

OFFICIAL STATEMENT

NEW AND RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Trespasz & Marquardt, LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of federal individual and corporate alternative minimum taxes, nor is it included in adjusted current earnings when calculating federal corporate alternative minimum taxes. Bond Counsel is also of the opinion that interest on the Notes is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and 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 Notes. See "TAX MATTERS" herein.

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

\$17,000,000

**ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT
OSWEGO COUNTY, NEW YORK**

GENERAL OBLIGATIONS

\$17,000,000 Bond Anticipation Notes, 2010

Dated: July 15, 2010

Due: July 15, 2011

(Referred to as the "Notes")

The Notes are general obligations of the Altmar-Parish-Williamstown Central School District, Oswego County, 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.

The Notes will not be subject to redemption prior to maturity and will be issued in bearer form in the denominations of \$5,000 or multiples thereof, as determined by the successful bidder. Principal and interest will be payable in Federal Funds at maturity at such bank or trust company located and authorized to do business in the State of New York, as may be determined by such successful bidder. Paying agent fees, if any will be paid by the successful bidder.

At the option of the purchaser, the Notes will be issued as registered notes, and, if so 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 the securities depository for the Notes. Under this option, noteholders will not receive certificates representing their ownership interest in the Notes purchased. See "Book-Entry-Only-System" herein.

Under this option, payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See "Book-Entry-Only System" herein.

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 Trespasz & Marquardt, LLP, Bond Counsel to the District, Syracuse, New York. 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 July 15, 2010.

June 25, 2010

THE SCHOOL DISTRICT 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 BIDDERS, AS MORE FULLY DESCRIBED IN THE NOTICES 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 WITH RESPECT TO THE NOTES. SEE "MATERIAL EVENT NOTICES" HEREIN.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

OSWEGO COUNTY, NEW YORK

BOARD OF EDUCATION

MICHAEL HALE, SR.
President

REGINALD WARE
Vice President

CASEY BROUSE
RICHARD MCDERMOTT
ERNIE PETERS
MARIE RADLEY
AARON WALTER

* * * * *

GERALD D. HUDSON
Superintendent of Schools

VICTOR HOLL
School Business Administrator

SANDRA K. ROBINSON
School District Clerk

ROSALIE PLATT
School District Treasurer

MARC H. REITZ, ESQ.
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
School District Financial Advisor

TRESPASZ & MARQUARDT, LLP
Bond Counsel

No person has been authorized by Altmar-Parish-Williamstown 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 Altmar-Parish-Williamstown Central School District.

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OFFICIAL STATEMENT
of the
ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT
OSWEGO COUNTY, NEW YORK

Relating To
\$17,000,000 Bond Anticipation Notes, 2010

This Official Statement, which includes the cover page, has been prepared by the Altmar-Parish-Williamstown Central School District, Oswego County, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the School District of \$17,000,000 Bond Anticipation Notes, 2010 (hereinafter referred to as 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 (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 factors affecting the School District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the School District 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 School District 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 Notes and the proceedings of the School District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

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 will be dated July 15, 2010 and will mature, without option of prior redemption, on July 15, 2011. The Notes will be issued in either (i) bearer form, in denominations of \$5,000 each or multiples thereof, 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 The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. See "Book-Entry-Only System" herein.

Book-Entry-Only System

If issued in registered form, The Depository Trust Company ("DTC"), New York, NY, 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) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each Note bearing the same rate of interest and CUSIP number, in the aggregate principal amount of such issue, and will be deposited with DTC.

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 3.2 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. More information about DTC can be found at www.dtcc.com.

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 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 Notes 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 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 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 Notes 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 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 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 Notes 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 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 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 Notes at any time by giving reasonable notice to the School District. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to 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 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 registered in the name of the purchaser/owner in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company to be named by the School District as fiscal agent for the Notes.

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 and the Local Finance Law and a bond resolution of the Altmar-Parish-Williamstown Central School District dated April 23, 2007 authorizing the issuance of \$34,600,000 serial bonds of said School District to pay the cost of the reconstruction and construction of School District buildings.

The proceeds of the Notes, along with \$55,000 available funds will renew \$4,245,000 bond anticipation notes currently outstanding and provide \$12,755,000 in new monies for the aforementioned purpose.

THE SCHOOL DISTRICT

General Information

The District is located in upstate New York in the central sector of Oswego County, and covers a land area of approximately 183 square miles. The District is approximately 25 miles north of the City of Syracuse. Main highways serving the District include New York State Routes #3, #13, #69 and #104, United States Route #11 and Interstate Highway #81 which extends south from the Canadian border through Pennsylvania.

The District encompasses all or portions of the Towns of Albion, Amboy, Hastings, Mexico, Orwell, Parish, Richland, West Monroe and Williamstown and the Villages of Altmar and Parish. The District is largely suburban-rural in character with some small industry. Agricultural enterprises include dairy farming as well as fruit and vegetable production.

Police protection is provided by State, County and Village agencies. Fire protection is provided by various volunteer fire departments. Gas and electricity are provided by National Grid.

Population

The current estimated population of the School District is 7,565.

Selected Wealth and Income Indicators

Per capita income statistics are not available for the School District as such. The smallest areas for which such statistics are available, which includes the School District, are the Towns and the County listed below. The figures set below with respect to such Towns and County is included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the County necessarily representative of the School District, or vice versa.

	<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>
Towns of:						
Albion	\$ 10,628	\$ 16,022	\$ N/A	\$ 29,735	\$ 40,000	\$ N/A
Amboy	8,741	14,698	N/A	28,382	34,702	N/A
Hastings	12,383	17,931	N/A	35,500	46,722	N/A
Mexico	12,828	17,498	N/A	37,939	46,852	N/A
Orwell	8,423	15,256	N/A	23,571	37,500	N/A
Parish	13,862	16,149	N/A	40,925	40,926	N/A
Richland	11,937	16,780	N/A	33,101	43,564	N/A
West Monroe	11,259	16,534	N/A	33,542	47,019	N/A
Williamstown	9,076	12,599	N/A	27,391	34,688	N/A
County of:						
Oswego	11,792	16,853	21,376	33,888	43,821	54,795
State of:						
New York	16,501	23,389	30,804	39,741	51,691	67,229

Note: 2008 figures for the Towns are not available at this time.

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

Form of School Government

The Board of Education is the policy-making body of the School District and consists of seven members with overlapping three-year terms so that as nearly as possible an equal number is elected to the Board each year. Each Board member must be a qualified voter of the School District. 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 a detailed statement of estimated sums necessary for the various expenditures of the School District for the ensuing fiscal year (proposed budget) and distributes that statement not less than fourteen days prior to the date on which the annual school election is conducted, at which the tentative budget is voted upon. Notice of the annual election is published as required by statute with a first publication not less than forty-five days prior to the day of election.

If the qualified voters at the annual election approve the tentative budget, the Board of Education, by resolution, adopts the proposed budget of the School District for the ensuing year. In the event the proposed budget is disapproved by a majority of the voters, the Board of Education may call and hold subsequent elections on a budget. If no budget is approved, the Board of Education may 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 2010-2011 fiscal year was approved by the qualified voters on May 18, 2010.

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 bond 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) Savings Accounts, Now Accounts or Money Market Accounts of designated banks, (2) Certificates of Deposit issued by a bank or trust company located and authorized to do business in New York State, (3) Demand Deposit Accounts in a bank or trust company authorized to do business in New York State, (4) Obligations of New York State, (5) Obligations of the United States Government (U.S. Treasury Bills and Notes), (6) Repurchase Agreements involving the purchase and sale of direct obligations of the United States, with third-party custody of collateral.

State Aid

The School District receives financial assistance from the State. In its adopted budget for the 2010-11 fiscal year, approximately 71.0% 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 any year, 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. If the State should not adopt its budget in a timely manner in any year 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 or delays 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 related to outstanding indebtedness for capital project purposes. 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.

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 in any form whatsoever. State aid, including building aid appropriated and apportioned to the School 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.

Also in connection with State aid, in *Campaign for Fiscal Equity, Inc. et al. v. State, et al.* (Supreme Court, New York County), plaintiffs challenge the State's method of providing funding for New York City public schools. Plaintiffs seek a declaratory judgment that the State's public school financing system violates article 11, section 1 of the State Constitution and Title VI of the Federal Civil Rights Act of 1964 and injunctive relief that would require the State to satisfy State Constitutional standards.

Litigation was commenced in 1993 by The Campaign for Fiscal Equity challenging the apportionment of State aid to New York City schools as unconstitutional for failure to provide for a "sound basic education". In 2006, after several years of interim court findings and determinations, this matter was concluded by the Court of Appeals which held that (i) the current school funding formula fails to satisfy constitutional requirements of a "sound basic education" which, under the constitution, requires a meaningful high school education, one which prepares students to function productively as civic participants, and (ii) the State has to ultimately determine the appropriate amount to increase funding for New York City's public schools. The court found that the State Legislature's use of an additional funding amount of \$1.93 billion (2004 dollars) adjusted by inflation, to meet this requirement for New York City schools is rationale and meets constitutional requirements.

Although a lower court had concluded that additional capital funding was also required for New York City schools the Court of Appeals vacated that decision as unnecessary in light of the fact that in 2006 the State Legislature approved a \$2.6 billion capital program for all schools including \$1.8 billion for New York City schools.

State legislative reforms in the wake of The Campaign for Fiscal Equity decision include increased accountability for expenditure of State funds and collapsing over 30 categories of school aid into one classroom operating formula referred to as foundation aid. Foundation aid prioritizes funding distribution based upon student need. Included as part of the 2007-2008 State budget was a \$1.76 billion increase in State aid for education bringing total State funding for this purpose to \$19.64 billion. The 2008-09 State budget increased school aid by \$1.75 billion (8.9 percent), bringing the statewide total funding to \$21.4 billion. The 2009-10 State budget decreases school aid by \$698 million (3.3 percent), bringing statewide total funding to \$20.7 billion. Foundation Aid, which targets funding to high-needs districts based on objective criteria of district wealth and student need, will be maintained at 2008-09 levels for 2 years delaying previously scheduled increases.

The District received STAR payments for the 2009-2010 fiscal year in increments beginning in October, 2009 and continuing until January, 2010. Adjustment payments were made in March 2010. On December 13, 2009, Governor Paterson ordered \$750 million in reductions to scheduled December payments due to a severe cash shortage. In order for the State to maintain a positive cash position, payments scheduled to be made by December 15 to municipalities and school districts were reduced by 10 percent. A reduction of approximately 19 percent of the additional payments for STAR was made at the end of December 2009. In January 2010, the Governor announced that the State would release the delayed funds to School Districts. There can be no assurance that further delays will not occur in the 2009-2010 fiscal year.

New York Governor David Paterson, acting on March 30, 2010, ordered the delay of \$2.1 billion in aid payments to State school districts, saying the State did not have enough cash to pay bills and still end the fiscal year with its budget balanced. Although the payments were not legally due until June 1, the State had planned to send the checks — and school districts expected to receive them — on March 31, the final day of the State's current fiscal year. Mr. Paterson said, "The state intends to meet the June 1 statutory deadline for making this payment, assuming sufficient cash is available at that time."

On May 14, 2010, Governor Paterson proposed another delay in State aid, but also assured school districts that all outstanding aid payments will be made prior to June 30, 2010. Under the Governor's proposal, the outstanding aid payments which had been paid in prior years by March 31st will be paid in two installments, with one payment being made before June 15th and the second being made after June 15th. The State typically receives income tax revenues on June 15th which are expected to enable the payment of the balance of aid due to school districts. As of the date hereof, it is unknown when such aid will ultimately be paid to school districts.

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 in any form whatsoever. State aid, including building aid appropriated and apportioned to the School 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.

School Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Additions</u>
Altmar Elementary School	K-5	244	'30, '80, '00
Parish Elementary School	K-5	251	'50, '80, '90, 00
Altmar-Parish-Williamstown Middle School District	6-8	413	'80, '00
Altmar-Parish-Williamstown High School District	9-12	477	'50, '80, '00

Enrollment Trends

<u>School Year</u>	<u>Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2005-06	1,591	2010-11	1,370
2006-07	1,589	2011-12	1,360
2007-08	1,494	2012-13	1,350
2008-09	1,456	2013-14	1,340
2009-10	1,406	2014-15	1,340

Employees

The School District employs approximately 300 full-time employees. The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expiration of the various collective bargaining agreements are as follows:

<u>Number</u>	<u>Union</u>	<u>Contract Expiration Date</u>
150	APW Teachers' Association	June 30, 2013
125	APW Non-Instructional Staff Association (CSEA)	June 30, 2013

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 hired prior to July 27, 1976. 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 towards the cost of retirement programs.

All non-professional employees of the School District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York State Employees' Retirement System. Professional employees (teachers and administrators) are members of the New York State Teachers' Retirement System. Payments to the Retirement System, by the School District, are deducted from State aid payments.

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.

Since 2005-06 fiscal year the District's contributions to the Systems were as follows:

	<u>ERS</u>	<u>TRS</u>
2005-06	\$ 310,749	\$ 616,790
2006-07	337,369	853,919
2007-08	288,000	923,000
2008-09	322,097	911,640
2009-10	344,500	932,761
2010-11 (Budgeted)	389,670	909,102

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 the ERS and TRS. 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 and TRS 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.

Chapter 260 of the Laws of 2004 contained three components which altered the way municipalities and school districts contributed 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 has reflected pension payments due between April 1 and March 31, consistent with the State fiscal year.

Chapter 260 provided for the following changes:

- Contribution Payment Date Change: The law changed the date on which local pension contributions are due to the State. The annual required contribution is now due Feb. 1 annually instead of Dec. 15.
- Pension Cost Amortization-Extension of Payout Period: The law also extended 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 and school districts can amortize, either directly through the State retirement system at a fixed interest rate annually determined by the State Comptroller or through the capital markets, pension payments in excess of 9.5% of eligible payroll in 2006 and 10.5% in 2007.
- Pension Contributions Reserve Fund: The law created 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 May 30, 2009, Comptroller DiNapoli released a preliminary estimate that the rate of return for the Fund was a negative 26.3% for the fiscal year ended March 31, 2009. DiNapoli said that the market downturn would require higher employer pension contributions rates in future years and he announced proposed legislation that is intended to give State and local employers an option to manage those expected increases. It is not possible at this time to determine whether such proposed legislation will be enacted into law.

On September 3, 2009, the New York State Comptroller's 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 will drive the average ERS rate up to 11.9% (up from 7.4% in 2010). The average TRS rate is expected to be between 8.5% and 9.0% (up from 6.19% in 2010). These rates are on par with the rates from 2007, 2008 and 2009 when ERS rates were 10.7%, 9.6% and 8.5%, respectively, and TRS were 7.6%, 8.7% and 8.6%, respectively.

The investment of monies and assumptions underlying same, of the Retirement Systems covering the School District's employees is not subject to the direction of the School District. 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 School District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

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

Other Post Employment Benefits

It should also be noted that the School District provides employment 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 requires governmental entities, such as the School District, to account for employment healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting.

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, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 45 requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

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

As of June 30, 2009 the actuarial present value of the total projected benefits for the District's 259 active employees and 84 retirees was \$36,505,784. The actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$24,760,171. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$24,760,171. The District's annual OPEB cost was \$2,532,829 and is equal to the annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$505,233 to the Plan for the fiscal year ending June 30, 2010 resulting in a year-end Net OPEB obligation of \$3,840,490.

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) is the County. The information set forth below with respect to the County is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County is necessarily representative of the School District, or vice versa.

	<u>Annual Average</u>							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Oswego County	6.5%	7.4%	6.9%	6.3%	5.9%	5.7%	6.9%	9.7%
New York State	6.2%	6.4%	5.8%	5.0%	4.6%	4.5%	5.3%	8.4%

	<u>2010 Monthly Figures</u>							
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>July</u>	
Oswego County	11.6%	11.5%	10.7%	9.0%	9.2%	N/A	N/A	
New York State	9.4%	9.2%	8.8%	8.1%	8.1%	N/A	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 Notes are to be issued is the Education Law and the Local Finance Law

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

Except to the extent shown in "Estimated Overlapping Indebtedness," this Official Statement does not include the financial data of any political subdivision having power to levy taxes upon property within the School District.

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.

Financial Statements

The School District retains independent certified public accountants. The last audited report covers the period ending June 30, 2009 and may be found attached hereto as "Appendix - C" 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 may be found attached hereto as Appendices to this Statement.

The School District complies with the Uniform System of Accounts as prescribed for School Districts 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 June 30, 2003 the School District is required to issue its financial statements in accordance with GASB Statement No. 34. Statement No. 34 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 School District is in compliance with Statement No. 34.

TAX INFORMATION

Valuations

Taxable Assessed Valuation

<u>Years Ending June 30:</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Albion	\$ 54,338,718	\$ 56,071,557	\$ 60,227,742	\$ 57,301,007	\$ 76,149,128
Amboy	45,961,229	45,912,521	62,759,387	65,290,925	64,908,097
Hastings	65,097	57,617	50,033	54,862	51,500
Mexico	7,571,512	7,438,506	7,763,196	7,997,524	8,381,923
Orwell	16,282,514	19,779,722	28,591,579	30,528,217	31,670,310
Parish	75,683,387	76,244,991	75,237,203	75,891,166	76,094,315
Richland	241,990	273,096	314,862	314,179	309,059
West Monroe	75,674	75,929	75,910	75,141	75,130
Williamstown	<u>44,568,756</u>	<u>47,651,788</u>	<u>48,757,645</u>	<u>50,833,153</u>	<u>58,193,389</u>
Total	\$ 244,788,877	\$ 253,505,727	\$ 283,777,557	\$ 288,286,174	\$ 315,832,851

New York State Equalization Rates

<u>Years Ending June 30:</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Albion	100.00%	100.00%	100.00%	100.00%	100.00%
Amboy	92.00%	86.00%	100.00%	100.00%	100.00%
Hastings	100.00%	100.00%	95.00%	100.00%	95.00%
Mexico	100.00%	100.00%	100.00%	100.00%	100.00%
Orwell	86.32%	76.93%	100.00%	100.00%	100.00%
Parish	91.06%	87.88%	77.69%	75.50%	72.00%
Richland	91.00%	100.00%	100.00%	100.00%	90.00%
West Monroe	4.10%	3.95%	3.65%	3.40%	3.30%
Williamstown	100.00%	100.00%	90.00%	85.00%	100.00%
Full Valuation	\$ 260,590,296	\$ 279,273,139	\$ 312,807,160	\$ 324,018,553	\$ 347,663,672

Tax Rates Per \$1,000 (Assessed)

<u>Years Ending June 30:</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Towns of:					
Albion	\$ 21.57	\$ 20.86	\$ 18.85	\$ 22.72	\$ 22.05
Amboy	23.45	24.25	18.85	22.72	22.05
Hastings	21.57	20.86	19.84	22.72	23.21
Mexico	21.57	20.86	18.85	22.72	22.05
Orwell	24.99	27.11	18.85	22.72	22.05
Parish	23.69	23.73	24.26	30.10	30.62
Richland	23.70	20.86	18.85	22.72	24.50
West Monroe	526.09	527.99	516.45	668.34	668.06
Williamstown	21.57	20.86	20.95	26.73	22.05

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged From October 1st to October 31st, with a penalty of 3% from November 1st to November 15th. After November 15th, uncollected taxes are returnable to Oswego County for collection. The School District receives this amount from said County prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by said County.

Tax Collection Record

<u>Years Ending June 30:</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Tax Levy	\$ 4,404,924	\$ 4,175,499	\$ 4,367,215	\$ 4,481,982	\$ 7,720,082	\$ 7,940,945
Uncollected ⁽¹⁾	562,907	593,777	633,293	660,031	1,088,532	1,191,142
% Uncollected	12.8%	14.2%	14.5%	14.7%	14.1%	15.0%

⁽¹⁾ As of the end of the local collection period.

Larger Taxpayers 2009 for 2009-10 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
National Grid	Utility	\$ 36,293,796
Oswego County Property & NYS Reforestation	County/State Land	4,967,297
Omega Wire	Manufacturing	3,988,341
Citizen's TeleComm	Utility	2,000,634
Verizon	Utility	1,776,542
Fuller Properties	Commercial	1,717,650
Miller Lumber	Commercial	787,262
R.A.H Partners	Commercial	694,540
DeGraff, David	Apartments	642,400
Time Warner	Utility	610,364

The larger taxpayers listed above have a total assessed valuation of \$53,478,826 which represents 16.9% of the tax base of the School District.

Source: School District Tax Rolls.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. The District is reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

Homeowners over 65 years of age with household incomes not exceeding \$67,850 (adjusted annually) are eligible to receive a minimum a “full value” exemption of \$56,060. Other homeowners are eligible to receive a minimum “full value” exemption of \$29,600 on their primary residence.

\$1,839,621 of the District’s \$7,720,082 school tax levy for the 2009-10 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2010. It is expected that approximately \$1,731,700 of the District’s \$7,940,945 school tax levy for the 2010-11 fiscal year will be exempt by the STAR Program. For a description of the State’s STAR Aid payment schedule, see “State Aid.”

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 estimated to be categorized as follows: Residential-80%, Agricultural-10% and Commercial-10%.

The estimated total annual property tax bill of a \$100,000 market value residential property located in the School District is approximately \$3,000 including Counties, 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 contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the School District 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 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 as determined by statute; unless substantially level or declining annual debt service is authorized and utilized, no installment may be more than fifty percent 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 and such required annual installments on its notes.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the School District to borrow and incur indebtedness 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 authorized by the Legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such ratio shall be determined.

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 School 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.

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 within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

The School District has complied with this estoppel procedure in connection with the Notes.

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 School District, pursuant to the Local Finance Law.

The School District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the School District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30:</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Bonds ⁽¹⁾	\$ 33,880,000	\$ 32,100,000	\$ 30,250,000	\$ 28,845,000	\$ 18,775,000
Bond Anticipation Notes	295,000	520,000	700,000	3,000,000	3,000,000
Revenue / Budget Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,850,000</u>	<u>5,500,000</u>
Total Debt Outstanding	\$ 34,175,000	\$ 32,620,000	\$30,950,000	\$ 35,695,000	\$ 27,275,000

⁽¹⁾ Includes refunded serial bonds originally issued August 15, 2000 and refunded serial bonds originally issued June 15, 2001 to realign debt service with the new State Aid payout schedule. As of June 30, 2009 there were \$4,845,000 refunded serial bonds outstanding. Debt service for these bonds is paid from a fully funded escrow account, and while not legally defeased, these bonds are considered to be economically defeased.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the School District evidenced by bonds as of June 23, 2010.

<u>Bonds</u>	<u>Maturity</u>	<u>Amount</u>
	2010-2019	\$ 14,130,000
<u>Bond Anticipation Notes</u>		
Capital Project	July 16, 2010	3,500,000 ⁽¹⁾
Capital Project	July 16, 2010	<u>850,000</u> ⁽¹⁾
	Total Indebtedness	<u>\$ 18,480,000</u>

⁽¹⁾ To be renewed at maturity with proceeds of the Notes together with \$55,000 available funds

Note: As of June 15, 2010 all refunded serial bonds have been called.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin evidenced by bonds and bond anticipation notes as of June 23, 2010:

Full Valuation of Taxable Real Property.....	\$ 347,663,672
Debt Limit 10% thereof.....	34,766,367

Inclusions:

Bonds	\$ 14,130,000	
Principal of this Issue	<u>17,000,000</u>	
Total Inclusions.....		<u>\$ 17,000,000</u>

Exclusions:

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

Total Net Indebtedness	<u>\$ 31,130,000</u>
Net Debt-Contracting Margin.....	<u>\$ 3,636,367</u>
The percent of debt contracting power exhausted is	89.54%

⁽¹⁾ Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. The School District anticipates State Building aid of 98.0% on existing bonded debt service. 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.

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.

Capital Project Financing Plans

The qualified voters of the School District have authorized a \$34.8 million Capital Project. The School District issued \$3 million bond anticipation notes on July 20, 2007 as the first borrowing against said authorization. The bond anticipation notes were renewed in full on July 18, 2008. Issuance of the Notes represents the third borrowing against said authorization. The School District anticipates issuing additional funds for the Capital Project in the 2010-2011 fiscal year.

Other than as listed above, the School District has no other projects authorized or contemplated at this time.

Bonded Debt Service

A schedule of Bonded Debt Service may be found in APPENDIX - B of this Official Statement.

Estimated Overlapping Indebtedness

In addition to the School District, the following political subdivisions have the power to issue notes and to levy taxes or cause taxes to be levied on taxable real property in the School District. Estimated bonds and bond anticipation notes are listed as of the close of the last fiscal year of the respective municipalities.

<u>Unit</u>	<u>Total Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within School District</u>	<u>Net Indebtedness</u>
County of:					
Oswego	\$ 4,300,000	\$ 0	\$ 4,300,000	4.92%	\$ 211,560
Towns of:					
Albion	228,774	0	228,774	34.78%	79,568
Amboy	26,256	26,256	0	100.00%	0
Hastings	0	0	0	0.05%	0
Mexico	6,897,951	6,648,920	249,031	3.80%	9,463
Orwell	0	0	0	66.97%	0
Parish	0	0	0	98.63%	0
Richland	7,985,514	7,985,514	0	0.15%	0
West Monroe	867,351	867,351	0	1.20%	0
Williamstown	27,098	0	27,098	99.31%	26,911
Villages of:					
Altmar	0	0	0	100.00%	0
Parish	516,000	516,000	0	100.00%	0
				Total	\$ 327,502

- (1) Bonds and bond anticipation notes as of close of 2008 fiscal year. Not adjusted to include subsequent bond sales, if any.
- (2) Water and sewer debt and appropriations.

Source: Comptroller’s Special Report on Municipal Affairs for Local Finance Years Ended in 2008.

Debt Ratios

The following table sets forth certain ratios relating to the School District's indebtedness as of June 23, 2010:

	<u>Amount Indebtedness</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Valuation</u> ^(b)
Net Indebtedness (see "Computation of Debt Limit")	\$ 31,130,000	\$ 4,115.00	8.95%
Net Indebtedness Plus Net Overlapping Indebtedness ^(c)	31,457,502	4,158.30	9.05%

- (a) The current estimated population of the District is 7,565.
- (b) The District's full value of taxable real estate for 2009-10 is \$347,663,672.
- (c) Estimated net overlapping indebtedness is \$327,502.

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

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

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

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 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 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) bond 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.

LITIGATION

At the current time a Petition to the Commissioner is pending which seeks the re-opening of one of the District's elementary schools and the removal of all members of the Board of Education. In a preliminary determination the Commissioner refused to stay the District's decision to close the building. A final determination on this matter is not anticipated in the very near future, but it is the District's belief that the relief sought is not likely to be granted.

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.

TAX MATTERS

In the opinion of Trespasz & Marquardt, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel is of the further opinion that interest on the Notes 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. 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 Notes. The School District has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, from the date of original issuance of the Notes. 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 Notes may adversely affect the value of, or the tax status of interest on, the Notes. 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 Notes.

Certain requirements and procedures contained or referred to in the Arbitrage and Use of Proceeds Certificate, and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than Trespasz & Marquardt, LLP.

Although Bond Counsel is of the opinion that interest on the Notes 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 and the City of New York, the ownership or disposition of, or the accrual or receipt of interest on, the Notes 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.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Trespasz & Marquardt, LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as APPENDIX – D.

RATING

The Notes are not rated; however, Standard & Poor's Credit Market Services ("S & P") has assigned a rating of "A" to the School District's outstanding General Obligation Bonds. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from S & P. There can be no assurance that such ratings will not be revised or withdrawn, if in the judgment of S & P and circumstances so warrant. Any change or withdrawal of such ratings may have an adverse effect on the market price of the Notes.

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.

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 School District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the School District 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 School District also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel to the School District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the School District for use in connection with the offer and sale of the Notes, including, but not limited to, the financial information in this Official Statement.

If the purchaser(s) requests the Note to be issued in registered form, the School District will act as Paying Agent for the Notes. If the purchaser(s) requests the Notes to be issued in bearer form, the purchaser will act as Paying Agent for the Notes. The School District contact information is as follows: Mr. Victor Holl, School Business Administrator, County Route 22, PO Box 97, Parish, New York 13131-0097, Phone (315) 625-5254, Telefax: (315) 625-7061, email: vholl@apw.cnyric.org.

This Official Statement has been duly executed and delivered by the President of the Board of Education of Altmar-Parish-Williamstown Central School District.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

Dated: June 25, 2010

MICHAEL HALE, SR.
PRESIDENT OF THE BOARD OF EDUCATION

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>ASSETS</u>			
Unrestricted Cash	\$ 1,619,591	\$ 5,326,888	\$ 11,605,973
Restricted Cash	1,800,192	1,800,192	1,867,449
Accounts Receivables	-	6,198	128,640
Inventories and Prepaid Expenditures	-	1,002	1,002
Due from Other Funds	561,409	738,629	1,549,202
Due from Other Governments	<u>1,123,572</u>	<u>1,405,963</u>	<u>1,105,416</u>
 TOTAL ASSETS	 <u>\$ 5,104,764</u>	 <u>\$ 9,278,872</u>	 <u>\$ 16,257,682</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
Accounts Payable	\$ 273,799	\$ 723,864	\$ 886,253
Accrued Liabilities	-	-	-
Due to Other Funds	249,993	135,155	534,770
Due to Other Governments	800,000	-	-
Due to Teachers' Retirement System	938,304	980,631	762,972
Due to Employees' Retirement Fund	73,182	67,806	94,103
BAN / RAN Payables	-	3,850,000	5,808,765
Compensated Absences	-	-	-
Deferred Revenues	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>2,335,278</u>	 <u>5,757,456</u>	 <u>8,086,863</u>
 <u>FUND EQUITY</u>			
Reserved	\$ 1,898,391	\$ 1,900,014	\$ 1,886,229
Unreserved:			
Appropriated	800,000	-	-
Unappropriated	<u>71,095</u>	<u>1,621,402</u>	<u>6,284,590</u>
 TOTAL FUND EQUITY	 <u>2,769,486</u>	 <u>3,521,416</u>	 <u>8,170,819</u>
 TOTAL LIABILITIES and FUND EQUITY	 <u>\$ 5,104,764</u>	 <u>\$ 9,278,872</u>	 <u>\$ 16,257,682</u>

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
REVENUES					
Real Property Taxes	\$ 4,228,369	\$ 4,397,205	\$ 4,127,175	\$ 4,318,277	\$ 4,498,030
Non-Property Tax Items	1,320,024	1,441,782	1,995,978	1,917,511	1,792,166
Charges for Services	-	-	-	-	6,085
Use of Money & Property	97,523	136,967	196,149	219,720	166,454
Sale of Property and Compensation for Loss	19,715	-	-	-	-
Miscellaneous	178,399	950,740	66,324	165,038	1,178,110
Revenues from State Sources	14,369,153	15,267,505	16,187,022	16,980,889	18,226,034
Revenues from Federal Sources	224,571	194,246	171,297	119,457	88,979
Total Revenues	<u>\$ 20,437,754</u>	<u>\$ 22,388,445</u>	<u>\$ 22,743,945</u>	<u>\$ 23,720,892</u>	<u>\$ 25,955,858</u>
Other Sources:					
Interfund Transfers	<u>407,678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Sources	<u>20,845,432</u>	<u>22,388,445</u>	<u>22,743,945</u>	<u>23,720,892</u>	<u>25,955,858</u>
EXPENDITURES					
General Support	\$ 2,319,116	\$ 2,332,480	\$ 2,910,467	\$ 2,700,129	\$ 2,750,648
Instruction	11,844,033	12,357,733	12,429,580	12,766,263	13,300,232
Pupil Transportation	1,420,261	1,335,200	1,338,895	1,486,039	1,524,616
Community Services	2,400	2,400	2,400	1,639	-
Employee Benefits	3,586,745	4,179,798	4,906,988	5,436,060	5,744,897
Debt Service	1,630,369	1,580,101	1,649,197	1,725,905	1,883,535
Total Expenditures	<u>\$ 20,802,924</u>	<u>\$ 21,787,712</u>	<u>\$ 23,237,527</u>	<u>\$ 24,116,035</u>	<u>\$ 25,203,928</u>
Other Uses:					
Interfund Transfers	<u>603,354</u>	<u>86,340</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Total Expenditures and Other Uses	<u>21,406,278</u>	<u>21,874,052</u>	<u>23,237,527</u>	<u>24,316,035</u>	<u>25,203,928</u>
Excess (Deficit) Revenues Over Expenditures	<u>(560,846)</u>	<u>514,393</u>	<u>(493,582)</u>	<u>(595,143)</u>	<u>751,930</u>
FUND BALANCE					
Fund Balance - Beginning of Year	3,950,804	3,389,958	3,858,211	3,364,629	2,769,486
Prior Period Adjustments (net)	<u>-</u>	<u>(46,140) (1)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 3,389,958</u>	<u>\$ 3,858,211</u>	<u>\$ 3,364,629</u>	<u>\$ 2,769,486</u>	<u>\$ 3,521,416</u>

(1) Change due to adjustments in prior year audit reports from NYS Education.

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

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

Fiscal Years Ending June 30:	2009			2010	2011
	Adopted <u>Budget</u>	Modified <u>Budget</u>	<u>Actual</u>	Adopted <u>Budget</u>	Adopted <u>Budget</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 7,420,218	\$ 5,686,424	\$ 5,676,281	\$ 7,664,577	\$ 7,462,380
Nonproperty Tax Items	370,000	2,103,794	2,084,016	318,480	272,000
Charges for Services	5,000	5,000	1,958	5,000	46,239
Use of Money & Property	95,000	95,000	117,203	63,700	62,200
Sale of Property and Compensation for Loss	-	-	-	-	-
Miscellaneous	113,700	115,300	595,580	100,000	100,000
Revenues from State Sources	18,245,300	18,245,300	19,736,126	18,876,283	19,410,221
Revenues from Federal Sources	100,000	100,000	33,321	50,000	-
Total Revenues	\$ 26,349,218	\$ 26,350,818	\$ 28,244,485	\$ 27,078,040	\$ 27,353,040
Other Sources:					
Interfund Transfers	-	-	-	275,000	-
Appropriated Reserve	-	-	-	22,874	-
Total Revenues and Other Sources	26,349,218	26,350,818	28,244,485	27,375,914	27,353,040
<u>EXPENDITURES</u>					
General Support	\$ 3,069,313	\$ 3,372,590	\$ 3,078,399	\$ 3,664,124	\$ 3,535,191
Instruction	12,641,591	12,428,669	12,250,749	14,049,305	13,631,844
Pupil Transportation	1,572,146	1,571,648	1,510,970	1,537,729	1,602,791
Community Services	-	-	-	-	3,000
Employee Benefits	5,901,338	5,907,903	4,543,584	6,238,038	6,282,484
Debt Service	3,064,830	3,069,830	2,211,380	2,187,730	2,297,730
Total Expenditures	\$ 26,249,218	\$ 26,350,640	\$ 23,595,082	\$ 27,676,926	\$ 27,353,040
Other Uses:					
Interfund Transfers	100,000	100,000	-	33,840	-
Total Expenditures and Other Uses	26,349,218	26,450,640	23,595,082	27,710,766	27,353,040
Excess (Deficit) Revenues Over Expenditures	-	(99,822)	4,649,403	(334,852)	-
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	-	99,822	3,521,416	334,852	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 8,170,819	\$ -	\$ -

Source: Audited financial report and budgets of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2010	\$ 1,675,000	\$ 814,310.00	\$ 2,489,310.00
2011	1,705,000	736,887.50	2,441,887.50
2012	1,700,000	672,147.52	2,372,147.52
2013	1,705,000	609,635.02	2,314,635.02
2014	1,790,000	543,737.50	2,333,737.50
2015	1,855,000	475,482.50	2,330,482.50
2016	1,960,000	385,202.50	2,345,202.50
2017	2,060,000	289,510.00	2,349,510.00
2018	2,160,000	188,850.00	2,348,850.00
2019	2,165,000	97,506.25	2,262,506.25
TOTALS	\$ 18,775,000	\$ 4,813,268.79	\$ 23,588,268.79

Includes refunded serial bonds originally issued August 15, 2000 and refunded serial bonds originally issued June 15, 2001 to realign debt service with the new State Aid payout schedule. As of June 30, 2009 there were \$4,845,000 refunded serial bonds outstanding. Debt service for these bonds is paid from a fully funded escrow account, and while not legally defeased, these bonds are considered to be economically defeased.

ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

OSWEGO COUNTY, NEW YORK

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2009

Such Audited Financial Statement and opinion were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

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INDEPENDENT AUDITORS' REPORT

BOARD OF EDUCATION ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT

We have audited the accompanying financial statements of the governmental activities and each fund of the **ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT** as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of Altmar-Parish-Williamstown Central School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each fund of the District as of June 30, 2009 and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 30, 2009, on our consideration of the District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of these reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. These reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 to 17 and the budgetary comparison information on pages 56 to 58 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information in the report shown on pages 59 to 63 is presented for purposes of additional analysis and is not a required part of the basic financial statements of Altmar-Parish-Williamstown Central School District. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

December 30, 2009

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2009

Our discussion and analysis of **ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT'S** financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the independent auditors' report on page 1 and the District's financial statements, which begin on page 18.

Financial Highlights

- ◆ The 2008 – 2009 fiscal year marks the first year of the District's Five Year Consolidation Plan. The plan goal is to address declining enrollment and to assure the community of a viable and thriving educational institution that will operate within the financial capacity of district taxpayers. Plan objectives include the construction of an effective and cost efficient two building campus. Until the efficiencies of a two building campus can be realized in 2013, the District is taking proactive steps to maximize revenues, control costs and accumulate a short term surplus that will assure the continuity of smooth and successful operations with minimum impact on district taxpayers. The following financial statements reflect the plan's initial impact.
- ◆ The District's net assets increased by approximately \$3,300,000 as a result of this year's operations. This represents approximately 12% of the District's budget, which is in excess of \$27 million. The increase is attributable to many inter-related factors such as cost saving measures that will be explained later in this discussion. It is significant that several one-time events contributed to this increase. These one-time events include the write off of a liability and the successful collection of revenues outstanding from prior years.
- ◆ During the year, the District had net expenses from providing functions and programs of approximately \$25,300,000, of which it received approximately \$20,100,000 from state and federal sources. This left the balance to be funded by taxes and other miscellaneous revenues.
- ◆ The general fund reported a surplus of revenues and other sources over expenditures and other uses this year of approximately \$4,600,000. It is significant that several one-time events contributed to this surplus. These one-time events include the closing of a building, the redistricting of bus routes, and the successful collection of revenues outstanding from prior years.

See notes to financial statements.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2009

Financial Highlights – Continued

◆ Changes in enrollment

As the attached schedule indicates, there was a decrease in enrollment over the past few years.

School Year	Enrollment
2000-2001	1,781
2001-2002	1,721
2002-2003	1,699
2003-2004	1,678
2004-2005	1,628
2005-2006	1,569
2006-2007	1,558
2007-2008	1,505
2008-2009	1,402

◆ Known changes in state aid

Below is a detail of the District's budget, state aid and required levy to meet the budget.

Year	Budget	State Aid	Levy
2001-2002	<u>\$ 21,390,831</u>	<u>\$ 14,558,287</u>	<u>\$ 4,601,195</u>
2002-2003	<u>\$ 21,482,336</u>	<u>\$ 14,032,760</u>	<u>\$ 5,268,877</u>
2003-2004	<u>\$ 21,574,481</u>	<u>\$ 14,619,947</u>	<u>\$ 5,528,877</u>
2004-2005	<u>\$ 21,790,480</u>	<u>\$ 14,546,512</u>	<u>\$ 5,920,968</u>
2005-2006	<u>\$ 22,809,256</u>	<u>\$ 15,696,283</u>	<u>\$ 5,620,968</u>
2006-2007	<u>\$ 24,533,746</u>	<u>\$ 17,117,463</u>	<u>\$ 5,821,395</u>
2007-2008	<u>\$ 26,422,129</u>	<u>\$ 18,226,034</u>	<u>\$ 6,290,196</u>
2008-2009	<u>\$ 26,349,218</u>	<u>\$ 19,736,126</u>	<u>\$ 7,420,218</u>

See notes to financial statements.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2009

Financial Highlights – Continued

◆ Known changes in state aid – Continued

The state recently adopted the Foundation Aid Formula for calculating school aid. This new formula is tied to enrollment. Similar to many upstate rural school districts, APW is experiencing declining enrollment with the attendant decline in state aid revenues. In response to these changes, the District has adopted a five year plan designed to bring its facilities, staffing, and budget in line with its enrollment and available revenue streams.

The current economic recession has impacted district residents. In response, the District has committed to holding levy increases to the minimum necessary to sustain the community's education needs. The District is confident that its consolidation plan, together with effective financial controls will ensure a stable and predictable levy in the future and district residents have continued to be supportive.

Year	Levy Amount	Increase
2001-2002	<u>\$ 4,601,195</u>	<u>5.7%</u>
2002-2003	<u>\$ 5,268,877</u>	<u>14.5%</u>
2003-2004	<u>\$ 5,528,877</u>	<u>4.9%</u>
2004-2005	<u>\$ 5,920,968</u>	<u>7.1%</u>
2005-2006	<u>\$ 5,620,968</u>	<u>(5.06)%</u>
2006-2007	<u>\$ 5,821,395</u>	<u>3.5%</u>
2007-2008	<u>\$ 6,290,196</u>	<u>8.0%</u>
2008-2009	<u>\$ 7,420,218</u>	<u>17.9%</u>

◆ Significant capital projects

The District currently has a capital project underway of approximately \$34.8M in 2008-2009.

See notes to financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2009

Using This Annual Report

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short-term* as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

MANAGEMENT’S DISCUSSION AND ANALYSIS

Year Ended June 30, 2009

Figure A-1 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain.

Figure A-1 Major Features of the District-Wide and Fund Financial Statements			
		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

See notes to financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2009

The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are shown as *Governmental Activities*: Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2009

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has two kinds of funds:

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2009

The School District as a Whole

Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the District's governmental activities.

In Table 1, total assets and liabilities increased by approximately 11% and 6%, respectively. One of the larger variances in both assets and liabilities was the result of new debt obligations and the proceeds from those obligations.

The District's combined net assets increased from \$11,657,019 to \$14,971,882. The majority of the increase in combined net assets in 2008-2009 resulted from the recognition of revenue from prior years that had been deferred. In addition, the increase in assets reflects the write off of a liability, the closing of a building, staff reductions and the application of aggressive cost saving strategies.

TABLE 1

	Governmental Activities		Total Percent Change
	2008	2009	2008-2009
Current and Other Assets	\$ 13,260,305	\$ 18,303,489	27.6%
Capital Assets	<u>28,287,896</u>	<u>28,437,526</u>	0.5%
Total Assets	<u>\$ 41,548,201</u>	<u>\$ 46,741,015</u>	11.1%
Long-Term Debt - Due in One Year	\$ 1,250,000	\$ 1,285,000	2.7%
Long-Term Debt - Due in More Than One Year	19,496,390	21,677,780	10.1%
Other Liabilities	<u>9,144,792</u>	<u>8,806,353</u>	(3.8%)
Total Liabilities	<u>\$ 29,891,182</u>	<u>\$ 31,769,133</u>	5.9%
Net Assets:			
Invested in Capital Assets	\$ 28,287,896	\$ 28,437,526	0.5%
Related Debt	(18,180,000)	(16,930,000)	(7.4%)
Restricted	3,309,627	4,527,453	26.9%
Unrestricted	<u>(1,760,504)</u>	<u>(1,063,097)</u>	(65.6%)
Total Net Assets	<u>\$ 11,657,019</u>	<u>\$ 14,971,882</u>	22.1%

See notes to financial statements.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2009

The School District as a Whole – Continued

**TABLE 2
Changes in Net Assets**

	Governmental Activities		Total Percent Change
	2008	2009	2008-2009
REVENUES			
Program Revenues:			
Charges for Services	\$ 236,999	\$ 143,534	(65.1%)
Operating Grants and Contributions	1,362,399	1,279,590	(6.5%)
General Revenue:			
Property Taxes and Other Tax Items	6,290,196	7,760,297	18.9%
State Sources	18,581,577	20,104,779	7.6%
Federal Sources	88,979	33,321	(167.0%)
Other General Revenues	1,452,283	736,226	(97.3%)
Total Revenues	28,012,433	30,057,747	6.8%
PROGRAM EXPENSES			
General Support	3,669,458	4,061,554	9.7%
Instruction	18,673,200	17,403,526	(7.3%)
Transportation	2,824,675	2,746,134	(2.9%)
Community Service	0	1,481	100.0%
Debt Service - Interest	839,306	1,066,226	21.3%
Depreciation Unallocated	1,156,223	1,067,398	(8.3%)
School Lunch Program	508,501	396,565	(28.2%)
Total Expenses	27,671,363	26,742,884	(3.5%)
Increase in Net Assets	\$ 341,070	\$ 3,314,863	89.7%

See notes to financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2009

The School District as a Whole – Continued

In Table 2, the District's total revenues increased by approximately \$2,000,000. The total cost of all programs and services was approximately \$27 million, which is only a minor increase from prior year. The majority of this amount is attributed to a contingency budget this year, greater utilization of BOCES shared services, greater employee participation in the cost of benefits, and a decline in long term debt interest associated with a declining capital project debt balance. In addition, this reduction in cost reflects implementation of the District's Five Year Consolidation Plan. Steps undertaken this year included the closing of a building, staff reductions, and the optimization of bus routes. Some of the other variances are described below:

State and federal aid increased from approximately \$18 million to approximately \$20 million between 2008 and 2009. This is the result of the Governor's two year Foundation Aid Freeze, short term Federal Stimulus Grants, and the pursuit of all possible revenues.

Property taxes and other tax items increased from \$6,290,196 to \$7,760,297 between 2008 and 2009. State and federal aid increases have not kept pace with actual cost increases resulting in the need to obtain the balance of needed funds from local share. This year's levy increase was unusually large and reflects the need to adjust the "local share" of revenues. The District is committed to stable and minimal levy increases in future years.

Other general revenues decreased from \$1,452,283 in 2008 to \$736,226 in 2009. This increase is the result adjustments to prior year final audit reports received from the NYS Education Department.

Debt service interest increased from \$839,306 to \$1,066,226 between 2008 and 2009. This reflects the increased use of short term debt during the 2008-2009 fiscal year. The District is utilizing short term debt to stabilize its cash flow while it adjusts to the new state aid formula (reduction) through the consolidation and downsizing of all aspects of District operations.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2009

The School District as a Whole – Continued

Table 3 presents the cost of each of the District's largest programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden for each of these functions that were funded through government aid and the District's taxpayers.

**TABLE 3
Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2008	2009	2008	2009
General Support	\$ 3,669,458	\$ 4,061,554	\$ 3,663,373	\$ 4,059,596
Instruction	18,673,200	17,403,526	17,748,272	16,564,645
Pupil Transportation	2,824,675	2,746,134	2,824,675	2,746,134
Community Service	0	1,481	0	1,481
Debt Service - Interest	839,306	1,066,226	839,306	1,066,226
Depreciation Unallocated	1,156,223	1,067,398	1,156,223	1,067,398
School Lunch Program	508,501	396,565	(159,884)	(185,720)
Total	<u><u>\$ 27,671,363</u></u>	<u><u>\$ 26,742,884</u></u>	<u><u>\$ 26,071,965</u></u>	<u><u>\$ 25,319,760</u></u>

The School District's Funds

As the District completed the year, its governmental funds (as presented in the balance sheet on pages 20 and 21) reported a combined fund balance of approximately \$7 million, which is an increase of approximately \$3 million compared to last year's total. This unusual and dramatic increase reflects the implementation of the first year of the District's Consolidation Plan. Highlights of the first year include the closing of a building, a reduction in staff, the optimization of bus routes, new cost controls, aggressive pursuit of all available revenues, and the collection of prior year aid.

The District is anticipating a precipitous decline in aid revenue associated with the decline in pupil enrollment. In the face of this sharp decline in aid revenue, the District will assure the continuity of operations until the efficiencies of a consolidated two building campus can be realized in FY 2013. The District will accumulate and utilize the short term surplus (referenced above) to minimize and stabilize impact on district taxpayers.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2009

General Fund Budgetary Highlights

The budget development, adoption, and approval process mandated by state law begins 18 months before the final transactions of the fiscal year covered. As a result, the budget includes estimates of, and is impacted by, events that cannot be fully anticipated at the time of budget creation. As a result, year-end adjustments may be necessary during the preparation of these financial statements.

The voters of the District defeated the proposed appropriation budget; consequently, the Board of Education adopted a contingency budget, which includes appropriations for teachers' salaries and other ordinary contingent expenses. The contingency budget total is capped at the lesser of 120% of the CPI or 4% over the prior year's budget. In addition, the administrative component of a contingency budget, exclusive of the capital component, may not comprise a greater percentage of the budget than the lesser of that percentage of the prior year's budget, or that percentage in the last defeated budget.

After making these adjustments, the actual charges to appropriations (expenditures) and commitments to appropriate (encumbrances) was \$1.6 million below the final budget amounts.

Resources available for appropriation were \$1.9 million above the final budgeted amount. In part, this results from the effect of a favorable state aid variance. During the period, state aid collected was \$95,248 greater than budgeted and federal aid was \$111,021 less than budgeted.

The District's original general fund budget of \$26,349,218 reported on page 56 differs from the general fund's revised budget of \$26,450,640 reported in the budgetary comparison schedule on page 59. This is principally because the original budget excludes roll forward encumbrances left over from the prior year.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2009

Capital Asset and Debt Administration

Capital Assets

At the end of 2009, the District had \$28,437,526 invested in a broad range of capital assets, including equipment and buildings (see Table 4 below). This amount represents a net increase (including additions, deductions and depreciation) of approximately \$149,630 over last year.

**TABLE 4
Capital Assets at Year End
(Net of Depreciation)**

	Governmental Activities		Total Percent Change
	2008	2009	2008-2009
Land	\$ 82,100	\$ 82,100	0.0%
Land Improvements	850,088	850,088	0.0%
Buildings and Improvements	32,206,691	32,206,691	0.0%
Equipment	1,815,612	1,928,513	5.9%
Vehicles	3,319,395	3,094,288	(7.3%)
Construction in Progress	1,739,538	2,843,665	38.8%
Less: Accumulated Depreciation	<u>(11,725,528)</u>	<u>(12,567,819)</u>	6.7%
Total	<u><u>\$ 28,287,896</u></u>	<u><u>\$ 28,437,526</u></u>	0.5%

See notes to financial statements.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2009

Capital Asset and Debt Administration – Continued

Debt

At year end, the District had \$22.4 million in bonds and notes outstanding versus \$22 million last year, as shown in Table 5. The difference results from increased borrowings net of principal payments on debt.

TABLE 5
Outstanding Debt, at Year End
(in millions)

	Total School District		Total Percentage Change
	2008	2009	2008-2009
General Obligation Bonds (Financed with Property Taxes)	\$ 15,180,000	\$ 13,930,000	(8.2%)
Budget Note Payable	850,000	0	100.00%
Bond/Revenue Anticipation Notes	<u>6,000,000</u>	<u>8,500,000</u>	<u>41.7%</u>
Total Outstanding Debt	<u>\$ 22,030,000</u>	<u>\$ 22,430,000</u>	<u>1.8%</u>

The state limits the amount of general obligation debt that school districts can issue to 10% of the full valuation of taxable real property within the school district's geographic limits. The District's outstanding general obligation debt is below the state-imposed limit of approximately \$29.7 million.

More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.

See notes to financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2009

Economic Factors and Next Year's Budgets and Rates

- Legislative mandates and state education department initiatives, which are not accompanied by financial support, continue to impose uncontrolled and often unexpected financial demands on the annual budget.
- The District is embarking upon a building project that is expected to control operating expenses through consolidation of the District to an adjoining 2 building campus.
- Effective July 1, 2008, the District closed its Williamstown Elementary School in an effort to reduce operating expenses. Subsequent to the closing of the Williamstown building, the District has made no formal plans for further facility reductions until it is able to occupy its consolidated campus in September of 2012.
- The District is closely monitoring its revenue and expense budgets and will aggressively pursue opportunities to achieve savings.
- The District is continuing to experience declining enrollment. Because state aid is tied to enrollment, we anticipate an ongoing shift in revenues from governmental sources to local share. The District has implemented a 5 year plan designed to bring its facilities, staffing, and budget into line with its enrollment and available revenue streams.
- In future years the District intends to adopt modest tax increases comparable to the statewide average.
- At the end of the 2008-2009 school year, there were no unanticipated program or staffing changes or emergency repairs.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School District Business Office at 315-625-5254.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

AUDITED FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS

June 30, 2009

ASSETS

Unrestricted Cash	\$ 12,898,197
Restricted Cash	3,290,144
Accounts Receivable	128,801
Due from Other Governments	1,390,262
Inventories and Prepaid Expenses	596,085
Capital Assets, Net	<u>28,437,526</u>
TOTAL ASSETS	<u><u>\$ 46,741,015</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Liabilities	\$ 924,343
BAN/RAN Payables and Interest Payable	8,808,765
Due to Other Governments	726
Due to Teachers' Retirement System	762,972
Due to Employees' Retirement System	94,103
Long-Term Liabilities:	
Due Within One Year	1,285,000
Due Within More Than One Year	<u>19,893,224</u>
Total Liabilities	<u>31,769,133</u>

NET ASSETS

Invested in Capital Assets, Net of Related Debt	11,507,526
Restricted for:	
Encumbrances	1,211,079
Debt Service	1,489,952
Inventory	26,230
Worker's Compensation	50,000
Unemployment Reserve	64,047
Tax Certiorari	549,433
Employee Benefit Reserve	1,136,712
Unrestricted for:	
Subsequent Year's Expenditures	0
Unrestricted	<u>(1,063,097)</u>
Total Net Assets	<u><u>14,971,882</u></u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 46,741,015</u></u>
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See notes to financial statements.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

STATEMENT OF ACTIVITIES

Year Ended June 30, 2009

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
FUNCTIONS AND PROGRAMS				
General Support	\$ (4,061,554)	\$ 1,958	\$ 0	\$ (4,059,596)
Instruction	(17,403,526)	0	838,881	(16,564,645)
Pupil Transportation	(2,746,134)	0	0	(2,746,134)
Community Service	(1,481)	0	0	(1,481)
Debt Service	(1,066,226)	0	0	(1,066,226)
Depreciation Unallocated	(1,067,398)	0	0	(1,067,398)
School Lunch Program	(396,565)	141,576	440,709	185,720
	<u>\$ (26,742,884)</u>	<u>\$ 143,534</u>	<u>\$ 1,279,590</u>	<u>(25,319,760)</u>
GENERAL REVENUES				
Real Property Taxes				5,676,281
Other Tax Items				2,084,016
Use of Money and Property				140,646
Miscellaneous				595,580
State Sources				20,104,779
Federal Sources - Medicaid Reimbursement				33,321
Total General Revenues				28,634,623
Changes in Net Assets				3,314,863
Net Assets, Beginning of Year				11,657,019
Net Assets, End of Year				\$ 14,971,882

See notes to financial statements.

BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2009

	General
ASSETS	
Unrestricted Cash	\$ 11,605,973
Restricted Cash	1,867,449
Accounts Receivable	128,640
Due from Other Funds	1,549,202
Due from Other Governments	1,105,416
Inventories and Prepaid Expenses	<u>1,002</u>
TOTAL ASSETS	<u>\$ 16,257,682</u>
LIABILITIES	
Accounts Payable	\$ 886,253
BAN/RAN Payables and Interest Payable	5,808,765
Due to Other Funds	534,770
Due to Other Governments	0
Due to Teachers' Retirement System	762,972
Due to Employees' Retirement System	<u>94,103</u>
Total Liabilities	8,086,863
FUND EQUITY	
Fund Balances:	
Reserved for:	
Encumbrances	86,037
Inventory	0
Workers' Compensation	50,000
Unemployment Insurance	64,047
Tax Certiorari	549,433
Employee Benefits	1,136,712
Unreserved:	
Subsequent Years' Expenditures	0
Unreserved, Undesignated (Deficit)	<u>6,284,590</u>
Total Fund Equity	<u>8,170,819</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 16,257,682</u>

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

Special Aid	School Lunch	Capital Projects	Debt Service	Total
\$ 419,988	\$ 128,906	\$ 743,330	\$ 0	\$ 12,898,197
0	0	330	1,422,365	3,290,144
0	161	0	0	128,801
87,915	65,005	201,835	87,918	1,991,875
249,568	35,278	0	0	1,390,262
0	30,799	0	0	31,801
<u>757,471</u>	<u>260,149</u>	<u>945,495</u>	<u>1,510,283</u>	<u>19,731,080</u>
\$ 58,298	\$ 5,924	\$ 697,952	\$ 0	\$ 1,648,427
0	0	3,000,000	0	8,808,765
699,173	3,688	60,542	0	1,298,173
0	726	0	0	726
0	0	0	0	762,972
0	0	0	0	94,103
<u>757,471</u>	<u>10,338</u>	<u>3,758,494</u>	<u>0</u>	<u>12,613,166</u>
3,834	26,230	1,094,978	0	1,211,079
0	26,230	0	0	26,230
0	0	0	0	50,000
0	0	0	0	64,047
0	0	0	0	549,433
0	0	0	0	1,136,712
0	0	0	0	0
(3,834)	197,351	(3,907,977)	1,510,283	4,080,413
<u>0</u>	<u>249,811</u>	<u>(2,812,999)</u>	<u>1,510,283</u>	<u>7,117,914</u>
<u>\$ 757,471</u>	<u>\$ 260,149</u>	<u>\$ 945,495</u>	<u>\$ 1,510,283</u>	<u>\$ 19,731,080</u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND EQUITY – GOVERNMENTAL FUNDS**

Year Ended June 30, 2009

	General
REVENUES	
Real Property Taxes	\$ 5,676,281
Other Tax Items	2,084,016
Charges for Services	1,958
Use of Money and Property	117,203
Miscellaneous	595,580
State Sources	19,736,126
Federal Sources	33,321
Sales	0
Total Revenues	<u>28,244,485</u>
EXPENDITURES	
General Support	3,078,399
Instruction	12,250,749
Pupil Transportation	1,510,970
Employee Benefits	4,543,584
Debt Service	2,211,380
Cost of Sales	0
Capital Outlay	0
Total Expenditures	<u>23,595,082</u>
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	4,649,403
OTHER FINANCING SOURCES AND USES	
Proceeds from Debt	0
Operating Transfers Out	0
Operating Transfers In	0
Total Other Sources and Uses	<u>0</u>
EXCESS (DEFICIENCY) REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	4,649,403
Fund Equity, Beginning of Year	<u>3,521,416</u>
Fund Equity, End of Year	<u><u>\$ 8,170,819</u></u>

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

Special Aid	School Lunch	Capital Projects	Debt Service	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,676,281
0	0	0	0	2,084,016
0	0	0	0	1,958
0	674	2,438	20,331	140,646
0	0	0	0	595,580
368,653	19,708	0	0	20,124,487
838,881	421,001	0	0	1,293,203
0	141,576	0	0	141,576
<u>1,207,534</u>	<u>582,959</u>	<u>2,438</u>	<u>20,331</u>	<u>30,057,747</u>
0	236,423	0	0	3,314,822
886,022	0	0	0	13,136,771
35,218	0	0	0	1,546,188
286,294	113,039	0	0	4,942,917
0	0	0	0	2,211,380
0	160,142	0	0	160,142
0	0	1,104,127	0	1,104,127
<u>1,207,534</u>	<u>509,604</u>	<u>1,104,127</u>	<u>0</u>	<u>26,416,347</u>
0	73,355	(1,101,689)	20,331	3,641,400
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	73,355	(1,101,689)	20,331	3,641,400
0	176,456	(1,711,310)	1,489,952	3,476,514
<u>\$ 0</u>	<u>\$ 249,811</u>	<u>\$ (2,812,999)</u>	<u>\$ 1,510,283</u>	<u>\$ 7,117,914</u>

See notes to financial statements.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

STATEMENT OF FIDUCIARY NET ASSETS – FIDUCIARY FUNDS

June 30, 2009

	Private Purpose Trust	
	Scholarship	Agency
ASSETS		
Cash	\$ 41,688	\$ 828,778
Accounts Receivable	0	2,472,236
TOTAL ASSETS	\$ 41,688	\$ 3,301,014
LIABILITIES		
Accounts Payable	\$ 0	\$ 3,149,397
Extraclassroom Activity Balances	0	55,672
Other Liabilities	35	95,945
TOTAL LIABILITIES	35	\$ 3,301,014
NET ASSETS		
Reserved for Scholarships	41,653	
TOTAL NET ASSETS	\$ 41,688	

See notes to financial statements.

ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT

**STATEMENT OF CHANGES IN FIDUCIARY
NET ASSETS – FIDUCIARY FUNDS**

Year Ended June 30, 2009

	Private Purpose Trust
ADDITIONS	
Contributions	\$ 0
Interest	<u>35</u>
Total Additions	35
DEDUCTIONS	
Scholarships and Awards	<u>1,095</u>
Changes in Net Assets	(1,060)
Net Assets, Beginning of Year	<u>42,713</u>
Net Assets, End of Year	<u><u>\$ 41,653</u></u>

See notes to financial statements.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET ASSETS**

June 30, 2009

	Total Governmental Funds	Adjustments to Accrual Basis	Reclassifi- cations and Eliminations	Statement of Net Assets Total
ASSETS				
Unrestricted Cash	\$ 12,898,197	\$ 0	\$ 0	\$ 12,898,197
Restricted Cash	3,290,144	0	0	3,290,144
Accounts Receivable	128,801	0	0	128,801
Due from Other Funds	1,991,875	0	(1,991,875)	0
Due from Other Governments	1,390,262	0	0	1,390,262
Inventories	31,801	564,284	0	596,085
Capital Assets, Net	0	28,437,526	0	28,437,526
TOTAL ASSETS	\$ 19,731,080	\$ 29,001,810	\$ (1,991,875)	\$ 46,741,015
LIABILITIES				
Accounts Payable	\$ 1,648,427	\$ (30,382)	\$ (693,702)	\$ 924,343
BAN/RAN Payables and Interest Payable	8,808,765	0	0	8,808,765
Due to Other Funds	1,298,173	0	(1,298,173)	0
Due to Other Governments	726	0	0	726
Due to Teachers' Retirement System	762,972	0	0	762,972
Due to Employees' Retirement System	94,103	0	0	94,103
Long-Term Liabilities:				
Due Within One Year	0	1,285,000	0	1,285,000
Due Within More Than One Year	0	19,893,224	0	19,893,224
Total Liabilities	12,613,166	21,147,842	(1,991,875)	31,769,133
FUND EQUITY/NET ASSETS	7,117,914	7,853,968	0	14,971,882
TOTAL LIABILITIES AND FUND EQUITY/NET ASSETS	\$ 19,731,080	\$ 29,001,810	\$ (1,991,875)	\$ 46,741,015

See notes to financial statements.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

**RECONCILIATION OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES,
AND CHANGES IN FUND EQUITY TO THE STATEMENT OF ACTIVITIES**

Year Ended June 30, 2009

	Total Governmental Funds	Adjustments to Accrual Basis	Reclassifi- cations and Eliminations	Statement of Activities Total
REVENUES				
Real Property Taxes	\$ 5,676,281	\$ 0	\$ 0	\$ 5,676,281
Other Tax Items	2,084,016	0	0	2,084,016
Charges for Services	1,958	0	0	1,958
Use of Money and Property	140,646	0	0	140,646
Miscellaneous	595,580	0	0	595,580
State Sources	20,124,487	0	0	20,124,487
Federal Sources	1,293,203	0	0	1,293,203
Sales	141,576	0	0	141,576
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	30,057,747	0	0	30,057,747
EXPENDITURES				
General Support	3,313,341	(458,799)	1,207,012	4,061,554
Instruction	13,136,771	0	4,266,755	17,403,526
Pupil Transportation	1,546,188	(112,901)	1,312,847	2,746,134
Community Service	1,481	0	0	1,481
Employee Benefits	4,942,917	1,843,697	(6,786,614)	0
Debt Service	2,211,380	(1,145,154)	0	1,066,226
Depreciation Unallocated	0	1,067,398	0	1,067,398
Cost of Sales/School Lunch Program	160,142	236,423	0	396,565
Capital Outlay	1,104,127	(1,104,127)	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	26,416,347	326,537	0	26,742,884
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES				
	3,641,400	(326,537)	0	3,314,863

See notes to financial statements.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

**RECONCILIATION OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES,
AND CHANGES IN FUND EQUITY TO THE STATEMENT OF ACTIVITIES**

Year Ended June 30, 2009

	Total Governmental Funds	Adjustments to Accrual Basis	Reclassifi- cations and Eliminations	Statement of Activities Total
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	3,641,400	(326,537)	0	3,314,863
OTHER FINANCING SOURCES AND USES				
Proceeds from Debt	0	0	0	0
Operating Transfers Out	0	0	0	0
Operating Transfers In	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Sources and Uses	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	3,641,400	(326,537)	0	3,314,863
Fund Equity, Beginning of Year	3,476,514	8,180,505	0	11,657,019
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Equity, End of Year	<u>\$ 7,117,914</u>	<u>\$ 7,853,968</u>	<u>\$ 0</u>	<u>\$ 14,971,882</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the **ALTMAR-PARISH-WILLIAMSTOWN CENTRAL SCHOOL DISTRICT** (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as apply to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting principles and policies utilized by the District are described below:

A. Reporting Entity

The District is governed by the laws of the State of New York. The District is an independent entity governed by an elected Board of Education consisting of 7 members. The President of the Board serves as the chief fiscal officer and the superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decision, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, “*The Financial Reporting Entity*”, as amended by GASB Statement 39, “Component Units.” The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District and its component units and other organizational entities determined to be includable in the District’s financial reporting entity. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District’s reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District’s reporting entity.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

A. Reporting Entity – Continued

1. Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office. The District accounts for assets held as an agent for various student organizations in an agency fund.

B. Joint Venture

The District is a component district in the Oswego County Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs, which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under Section 1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation [Section 1950(6)]. In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, Section 1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed \$2,073,171 for BOCES administrative and program costs.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Joint Venture – Continued

The District's share of BOCES aid amounted to \$1,278,197.

Financial statements for the Oswego County BOCES are available from the BOCES administrative office located at 179 County Route 64, Mexico, New York, 13114.

C. Basis of Presentation

1. District-Wide Statements

The statement of net assets and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas.

2. Fund Financial Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Basis of Presentation – Continued

2. Fund Financial Statements – Continued

The District reports the following governmental funds:

General Fund

This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Revenue Funds

These funds include the special aid fund and the school lunch fund and are used to account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes, school lunch operations, and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Capital Projects Funds

These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Debt Service Fund

This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Basis of Presentation – Continued

2. Fund Financial Statements – Continued

Fiduciary Funds

Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the district-wide financial statements, because their resources do not belong to the District, and are not available to be used. There are two classes of fiduciary funds:

Private purpose trust funds: These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

Agency funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

D. Measurement Focus and Basis of Accounting

The district-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 365 days after the end of the fiscal year.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Measurement Focus and Basis of Accounting – Continued

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Investments are stated at fair value.

F. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on October 1. Taxes are collected during the period September 1, 2008 through October 31, 2008.

Uncollected real property taxes are subsequently enforced by the County in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

G. Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

H. Inventories and Prepaid Items

Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year-end.

A reserve for inventory has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

I. Due To/From Other Funds

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

The amounts reported on the statement of net assets for due to and due from other funds represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year end is provided subsequently in these notes.

J. Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2002. For assets acquired prior to June 30, 2002, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) adopted by the District is \$5,000 with estimated useful lives ranging between five and fifty years depending on the type of capital asset. The District uses the straight-line method of depreciation.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

K. Vested Employee Benefits

Compensated Absences

The District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Sick leave use is based on a last-in, first-out (LIFO) basis.

Upon retirement, resignation or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

Consistent with GASB Statement 16, Accounting for Compensated Absences, an accrual for accumulated sick leave is included in the compensated absences liability at year end. The compensated absences liability is calculated based on the pay rates in effect at year end.

In the funds statements, only the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis.

Other Benefits

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

In addition to providing pension benefits, the District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the general fund, in the year paid.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

L. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these notes.

M. Fund Balance – Reservations and Designations

District-wide Statements

In the district-wide statements there are three classes of net assets:

Invested in capital assets, net of debt – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.

Restricted net assets – reports net assets when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – reports all other net assets that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Fund Statements

Unreserved fund balance consists of two classifications. A designation of unreserved fund balance indicates the planned use of these resources in the subsequent years' budget. The undesignated portion reports remaining fund balance that has not been designated or reserved. NYS Real Property Tax Law 1318 restricts the unreserved, undesignated fund balance of the general fund to an amount not greater than 4% of the District's budget for the ensuing fiscal year.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

M. Fund Balance – Reservations and Designations – Continued

Fund Statements – Continued

Fund balance reserves are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. The following reserve funds are available to school districts within the State of New York. These reserve funds are established through Board action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. Fund balance reserves currently in use by the District include the following:

1. Tax Certiorari Reserve

Tax Certiorari Reserve (Education Law §3651.1-a) is used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies. The reserve is accounted for in the general fund.

2. Reserve for Encumbrances

Reserve for encumbrances represents the amount of outstanding encumbrances at the end of the fiscal year.

3. Reserve for Inventory

Reserve for inventory is used to restrict that portion of fund balance, which is not available for appropriation.

4. Reserve for Employee Benefit Accrued Liability

Reserve for Employee Benefit Accrued Liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

M. Fund Balance – Reservations and Designations – Continued

Fund Statements – Continued

5. Capital Reserve

Capital Reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the general fund.

6. Unemployment Insurance Reserve

Unemployment Insurance Reserve (GML §6-m) is used to pay the cost of reimbursement of the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the general fund.

7. Workers' Compensation Reserve

Workers' Compensation Reserve (GML §6-j) is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the general fund.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

**NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES
BETWEEN GOVERNMENTAL FUND STATEMENTS AND
DISTRICT-WIDE STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the statement of activities, compared with the current financial resources focus of the governmental funds.

A. Total Fund Balances of Governmental Funds Versus Net Assets of Governmental Activities

Total fund balances of the District’s governmental funds differ from “net assets” of governmental activities reported in the statement of net assets. This difference primarily results from the additional long-term economic focus on the statement of net assets versus the solely current financial resources focus on the governmental fund balance sheets.

Explanation of Differences Between Governmental Funds Balance Sheet
and the Statement of Net Assets

TOTAL GOVERNMENTAL FUND BALANCES		\$ 7,117,914
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		28,437,526
Bond issuance costs net of amortization are amortized over the life of the loan and are not reported in the funds.		564,284
Long-term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.		
General Obligation Bonds	\$ (13,930,000)	
Accounts Payable	0	
Accrued Interest Payable	(193,633)	
Accrued Retiree Insurance	(7,024,209)	
Total	(21,147,842)	(21,147,842)
Net Assets of Governmental Activities		\$ 14,971,882

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

**NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES
BETWEEN GOVERNMENTAL FUND STATEMENTS AND
DISTRICT-WIDE STATEMENTS – Continued**

B. Statement of Revenues, Expenditures and Changes in Fund Balance Versus Statement of Activities

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories.

1. Long-Term Revenue Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

2. Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of the assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.

3. Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net assets.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 3 – STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

The voters of the District defeated the proposed appropriation budget; consequently, the Board of Education adopted a contingency budget, which includes appropriations for teachers' salaries and other ordinary contingent expenses. The contingency budget total is capped at the lesser of 120% of the CPI or 4% over the prior year's budget. In addition, the administrative component of a contingency budget, exclusive of the capital component, may not comprise a greater percentage of the budget than the lesser of that percentage of the prior year's budget, or that percentage in the last defeated budget.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances), which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from prior year.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 3 – STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY –

Continued

Deficit Fund Balance

The capital fund had a deficit fund balance at June 30, 2009. Deficits in the capital fund will be eliminated as short-term debt is redeemed or converted to permanent financing.

Unreserved Fund Balance

The District's unreserved undesignated fund balance was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year.

NOTE 4 – CUSTODIAL CREDIT AND CONCENTRATION OF CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these notes.

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized \$ 2,381,698

Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name. \$ 14,750,592

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$3,290,144 within the governmental funds and \$-0- in the fiduciary funds.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 5 – CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2009 were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets that are not				
Depreciated:				
Land	\$ 82,100	\$ 0	\$ 0	\$ 82,100
Construction-in-Progress	1,739,538	1,104,127	0	2,843,665
	<u>\$ 1,821,638</u>	<u>\$ 1,104,127</u>	<u>\$ 0</u>	<u>\$ 2,925,765</u>
Capital Assets that are				
Depreciated:				
Land Improvements	\$ 850,088	\$ 0	\$ 0	\$ 850,088
Buildings	32,206,691	0	0	32,206,691
Furniture and Equipment	1,815,612	112,901	0	1,928,513
Vehicles	3,319,395	0	(225,107)	3,094,288
	<u>38,191,786</u>	<u>112,901</u>	<u>(225,107)</u>	<u>38,079,580</u>
Total Depreciable Historical Cost				
	38,191,786	112,901	(225,107)	38,079,580
Less Accumulated Depreciation:				
Land Improvements	795,241	42,505	0	837,746
Buildings	7,402,156	614,218	0	8,016,374
Furniture and Equipment	1,165,022	156,150	0	1,321,172
Vehicles	2,363,109	254,525	(225,107)	2,392,527
	<u>11,725,528</u>	<u>1,067,398</u>	<u>(225,107)</u>	<u>12,567,819</u>
Total Accumulated Depreciation				
	11,725,528	1,067,398	(225,107)	12,567,819
Total Depreciable Historical Cost, Net				
	<u>\$ 26,466,258</u>	<u>\$ (954,497)</u>	<u>\$ 0</u>	<u>\$ 25,511,761</u>

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 6 – SHORT-TERM DEBT

The District may issue revenue anticipation notes (RAN) and tax anticipation notes (TAN) in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which an insufficient or no provision is made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

The District may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

Interest on short-term debt for the year was composed of:

Interest Paid	\$ 227,292
Less: Interest Accrued in the Prior Year	113,966
Plus: Interest Accrued in the Current Year	<u>166,017</u>
Total Expense	<u><u>\$ 279,343</u></u>

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 6 – SHORT-TERM DEBT – Continued

Transactions in short-term debt for the year are summarized below:

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN maturing February 15, 2008 at 3.82%	\$ 0	\$ 5,500,000	\$ 0	\$ 5,500,000
BAN maturing July 18, 2008 at 4.00%	3,000,000	0	3,000,000	0
RAN maturing January 16, 2009 at 2.77%	3,000,000	0	0	3,000,000
Budget Note Payable Maturing January 16, 2009 at 2.77%	<u>850,000</u>	<u>0</u>	<u>850,000</u>	<u>0</u>
Total	<u>\$ 6,850,000</u>	<u>\$ 5,500,000</u>	<u>\$ 3,850,000</u>	<u>\$ 8,500,000</u>

NOTE 7 – LONG-TERM DEBT

Interest on long-term debt for the year was composed of:

Interest Paid	\$ 633,430
Less: Interest Accrued in the Prior Year	31,250
Plus: Amortization of Bond Issuance Costs	56,429
Plus: Interest Accrued in Current Year	<u>27,616</u>
Total Expense	<u><u>\$ 686,225</u></u>

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 7 – LONG-TERM DEBT – Continued

Long-term liability balances and activity for the year are summarized below:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Government Activities:					
Bonds Payable:					
General Obligation Debt:					
Serial Bond	\$ 770,000	\$ 0	\$ 65,000	\$ 705,000	\$ 65,000
Serial Bond	5,270,000	0	390,000	4,880,000	400,000
Serial Bond	8,610,000	0	620,000	7,990,000	645,000
Serial Bond	530,000	0	175,000	355,000	175,000
	<u>15,180,000</u>	<u>0</u>	<u>1,250,000</u>	<u>13,930,000</u>	<u>1,285,000</u>
Total Bonds Payable	15,180,000	0	1,250,000	13,930,000	1,285,000
Other Liabilities:					
Accrued Retiree					
Insurance	5,402,888	0	222,376	5,180,512	0
Compensated Absences	163,502	60,513	0	224,015	0
Other Post Employee					
Benefits	0	1,843,697	0	1,843,697	0
	<u>0</u>	<u>1,843,697</u>	<u>0</u>	<u>1,843,697</u>	<u>0</u>
Total Long-Term Liabilities	<u>\$ 20,746,390</u>	<u>\$ 1,904,210</u>	<u>\$ 1,472,376</u>	<u>\$ 21,178,224</u>	<u>\$ 1,285,000</u>

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 7 – LONG-TERM DEBT – Continued

The general fund has typically been used to liquidate long-term liabilities such as compensated absences.

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. Bonds outstanding in the amount of \$15,420,000 are considered defeased.

The following is a summary of the maturity of long-term indebtedness:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2009
Serial Bonds	07/28/03	06/15/18	3.50 - 4.00%	\$ 705,000
Refunded Serial Bonds	05/17/05	06/15/19	4.00 - 5.00%	4,880,000
Refunded Serial Bonds	05/17/05	06/15/19	4.00 - 5.00%	7,990,000
Serial Bonds	02/15/08	02/15/12	3.00%	<u>355,000</u>
Total				<u>\$ 13,930,000</u>

	Principal	Interest	Total
Fiscal Year Ended June 30,			
2010	\$ 1,285,000	\$ 633,430	\$ 1,918,430
2011	1,295,000	587,390	1,882,390
2012	1,275,000	527,518	1,802,518
2013	1,260,000	481,228	1,741,228
2014	1,320,000	437,840	1,757,840
2015 - 2019	<u>7,495,000</u>	<u>1,356,130</u>	<u>8,851,130</u>
Total	<u>\$ 13,930,000</u>	<u>\$ 4,023,536</u>	<u>\$ 17,953,536</u>

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 8 – INTERFUND BALANCES AND ACTIVITY

	<u>Interfund</u>		<u>Interfund</u>	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 1,549,202	\$ 534,770	\$ 0	\$ 0
School Lunch Fund	65,005	3,688	0	0
Special Aid Fund	87,915	699,173	0	0
Capital Fund	201,835	60,542	0	0
Debt Service	87,918	0	0	0
Total Government Activities	<u>1,991,875</u>	<u>1,298,173</u>	<u>0</u>	<u>0</u>
Fiduciary Agency Fund	<u>2,454,295</u>	<u>3,147,997</u>	<u>0</u>	<u>0</u>
Totals	<u><u>\$ 4,446,170</u></u>	<u><u>\$ 4,446,170</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the statement of net assets.

The District typically loans resources between funds for the purpose of mitigating the effects on transient cash flow issues.

All interfund payables are expected to be repaid within one year.

NOTE 9 – PENSION PLANS

The District participates in the New York State Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS). These are cost-sharing multiple employer public employee retirement systems. The 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.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 9 – PENSION PLANS – Continued

Provisions and Administration

The New York State Teachers' Retirement Board administers NYSTRS. The system provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

NYSERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law govern obligations of employers and employees to contribute, and benefits to employees. The system issued a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Governor Alfred E. Smith State Office Building, Albany, New York 12244.

Funding Policies

The systems are noncontributory, except for employees who joined the systems after July 27, 1976, who contribute 3% of their salary, except that employees in the systems more than ten years are no longer required to contribute. For NYSERS, the Comptroller certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The District is required to contribute at an actuarially determined rate. The District contributions made to the systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	NYSTRS	NYSERS
2009	<u>\$ 980,424</u>	<u>\$ 372,809</u>
2008	<u>\$ 938,304</u>	<u>\$ 286,853</u>
2007	<u>\$ 853,919</u>	<u>\$ 337,369</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

The District implemented GASB Statement #45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, for the school year ended June 30, 2009. This required the District to calculate and record a net other postemployment benefit obligation at year end. The net other postemployment benefit obligation is basically the cumulative difference between the actuarially required contribution and the actual contribution made.

Plan Description

The District provides post employment (health insurance, life insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The benefits levels, employee contributions and employer contributions are governed by the District's contractual agreements.

- Eligibility – Employees must be eligible to retire with full benefits under the New York State Teachers Retirement System.
- Retiree Benefit – The amount that the retiree contributes towards their health insurance is based on the contract terms when they retire. Currently the District pays 100% for 7 retirees, 50% for 5 retirees, 25% for 10 retirees, 10% for 7 retirees, 9% for 1 retiree, 8% for 5 retirees, 7% for 4 retirees, 6% for 21 retirees, 5% for 21 retirees, 3% for 1 retiree and nothing for 1 retiree.

Funding Policy

The District recognizes the cost of providing health insurance annually as expenditures in the general fund of the fund financial statements as payments are made. For the year ended June 30, 2009 the District recognized \$667,940 for approximately 83 employees for the year.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Cost

The District's annual (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and the amortized amounts of any unfunded actuarial liabilities (UAAL) over a period of thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation.

Annual Required Contribution	\$ 2,309,503
Interest on Net OPEB Obligation	0
Adjustments to Annual Required Contribution	<u>0</u>
Annual OPEB Cost	2,309,503
Contribution Made	<u>(465,806)</u>
Increase in Net OPEB Obligations	<u><u>\$ 1,843,697</u></u>
Percentage of Expense Contributed	20.17%
Actuarial Accrued Liability (AAL)	\$ 21,938,419
Actuarial Value of Assets	<u>0</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 21,938,419</u></u>
Annual Covered Payroll	N/A
UAAL as a Percentage of Covered Payroll	N/A

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS – Continued

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. For this reason, the results in this report should be viewed as estimates. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The projections of benefits are based on the types of benefits provided under the substantive plan at the time of the valuation date and on the pattern of cost-sharing between the employer and plan members. In addition, the projections do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and the plan members in the future. The actuarial calculations reflect a long term perspective; actuarial methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial measurement date was June 30, 2009.

Additional Information

Actuarial Cost Method	Projected Unit Credit
Amortization Period	Single Amortization
Amortization Period (Years)	30
Amortization Discount	5.00%
Method Used to Determine Actuarial Value of Assets	N/A

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

NOTE 12 – DONOR RESTRICTED ENDOWMENTS

The District administers endowment funds, which are restricted by the donor for the purposes of student scholarships.

NOTE 13 – CONTINGENT LIABILITIES

The District has received grants, which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, the District's administration believes disallowances, if any, will be immaterial.

NOTE 14 – USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

NOTE 15 – SUBSEQUENT EVENTS

During January 2009, the District discovered a break in its boiler fuel line. Some of the fuel oil made its way to the Village of Parish's sanitary sewer and contaminated their wastewater treatment plant. Both the Department of Environmental Conservation and the Department of Health have inspected the impacted areas. At the date of the financial statements, it cannot be estimated what liability, if any, the District may face in the future regarding this occurrence.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

OTHER FINANCIAL INFORMATION

SCHEDULE OF REVENUES COMPARED TO BUDGET – GENERAL FUND

Year Ended June 30, 2009

	Original Budget	Revised Budget	Current Year's Revenues	Over (Under) Amended Budget
REVENUES				
Local Sources:				
Real Property Taxes	\$ 7,420,218	\$ 5,686,424	\$ 5,676,281	\$ (10,143)
Nonproperty Taxes	370,000	2,103,794	2,084,016	(19,778)
Charges for Services	5,000	5,000	1,958	(3,042)
Use of Money and Property	95,000	95,000	117,203	22,203
Miscellaneous	113,700	115,300	595,580	480,280
State Sources	18,245,300	18,245,300	19,736,126	1,490,826
Federal Sources	100,000	100,000	33,321	(66,679)
Total Revenues	26,349,218	26,350,818	28,244,485	1,893,667
OTHER SOURCES				
Operating Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues and Other Sources	26,349,218	26,350,818	<u>\$ 28,244,485</u>	<u>\$ 1,893,667</u>
APPROPRIATED RESERVES				
	<u>0</u>	<u>99,822</u>		
Total Revenues, Other Sources and Appropriated Fund Equity	<u>\$ 26,349,218</u>	<u>\$ 26,450,640</u>		

See notes to financial statements.

**SCHEDULE OF EXPENDITURES, OTHER USES AND ENCUMBRANCES
COMPARED TO BUDGET – GENERAL FUND**

Year Ended June 30, 2009

	Original Budget
EXPENDITURES	
General Support:	
Board of Education	\$ 13,614
Central Administration	198,192
Community Services	0
Finance	308,743
Staff	155,814
Central Services	2,013,983
Special Items	<u>378,967</u>
Total General Support	3,069,313
Instruction:	
Instruction, Administration and Improvement	919,225
Teaching - Regular School	6,795,521
Program for Children with Handicapping Conditions	2,499,933
Occupational Education	655,776
Teaching - Special School	101,200
Instructional Media	916,562
Pupil Services	<u>753,374</u>
Total Instruction	12,641,591
Pupil Transportation	1,572,146
Employee Benefits	5,901,338
Debt Service:	
Principal	2,180,000
Interest	<u>884,830</u>
Total Debt Service	<u>3,064,830</u>
Total Expenditures	26,249,218
Other Uses:	
Operating Transfers Out	<u>100,000</u>
TOTAL EXPENDITURES AND OTHER USES	<u><u>\$ 26,349,218</u></u>

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

Revised Budget	Actual	Encumbrances	Favorable (Unfavorable)
\$ 15,906	\$ 15,805	\$ 24	\$ 77
185,324	160,031	1,050	24,243
1,600	1,481	0	
348,111	307,590	186	40,335
139,695	130,852	3,085	5,758
2,302,987	2,084,084	78	218,825
<u>378,967</u>	<u>378,556</u>	<u>0</u>	<u>411</u>
3,372,590	3,078,399	4,423	289,649
889,247	807,105	0	82,142
6,744,660	7,352,501	21,180	(629,021)
2,519,757	2,002,288	24,311	493,158
566,400	566,400	0	0
96,510	50,144	0	0
838,006	734,192	34,002	69,812
<u>774,089</u>	<u>738,119</u>	<u>715</u>	<u>35,255</u>
12,428,669	12,250,749	80,208	51,346
1,571,648	1,510,970	1,406	59,272
5,907,903	4,543,584	0	1,364,319
2,185,000	1,250,000	0	
<u>884,830</u>	<u>961,380</u>	<u>0</u>	<u>(76,550)</u>
<u>3,069,830</u>	<u>2,211,380</u>	<u>0</u>	<u>(76,550)</u>
26,350,640	23,595,082	86,037	1,688,036
<u>100,000</u>	<u>0</u>	<u>0</u>	<u>100,000</u>
<u>\$ 26,450,640</u>	<u>\$ 23,595,082</u>	<u>\$ 86,037</u>	<u>\$ 1,788,036</u>

See notes to financial statements.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO
REVISED BUDGET – GENERAL FUND**

Year Ended June 30, 2009

Original Budget		\$ 26,349,218
Additions:		
Budget Revisions	\$ 1,600	
Encumbrances	<u>99,822</u>	
Total Additions		<u>101,422</u>
Revised Budget		<u><u>\$ 26,450,640</u></u>

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF USE OF FUND EQUITY AS OF THE
BEGINNING OF YEAR – GENERAL FUND**

Year Ended June 30, 2009

Total Fund Equity (Unreserved) as of Beginning of Year		\$ 1,621,402
Less:		
Unreserved Fund Equity Designated for Subsequent Year's Expenditures		<u>0</u>
Total Unreserved Undesignated Fund Equity		<u><u>\$ 1,621,402</u></u>

See notes to financial statements.

**SCHEDULE OF PROJECT EXPENDITURES –
CAPITAL PROJECTS FUND**

Year Ended June 30, 2009

Project Title	Original Appropriation	Revised Appropriation	Expenditures		Total
			Prior Year's	Current Year's	
Renovations Project	<u>\$ 34,800,000</u>	<u>\$ 34,800,000</u>	<u>\$ 1,739,538</u>	<u>\$ 1,104,127</u>	<u>\$ 2,843,665</u>
TOTALS	<u><u>\$ 34,800,000</u></u>	<u><u>\$ 34,800,000</u></u>	<u><u>\$ 1,739,538</u></u>	<u><u>\$ 1,104,127</u></u>	<u><u>\$ 2,843,665</u></u>

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

Unexpended Balance	Methods of Financing				Fund Balance June 30, 2009
	Proceeds of Obligations	State Aid	Local Sources	Total	
\$ 31,956,335	\$ 0	\$ 0	\$ (30,666)	\$ (30,666)	\$ (2,812,999)
\$ 31,956,335	\$ 0	\$ 0	\$ (30,666)	\$ (30,666)	\$ (2,812,999)

See notes to financial statements.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT

Year Ended June 30, 2009

Capital Assets, Net		\$ 28,437,526
Deduct:		
BANS Payable	\$ 3,000,000	
Short-Term Portion of Bonds Payable	1,285,000	
Long-Term Portion of Bonds Payable	<u>12,645,000</u>	<u>16,930,000</u>
Investment in Capital Assets, Net of Related Debt		<u><u>\$ 11,507,526</u></u>

See notes to financial statements.

**ALTMAR-PARISH-WILLIAMSTOWN
CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CERTAIN REVENUES AND
EXPENDITURES COMPARED TO ST-3 DATA**

Year Ended June 30, 2009

	Account Code	ST-3 Amount	Audited Amount
REVENUES			
Property Taxes	A-1001	\$ 5,676,281	\$ 5,676,281
Nonproperty Tax Items	AT-1199	2,084,016	2,084,016
State Aid	AT-3999	19,736,126	19,736,126
Federal Aid - Medical Reimbursements	AT-4999	33,321	33,321
Total Revenues	AT-5999	28,244,485	28,244,485
EXPENDITURES			
General Support	AT-1999	3,078,399	3,078,399
Pupil Transportation	AT-5599	1,510,970	1,510,970
Debt Service - Principal	AT-9798.6	1,250,000	1,250,000
Debt Service - Interest	AT-9789.7	961,380	961,380
Total Expenditures	AT-9999	23,595,082	23,595,082

Differences in AT-3999, AT-1999, and AT-5999 are due to rounding.

FORM OF BOND COUNSEL'S OPINION

July 15, 2010

Altmar-Parish-Williamstown Central School District,
County of Oswego,
State of New York

Re: Altmar-Parish-Williamstown Central School District, Oswego County, New York
\$17,000,000 Bond Anticipation Notes, 2010

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$17,000,000 Bond Anticipation Notes, 2010 (referred to herein as the "Notes"), of the Altmar-Parish-Williamstown Central School District, Oswego County, State of New York (the "District"). The Notes are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, and Resolution of the District adopted on April 23, 2007 and a Certificate of Determination dated on or before the date hereof of the President of the Board of Education relative to the form and terms of the Notes.

In our opinion, the Notes are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the District is subject to levy of ad valorem real estate taxes to pay the Notes and interest thereon without limitation of rate or amount. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes 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 Notes.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage and Use of Proceeds Certificate and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any Note or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Notes 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 and Use of Proceeds 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 Notes to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Notes and the Arbitrage and Use of Proceeds 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 New York municipal corporations such as the School District. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our 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 herein. The opinions expressed herein 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 or interest on the Notes as the same respectively become due and payable. 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. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us 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 light of the circumstances under which they were made, not misleading.

We have examined the first executed Note of each said issue and, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

TRESPASZ & MARQUARDT, LLP