>	<u>1,994,163</u>	<u>2,649,033</u>	<u>2,447,765</u>
Excess (Deficit) Revenues Over Expenditures	<u>\$ 57,285</u>	<u>\$ (685,284)</u>	<u>\$ 80,505</u>	<u>\$ (6,223)</u>
FUND BALANCE				
Fund Balance - Beginning of Year	1,594,790	1,661,235	975,951	1,056,456
Prior Period Adjustments (net)	9,160	-	-	4
Fund Balance - End of Year	<u>\$ 1,661,235</u>	<u>\$ 975,951</u>	<u>\$ 1,056,456</u>	<u>\$ 1,050,237</u>

Source: Annual financial reports of the Town. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending December 31:	2008		2009	2010
	Adopted Budget	Actual	Adopted Budget	Adopted Budget
REVENUES				
Real Property Taxes	\$ 1,046,709	\$ 1,044,425	\$ 989,476	\$ 1,138,376
Real Property Tax Items	85,000	178,710	89,000	100,000
Non Property Tax Items	206,000	167,959	200,000	220,000
Departmental Income	116,375	114,207	122,550	117,250
Use of Money & Property	27,000	52,126	31,880	21,800
Licenses and Permits	12,530	13,065	12,530	12,530
Fines and Forfeitures	40,000	67,008	40,000	50,450
Sale of Property and Compensation for Loss	-	6,372	-	-
Miscellaneous	2,500	11,448	1,500	2,000
Interfund Revenues	-	-	926,100	801,960
Revenues from State Sources	963,200	817,636	-	-
Revenues from Federal Sources	-	-	-	-
Total Revenues	<u>\$ 2,499,314</u>	<u>\$ 2,472,956</u>	<u>\$ 2,413,036</u>	<u>\$ 2,464,366</u>
Other Sources:				
Interfund Transfers	-	-	-	-
Total Revenues and Other Sources	<u>2,499,314</u>	<u>2,472,956</u>	<u>2,413,036</u>	<u>2,464,366</u>
EXPENDITURES				
General Government Support	\$ 1,401,733	\$ 1,100,269	\$ 1,431,153	\$ 1,204,398
Public Safety	60,250	58,931	61,311	62,506
Transportation	69,529	67,660	70,295	74,395
Economic Assistance and Opportunity	73,308	72,782	76,069	80,003
Culture and Recreation	853,396	324,132	862,938	772,467
Home and Community Services	32,000	25,416	37,255	42,342
Employee Benefits	335,918	291,472	341,668	361,450
Debt Service	193,180	189,677	172,347	211,805
Total Expenditures	<u>\$ 3,019,314</u>	<u>\$ 2,130,339</u>	<u>\$ 3,053,036</u>	<u>\$ 2,809,366</u>
Other Uses:				
Interfund Transfers	30,000	-	-	-
Total Expenditures and Other Uses	<u>3,049,314</u>	<u>2,130,339</u>	<u>3,053,036</u>	<u>2,809,366</u>
Excess (Deficit) Revenues Over Expenditures	<u>\$ (550,000)</u>	<u>\$ 342,617</u>	<u>\$ (640,000)</u>	<u>\$ (345,000)</u>
FUND BALANCE				
Fund Balance - Beginning of Year	550,000	1,050,237	640,000	345,000
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 1,392,854</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Annual financial report and budgets of the Town. This Appendix is not itself audited.

CHANGES IN FUND EQUITY

Fiscal Years Ending December 31:	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>WATER FUND</u>					
Fund Equity - Beginning of Year	\$ 168,880	\$ 186,546	\$ 204,664	\$ 202,634	\$ 164,654
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	81,721	79,622	67,753	72,680	66,074
Expenditures & Other Uses	64,055	61,504	69,783	110,660	60,890
Fund Equity - End of Year	186,546	204,664	202,634	164,654	169,838
<u>SEWER FUND</u>					
Fund Equity - Beginning of Year	\$ 69,239	\$ 62,892	\$ 38,407	\$ 17,737	\$ (18,092)
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	159,255	191,975	197,414	221,470	310,622
Expenditures & Other Uses	165,602	216,460	218,084	257,299	250,185
Fund Equity - End of Year	62,892	38,407	17,737	(18,092)	42,345

Source: Annual financial reports of the Town. This Appendix is not itself audited.

APPENDIX - B
Town of Lysander

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Excluding this Issue			Principal of This Issue	Total Principal All Issues
	Principal	Interest	Total		
2010	\$95,000	\$ 107,792.50	\$ 202,792.50	\$0	\$95,000
2011	100,000	103,580.00	203,580.00	70,000	170,000
2012	105,000	99,015.00	204,015.00	75,000	180,000
2013	105,000	94,237.50	199,237.50	75,000	180,000
2014	110,000	89,460.00	199,460.00	80,000	190,000
2015	120,000	84,470.00	204,470.00	85,000	205,000
2016	120,000	79,002.50	199,002.50	85,000	205,000
2017	125,000	73,535.00	198,535.00	90,000	215,000
2018	135,000	67,855.00	202,855.00	95,000	230,000
2019	140,000	61,697.50	201,697.50	10,000	150,000
2020	145,000	55,327.50	200,327.50	105,000	250,000
2021	150,000	48,745.00	198,745.00	105,000	255,000
2022	160,000	41,897.50	201,897.50	110,000	270,000
2023	115,000	34,625.00	149,625.00	120,000	235,000
2024	125,000	29,737.50	154,737.50	120,000	245,000
2025	130,000	24,425.00	154,425.00	130,000	260,000
2026	135,000	18,900.00	153,900.00		135,000
2027	140,000	12,825.00	152,825.00		140,000
2028	145,000	6,525.00	151,525.00		145,000
TOTALS	\$2,400,000	\$1,133,652.50	\$3,533,652.50	\$1,355,000	\$3,755,000