

OFFICIAL STATEMENT

NEW ISSUE

BOND ANTICIPATION NOTES

In the opinion of Bond Counsel, assuming continuing compliance by the School District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986 (the "Code"), interest on the Notes 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 Notes is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed by the Code. Interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX EXEMPTION" herein for a discussion of certain Federal taxes applicable to corporate owners of the Notes.

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

\$2,972,500

OAKFIELD-ALABAMA CENTRAL SCHOOL DISTRICT

GENESEEE and ORLEANS COUNTIES, NEW YORK

GENERAL OBLIGATIONS

\$2,972,500 Bond Anticipation Notes, 2002 (New Issue)

Dated: March 7, 2002

Due: March 7, 2003

The Notes are general obligations of the Oakfield-Alabama Central School District, Genesee and Orleans Counties, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount.

At the option of the Purchaser(s), the Notes will be issued as registered notes or in bearer form.

If the Notes are issued as registered notes, the Notes 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 the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the Purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination. If the Notes are issued as registered notes, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the School District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "Book-Entry-Only System" herein.

If such Notes are issued in bearer form, principal of and interest on the Notes will be payable in Federal Funds at maturity at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as may be selected by the successful bidder(s). In such case, the Notes will be issued in bearer form in denominations of \$5,000, or multiples thereof, except for one necessary odd denomination, as may be determined by such successful bidder(s).

The Notes are offered when, as and if issued and received by the Purchaser(s) and subject to the receipt of the unqualified legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York City. It is anticipated that the Notes will be available for delivery in New York, New York or at such place as may be agreed upon with the Purchaser(s) on or about March 7, 2002.

February 5, 2002

THE SCHOOL DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12, EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS 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 SCHOOL DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "MATERIAL EVENT NOTICES" HEREIN.

OAKFIELD-ALABAMA CENTRAL SCHOOL DISTRICT

GENESEE AND ORLEANS COUNTIES, NEW YORK

2001-02 BOARD OF EDUCATION

BONNIE WOODWARD

President

DANIEL ATHOE

Vice President

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* * * * *

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School District Clerk

WILLIAM E. SNYDER, JR.

Business Manager

LINDA BERNARD

School District Treasurer

BENJAMIN J. BONARIGO, ESQ.

School District Attorney

ORRICK, HERRINGTON & SUTCLIFFE LLP

Bond Counsel

No person has been authorized by the Oakfield-Alabama Central School District 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 Notes 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 Oakfield-Alabama Central School District.

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OFFICIAL STATEMENT

of the

**OAKFIELD-ALABAMA CENTRAL SCHOOL DISTRICT
GENESEE AND ORLEANS COUNTIES, NEW YORK**

Relating To

\$2,972,500 Bond Anticipation Notes, 2002 (New Issue)

This Official Statement, which includes the cover page, has been prepared by the Oakfield-Alabama Central School District, Genesee and Orleans Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the School District of \$2,972,500 principal amount of Bond Anticipation Notes, 2002 (New Issue) (the "Notes").

On October 24, 2001, the Governor and State Legislative leaders agreed to proposed legislation which will alter the payment of state building aid payable to the District. Please see "State Aid" herein, for a further explanation of such proposals.

DESCRIPTION OF THE NOTES

The Notes are general obligations of the School District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the School District, is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount.

The Notes are dated March 7, 2002 and mature, without option of prior redemption, on March 7, 2003. The Notes will be issued in either (i) bearer form, in denominations of \$5,000 each or multiples thereof, except for one necessary odd denomination, as may be determined by the successful bidder with principal and interest payable in Federal Funds at such bank or trust company located and authorized to do business in the State as may be selected by such successful bidder; or (ii) at the option of the purchaser, as registered notes, and, if so issued, registered in the name of Cede & Co. as nominee of DTC, which will act as the securities depository for the Notes. See "Book-Entry-Only System" herein.

Book-Entry-Only System

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Note certificate will be issued for all Notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Notes Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to

be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are 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 Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Participants with DTC are registered in name of DTC's partnership nominee, Cede & Co. The deposit of Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The 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.

Principal and interest payments on the Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. 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 School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the School District, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Notes at any time by giving reasonable notice to the School District. Under such circumstances, in the event that a successor securities depository is not obtained, note certificates are required to be printed and delivered.

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

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

Source: The Depository Trust Company.

Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the School District and discharging its responsibilities with respect thereto under applicable law, or the School District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply:

The Notes will be issued in bearer form in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the School District. The Notes will remain not subject to redemption prior to their stated final maturity date.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law, the Local Finance Law and pursuant to a bond resolution duly adopted by the Board of Education on August 31, 2000 authorizing the issuance of \$2,972,500 serial bonds to finance the cost of the construction of additions to and reconstruction and equipment of School District buildings.

THE SCHOOL DISTRICT

General Information

The Oakfield-Alabama Central School District, founded in 1892, is located in the Towns of Oakfield, Alabama, Batavia, Pembroke and Elba in Genesee County, and the Town of Barre in Orleans County. The District covers approximately 72 square miles and has an estimated population of 10,000.

New York State Routes 63, 77 and 262 serve the District, with access to the New York State Thruway in Batavia approximately five miles away. Rail and air transportation is available in Rochester and Buffalo.

Although the School District is primarily rural, only a small percentage of its residents are employed in agriculture. Major employers of School District residents include United States Gypsum, Inc., Comstock Foods (a division of AgriLink, Inc.) and Keebler, Co. Residents also commute to Batavia, Rochester and Buffalo for employment.

Various municipal systems as well as private wells and septic systems provide water and sewer services. Electricity is provided by Niagara Mohawk Power Company; natural gas by National Fuel Gas. Verizon, Inc. provides telephone service. Police protection is provided by the Genesee County Sheriff's Department and supplemented by the New York State Police. Various volunteer organizations provide ambulance service and fire protection.

The School District provides public education for grades K-12, although small portions of the school age students attend local parochial schools. Higher educational opportunities are available at the nearby Genesee Community College and at the many colleges and universities in the Rochester and Buffalo areas.

School District residents are afforded most of the usual commercial services in the Village of Oakfield. The office of Manufacturers and Traders Trust Company provides banking services in Oakfield. Those services not readily available in the Village can be obtained in the City of Batavia. Many recreational facilities are available nearby in the Finger Lakes Region, Letchworth State Park and Lake Ontario.

Larger Employers

The larger employers located within the area include:

<u>Employer</u>	<u>Type</u>	<u>Employees</u>
Oakfield-Alabama Central School District	Public Education	225
Comstock Foods – Division of AgriLink	Food Processing	150
United States Gypsum	Paper Processing	40
Path Truck Lines	Trucking	25
Keebler Co.	Distribution Center	25

Form of School Government

The Board of Education which is the policy-making body of the School District, consists of seven members with overlapping three-year terms so that as nearly as possible, an equal number are elected to the Board each year. Each Board member must be a qualified voter of the School District and no Board member may hold certain other School District offices or positions while serving on the Board of Education. The President and the Vice President are selected by the Board members.

The administrative officers of the School District implement the policies of the Board of Education and supervise the operation of the school system.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared a tentative budget of the School District for the ensuing fiscal year. This tentative budget must be completed at least seven days before the annual or district meeting at which it is to be presented. Copies are available upon request to taxpayers within the School District, seven days preceding such meeting and at each such meeting. The Board must also give notice that a copy of the tentative budget may be obtained at each schoolhouse within the School District.

The Board of Education causes a notice to be published stating the time, date, place and purpose of the annual or district meeting. At least forty-five days must elapse between the first publication of such notice and the date specified for such meeting. The meeting must be held at the time and place specified but it may be adjourned to permit voting on the following day. If the qualified voters at the annual or School District meeting approve the tentative budget, the Board of Education, by resolution adopts the tentative budget as the budget of the School District for the ensuing year.

If by majority vote the budget is rejected, the Board of Education may make any change, alteration or revision to the budget and may hold a second public hearing and referendum. If no budget is approved, the Board of Education, pursuant to law, adopt by resolution an austerity budget for the ensuing fiscal year. The Board of Education may then levy a tax for ordinary contingent expenses of the School District, which includes debt service, in a like manner as if the same had been voted by the qualified voters. The budget for the 2001-02 fiscal year was approved by the qualified voters of the School District on May 15, 2001.

Investment Policy

Pursuant to the statutes of the State of New York, the School District 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 School District; (6) obligations of a New York public corporation which are made lawful investments by the School District 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 School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. 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.

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (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. In the case of obligations of the United States government, the School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

State Aid

The School District receives substantial financial assistance from the State. In its budget for the 2001-02 fiscal year, approximately 66.32% of the revenues of the School District are estimated to be received in the form of 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 School District, in this year or future years, the School District 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 School District, 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 School District. 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 School District 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").

A portion of the School District's State aid consists of building aid which is directly related to outstanding indebtedness for capital project purposes and the Notes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Aid on debt service is generally paid in the current fiscal year provided such debt service is reported to the Commissioner of Education by November 15 of that year. Any debt service in excess of amounts reported by November 15 will not be aided until the following fiscal year. The building aid received is equal to the approved building expense, or bond percent, times the building aid ratio that is assigned to the School District. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State wide average. The School District may elect to use the highest building aid ratio that has been calculated since the 1981-82 fiscal year.

However, as part of New York State's current budget process, a fundamental reform of building aid has been enacted as Chapter 383 of the Laws of 2001. The new provisions legislate, among other things, a new "assumed amortization" payout schedule for future State building aid payments based on an annual "average interest rate" and mandatory periods of probable usefulness with respect to the allocation of building aid. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the Notes.

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or any form whatsoever. State aid, including building aid appropriated and apportioned to the District can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

In addition, on January 10, 2001 a State Supreme Court issued a decision in a case involving State aid to the New York City public school system, Campaign for Fiscal Equity, Inc. v. The State of New York mandating that the method of appointment of state aid to school districts within the State be restructured by the State Legislature. The State has appealed this decision and the Appellate Division First Department, Court has ordered the case to be argued for the October 2001 term. In any event, the ultimate outcome of this decision will not effect the validity of any obligations issued by the District, including the Notes, nor the ability of the District to levy taxes on the taxable real property in the District to pay the Notes and the interest thereon as they shall become due and payable.

School Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built</u>
Elementary School	K - 5	600	1969, 1996
Middle/High	6 -12	735	1955, 1996

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
1997-98	1,256	2002-03	1,153
1998-99	1,206	2003-04	1,153
1999-00	1,198	2004-05	1,146
2000-01	1,175	2005-06	1,136
2001-02	1,150	2006-07	1,136

Employees

The School District employs approximately 193 full-time employees and 32 part-time employees. The number of employees represented by unions, the names of the collective bargaining agents and the contract expiration dates follows:

<u>Number</u>	<u>Union</u>	<u>Contract Expiration Date</u>
108	Oakfield-Alabama Teachers' Association	June 30, 2003
75	Non-Teaching (PERB)	June 30, 2002
4	Administrators' Association	June 30, 2003
1	Business Manager	June 30, 2004
1	Superintendent of Schools	June 30, 2004

Status and Financing of Employee Pension Benefits

Substantially all employees of the School District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All 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 Systems. The Retirement Systems are non-contributory with respect to members working ten or more years. All members working less than ten years must contribute 3% of gross annual salary toward the cost of retirement programs.

Further changes to the Retirement Systems were made pursuant to Chapter 210 of the Laws of 1990, which, among other changes, replaced the aggregate cost actuarial funding method, previously used to determine Retirement Systems contributions, with a modified projected unit credit method. For the Fiscal Years Ending June 30, 1999 through June 30, 2001 the School District's contributions to the ERS and TRS together were: \$213,471, \$219,498 and \$224,902. The budgeted contributions for the Fiscal Year Ending June 30, 2002 are \$86,881 (ERS) and \$200,000 (TRS).

Unemployment Rate Statistics

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

	<u>Year Average</u>						
	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Genesee County	6.5%	5.9%	5.1%	5.6%	5.2%	5.3%	4.9%
Orleans County	7.1%	7.8%	5.6%	6.3%	5.3%	5.4%	5.3%
New York State	6.9%	6.3%	6.2%	6.4%	5.6%	5.2%	4.6%

	<u>2001 Monthly Figures</u>											
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Genesee County	6.2%	5.9%	5.0%	4.2%	4.2%	3.9%	4.0%	3.8%	4.6%	4.8%	5.8%	6.7%
Orleans County	6.9%	6.2%	5.7%	5.2%	4.4%	4.4%	5.3%	4.8%	5.3%	4.9%	5.5%	6.2%
New York State	4.9%	4.8%	4.4%	4.1%	4.0%	4.2%	4.6%	4.6%	4.8%	4.9%	5.3%	5.5%

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 Notes are to be issued is the Education Law and the Local Finance Law.

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

The fiscal year of the School District is July 1 to June 30.

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

The School District is in compliance with the procedure for the validation of the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2001 and may be found attached hereto as appendices to this Official Statement. In addition, the State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the School District has complied with the requirements of various State and Federal statutes. Certain financial information of the School District can be found attached as Appendices to the Official Statement.

The School District complies with the Uniform System of Accounts as prescribed for School Districts in New York State by the State. 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).

TAX INFORMATION

Valuations

<u>Years Ending June 30:</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Assessed Valuation						
Towns of:						
Alabama	\$ 51,190,760	\$ 51,453,977	\$ 51,568,037	\$ 53,538,974	\$ 53,874,589	\$ 52,921,937
Batavia	14,863,399	15,149,311	15,159,360	15,394,687	15,881,143	16,001,662
Elba	726,567	720,986	720,542	767,053	769,767	772,033
Oakfield	80,377,844	80,867,397	81,073,704	84,798,580	85,534,519	85,308,295
Pembroke	647,286	644,735	659,244	641,952	653,172	654,154
Barre	<u>1,545,940</u>	<u>1,664,165</u>	<u>1,632,740</u>	<u>1,620,905</u>	<u>1,617,173</u>	<u>1,696,143</u>
Totals	\$ 149,351,796	\$ 150,500,571	\$ 150,813,627	\$ 156,762,150	\$ 158,330,363	\$ 157,354,224

State Equalization Rates

Towns of:						
Alabama	103.90%	103.67%	100.00%	105.81%	100.00%	100.00%
Batavia	97.88%	102.20%	100.00%	105.33%	100.00%	100.00%
Elba	95.43%	96.31%	95.00%	104.57%	100.00%	100.00%
Oakfield	100.82%	100.61%	100.00%	103.45%	100.00%	100.00%
Pembroke	103.40%	103.23%	100.00%	104.68%	100.00%	100.00%
Barre	92.49%	102.18%	100.00%	100.00%	100.00%	100.00%
Full Valuation	\$ 147,237,520	\$ 147,834,591	\$ 150,851,550	\$ 150,153,113	\$ 158,330,363	\$ 157,354,224

Tax Rate Per \$1,000 (Assessed)

<u>Years Ending June 30:</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Towns of:						
Alabama	\$ 18.09	\$ 18.58	\$ 20.02	\$ 21.34	\$ 23.53	\$ 25.61
Batavia	19.20	18.85	20.02	21.44	23.53	25.61
Elba	19.69	21.08	21.59	21.59	23.53	25.61
Oakfield	18.64	19.14	20.02	21.83	23.53	25.61
Pembroke	18.18	18.66	20.02	21.57	23.53	25.61
Barre	20.32	18.85	20.02	22.58	23.53	25.61

Tax Collection Procedure

School taxes are due September 1. If paid by October 1, no penalty is imposed. There is a 2% penalty added to payments during October, with an additional 1% added in November. Unpaid taxes are turned over to the County Treasurers on December 1 for relevy on County/Town tax rolls, at which time a penalty of 7% is added.

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

Tax Collection Record (1)

<u>Years Ending June 30:</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Total Tax Levy	\$ 2,766,510	\$ 2,846,933	\$ 3,020,216	\$ 3,394,461	\$ 3,725,621	\$ 4,030,141
Amount Uncollected	211,634	229,416	235,465	218,516	181,146	170,691
% Uncollected	7.65%	8.06%	7.80%	6.44%	4.86%	4.24%

(1) See "Tax Collection Procedure".

Larger Taxpayers 2001-02 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Estimated Full Valuation</u>
Empire State Pipeline	Gas Transmission	\$ 7,464,100
United States Gypsum	Manufacturer	5,134,683
Niagara Mohawk Power Corporation	Utility	4,690,331
Lamb & Oak-Ala Farms	Farming	3,219,933
PF Acquisition Corporation	Food Processor	2,600,400
Verizon	Utility	2,110,333
Call Farms	Farming	1,602,719
National Fuel Gas	Utility	1,051,167
Phelps, Wayne	Farming	1,033,425
Lancaster Stone	Stone Quarry	636,725

The larger taxpayers listed above have a total estimated full valuation of \$29,543,816 which represents 18.78% of the tax base of the School District.

Source: School District Tax Rolls.

Additional Tax Information

Real property located in the School District is assessed by the towns.

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the School District is approximately residential-66%, commercial-15%, utilities-10%, agricultural-7% and New York State Land – 2%.

The estimated total annual property tax bill of a \$100,000 market value residential property located in the School District is approximately \$4,000 including County, Town, School District and Fire District Taxes.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the School District (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the School District and the Notes include the following:

Purpose and Pledge. The School District shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The School District may contract indebtedness only for a School District purpose and shall pledge its faith and credit for the payment of 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 determined by statute; unless substantially level or declining debt service is utilized, no installment may be more than fifty per centum in excess of the smallest prior installment. The School District 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 or such required annual installments on its notes.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the School District to borrow and incur indebtedness by the enactment of the Local Finance Law, subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The School District has the power to contract indebtedness for any School District purpose provided that the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District as required by the Local Finance Law and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by dividing the assessed valuation of taxable real estate for the last completed assessment roll by the equalization rate established by the State Office of Real Property Services in accordance with applicable State law.

The School District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

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, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the School District 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.

Except on rare occasions the School District complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

The Board of Education, as the finance board of the School District, has the power to enact 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 President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the School District with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Bonds	\$ 9,850,000	\$ 9,075,000	\$ 8,300,000	\$ 7,500,000	\$ 6,675,000
Bond Anticipation Notes		0	0	58,000	203,835
Revenue Anticipation Notes	<u>3,740,000</u>	<u>800,000</u>	<u>880,000</u>	<u>990,000</u>	<u>\$ 1,100,000</u>
Total Debt Outstanding	\$ 13,590,000	\$ 9,875,000	\$ 9,180,000	\$ 8,548,000	\$ 7,978,835

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the School District as of February 5, 2002.

	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2002-2009	\$ 6,675,000
<u>Bond Anticipation Notes</u>		
Issued June 22, 2001	June 21, 2002	161,835
Issued June 22, 2001	June 21, 2002	42,000
<u>Revenue Anticipation Notes</u>		
Issued June 22, 2001	June 21, 2002	<u>1,100,000</u>
	Total Indebtedness	<u>\$ 7,978,835</u>

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of February 5, 2002:

Full Valuation of Taxable Real Property.....	\$ 157,354,224
Debt Limit 10% thereof.....	15,735,422

Inclusions:

Bonds.....	\$ 6,675,000	
Bond Anticipation Notes.....	<u>203,835</u>	
Total Inclusions.....		<u>\$ 6,878,835</u>

Exclusions:

Building Aid (1).....	\$ <u>0</u>	
Total Exclusions.....		<u>\$ 0</u>

Total Net Indebtedness..... \$ 6,878,835

Net Debt-Contracting Margin \$ 8,856,587

The percent of debt contracting power exhausted is 43.72%

- (1) The District receives New York State building aid in an amount approximating 87.4% of the debt service on its indebtedness incurred for building projects, including the Notes. However, as part of New York State's current year budget process, a fundamental reform of building aid has been enacted as Chapter 383 of the Laws of 2001. The new provisions legislated, among other things, a new "assumed amortization" payout schedule for future State building aid payments based on an annual "average interest rate" and mandatory periods of probable usefulness with respect to the allocation of building aid. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, *no assurance can be given as to when and how much building aid the District will receive in relation to the Notes.*

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the School District. Accordingly, the Revenue Anticipation Notes are not considered in the above summary.

Capital Project Plans

There are no additional projects authorized but unissued.

Bonded Debt Service

A schedule of Bonded Debt Service may be found attached hereto as APPENDIX - B.

Overlapping Indebtedness

In addition to the School District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the School District. The estimated outstanding indebtedness of such political subdivisions is as follows:

<u>Unit</u> <u>Indebtedness</u>	<u>Outstanding</u> <u>Indebtedness (1)</u>	<u>Exclusions (2)</u>	<u>Net</u> <u>Indebtedness</u>	<u>% Within</u> <u>School</u> <u>District</u>	<u>Applicable</u> <u>Net</u>
Counties of:					
Genesee	\$ 18,974,000	\$ 18,873,000	\$ 101,000	8.63%	\$ 8,716
Orleans	7,440,000	5,440,000	2,000,000	0.15%	3,000
Towns of:					
Alabama	0	0	0	93.70%	0
Batavia	930,000	461,000	469,000	7.65%	35,879
Elba	82,000	0	82,000	1.12%	918
Oakfield	91,000	91,000	0	100.00%	0
Pembroke	0	0	0	0.45%	0
Barre	989,000	725,000	264,000	2.82%	7,445
Village of:					
Oakfield	1,189,000	950,000	239,000	100.0%	<u>239,000</u>
				Total	<u>\$ 294,958</u>

- (1) Bonds and bond anticipation notes as of close of the last fiscal year adjusted to include subsequent bond sales, if any.
- (2) Water and sewer debt and appropriations.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes.

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District 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 Notes in the event of a default in the payment of the principal of or interest on the Notes.

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

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. While these provisions do not apply to school districts there can be no assurance that they will not be made so applicable in the future.

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 19, 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. These provisions do not apply to school districts, but there can be no assurance that they will not be made applicable in the future. In any event, no such emergency has been declared with respect to the School District.

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 School District has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding, in a timely manner, to (i) each nationally recognized municipal securities information repository ("NRMSIR") designated by the Commission in accordance with the Rule, or to the Municipal Securities Rulemaking Board ("MSRB"), and (ii) to the New York State information depository, if New York creates a depository ("SID"), notice of the occurrence of any of the following events with respect to the Notes, 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 Notes
- (g) modifications to rights of Noteholders
- (h) note calls
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes

The School 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 School District determines that any such other event is material with respect to the Notes; but the School District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

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

A Material Event Notices Certificate to this effect shall be provided to the purchaser(s) at closing.

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

MARKET AND RISK FACTORS

The financial and economic condition of the School District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the School District's control. There can be no assurance that adverse events in the State and in other jurisdictions in the Country, 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 Notes. If a significant default or other financial crisis should occur in the affairs of the State or any other jurisdiction 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 School District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The School District 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 School District, in any year, the School District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the School District. In several recent years, the School District 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 EXEMPTION

In the opinion of Bond Counsel, assuming continuing compliance by the School District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986 (the "Code"), interest on the Notes 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 Notes is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed by the Code. However, interest on the Notes is includable in the "adjusted current earnings" of a corporate owner of the Notes and 75% of the interest on the Notes is thus includable in the tax base for computing a corporation's liability with respect to the 20% alternative minimum tax imposed on corporations by the Code. Moreover, interest on the Notes may be subject to a branch profits tax of up to 30% when owned by certain foreign corporations. Furthermore, the United States Treasury Department has promulgated regulations which might have the effect of imposing a tax at ordinary income rates with respect to interest on Notes owned by "S Corporations" in certain cases. Interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York.

Among other things, the Code requires that, under certain circumstances, the yield on investments acquired with the proceeds of obligations be restricted and that an amount equal to the net arbitrage earnings from the investment of the proceeds thereof be paid to the Federal Government. If, in those circumstances, the School District were to intentionally fail to

restrict the yield of such investments, or to fail to make the required payments to the Federal Government within the periods and in the manner specified by the Code, or fail to comply with certain other provisions of the Code, interest on the Notes would be subject to Federal income taxes from their date of issuance unless, in the case of a failure to make the required payments to the Federal Government on a timely basis, such noncompliance was not due to willful disregard and relief was sought from, and granted by, the Internal Revenue Service. The School District will covenant in its arbitrage certificate with respect to the Notes that it will take all actions on its part necessary under the Code to cause interest on the Notes not to be includable in the gross income of the owners thereof for Federal income tax purposes, including compliance with the requirements set forth above, to the extent the same are applicable, and refrain from taking any action which would cause interest on the Notes to be includable in the gross income of the owners thereof for Federal income tax purposes.

The opinion of Bond Counsel described herein with respect to the Federal income tax treatment of interest paid on the Notes 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 Notes. Any such future legislation would have an adverse effect on the market value of the Notes.

Bond Counsel expresses no opinion regarding other Federal income tax consequences arising with respect to the Notes.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the School District, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount, provided, however, that the enforceability (but not the validity) of the Notes, (a) may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights, and (b) may be subject to the exercise of judicial discretion in appropriate cases, (ii) the School District has the power to comply with its covenants included in its arbitrage certificate with respect to the Notes relating to compliance with the Code as it relates to the Notes; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights; and (iii) assuming that the School District complies with such covenants, interest on the Notes 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 Notes is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed by the Code. However, interest on the Notes is includable in the "adjusted current earnings" of a corporate owner of the Notes and 75% of the interest on the Notes is thus includable in the tax base for computing a corporation's liability with respect to the 20% alternative minimum tax imposed on corporations by the Code. Moreover, interest on the Notes may be subject to a branch profits tax of up to 30% when owned by certain foreign corporations. Furthermore, the United States Treasury Department has promulgated regulations which might have the effect of imposing a tax at ordinary income rates with respect to interest on Notes owned by "S Corporations" in certain cases. Interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York. Bond Counsel will express no opinion regarding other Federal income tax consequences arising with respect to the Notes.

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings, and such certifications; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the School District, would materially affect the ability of the School District to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the School District, in connection with the sale of the Notes, has made

any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

LITIGATION

The School District is subject to a number of lawsuits in the ordinary conduct of its affairs. The School District 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 School District.

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 which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

OAKFIELD-ALABAMA CENTRAL SCHOOL DISTRICT

Dated: February 5, 2002

BONNIE WOODWARD
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER