

OFFICIAL STATEMENT

**BOND RATING: MOODY’S “Baa2”
NEW ISSUE**

**See “RATING” herein
SERIAL BONDS**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, nor is it included in the adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel is also of the opinion that interest on the Bonds 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 expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on, the Bonds. See “TAX MATTERS” herein.

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

**\$820,000
VILLAGE OF CLINTON
ONEIDA COUNTY, NEW YORK
GENERAL OBLIGATIONS
\$820,000 Public Improvement (Serial) Bonds, 2010**

Dated: April 1, 2010

Due: April 1, 2011-2025

MATURITIES**

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2011	\$ 40,000	2016	\$ 50,000	2021	\$ 60,000 *
2012	40,000	2017	50,000	2022	65,000 *
2013	45,000	2018	55,000	2023	65,000 *
2014	45,000	2019	55,000	2024	70,000 *
2015	45,000	2020	60,000 *	2025	75,000 *

(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 "Optional Redemption."

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

The Bonds are general obligations of the Village of Clinton, Oneida 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.

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 October 1, 2010, and semi-annually thereafter on April 1 and October 1 in each year until maturity. Principal and interest will be paid by the Village 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. No Good Faith amount will be required

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 Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about April 1, 2010.

March 8, 2010

THE VILLAGE 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 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 VILLAGE WILL COVENANT IN AN UNDERTAKING TO PROVIDE LIMITED DISCLOSURE AS DEFINED IN THE RULE. SEE "LIMITED UNDERTAKING REGARDING MATERIAL EVENT NOTICES" HEREIN.

VILLAGE OF CLINTON
ONEIDA COUNTY, NEW YORK

VILLAGE OFFICIALS

ROBERT G. GOERING

Mayor

TRUSTEES

JOHN C. BEHRENS
JOHN L. CROSSLEY
MARIE L. GOLDEN
JOHN A. LANE

ROZANNE D'ACUNTO

Village Clerk-Treasurer

MARC R. GOLDBERG

Deputy Treasurer

WILLIAM P. SCHMITT, ESQ.

Village Attorney

FISCAL ADVISORS & MARKETING, INC.

Village Financial Advisors

ORRICK, HERRINGTON & SUTCLIFFE LLP

Bond Counsel

No person has been authorized by the Village of Clinton 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 Village of Clinton.

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OFFICIAL STATEMENT
of the
VILLAGE OF CLINTON
ONEIDA COUNTY, NEW YORK

Relating To
\$820,000 Public Improvement (Serial) Bonds, 2010

This Official Statement, which includes the cover page, has been prepared by the Village of Clinton, Oneida County, New York (the "Village," "County," and "State," respectively), in connection with the sale by the Village of \$820,000 Public Improvement (Serial) Bonds, 2010 (hereinafter referred to as the "Bonds").

The factors affecting the Village'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 Village's 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 Village 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 Village 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 general obligations of the Village, and will contain a pledge of its faith and credit 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 Village 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 April 1, 2010 and will mature in the principal amounts on April 1 in each of the years as shown on the cover page hereof. The Bonds will be subject to redemption prior to maturity as described herein under the heading "Optional Redemption." The "Record Date" of the Bonds will be the fifteenth day of the calendar month preceding each such interest payment date.

The Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co. as nominee of DTC. DTC 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 interest in the Bonds. Interest on the Bonds will be payable October 1, 2010, and semi-annually thereafter on April 1 and October 1 in each year until maturity. Principal and interest will be paid by the Village 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. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the Village referred to therein.

Optional Redemption

Bonds maturing on or before April 1, 2019 are not subject to redemption prior to maturity. Bonds maturing on or after April 1, 2020 are subject to redemption, at the option of the Village, in whole or in part, prior to maturity, on any date on or after April 1, 2019 at par, plus accrued interest to the redemption date.

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 Village by lot in any customary manner of selection as determined by the Village Treasurer. 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.

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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, 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.

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 Securities 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 Securities; 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.

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 Village, 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 Village, 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 Village. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Village 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.

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

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 Village and discharging its responsibilities with respect thereto under applicable law, or the Village 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 for any single maturity. Principal of the Bonds when due will be payable upon presentation and surrender at the office of the fiscal agent bank or trust company located and authorized to do business in the State of New York to be named by the Village upon termination of the book-entry-only system. Interest on the Bonds will remain payable on October 1, 2010, and semi-annually thereafter on April 1 and October 1 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 fifteenth day of the calendar 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 Bond Determinations Certificate of the Village Treasurer 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 fifteenth day of the calendar month preceding an interest payment date and such interest payment date.

Purposes of Issue

The Bonds are being issued pursuant to the Constitution and statutes of the State including among others, the Village Law, the Local Finance Law and a bond resolution adopted December 7, 2009 by the Board of Trustees of the Village, authorizing the acquisition of a Ladder Truck in and for the Village of Clinton, at a maximum estimated cost of 1,070,000 and authorizing the issuance of \$1,070,000 serial bonds of said Village to pay the cost thereof.

The proceeds of the Bonds will provide \$820,000 in new monies for the aforementioned purposes. The remaining cost of \$250,000 is being paid in current funds with a donation from Hamilton College.

THE VILLAGE

General Information

The Village is located in upstate New York approximately 10 miles southwest of the City of Utica. The City of Albany is located approximately 115 miles to the east, Binghamton 80 miles south and Syracuse 45 miles to the west. The Village encompasses 0.7 square miles of land area and has a current estimated population of 1,952. Major highways in and around the Village include the New York State Thruway (four miles north) and State Highways #5, #8 and #12. The Oneida County Airport is fifteen miles away with railroad and bus service provided in nearby Utica.

The Village is primarily a residential community in nature. Residents are engaged in some farming, but most participate in industry, commerce, education and the professions in and around the City of Utica. Utica and surrounding shopping centers accommodate the residents with their retail shopping requirements. Commercial banking facilities are provided by NBT Bank, N.A. and First Niagara Bank.

Hamilton College, a liberal arts college of 1,800 students, is located just a mile outside the Village. Other schools include Colgate University, located in nearby Hamilton, and Utica College, Mohawk Valley Community College and SUNY Institute of Technology, all located in neighboring Utica.

Population Trends

	<u>Village of Clinton</u>	<u>Oneida County</u>	<u>New York State</u>
1960	1,855	264,855	16,782,304
1970	2,271	373,070	18,236,882
1980	2,107	253,466	17,558,072
1990	2,238	250,836	17,990,455
2008 (estimate)	1,886	231,590	19,541,453

Source: U.S. Census Bureau.

Larger Employers

The following table lists the 5 major employers in or near the Village:

<u>Name</u>	<u>Type of Business</u>	<u>Employees</u>
Hamilton College	Private College	638
Lutheran Homes	Long-term Health Care	450
Indium Corp. of America	Manufacturing	300
Clinton Central School	Public School	265
Brookdale Senior Living	Health Care	80

Wealth and Income Indicators

Per capita income statistics are listed for the Village below

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>1990</u>	<u>2000</u>	<u>2008</u>	<u>1990</u>	<u>2000</u>	<u>2008</u>
Village of:						
Clinton	\$ 17,753	\$ 26,165	\$ N/A	\$ 46,437	\$ 66,685	\$ N/A
County of:						
Oneida	12,227	18,516	22,939	32,557	45,341	55,854
State of:						
New York	16,501	23,389	30,804	39,741	51,691	67,229

Note: 2008 data for the Village is not available at this time.

Source: U.S. Census Bureau, 2006-2008 American Community Survey

Form of Village Government

The Chief Executive Officer of the Village is the Mayor who is elected for a term of two years and is eligible to succeed himself. He is also a member of the Board of Trustees. The legislative body of the Village is the Board of Trustees, composed of the Mayor and four Trustees. Trustees are elected for a term of two years. Their terms are staggered so that the two Trustees run for election each year. There is no limitation as to the number of terms which may be served by members of the Board of Trustees.

The Village Mayor is the chief administrative and executive officer of the Village and is the chief administrator of all Village departments. The Mayor, with the approval of the Board of Trustees appoints the Village Treasurer (Clerk/Treasurer) to serve a two-year term.

Financial Organization

Village Treasurer (Clerk/Treasurer) is the Chief Fiscal Officer and the accounting officer. It is the Treasurer's duty to receive, disburse and account for all financial transactions.

Budgetary Procedures

The Mayor, with the assistance of the Treasurer (Clerk/Treasurer), prepares the proposed budget each year, pursuant to the Laws of the State of New York and a public hearing is held thereon. Subsequent to the public hearing, revisions, if any, are made and the budget is then adopted by the Village Board of Trustees by May as its final budget for the coming fiscal year. The budget is not subject to referendum.

Investment Policy

Pursuant to the statutes of the State of New York, the Village 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 Village; (6) obligations of a New York public corporation which are made lawful investments by the Village 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 Village moneys held in certain reserve funds established pursuant to law, obligations issued by the Village. 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 Village's current policy to invest in: (1) special time deposit accounts or Certificates of Deposit, (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 are guaranteed by the United States of America, (4) obligations of the State of New York, (5) obligations issued pursuant to the Local Finance Law (with approval of the State Comptroller) by any municipality, school district or district or district corporation other than the Village of Clinton, (6) obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments, (7) certificates of participation issued pursuant to General Municipal Law and (8) obligations of this local government, but only with any moneys in a reserve fund established pursuant to General Municipal Law.

State Aid

The Village receives financial assistance from the State. In its budget for the current fiscal year, approximately 6.2% of the operating revenues of the Village 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 Village, in any year, the Village 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 Village, 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 Village. 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 Village 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 Village provides services through approximately 8 full-time employees, of whom 4 are represented by unions as follows:

<u>Bargaining Unit</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
Service Employees International Union	4	5/31/13

Pension Payments

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System the ("Retirement System" or "ERS"). This 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 year of service, must contribute 3% of gross annual salary toward the cost of retirement programs.

On December 12, 2009, the Governor signed a new Tier V into law. The law is effective for new ERS and TRS hires beginning on January 1, 2010. New ERS employees will now contribute 3 percent of their salaries and new TRS employees will contribute 3.5%. There is no provision for these contributions to cease after a certain period of service.

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 is 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 30, 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 7% of eligible payroll in 2005, 9.5% 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.

On September 3, 2009, the New York State Comptroller's office announced the employer contribution rates for the ERS will increase in 2011. The impact of the global recession on the \$116.5 billion New York State Common Retirement Fund (Fund) will drive the average ERS rate up to 11.9 percent (up from 7.4 percent in 2010).

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the Village's employees is not subject to the direction of the Village. 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 Village 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.

It should also be noted that the Village provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that will require governmental entities, such as the Village, to account for post-retirement 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

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. This protection from unilateral reduction of benefits has been extended annually. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB 45 and OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits. OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits 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 districts. 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 districts 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 Village had no post employment benefits at year end. The Village will not be conducting an actuarial valuation of its OPEB liability.

Unemployment Rate Statistics

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

	<u>Annual Average</u>						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Oneida County	5.5%	5.2%	4.8%	4.4%	4.3%	5.5%	7.4%
New York State	6.4%	5.8%	5.0%	4.6%	4.5%	5.3%	8.4%

	<u>2009-10 Monthly Figures</u>											
	<u>2009</u>						<u>2010</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>	<u>Jan</u>	<u>Feb</u>
Oneida County	8.0%	7.1%	7.2%	7.7%	7.2%	7.1%	7.2%	7.2%	7.1%	7.5%	8.4%	N/A
New York State	8.1%	7.5%	7.9%	8.6%	8.6%	8.7%	8.8%	8.7%	8.4%	8.8%	9.4%	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 Village Law and the Local Finance Law.

The Village is in compliance with the procedure for the validation of the Bonds provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of this Village is past due.

The fiscal year of the Village is June 1 to May 31.

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

Financial Statements

The Village retains an independent certified public accountant to audit its financial affairs. The last such audit covers the period ending May 31, 2009 and is attached hereto as appendices to this Official Statement. The financial affairs of the Village are also subject to periodic audit by the State Comptroller.

The Village complies with the Uniform System of Accounts as prescribed for villages in New York 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).

Beginning with the fiscal year ending May 31, 2005 the Village is required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis. The Village is in compliance with Statement No. 34.

TAX INFORMATION

Valuations

<u>Years Ending May 31:</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Assessed Valuation	\$ 71,991,730	\$ 71,301,861	\$ 71,568,619	\$ 70,907,010	\$ 70,875,884
State Equalization Rate	85.00%	77.00%	70.00%	58.00%	58.00%
Full Valuation	\$ 84,696,153	\$ 92,599,819	\$ 102,240,884	\$ 122,253,466	\$ 122,199,800

Tax Rate Per \$1,000 (Assessed)

<u>Years Ending May 31:</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Entire Village	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.60	\$ 6.75

Uncollected Taxes

<u>Years Ending May 31:</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$ 464,469	\$ 464,062	\$ 465,135	\$ 469,829	\$ 478,412
Uncollected End of Year ⁽¹⁾	0	0	0	0	0
% Uncollected End of Year	0	0	0	0	0

⁽¹⁾ See 'Tax Collection Procedure' herein.

Tax Collection Procedure

Tax payments are due June 1st. There is no penalty charge for the first thirty-five days after taxes are due. Taxes paid from July 1st to July 31st are subject to a 5% penalty and an additional 1% for each month or fraction thereof thereafter. Taxes remaining unpaid on November 1st are sold at tax sale annually. The Village receives the amount of uncollected taxes from the County by the following April, thereby assuring 100% collection annually.

Larger Taxpayers 2009-2010 Assessment Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Value</u>
Clinton House Apartments	Apartments	\$ 1,250,000
Trason Alabama, LLC	Retail	592,000
Clinton Station, LLC	Retail	725,000
Niagara Mohawk	Utility	601,450
NBT Bank, N.A.	Bank	650,000
Lewis Brothers, LLC	Apartments	629,400
Clinton Tractor & Implement Co.	Retail	489,000
Dancing Bear, LLC.	Retail	452,000
JRD Acquisitions	Institute	400,000
First Niagara Bank	Bank	389,000

The taxpayers listed above have a total assessed valuation of \$6,177,850 which represents 8.7% of the Village tax base.

Additional Information

Real property in the Village is assessed by the Village.

Veterans' and senior citizens', members of volunteer fire companies and ambulance services, and persons with disabilities and limited income exemptions are offered to those who qualify.

The assessment roll of the Village is constituted approximately as follows: Commercial -25% and Residential-75%.

The estimated total property tax bill of the typical \$100,000 market value residential property located in the Village is approximately \$5,360 including State, County, Town, School District and Fire District taxes.

Constitutional Tax Margin

For the fiscal years ending May 31, 2009 and 2010 the constitutional tax margin has been computed as follows:

	<u>2009</u>	<u>2010</u>
Five-Year Average Full Valuation.....	\$ 95,917,055	\$ 104,798,024
Tax Limit - 2% thereof.....	1,918,341	2,095,960
Add: Exclusions	<u>0</u>	<u>0</u>
Total Taxing Power	\$ 1,918,341	\$ 2,095,960
Tax Levy Subject to Limit.....	<u>469,829</u>	<u>478,412</u>
Constitutional Tax Margin	<u>\$ 1,448,512</u>	<u>\$ 1,617,548</u>

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the Village (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 Village and the Bonds include the following:

Purpose and Pledge. Subject to certain enumerated exceptions, the Village 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 Village may contract indebtedness only for a Village 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 as determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Board of Trustees authorizes the issuance of bonds with substantially level or declining annual debt service. The Village 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 Village has the power to contract indebtedness for any Village purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real estate of the Village and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Statutory Procedure

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

Pursuant to the Local Finance Law, the Village authorizes the issuance of bonds by the adoption of a bond resolution approved by at least two-thirds of the members of the Board of Trustees, the finance board of the Village. Customarily, the Board of Trustees has delegated to the Village Treasurer, as chief fiscal officer of the Village, 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, 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 Village 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 Village complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

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 Board of Trustees, as the finance board of the Village, 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, and generally does, delegate the power to sell the obligations to the Village Treasurer, the chief fiscal officer of the Village, 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 Village 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>Years Ending May 31:</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Bonds	\$ 405,000	\$ 270,000	\$ 200,000	\$ 150,000	\$ 858,000
Bond Anticipation Notes	0	0	846,000	812,000	0
Other Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	\$ 405,000	\$ 270,000	\$1,046,000	\$ 962,000	\$ 858,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Village evidenced by bonds and notes as of March 2, 2010:

	<u>Maturity</u>	<u>Amount Outstanding</u>
<u>Bonds</u>	2010-2024	\$ 858,000
<u>Bond Anticipation Notes</u>	N/A	<u>0</u>
	Total Debt Outstanding	<u>\$ 858,000</u>

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as shown on a Debt Statement prepared as of March 2, 2010:

Five-Year Average Full Valuation	<u>\$ 104,798,024</u>
Debt Limit - 7% thereof.....	<u>7,335,862</u>

Inclusions:

Bonds	\$ 858,000	
Bond Anticipation Notes.....	<u>0</u>	
Total Inclusions.....		\$ 858,000

Exclusions:

Sewer Debt ⁽¹⁾	\$ 100,000	
Appropriations ⁽²⁾	<u>83,000</u>	
Total Exclusions.....		<u>\$ 183,000</u>

Total Net Indebtedness.....	<u>\$ 675,000</u>
Net Debt-Contracting Margin.....	<u>\$ 6,660,862</u>
The percent of debt contracting power exhausted is	9.20%

The issuance of the Bonds will increase the total net indebtedness of the Village by \$820,000.

- ⁽¹⁾ Excludable pursuant to Section 124.10 of the Local Finance Laws of the State of New York
- ⁽²⁾ Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law

Bonded Debt Service

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

Estimate of Obligations to be Issued

There are presently no other capital projects authorized and unissued by the Village, nor are any contemplated at this time.

Overlapping Indebtedness

In addition to the Village, 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 Village. The estimated outstanding indebtedness of such political subdivisions is as follows:

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>Approximate % Within Village</u>	<u>Applicable Net Indebtedness</u>
County of Oneida	\$ 111,016,695	\$ 17,391,321	\$ 93,625,374	1.03%	\$ 964,341
Town of Kirkland	1,128,000	193,000	935,000	21.17%	197,940
Clinton CSD	21,760,000	18,234,880 ⁽³⁾	3,525,120	19.65%	<u>692,686</u>
				Total	\$ 1,854,967

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

⁽²⁾ Pursuant to applicable constitutional and statutory provisions, this indebtedness is deductible from gross indebtedness for debt limit purposes.

⁽³⁾ State Building Aid.

Source: State Comptrollers Report

Debt Ratios

The following table sets forth certain ratios relating to the Village's indebtedness, without giving effect to this financing, as of March 2, 2010:

	<u>Amount of Indebtedness</u>	<u>Per Capita (a)</u>	<u>Percentage of Full Valuation (b)</u>
Gross Direct Indebtedness (c)	\$ 858,000	\$ 454.93	0.70%
Net Direct Indebtedness (c)	2,712,967	1,438.48	2.22%
Gross Direct Plus Net Overlapping Indebtedness (d)	675,000	357.90	0.55%
Net Direct Plus Net Overlapping Indebtedness (d)	2,529,967	1,341.45	2.07%

Note: (a) The Village's 2008 estimated population is 1,886. (See "Population Trends" herein.)

(b) The Village's full valuation of taxable real estate for 2010 is \$122,199,800. (See "Valuations" herein.)

(c) See "Calculation of Net Direct Indebtedness" herein.

(d) The Village's estimated applicable share of net underlying indebtedness is \$1,854,967. (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 Village 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 Village may not be enforced by levy and execution against property owned by the Village.

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 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. In any event, no such emergency has been declared with respect to the Village.

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 aside does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

LIMITED UNDERTAKING REGARDING MATERIAL EVENT NOTICES AND FINANCIAL INFORMATION AND OPERATING DATA

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 Village 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 Village may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the Village determines that any such other event is material with respect to the Bonds; but the Village 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 Village 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, being 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 Village", "Tax Information", "Status of 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, or in the alternative to provide annually such financial information and operating data to, the Municipal Securities Rulemaking Board. 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 Village 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.

The Village 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 Village no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. On and after that date of mailing said notification, the Village will no longer provide such financial information and operating data on request and the responsibility to so provide financial information and operating data on request will terminate. The Village 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 Village's obligations under its material event notices undertaking and its limited undertaking regarding financial information and operating data and any failure by the Village 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 Village is in compliance with all prior undertakings pursuant to the Rule.

MARKET AND RISK FACTORS

The financial condition of the Village as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the Village'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 Bonds. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction, or any of their respective agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Village to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The Village 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 Village, in this year or future years, the Village may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the Village. While no delay in State aid is anticipated this fiscal year, in several recent years, the Village 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

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from a personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, nor is it included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX - D hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Village has covenanted to comply with certain restrictions designed to insure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is excluded from adjusted gross income for federal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or courts decisions may cause interest on the Bonds and Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposal, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel.

Bond Counsel expects to deliver an opinion at the time of issuance of the Bonds substantially in the form set forth in APPENDIX - D hereto.

LITIGATION

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

RATING

Moody's Investors Service, Inc. has assigned their municipal bond rating of "Baa2 with a negative outlook" to the Bonds. Such rating reflects only the view of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised downward or withdrawn by the rating agency furnishing the same if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating 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 which may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the Village management's beliefs as well as assumptions made by, and information currently available to, the Village's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Village's files with the repositories. When used in Village documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

Orrick, Herrington & Sutcliffe LLP, New York, New York Bond Counsel to the Village, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the Village for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Bonds, the Village will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the Village.

The Official Statement is submitted only in connection with the sale of the Bonds by the Village and may not be reproduced or used in whole or in part for any other purpose.

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 such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Village nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the Village disclaim 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 the website. Fiscal Advisors & Marketing, Inc. and the Village also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Village will act as Paying Agent for the Bonds. The Village contact information is as follows: Ms. Rozanne D'Acunto, Village Clerk/Treasurer, Village Hall, PO Box 242, Clinton, New York 13323, Phone: (315) 853-5231, Fax: (315) 853-1352, email: villageclinton@verizon.net.

This Official Statement has been duly executed and delivered by the Village Treasurer of the Village of Clinton.

VILLAGE OF CLINTON

Dated: March 8, 2010

ROZANNE D'ACUNTO
Village Treasurer

GENERAL FUND

Balance Sheets

Fiscal Years Ending May 31:	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>ASSETS</u>			
Cash	\$ 206,760	\$ (12,773)	\$ (11,880)
Cash in Time Deposits	-	269,430	90,120
Petty Cash	-	145	145
	-	269,575	78,285
TOTAL ASSETS	\$ 206,760	\$ 256,802	\$ 78,385
 <u>LIABILITIES AND FUND EQUITY</u>			
Accounts Payable	\$ 0	\$ 0	\$ 0
TOTAL LIABILITIES	-	-	-
 <u>FUND EQUITY</u>			
Reserved	\$ 4,055	\$ 4,204	\$ 4,248
Unreserved:			
Appropriated	-	-	-
Unappropriated	202,705	252,598	74,137
	202,705	252,598	74,137
TOTAL FUND EQUITY	206,760	256,802	78,385
TOTAL LIABILITIES and FUND EQUITY	\$ 206,760	\$ 256,802	\$ 78,385

Source: Annual financial reports of the Village. Summary itself not audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending May 31:	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 439,654	\$ 461,315	\$ 464,469	\$ 464,062	\$ 467,901
Real Property Tax Items	2,172	2,090	1,831	1,951	2,134
Non-Property Tax Items	388,934	433,493	435,722	448,525	469,032
Departmental Income	131	74	3,745	20	14
Intergovernmental Charges	145,266	152,235	158,445	171,257	179,853
Use of Money & Property	3,352	3,554	8,778	13,399	11,529
Licenses and Permits	1,238	784	1,233	1,130	730
Fines and Forfeitures	-	173	121	60	-
Sale of Property and Compensation for Loss	14,264	6,962	12,980	12,060	47,977
Miscellaneous	4,828	4,878	4,694	20,513	4,149
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	43,656	39,570	40,559	42,469	63,688
Revenues from Federal Sources	-	-	-	-	-
Total Revenues	<u>\$ 1,043,495</u>	<u>\$ 1,105,128</u>	<u>\$ 1,132,577</u>	<u>\$ 1,175,446</u>	<u>\$ 1,247,007</u>
<u>EXPENDITURES</u>					
General Government Support	\$ 86,462	\$ 78,871	\$ 72,684	\$ 96,532	\$ 106,872
Public Safety	227,171	249,566	260,054	275,295	225,476
Transportation	292,985	296,140	304,302	312,188	313,486
Culture and Recreation	14,047	8,531	7,947	7,155	16,299
Home and Community Services	171,007	165,130	161,799	177,472	203,165
Employee Benefits	97,143	135,877	108,013	111,098	135,502
Debt Service	133,039	122,050	117,300	62,500	111,165
Total Expenditures	<u>\$ 1,021,854</u>	<u>\$ 1,056,165</u>	<u>\$ 1,032,099</u>	<u>\$ 1,042,240</u>	<u>\$ 1,111,965</u>
Excess of Revenues Over (Under) Expenditures	<u>21,641</u>	<u>48,963</u>	<u>100,478</u>	<u>133,206</u>	<u>135,042</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	<u>(95,000)</u>	<u>(132,838)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>
Total Other Financing	<u>(95,000)</u>	<u>(132,838)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(73,359)</u>	<u>(83,875)</u>	<u>15,478</u>	<u>48,206</u>	<u>50,042</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	300,325	226,964	143,080	158,558	206,760
Prior Period Adjustments (net)	<u>(2)</u>	<u>(9)</u>	<u>-</u>	<u>(4)</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 226,964</u>	<u>\$ 143,080</u>	<u>\$ 158,558</u>	<u>\$ 206,760</u>	<u>\$ 256,802</u>

Source: Annual financial reports of the Village. Summary itself not audited.

GENERAL FUND

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

Fiscal Years Ending May 31:	2009		2010
	Adopted Budget	Actual	Adopted Budget
REVENUES			
Real Property Taxes	\$ 468,012	\$ 471,874	\$ 478,423
Real Property Tax Items	1,500	1,144	2,000
Non-Property Tax Items	425,000	465,685	449,000
Departmental Income	-	7	-
Intergovernmental Charges	177,384	182,431	179,996
Use of Money & Property	6,000	3,290	8,000
Licenses and Permits	1,000	429	1,000
Fines and Forfeitures	-	-	-
Sale of Property and Compensation for Loss	-	10,994	-
Miscellaneous	21,072	2,724	3,000
Interfund Revenues	-	-	-
Revenues from State Sources	55,000	42,892	82,100
Revenues from Federal Sources	-	-	-
Total Revenues	<u>\$ 1,154,968</u>	<u>\$ 1,181,470</u>	<u>\$ 1,203,519</u>
EXPENDITURES			
General Government Support	\$ 110,328	\$ 88,765	\$ 100,084
Public Safety	307,365	390,537	321,800
Health	36	5	24
Transportation	298,500	339,975	306,890
Culture and Recreation	14,100	8,917	14,100
Home and Community Services	206,260	193,676	218,848
Employee Benefits	151,600	155,522	143,600
Debt Service	106,779	122,491	103,173
Total Expenditures	<u>\$ 1,194,968</u>	<u>\$ 1,299,888</u>	<u>\$ 1,208,519</u>
Excess of Revenues Over (Under) Expenditures	<u>(40,000)</u>	<u>(118,418)</u>	<u>(5,000)</u>
Other Financing Sources (Uses):			
Operating Transfers In	-	-	-
Operating Transfers Out	<u>(85,000)</u>	<u>(60,000)</u>	<u>(95,000)</u>
Total Other Financing	<u>(85,000)</u>	<u>(60,000)</u>	<u>(95,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(125,000)</u>	<u>(178,418)</u>	<u>(100,000)</u>
FUND BALANCE			
Fund Balance - Beginning of Year	125,000	256,802	100,000
Prior Period Adjustments (net)	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 78,384</u>	<u>\$ -</u>

Source: Annual financial reports of the Village. Summary itself not audited.

Changes In Fund Equity

Fiscal Years Ending May 31:	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>WATER FUND</u>					
Fund Equity - Beginning of Year	\$ 181,860	\$ 129,615	\$ 8,695	\$ (2,262)	\$ (11,524)
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	304,861	266,699	277,424	275,005	275,237
Expenditures & Other Uses	357,106	387,349	288,381	284,267	256,181
Fund Equity - End of Year	\$ 129,615	\$ 8,965	\$ (2,262)	\$ (11,524)	\$ 7,532
<u>SEWER FUND</u>					
Fund Equity - Beginning of Year	\$ 376,412	\$ 349,086	\$ 222,055	\$ 218,586	\$ 168,949
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	535,916	659,329	607,491	524,197	558,334
Expenditures & Other Uses	563,242	786,360	610,960	573,834	620,318
Fund Equity - End of Year	\$ 349,086	\$ 222,055	\$ 218,586	\$ 168,949	\$ 106,965

Source: Annual financial reports of the Village. Summary itself not audited.

BONDED DEBT SERVICE

Fiscal Year Ending May 31st	Excluding This Issue			Principal of This Issue	Total Principal All Issues
	Principal	Interest	Total		
2010	\$ 83,000	\$ 58,722.50	\$ 55,000.00	\$ -	\$ 83,000
2011	100,000	36,200.00	52,500.00	40,000	140,000
2012	50,000	31,450.00	81,450.00	40,000	90,000
2013	55,000	29,018.75	84,018.75	45,000	100,000
2014	60,000	26,287.50	86,287.50	45,000	105,000
2015	60,000	23,437.50	83,437.50	45,000	105,000
2016	65,000	20,468.75	85,468.75	50,000	115,000
2017	65,000	17,381.25	82,381.25	50,000	115,000
2018	65,000	14,293.75	79,293.75	55,000	120,000
2019	65,000	11,125.00	76,125.00	55,000	120,000
2020	35,000	8,625.00	43,625.00	60,000	95,000
2021	35,000	6,875.00	41,875.00	60,000	95,000
2022	40,000	5,000.00	45,000.00	65,000	105,000
2023	40,000	3,000.00	43,000.00	65,000	105,000
2024	40,000	1,000.00	41,000.00	70,000	110,000
2025	-	-	-	75,000	75,000
TOTALS	\$ 858,000	\$ 292,885.00	\$ 980,462.50	\$ 820,000	\$ 1,678,000

FORM OF BOND COUNSEL'S OPINION

April 1, 2010

Village of Clinton
County Oneida
State of New York

Re: Village of Clinton
Oneida County, New York
\$820,000 Public Improvement (Serial) Bonds, 2010

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$820,000 Public Improvement (Serial) Bonds, 2010 (the "Obligations"), of the Village of Clinton, County of Oneida, State of New York (the "Obligor"), dated April 1, 2010, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of ____ and ____ hundredths per centum (____%) per annum as to bonds maturing in each of the years 20__ to 20__, both inclusive, and at the rate of ____ per centum (____%) per annum as to bonds maturing in each of the years 20__ to 20__, both inclusive, payable on October 1, 2010, and semi-annually thereafter on April 1 and October 1, and maturing in the amount of \$40,000 on April 1, 2011 and April 1, 2011, both inclusive, \$45,000 on April 1, 2013 through April 1, 2015, \$50,000 on April 1, 2016 and April 1, 2017, both inclusive, \$55,000 on April 1, 2018 and April 1, 2019, both inclusive, \$60,000 on April 1, 2020 and April 1, 2021, both inclusive, \$65,000 on April 1, 2022 and April 1, 2023, both inclusive, \$70,000 on April 1, 2024 and \$75,000 on April 1, 2025.

Bonds maturing on or before April 1, 2019 are not subject to redemption prior to maturity. Bonds maturing on or after April 1, 2020 are subject to redemption, at the option of the Village, in whole or in part, prior to maturity, on any interest payment date on or after April 1, 2019 at par, plus accrued interest to the redemption date.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations 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 Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, nor is it included in adjusted current earnings in calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions 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 Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, 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.

Very truly yours,

Orrick, Herrington & Sutcliffe LLP