



OFFICIAL STATEMENT

NEW ISSUE

SERIAL BONDS

In the opinion of Bond Counsel, under the existing statutes, regulations and court decisions, interest on the Bonds is excludable from gross income for Federal income tax purposes, and, under the existing statutes, interest on the Bonds is exempt from New York State and New York City personal income taxes. In the opinion of Bond Counsel, interest on the Bonds is not an item of tax preference for purposes of Federal alternative minimum tax imposed on individuals and corporations; and, interest on the Bonds owned by corporate taxpayers is not included in adjusted current earnings for purposes of calculating the Federal alternative minimum tax imposed on corporations. No opinion is expressed regarding other Federal tax consequences arising with respect to the Bonds. See "Tax Exemption" herein.

The School District will designate the Bonds as, or the Bonds will be deemed designated as, "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

NEW HARTFORD CENTRAL SCHOOL DISTRICT ONEIDA COUNTY, NEW YORK

General Obligation Bonds

\$20,000,000 School District (Serial) Bonds, Series A - 2009

Dated: June 2, 2009

Due: June 15, 2010-2024

(as shown on the inside cover)

\$4,918,859 School District (Serial) Bonds, Series B - 2009

Dated: June 2, 2009

Due: June 1, 2011-2024

(as shown on the inside cover)

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, ("DTC") which will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry only form, in the principal amount of \$5,000 or integral multiples thereof, except one Bond of an odd denomination maturing in 2011. Purchasers will not receive certificates representing their ownership interest in the Bonds. Series A Bonds bear interest from June 2, 2009, with interest thereon payable on December 15, 2009 and semi-annually thereafter on June 15 and December 15. The Record Date for the Series A Bonds shall be the last business day of the calendar month preceding each payment date. The Series A Bonds will mature on June 15 each year as shown on the inside cover page hereof. Series B Bonds bear interest from June 2, 2009, with interest thereon payable on December 1, 2009 and semi-annually thereafter on June 1 and December 1. The Record Date for the Series B Bonds shall be the fifteenth day of the calendar month preceding each payment date. The Series B Bonds will mature on June 1 each year as shown on the inside cover page hereof. Principal and interest will be paid by the School District to the Securities Depository, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Bonds as described herein.

All of the Bonds are general obligations of the New Hartford Central School District, Oneida County, New York. All the taxable real property within such School District is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount.

Sealed bids will be received by the President of the Board of Education on **TUESDAY, MAY 12, 2009 until 11:00 a.m. Prevailing Time**, in accordance with the official Notice of Sale included herewith, at Bernard P. Donegan, Inc., 7632 Main Street Fishers, PO Box 70, Victor, New York 14564; facsimile: (585) 924-3251.

The Bonds are offered when, as and if issued and received by the Underwriters and subject to the receipt of an unqualified legal opinion as to the validity of the Bonds of Bond, Schoeneck & King, PLLC, Utica, New York. It is anticipated that the Bonds will be available for delivery in escrow to The Depository Trust Company one day in advance of the date of delivery of the Bonds. The closing will be in New York, New York or at such other place as may be agreed upon with the purchaser on or about June 2, 2009 at approximately 11:00 a.m. Prevailing Time.

April 28, 2009

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 BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. FOR A DESCRIPTION OF THE SCHOOL DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE AS DESCRIBED IN THE RULE, SEE "CONTINUING DISCLOSURE UNDERTAKING" HEREIN.

MATURITIES

\$20,000,000 School District (Serial) Bonds, Series A - 2009

Dated: June 2, 2009

Due: June 15, 2010-2024

MATURITIES

2010	\$	1,115,000	2014	\$	1,110,000	2018	\$	1,305,000	2022	\$	1,565,000
2011		1,150,000	2015		1,165,000	2019		1,400,000	2023		1,625,000
2012		1,280,000	2016		1,200,000	2020		1,360,000	2024		1,655,000
2013		1,320,000	2017		1,260,000	2021		1,490,000			

The above-stated annual principal installments, together with the interest thereon, are expected to provide for substantially level or declining annual debt service on the Bonds. **THE SCHOOL DISTRICT MAY, AFTER SELECTING THE LOW BIDDER, ADJUST SUCH INSTALLMENTS TO THE EXTENT NECESSARY TO MEET THE LEGAL REQUIREMENTS OF SUBSTANTIALLY LEVEL OR DECLINING ANNUAL DEBT SERVICE.**

Bonds maturing on or before June 15, 2019 are not subject to redemption prior to maturity. Bonds maturing on or after June 15, 2020 are subject to redemption, at the option of the School District, prior to maturity, in whole or in part, on any interest payment date on or after June 15, 2019, at par, plus accrued interest to the redemption date.

\$4,918,859 School District (Serial) Bonds, Series B - 2009

Dated: June 2, 2009

Due: June 1, 2011-2024

MATURITIES

2011	\$	293,859	2015	\$	300,000	2019	\$	360,000	2022	\$	410,000
2012		315,000	2016		310,000	2020		380,000	2023		425,000
2013		325,000	2017		330,000	2021		395,000	2024		445,000
2014		290,000	2018		340,000						

The above-stated annual principal installments, together with the interest thereon, are expected to provide for substantially level or declining annual debt service on the Bonds. **THE SCHOOL DISTRICT MAY, AFTER SELECTING THE LOW BIDDER, ADJUST SUCH INSTALLMENTS TO THE EXTENT NECESSARY TO MEET THE LEGAL REQUIREMENTS OF SUBSTANTIALLY LEVEL OR DECLINING ANNUAL DEBT SERVICE.**

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

\$20,000,000

NEW HARTFORD CENTRAL SCHOOL DISTRICT

ONEIDA COUNTY, NEW YORK

SCHOOL DISTRICT (SERIAL) BONDS, SERIES A - 2009

NOTICE OF BOND SALE

(BOOK-ENTRY-ONLY) (BANK QUALIFIED) (CALLABLE)

SEALED PROPOSALS will be received and considered by the undersigned President of the Board of Education of New Hartford Central School District (the "School District"), Oneida County, New York, at **Bernard P. Donegan, Inc., PO Box 70, 7632 Main Street Fishers, Victor, New York 14564, on TUESDAY, MAY 12, 2009 until 11:00 a.m., Prevailing Time**, at which time and place the bids will be publicly opened and announced, for the purchase IN FEDERAL FUNDS at not less than par and accrued interest of \$20,00,000 School District (Serial) Bonds, Series A - 2009 due on June 15 of each year as follows:

MATURITIES

2010	\$ 1,115,000	2015	\$ 1,165,000	2020	\$ 1,360,000
2011	1,150,000	2016	1,200,000	2021	1,490,000
2012	1,280,000	2017	1,260,000	2022	1,565,000
2013	1,320,000	2018	1,305,000	2023	1,625,000
2014	1,110,000	2019	1,400,000	2024	1,655,000

The above-stated annual principal installments, together with the interest thereon, are expected to provide for substantially level or declining annual debt service on the Bonds. THE SCHOOL DISTRICT MAY, AFTER SELECTING THE LOW BIDDER, ADJUST SUCH INSTALLMENTS TO THE EXTENT NECESSARY TO MEET THE REQUIREMENTS OF SUBSTANTIALLY LEVEL OR DECLINING DEBT SERVICE.

Telefax (585-924-3251) or sealed written proposals will be received and considered at the place, time and date stated above for the purchase at not less than par plus accrued interest of the \$20,000,000 aggregate principal amount of serial bonds herein described. Telefax bids will be sealed by Bernard P. Donegan, Inc. upon receipt and will be opened and considered together with written proposals.

The Bonds will be dated June 2, 2009 and will mature on June 15 in the years and amounts stated above and will bear interest payable semi-annually on June 15 and December 15 in each year to maturity, commencing December 15, 2009. Such interest will be payable to the registered owners of the Bonds as shown on the registration books of the School District as of the close of business on the last business day of the calendar month next preceding each interest payment date. The Bonds will be issued in registered form by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC") and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any integral multiple thereof for any single maturity, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. its nominee. Principal of and interest on the Bonds will be payable to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest to participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The School District will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

The Bonds maturing on or before June 15, 2019 are not subject to redemption prior to maturity. The Bonds maturing on June 15, 2020 and thereafter will be subject to redemption, at the option of the School District prior to maturity, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity) on any interest payment date on or after June 15, 2019, at the redemption price of par, plus accrued interest to the date of redemption.

Notice of Redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered holders of such Bonds not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption. Such mailing shall be to the owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the School District or a duly appointed Fiscal Agent. Notice of

redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

In the event (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the School District determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the School District will discontinue the book-entry system with DTC. If the School District fails to identify another qualified securities depository to replace DTC, the School District will deliver replacement Bonds in the form of fully registered certificates.

THE SCHOOL DISTRICT RESERVES THE RIGHT TO CHANGE THE DATE AND TIME FOR THE OPENING OF BIDS. NOTICE OF ANY SUCH CHANGE SHALL BE PROVIDED NOT LESS THAN 24 HOURS PRIOR TO THE TIME SET FORTH ABOVE FOR THE OPENING OF BIDS BY MEANS OF SUPPLEMENTAL NOTICE OF SALE OVER THE TM3.

The timely delivery of all proposals submitted by facsimile (FAX) must be in legible and completed form, signed by an authorized representative of the bidder, and shall be the sole responsibility of the bidder. The School District shall not be responsible for any errors and/or delays in transmission and/or receipt of such bids, mechanical or technical failures or disruptions, or any omissions or irregularities in any bids submitted in such manner.

Each bid must be for all of the \$20,000,000 Bonds and may state different rates of interest for different maturities, provided, however, that (i) only one rate of interest may be bid for bonds of the same maturity, (ii) the maximum difference between the highest and lowest interest rate bid may not exceed one and one-half per centum per annum, (iii) variations in rates of interest so bid shall be in ascending progression in order of maturity so that the rate of interest on any single maturity of said Bonds shall not be less than the rate of interest applicable to any prior maturity, and (iv) all rates of interest bid must be stated in a multiple of one-eighth or one-hundredth of one per centum per annum. Unless all bids are rejected the award will be made to the bidder complying with the terms of sale and offering to purchase said Bonds at such rate or rates of interest as will produce the lowest net interest cost computed in accordance with the net interest cost method of calculation, that being the rate or rates of interest which will produce the least interest cost over the life of the Bonds, after accounting for the premium offered, if any. If two or more such bidders offer to purchase the Bonds at the same net interest cost, computed as described above, the Bonds will be awarded to the bidder whose bid offers to purchase the Bonds at the highest premium dollar amount, and if two or more bidders offer the same lowest interest cost and the same premium, then to one of said bidders selected by lot from among all said bidders. The right is reserved to reject any or all bids, and any bid not complying with this Notice of Sale will be rejected.

Each bid must be enclosed in a sealed envelope and should be marked on the outside "Proposal for Bonds" and be addressed as follows: to the Sale Officer, Viz.: Mr. James Davis, President, Board of Education, c/o Bernard P. Donegan, Inc., PO Box 70, Victor, New York 14564. Each bid, including telefax bids, must be received by 11:00 a.m. on May 12, 2009. A telefax bid will be sealed upon receipt by Bernard P. Donegan, Inc. and opened and considered together with sealed written proposals. As a condition precedent to the consideration of his proposal, each bidder is required to deposit with the Sale Officer a certified or cashier's check drawn upon an incorporated bank or trust company to the order of "New Hartford Central School District, New York," for \$400,000 as a good faith deposit to secure the School District against any loss resulting from the failure of the bidder to comply with the terms of his bid. In lieu of a certified or cashier's check, bidders may furnish as security a financial surety bond, approved by the Sale Officer as to form, sufficiency and manner of execution. If a check is used, it must accompany each bid. If a financial surety bond is used, it must be from an insurance company authorized to do business in the State of New York, the claims-paying ability of which is rated in the highest rating category by at least two nationally recognized statistical rating organizations and such bond must be submitted to the School District or its financial advisor (with a copy to the other) prior to the opening of the bids. The financial security bond must identify each bidder whose deposit is guaranteed by such financial surety bond.

When the successful bidder has been ascertained, all such deposits will be promptly returned to the persons making them, except the check of the successful bidder. If the Bonds are awarded to a bidder utilizing a financial surety bond, then that purchaser is required to submit its further deposit to the School District or its financial advisor in the form of a cashier's check (or wire transfer such amount as instructed by the School District or its financial advisor) not later than 3:30 P.M. Prevailing Time on the next business day following the award. If such further deposit is not received by that time, the financial surety bond may be drawn by the School District or its financial advisor to satisfy the deposit requirement. No interest on the deposit will accrue to the successful bidder. Any failure by the School District or its financial advisor to draw upon the surety bond for any reason shall not relieve the successful bidder of its responsibility to provide the good faith deposit to the School District. Award of the Bonds to the successful bidder, or rejection of all bids, is expected to be made promptly after opening of the bids, but such successful bidder may not withdraw his proposal until after 1:00 P.M., Prevailing Time, of the day of such bid opening and then only if such award has not been

made prior to the withdrawal. The successful bidder will be promptly notified of the award to him, and if he refuses or neglects to pay the agreed price of the Bonds less the amount deposited by him, the amount deposited by him shall be forfeited to and retained by the School District as liquidated damages for such neglect or refusal.

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued, shall not in any way relieve the purchaser of his contractual obligation arising from the acceptance of his proposal for the purchase of the Bonds.

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the successful bidder to obtain CUSIP numbers for the Bonds prior to delivery and the School District will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the successful bidder to obtain such numbers and supply them to the School District in a timely manner. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the School District; provided, however, that the CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid for by the purchaser.

In the event that prior to the delivery of the Bonds, any income tax law of the United States of America shall provide that the interest thereon is taxable, or shall be taxable at a future date, for federal income tax purposes, the successful bidder may, at his election, be relieved of his obligations under the contract to purchase the Bonds, and in such case, the deposit accompanying his bid will be returned.

The Bonds will be executed and delivered in escrow to DTC, not less than 24 hours prior to the time set for the delivery thereof. It shall be the responsibility of the purchaser to verify the CUSIP numbers at such time. The closing will be held on or about June 2, 2009 at such place in New York, New York and on such business day and at such hour, as the Sale Officer shall fix on three business days' notice to the successful bidder, or at such other place and time as may be agreed upon with the successful bidder on or against receipt of Federal Funds, in an amount equal to the par amount of such Bonds, plus the premium, if any, plus accrued interest from the date of such Bonds until said day of delivery, less the amount of the good faith deposit submitted with the bid.

The Bonds will be issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law, to redeem currently outstanding bond anticipation notes on their maturity date. Said bond anticipation notes were issued for the purpose of addition to, and the construction and reconstruction of, school buildings and facilities. The Bonds are general obligations of the School District. There is no limitation, either as to rate or amount, upon ad valorem taxes upon taxable real property in the School District which may be required to pay the Bonds and the interest thereon. The State Constitution requires the School District to pledge its faith and credit for the payment of the principal of the Bonds and the interest thereon and to make annual appropriations for the amounts required for the payment of such interest and the redemption of the Bonds. The State Constitution also provides that if at any time the appropriating authorities fail to make the required appropriations for the annual debt service on the Bonds and certain other obligations of the School District, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes; and also that the fiscal officer of the School District may be required to set apart and apply such revenues as aforesaid at the suit of any holder of such obligations.

Upon default in the payment of principal of or interest on the Bonds or certain other obligations of the School District, the State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the State Finance Law, to withhold state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of defaulted principal and interest with respect to said Bonds and said other obligations.

The population of the School District is estimated to be 21,500. The debt statement to be filed pursuant to Section 109.00 of the Local Finance Law, in connection with the sale of the Bonds herein described, prepared as of April 28, 2009, will show the assessed valuation of real property subject to taxation by the School District to be \$1,148,192,454, the full valuation of real property subject to taxation by the School District to be \$1,388,223,005, its debt limit to be \$138,822,300, and its bonded indebtedness (inclusive of the Bonds) to be \$44,167,877. The calculation of such bonded indebtedness has not taken into account any deductions therefrom of any apportionment of state aid for debt service for school building purposes to which the School District may be entitled.

The obligation hereunder to deliver and accept the Bonds shall be conditioned on the availability and the delivery at the time of delivery of the Bonds of (a) the approving opinion of **Bond, Schoeneck & King, PLLC, Utica, New York, Bond Counsel**, which will be furnished without cost to the successful bidder, to the effect that the Bonds are valid and legally binding obligations of the New Hartford Central School District, New York, and, unless paid from other sources, are payable from ad valorem taxes levied upon all the taxable real property within the School District without

limitation as to rate or amount and that among other things, the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), includes certain requirements that must be met subsequent to the issuance of the Bonds in order that interest thereon be and remain excludable from gross income to the recipients thereof, and that under the existing statute, regulations and court decisions, interest on the Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code and will continue to be so excluded if the School District complies with all such requirements, under existing statutes, interest on the Bonds is exempt from New York State and New York City personal income taxation, and under the Internal Revenue Code, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and interest on the Bonds owned by corporations is not included in adjusted current earnings for purposes of calculating the Federal alternative minimum tax imposed on corporations. Such opinion to be in substantially the form set forth in the Official Statement distributed in connection with the sale of the Bonds; (b) the usual closing certificates in form satisfactory to Bond Counsel evidencing, among other things, the proper execution and delivery of the Bonds, the receipt of payment therefor and the fact that the Bonds will not be arbitrage obligations within the meaning of the Internal Revenue Code; (c) a certificate, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of the Bonds; and (d) a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the School District is not guaranteed as to accuracy, completeness or fairness, the School District has no reason to believe and does not believe that such information is materially inaccurate or misleading, and to the knowledge of the School District, since the date of the Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the School District and no material adverse changes in the general affairs of the School District or in its financial condition as shown in the Official Statement other than as disclosed in or contemplated by the Official Statement. Reference should be made to the Official Statement of the School District for a description of the scope of Bond Counsel's engagement in relation to the issuance of the Bonds and the matters covered by such legal opinion. A copy of the approving opinion will be delivered with the Bonds.

The Bonds will be designated as, or will be deemed designated as, "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code; however, financial institutions incurring debt to acquire or carry tax-exempt obligations should consult the provisions of the Internal Revenue Code before purchasing the Bonds.

The official statement of the School District relating to the Bonds, dated of even date herewith, is in a form "deemed final" by the School District within the meaning of, and for the purposes of, paragraph (b)(1) of Securities and Exchange Commission ("SEC") Rule 15c2-12.

In accordance with the requirements of SEC Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the SEC, the School District shall provide, or cause to be provided, either directly or through a designated agent,

- (i) during any succeeding fiscal year in which the Bonds are outstanding, to each nationally recognized municipal securities information repository ("NRMSIR") designated by the SEC in accordance with the Rule, and to the New York State information depository, if New York State creates a depository ("SID"), certain annual financial information and operating data for the preceding fiscal year, and a copy of the audited financial statements for the preceding fiscal year, if any, such information, data and audited financial statements, if any, will be of the type included in the final Official Statement delivered in connection with the Bonds, with consistent accounting principles, pursuant to State law and regulations in effect from time to time, and will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if audited financial statements are prepared, sixty days following receipt by the School District of audited financial statements for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and
- (ii) in a timely manner, to each NRMSIR or to the Municipal Securities Rulemaking Board ("MSRB") and to the SID, notice of the occurrence of any of the Material Events required by SEC Rule 15c2-12(b)(5)(i)(C). The School District may from time to time choose to provide notice of the occurrence of certain other events in addition to those referred to above, if the School District determines that any such other event is material with respect to the Bonds; but the School District does not undertake to commit to provide any such notice of the occurrence of any Material Event except those events referred to above; and

- (iii) in a timely manner, to each NRMSIR or to the MSRB and to the SID, notice of its failure to provide the
aforedescribed annual financial information and operating data and such audited financial statements,
if any, on or before the date specified.

The School District reserves the right to terminate its obligations to provide the aforedescribed annual financial information and operating data and such audited financial statements, if any, and notices of Material Events as set forth above, if and when the School District no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The School District acknowledges that its undertaking pursuant to the Rule provided herein is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of this undertaking will be limited to a right to obtain specific enforcement of the School District's obligations under this continuing disclosure undertaking and any failure by the School District to comply with the provisions of this undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The School District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the School District; provided that, the School District agrees that any such modification will be done in a manner consistent with the Rule.

The School District is in compliance with all prior undertakings pursuant to the Rule, to the extent any such undertakings have been made.

The purchaser shall be obligated to furnish to the School District, on or prior to the date of issuance of the Bonds, the offering price(s)/yield(s) of the Bonds (including, without limitation, the "issue price" of the Bonds as defined in Section 1273 or 1274 of the Internal Revenue Code). Such information, together with any other information required by the notice of sale to be specified by the purchaser or which is necessary for the purchaser to comply with SEC Rule 15c2-12 (such as, selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars), the identity of the underwriters if the successful bidder is part of a group or syndicate, the interest rate, insurance, if any, rating, if any, and the like), will be coupled by the purchaser with the official statement, dated of even date herewith, to become the "final official statement" under paragraph (b)(3) of SEC Rule 15c2-12. Within five business days following receipt by the School District of such information the School District will furnish to the purchaser, in reasonable quantities as requested by the purchaser, copies of said final official statement, updated as necessary, and supplemented to include said information. Failure of the purchaser to provide such information will prevent the School District from furnishing such final official statement as described above. The purchaser shall notify the School District as soon as practicable of the date which is the "end of the underwriting period" (as defined in SEC Rule 15c2-12).

The successful bidder will be provided with a reasonable number of such final official statements in sufficient quantity and in sufficient time for the successful bidder to comply with paragraphs (b)(3) and (b)(4) of SEC Rule 15c2-12 and applicable rules of the Municipal Securities Rulemaking Board.

Requests for additional information or additional copies of the Notice of Sale and Official Statement may be directed to Bernard P. Donegan, Inc., PO Box 70, Victor, New York 14564; phone (585) 924-2145, fax (585) 924-3251. School District's contact information: Mrs. Mary B. Mandel, phone: (315) 624-1202; email: mmandel@nhart.org.

Dated: April 28, 2009
New Hartford, New York

James Davis, President, Board of Education
and Chief Fiscal Officer



PROPOSAL FOR BONDS

May 12, 2009

Mr. James Davis
President, Board of Education
New Hartford Central School District
c/o Bernard P. Donegan, Inc.
7632 Main Street Fishers, PO Box 70
Victor, New York 14564
Facsimile: (585) 924-3251

Re: \$20,000,000 School District (Serial) Bonds, Series A - 2009

Dear Mr. Davis:

We hereby submit the following proposal for the purchase, in Federal Funds, of the principal, plus accrued interest to date of delivery, of the above-referenced Bonds of the New Hartford Central School District, Oneida County, New York, under the terms and conditions of the Notice of Sale with respect thereto.

We offer to purchase all of said Bonds, to bear interest at the rate(s) indicated at (1) below (stated in a multiple of one-eighth or one-hundredth of one per centum per annum), and to pay a premium above par as indicated at (2) below.

The Bonds will be designated or will be deemed designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.

Table with 8 columns: (1), Year of Maturity, Interest Rate, Year of Maturity, Interest Rate, Year of Maturity, Interest Rate, Year of Maturity, Interest Rate. Rows for years 2010-2017 and 2018-2024.

(2) (\$) Premium of Dollars

(3) Check ONE of the following:

- We enclose a certified or cashier's check for \$400,000 payable to the order of said New Hartford Central School District, New York, which check is to be returned to the bidder or agent if this bid is not accepted; otherwise, to be applied as part payment for the bonds or to be retained by the School District as and for liquidated damages in case we should not take up and pay for the Bonds in accordance with the terms of this proposal.
We are an authorized principal of a Financial Surety Bond with respect to this Bid as described in the Notice of Bond Sale.

(4) BIDDER: Firm/Bank, Individual, Address, Telephone, E-mail. AGENT for Bidder: (blank lines)

(5) SIGNATURE of Bidder or Agent

No addition or alteration is to be made to the above proposal.

(6) SIGNATURE Acknowledging Return of Good Faith Check

The following is our computation of the net interest cost, made as provided in the Notice of Sale, but not constituting any part of our proposal for the purchase of the Bonds:

Table with 2 columns: Description, Amount. Rows: Gross Interest, Premium Bid Over Par, Interest Cost, Net Interest Cost.

\$4,918,859

NEW HARTFORD CENTRAL SCHOOL DISTRICT

ONEIDA COUNTY, NEW YORK

SCHOOL DISTRICT (SERIAL) BONDS, SERIES B - 2009

NOTICE OF BOND SALE

(BOOK-ENTRY-ONLY) (BANK QUALIFIED) (CALLABLE)

SEALED PROPOSALS will be received and considered by the undersigned President of the Board of Education of New Hartford Central School District (the "School District"), Oneida County, New York, at **Bernard P. Donegan, Inc., PO Box 70, 7632 Main Street Fishers, Victor, New York 14564, on TUESDAY, MAY 12, 2009 until 11:00 a.m., Prevailing Time**, at which time and place the bids will be publicly opened and announced, for the purchase IN FEDERAL FUNDS at not less than par and accrued interest of \$4,918,859 School District (Serial) Bonds, Series B - 2009 due on June 1 of each year as follows:

MATURITIES

2011	\$ 293,859	2016	\$ 310,000	2021	\$ 395,000
2012	315,000	2017	330,000	2022	410,000
2013	325,000	2018	340,000	2023	425,000
2014	290,000	2019	360,000	2024	445,000
2015	300,000	2020	380,000		

The above-stated annual principal installments, together with the interest thereon, are expected to provide for substantially level or declining annual debt service on the Bonds. THE SCHOOL DISTRICT MAY, AFTER SELECTING THE LOW BIDDER, ADJUST SUCH INSTALLMENTS TO THE EXTENT NECESSARY TO MEET THE REQUIREMENTS OF SUBSTANTIALLY LEVEL OR DECLINING DEBT SERVICE.

Telefax (585-924-3251) or sealed written proposals will be received and considered at the place, time and date stated above for the purchase at not less than par plus accrued interest of the \$4,918,859 aggregate principal amount of serial bonds herein described. Telefax bids will be sealed by Bernard P. Donegan, Inc. upon receipt and will be opened and considered together with written proposals.

The Bonds will be dated June 2, 2009 and will mature on June 1 in the years and amounts stated above and will bear interest payable semi-annually on June 1 and December 1 in each year to maturity, commencing December 1, 2009. Such interest will be payable to the registered owners of the Bonds as shown on the registration books of the School District as of the close of business on the fifteenth day of the calendar month next preceding each interest payment date. The Bonds will be issued in registered form by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC") and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any integral multiple thereof for any single maturity, except that one Bond for the 2011 maturity may be issued in a denomination which is or includes an amount less than the authorized multiple, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. its nominee. Principal of and interest on the Bonds will be payable to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest to participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The School District will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

The Bonds maturing on or before June 1, 2019 are not subject to redemption prior to maturity. The Bonds maturing on June 1, 2020 and thereafter will be subject to redemption, at the option of the School District prior to maturity, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity) on any interest payment date on or after June 1, 2019, at the redemption price of par, plus accrued interest to the date of redemption.

Notice of Redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered holders of such Bonds not less than thirty (30) days nor more than sixty (60) days prior to the date fixed

for redemption. Such mailing shall be to the owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the School District or a duly appointed Fiscal Agent. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

In the event (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the School District determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the School District will discontinue the book-entry system with DTC. If the School District fails to identify another qualified securities depository to replace DTC, the School District will deliver replacement Bonds in the form of fully registered certificates.

THE SCHOOL DISTRICT RESERVES THE RIGHT TO CHANGE THE DATE AND TIME FOR THE OPENING OF BIDS. NOTICE OF ANY SUCH CHANGE SHALL BE PROVIDED NOT LESS THAN 24 HOURS PRIOR TO THE TIME SET FORTH ABOVE FOR THE OPENING OF BIDS BY MEANS OF SUPPLEMENTAL NOTICE OF SALE OVER THE TM3.

The timely delivery of all proposals submitted by facsimile (FAX) must be in legible and completed form, signed by an authorized representative of the bidder, and shall be the sole responsibility of the bidder. The School District shall not be responsible for any errors and/or delays in transmission and/or receipt of such bids, mechanical or technical failures or disruptions, or any omissions or irregularities in any bids submitted in such manner.

Each bid must be for all of the \$4,918,859 Bonds and may state different rates of interest for different maturities, provided, however, that (i) only one rate of interest may be bid for bonds of the same maturity, (ii) the maximum difference between the highest and lowest interest rate bid may not exceed one and one-half per centum per annum, (iii) variations in rates of interest so bid shall be in ascending progression in order of maturity so that the rate of interest on any single maturity of said Bonds shall not be less than the rate of interest applicable to any prior maturity, and (iv) all rates of interest bid must be stated in a multiple of one-eighth or one-hundredth of one per centum per annum. Unless all bids are rejected the award will be made to the bidder complying with the terms of sale and offering to purchase said Bonds at such rate or rates of interest as will produce the lowest net interest cost computed in accordance with the net interest cost method of calculation, that being the rate or rates of interest which will produce the least interest cost over the life of the Bonds, after accounting for the premium offered, if any. If two or more such bidders offer to purchase the Bonds at the same net interest cost, computed as described above, the Bonds will be awarded to the bidder whose bid offers to purchase the Bonds at the highest premium dollar amount, and if two or more bidders offer the same lowest interest cost and the same premium, then to one of said bidders selected by lot from among all said bidders. The right is reserved to reject any or all bids, and any bid not complying with this Notice of Sale will be rejected.

Each bid must be enclosed in a sealed envelope and should be marked on the outside "Proposal for Bonds" and be addressed as follows: to the Sale Officer, Viz.: Mr. James Davis, President, Board of Education, c/o Bernard P. Donegan, Inc., PO Box 70, Victor, New York 14564. Each bid, including telefax bids, must be received by 11:00 a.m. on May 12, 2009. A telefax bid will be sealed upon receipt by Bernard P. Donegan, Inc. and opened and considered together with sealed written proposals. As a condition precedent to the consideration of his proposal, each bidder is required to deposit with the Sale Officer a certified or cashier's check drawn upon an incorporated bank or trust company to the order of "New Hartford Central School District, New York," for \$98,377 as a good faith deposit to secure the School District against any loss resulting from the failure of the bidder to comply with the terms of his bid. In lieu of a certified or cashier's check, bidders may furnish as security a financial surety bond, approved by the Sale Officer as to form, sufficiency and manner of execution. If a check is used, it must accompany each bid. If a financial surety bond is used, it must be from an insurance company authorized to do business in the State of New York, the claims-paying ability of which is rated in the highest rating category by at least two nationally recognized statistical rating organizations and such bond must be submitted to the School District or its financial advisor (with a copy to the other) prior to the opening of the bids. The financial security bond must identify each bidder whose deposit is guaranteed by such financial surety bond.

When the successful bidder has been ascertained, all such deposits will be promptly returned to the persons making them, except the check of the successful bidder. If the Bonds are awarded to a bidder utilizing a financial surety bond, then that purchaser is required to submit its further deposit to the School District or its financial advisor in the form of a cashier's check (or wire transfer such amount as instructed by the School District or its financial advisor) not later than 3:30 P.M. Prevailing Time on the next business day following the award. If such further deposit is not received by that time, the financial surety bond may be drawn by the School District or its financial advisor to satisfy the deposit requirement. No interest on the deposit will accrue to the successful bidder. Any failure by the School District or its financial advisor to draw upon the surety bond for any reason shall not relieve the successful bidder of its responsibility to provide the good faith deposit to the School District. Award of the Bonds to the successful bidder, or rejection of all

bids, is expected to be made promptly after opening of the bids, but such successful bidder may not withdraw his proposal until after 1:00 P.M., Prevailing Time, of the day of such bid opening and then only if such award has not been made prior to the withdrawal. The successful bidder will be promptly notified of the award to him, and if he refuses or neglects to pay the agreed price of the Bonds less the amount deposited by him, the amount deposited by him shall be forfeited to and retained by the School District as liquidated damages for such neglect or refusal.

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued, shall not in any way relieve the purchaser of his contractual obligation arising from the acceptance of his proposal for the purchase of the Bonds.

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the successful bidder to obtain CUSIP numbers for the Bonds prior to delivery and the School District will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the successful bidder to obtain such numbers and supply them to the School District in a timely manner. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the School District; provided, however, that the CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid for by the purchaser.

In the event that prior to the delivery of the Bonds, any income tax law of the United States of America shall provide that the interest thereon is taxable, or shall be taxable at a future date, for federal income tax purposes, the successful bidder may, at his election, be relieved of his obligations under the contract to purchase the Bonds, and in such case, the deposit accompanying his bid will be returned.

The Bonds will be executed and delivered in escrow to DTC, not less than 24 hours prior to the time set for the delivery thereof. It shall be the responsibility of the purchaser to verify the CUSIP numbers at such time. The closing will be held on or about June 2, 2009 at such place in New York, New York and on such business day and at such hour, as the Sale Officer shall fix on three business days' notice to the successful bidder, or at such other place and time as may be agreed upon with the successful bidder on or against receipt of Federal Funds, in an amount equal to the par amount of such Bonds, plus the premium, if any, plus accrued interest from the date of such Bonds until said day of delivery, less the amount of the good faith deposit submitted with the bid.

The Bonds will be issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law, for the purpose of addition to, and the construction and reconstruction of, school buildings and facilities. The Bonds are general obligations of the School District. There is no limitation, either as to rate or amount, upon ad valorem taxes upon taxable real property in the School District which may be required to pay the Bonds and the interest thereon. The State Constitution requires the School District to pledge its faith and credit for the payment of the principal of the Bonds and the interest thereon and to make annual appropriations for the amounts required for the payment of such interest and the redemption of the Bonds. The State Constitution also provides that if at any time the appropriating authorities fail to make the required appropriations for the annual debt service on the Bonds and certain other obligations of the School District, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes; and also that the fiscal officer of the School District may be required to set apart and apply such revenues as aforesaid at the suit of any holder of such obligations.

Upon default in the payment of principal or interest on the Bonds or certain other obligations of the School District, the State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the State Finance Law, to withhold state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of defaulted principal and interest with respect to said Bonds and said other obligations.

The population of the School District is estimated to be 21,500. The debt statement to be filed pursuant to Section 109.00 of the Local Finance Law, in connection with the sale of the Bonds herein described, prepared as of April 28, 2009, will show the assessed valuation of real property subject to taxation by the School District to be \$1,148,192,454, the full valuation of real property subject to taxation by the School District to be \$1,388,223,005, its debt limit to be \$138,822,300, and its bonded indebtedness (inclusive of the Bonds) to be \$44,167,877. The calculation of such bonded indebtedness has not taken into account any deductions therefrom of any apportionment of state aid for debt service for school building purposes to which the School District may be entitled.

The obligation hereunder to deliver and accept the Bonds shall be conditioned on the availability and the delivery at the time of delivery of the Bonds of (a) the **approving opinion of Bond, Schoeneck & King, PLLC, Utica, New York, Bond Counsel**, which will be furnished without cost to the successful bidder, to the effect that the Bonds are valid and legally binding obligations of the New Hartford Central School District, New York, and, unless paid from other

sources, are payable from ad valorem taxes levied upon all the taxable real property within the School District without limitation as to rate or amount and that among other things, the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), includes certain requirements that must be met subsequent to the issuance of the Bonds in order that interest thereon be and remain excludable from gross income to the recipients thereof, and that under the existing statute, regulations and court decisions, interest on the Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code and will continue to be so excluded if the School District complies with all such requirements, under existing statutes, interest on the Bonds is exempt from New York State and New York City personal income taxation, and under the Internal Revenue Code, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and interest on the Bonds owned by corporations is not included in adjusted current earnings for purposes of calculating the Federal alternative minimum tax imposed on corporations. Such opinion to be in substantially the form set forth in the Official Statement distributed in connection with the sale of the Bonds; (b) the usual closing certificates in form satisfactory to Bond Counsel evidencing, among other things, the proper execution and delivery of the Bonds, the receipt of payment therefor and the fact that the Bonds will not be arbitrage obligations within the meaning of the Internal Revenue Code; (c) a certificate, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of the Bonds; and (d) a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the School District is not guaranteed as to accuracy, completeness or fairness, the School District has no reason to believe and does not believe that such information is materially inaccurate or misleading, and to the knowledge of the School District, since the date of the Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the School District and no material adverse changes in the general affairs of the School District or in its financial condition as shown in the Official Statement other than as disclosed in or contemplated by the Official Statement. Reference should be made to the Official Statement of the School District for a description of the scope of Bond Counsel's engagement in relation to the issuance of the Bonds and the matters covered by such legal opinion. A copy of the approving opinion will be delivered with the Bonds.

The Bonds will be designated as, or will be deemed designated as, "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code; however, financial institutions incurring debt to acquire or carry tax-exempt obligations should consult the provisions of the Internal Revenue Code before purchasing the Bonds.

The official statement of the School District relating to the Bonds, dated of even date herewith, is in a form "deemed final" by the School District within the meaning of, and for the purposes of, paragraph (b)(1) of Securities and Exchange Commission ("SEC") Rule 15c2-12.

In accordance with the requirements of SEC Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the SEC, the School District shall provide, or cause to be provided, either directly or through a designated agent,

- (i) during any succeeding fiscal year in which the Bonds are outstanding, to each nationally recognized municipal securities information repository ("NRMSIR") designated by the SEC in accordance with the Rule, and to the New York State information depository, if New York State creates a depository ("SID"), certain annual financial information and operating data for the preceding fiscal year, and a copy of the audited financial statements for the preceding fiscal year, if any, such information, data and audited financial statements, if any, will be of the type included in the final Official Statement delivered in connection with the Bonds, with consistent accounting principles, pursuant to State law and regulations in effect from time to time, and will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if audited financial statements are prepared, sixty days following receipt by the School District of audited financial statements for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and
- (ii) in a timely manner, to each NRMSIR or to the Municipal Securities Rulemaking Board ("MSRB") and to the SID, notice of the occurrence of any of the Material Events required by SEC Rule 15c2-12(b)(5)(i)(C). The School District may from time to time choose to provide notice of the occurrence of certain other events in addition to those referred to above, if the School District determines that any such other event is material with respect to the Bonds; but the School District does not undertake to commit to provide any such notice of the occurrence of any Material Event except those events referred to above; and

- (iii) in a timely manner, to each NRMSIR or to the MSRB and to the SID, notice of its failure to provide the
aforedescribed annual financial information and operating data and such audited financial statements,
if any, on or before the date specified.

The School District reserves the right to terminate its obligations to provide the aforedescribed annual financial information and operating data and such audited financial statements, if any, and notices of Material Events as set forth above, if and when the School District no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The School District acknowledges that its undertaking pursuant to the Rule provided herein is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of this undertaking will be limited to a right to obtain specific enforcement of the School District's obligations under this continuing disclosure undertaking and any failure by the School District to comply with the provisions of this undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The School District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the School District; provided that, the School District agrees that any such modification will be done in a manner consistent with the Rule.

The School District is in compliance with all prior undertakings pursuant to the Rule, to the extent any such undertakings have been made.

The purchaser shall be obligated to furnish to the School District, on or prior to the date of issuance of the Bonds, the offering price(s)/yield(s) of the Bonds (including, without limitation, the "issue price" of the Bonds as defined in Section 1273 or 1274 of the Internal Revenue Code). Such information, together with any other information required by the notice of sale to be specified by the purchaser or which is necessary for the purchaser to comply with SEC Rule 15c2-12 (such as, selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars), the identity of the underwriters if the successful bidder is part of a group or syndicate, the interest rate, insurance, if any, rating, if any, and the like), will be coupled by the purchaser with the official statement, dated of even date herewith, to become the "final official statement" under paragraph (b)(3) of SEC Rule 15c2-12. Within five business days following receipt by the School District of such information the School District will furnish to the purchaser, in reasonable quantities as requested by the purchaser, copies of said final official statement, updated as necessary, and supplemented to include said information. Failure of the purchaser to provide such information will prevent the School District from furnishing such final official statement as described above. The purchaser shall notify the School District as soon as practicable of the date which is the "end of the underwriting period" (as defined in SEC Rule 15c2-12).

The successful bidder will be provided with a reasonable number of such final official statements in sufficient quantity and in sufficient time for the successful bidder to comply with paragraphs (b)(3) and (b)(4) of SEC Rule 15c2-12 and applicable rules of the Municipal Securities Rulemaking Board.

Requests for additional information or additional copies of the Notice of Sale and Official Statement may be directed to Bernard P. Donegan, Inc., PO Box 70, Victor, New York 14564; phone (585) 924-2145, fax (585) 924-3251. School District's contact information: Mrs. Mary B. Mandel, phone: (315) 624-1202; email: mmandel@nhart.org.

Dated: April 28, 2009
New Hartford, New York

James Davis, President, Board of Education
and Chief Fiscal Officer



PROPOSAL FOR BONDS

May 12, 2009

Mr. James Davis
 President, Board of Education
 New Hartford Central School District
 c/o Bernard P. Donegan, Inc.
 7632 Main Street Fishers, PO Box 70
 Victor, New York 14564
 Facsimile: (585) 924-3251

Re: **\$4,918,859 School District (Serial) Bonds, Series B - 2009**

Dear Mr. Davis:

We hereby submit the following proposal for the purchase, in Federal Funds, of the principal, plus accrued interest to date of delivery, of the above-referenced Bonds of the New Hartford Central School District, Oneida County, New York, under the terms and conditions of the Notice of Sale with respect thereto.

We offer to purchase all of said Bonds, to bear interest at the rate(s) indicated at (1) below (stated in a multiple of one-eighth or one-hundredth of one per centum per annum), and to pay a premium above par as indicated at (2) below.

The Bonds will be designated or will be deemed designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.

(1)	<u>Year of Maturity</u>	<u>Interest Rate</u>		<u>Year of Maturity</u>	<u>Interest Rate</u>		<u>Year of Maturity</u>	<u>Interest Rate</u>
	2011	_____ %		2015	_____ %		2019	_____ %
	2012	_____ %		2016	_____ %		2020	_____ %
	2013	_____ %		2017	_____ %		2021	_____ %
	2014	_____ %		2018	_____ %		2022	_____ %
							2023	_____ %
							2024	_____ %

(2) (\$ _____) Premium of _____ Dollars

(3) Check ONE of the following:

- _____ We enclose a certified or cashier's check for \$98,377 payable to the order of said New Hartford Central School District, New York, which check is to be returned to the bidder or agent if this bid is not accepted; otherwise, to be applied as part payment for the bonds or to be retained by the School District as and for liquidated damages in case we should not take up and pay for the Bonds in accordance with the terms of this proposal.
- _____ We are an authorized principal of a Financial Surety Bond with respect to this Bid as described in the Notice of Bond Sale.

<p>(4) BIDDER: Firm/Bank _____ Individual _____ Address _____ Telephone () _____ E-mail _____</p>	<p style="text-align: center;"><u>AGENT for Bidder:</u></p> <p>_____</p> <p>_____</p> <p>() _____</p> <p>_____</p>
--	--

(5) **SIGNATURE** of Bidder or Agent _____

No addition or alteration is to be made to the above proposal.

(6) **SIGNATURE** Acknowledging Return of Good Faith Check _____

The following is our computation of the net interest cost, made as provided in the Notice of Sale, but not constituting any part of our proposal for the purchase of the Bonds:

Gross Interest	\$ _____
Premium Bid Over Par	\$ _____
Interest Cost	\$ _____
Net Interest Cost	_____ %

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

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Prepared with the Assistance of:

BERNARD P. DONEGAN, INC.
 PO Box 70
 Victor, New York 14564
 (585) 924-2145

OFFICIAL STATEMENT
NEW HARTFORD CENTRAL SCHOOL DISTRICT
ONEIDA COUNTY, NEW YORK

Relating to

\$20,000,000 School District (Serial) Bonds, Series A - 2009

\$4,918,859 School District (Serial) Bonds, Series B - 2009

This Official Statement (the "Official Statement"), which includes the cover page, has been prepared by the New Hartford Central School District, Oneida County, New York (the "School District") in connection with the sale by the School District of \$20,000,000 School District (Serial) Bonds, Series A - 2009 ("Series A Bonds") and \$4,918,859 School District (Serial) Bonds, Series B - 2009 ("Series B Bonds") (collectively the "Bonds").

This Official Statement is hereby "deemed final" by the School District within the meaning of, and for the purposes of, paragraph (b)(1) of Securities and Exchange Commission Rule 15c2-12.

DESCRIPTION OF THE BONDS

The Bonds contain a pledge of faith and credit of the School District for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State of New York (State Constitution, Article 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 Bonds and interest thereon, without limitation as to rate or amount.

Series A Bonds comprise an issue in the principal amount of \$20,000,000, will be dated June 2, 2009, and mature, in annual installments on June 15 in the years and amounts as set forth on the inside cover page hereof. Series B Bonds comprise an issue in the principal amount of \$4,918,859, will be dated June 2, 2009, and mature, in annual installments on June 1 in the years and amounts as set forth on the inside cover page hereof.

Series A Bonds maturing on or before June 15, 2019 are not subject to redemption prior to maturity. Bonds maturing on or after June 15, 2020 are subject to redemption, at the option of the School District, prior to maturity, in whole or in part, on any interest payment date on or after June 15, 2019, at par, plus accrued interest to the redemption date.

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

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry only form, in the principal amount of \$5,000 or integral multiples thereof, except one Bond of an odd denomination maturing in 2011. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal and interest will be paid by the School District to the Securities Depository, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Series A Bonds bear interest from June 2, 2009, with interest thereon payable on December 15, 2009 and semi-annually thereafter on June 15 and December 15. The Record Date for the Series A Bonds shall be the last business day of the calendar month preceding each payment date. The Series B Bonds bear interest from June 2, 2009, with interest thereon payable on December 1, 2009 and semi-annually thereafter on June 1 and December 1. The Record Date for the Series B Bonds shall be the fifteenth day of the calendar month preceding each payment date. The Bonds may not be registered to bearer or converted to coupon bonds.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds (the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

If applicable, redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Continued on following page.

BOOK-ENTRY-ONLY SYSTEM - Concluded

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to School District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC (nor its nominee), the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of 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 Bonds at any time by giving reasonable notice to the School District. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

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

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

Source: The Depository Trust Company.

THE SCHOOL DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO DIRECT OR INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; (IV) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDOWNER.

CERTIFICATED BONDS

In the event that the book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof for any single maturity, except one Bond of an odd denomination maturing in 2011. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State of New York to be named as the fiscal agent by the School District upon termination of the book-entry-only system. Interest on the Series A Bonds will be payable December 15, 2009 and semi-annually thereafter on June 15 and December 15, in each year to maturity. The Record Date for Series A Bonds will be the last business day of the calendar month preceding each interest payment date. Interest on the Series B Bonds will be payable December 1, 2009 and semi-annually thereafter on June 1 and December 1, in each year to maturity. The Record Date for Series B Bonds will be the fifteenth day of the calendar month preceding each interest payment date. Interest on the Bonds will be payable by check or draft mailed by the fiscal agent to the registered owners of the Bonds, as shown on the registration books of the School District maintained by the fiscal agent. Bonds may be transferred or exchanged at no cost to the registered owner for Bonds of the same maturity or any other authorized denomination or denominations in the same aggregate principal amount in the manner described on the Bonds and as referenced in certain proceedings of the School District referred to therein.

AUTHORIZATION AND PURPOSE

The Bonds are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law, for the following purpose:

The addition to, and the construction and reconstruction of, school buildings and facilities, pursuant to a Bond Resolution dated April 3, 2007 authorizing the issuance of \$25,770,000 serial bonds, of which the School District is now issuing \$24,918,859 of serial bonds.

There are currently outstanding \$20,000,000 Bond Anticipation Notes against said Resolution, maturing June 19, 2009. Said Notes will be paid in full at maturity with the proceeds of the Series A Bonds.

STATUS OF PROJECT

On March 13, 2007, the voters approved an \$25,770,000 capital project consisting of additions to, and the construction and reconstruction of, school buildings and facilities. Plans and specifications have received approval from the State Education Department. The School District awarded part of the bids on July 1, 2008 and the remaining bids on July 30, 2008. Construction started September, 2008 and will last approximately 24 months.

REMAINING BOND AUTHORIZATIONS

On May 19, 2009, the School District will be presenting a proposition to the voters in the amount of \$461,000 to finance the cost of the purchase of school buses. If approved by the voters, the School District plans to issue debt in October, 2009.

FUTURE CONSTRUCTION PLANS

The School District anticipates on planning a future capital improvement project for the Fall of 2011. Potential capital improvement items will focus on infrastructure and a bus repair and storage facility. In addition, the School District will review programmatic needs, it's Five-Year Facilities Plan and any legislative changes that may require implementation.

GENERAL INFORMATION

The School District is adjacent to and southwest of the City of Utica in Central Upstate New York. The School District has its own commercial center located within the Village of New Hartford.

The School District's land area is approximately 80 square miles and an estimated population of 21,500. The School District is primarily residential in character. Many of its residents are employed by the various industries in and around Utica, principally light fabrication, electronics and textiles. Some of the major firms in the School District are Faxton-St. Luke's Healthcare, Par Technology, Utica National Insurance Company and National Grid.

Major highways serving the School District include New York State Routes #5, #8 and #12. The New York State Thruway passes north of the City of Utica.

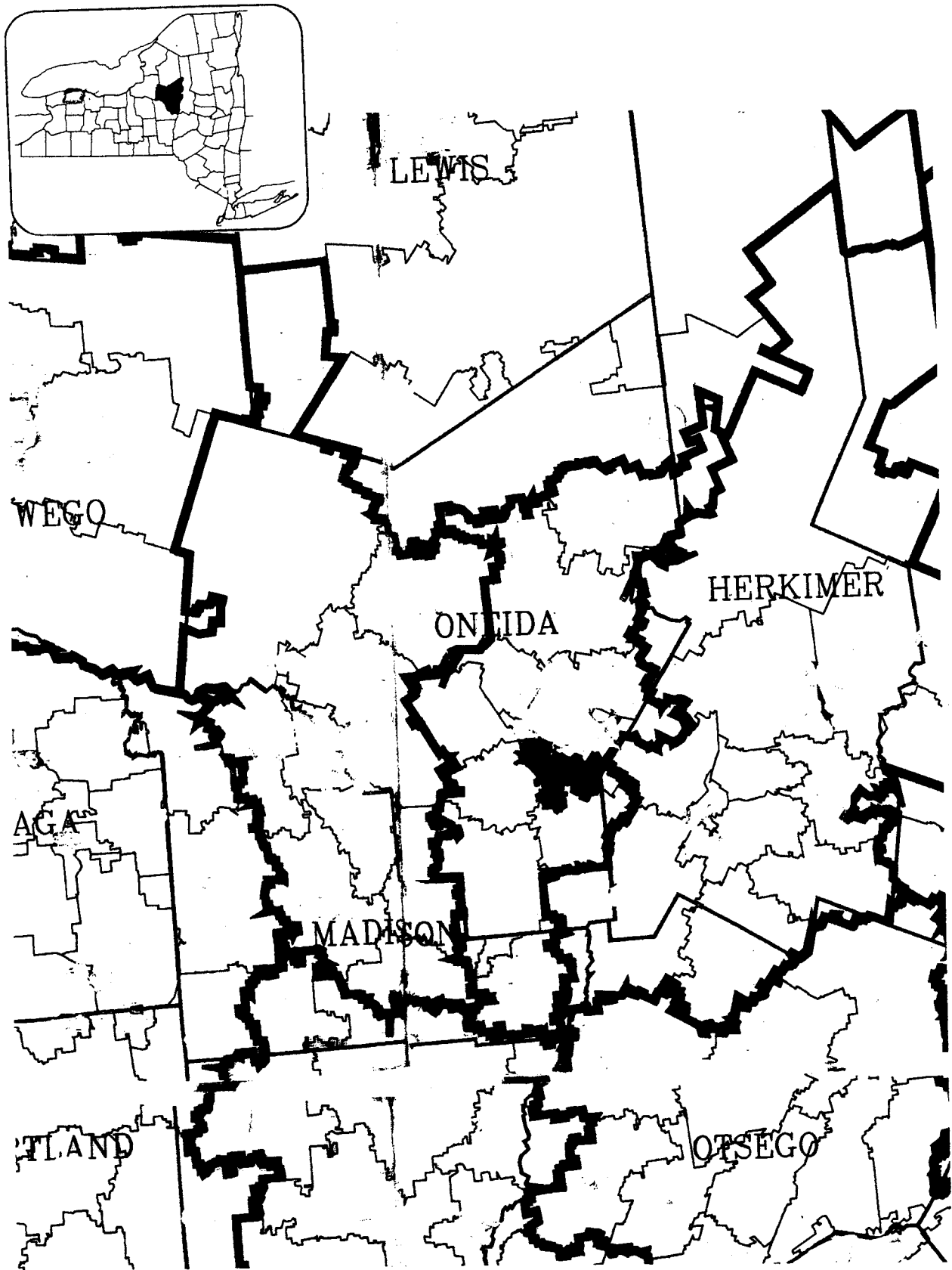
Electric and gas are provided by National Grid. Telephone services are provided by Verizon New York, Inc. Police protection is afforded the residents by County and State agencies and fire protection is available through various volunteer units. Sewer facilities and public water are provided throughout the area.

Commercial banking services are provided by Bank of America, N.A., RBS Citizen's, N.A., and JPMorgan Chase Bank, N.A.

BOND RATING

The School District has applied to Moody's Investors Service, Inc. for a rating for this issue.

GENERAL LOCATION MAP – NEW HARTFORD CENTRAL SCHOOL DISTRICT



SCHOOL DISTRICT OFFICIALS

The 2008-09 Board of Education consists of:

	<u>Term Expires</u>
James Davis, President	06-30-12
John G. Harris, Vice President	06-30-10
Robert Calli	06-30-09
David C. Pardi	06-30-09
Lisa Philipson	06-30-12
Mark W. Stappenbeck	06-30-11
Andrew K. Ward	06-30-13

The administrative officers and professional advisors of the School District consist of:

Robert J. Nole	Superintendent
Mary B. Mandel	Assistant Superintendent for Business Affairs
Aurelia R. Greico	School District Clerk
Kimberly A. Hibbard	Treasurer
Anthony G. Hallak, Esq.	School District Attorney
King & King Architects, LLP	Architects
C&S Design Build, Inc.	Construction Managers
Dermoddy, Burke & Brown, CPAs, LLC	Certified Public Accountants
Bond, Schoeneck & King, PLLC	Bond Counsel
Bernard P. Donegan, Inc.	Financial Consultants

HISTORICAL/PROJECTED ENROLLMENT

2004-05	2,691
2005-06	2,661
2006-07	2,715
2007-08	2,716
2008-09	2,653
2009-10	2,683
2010-11	2,696
2011-12	2,684
2012-13	2,719
2013-14	2,736

SCHOOL FACILITIES

<u>Name of School</u>	<u>Grades</u>	<u>Date of Construction</u>	<u>Date of Last Addition or Alteration</u>	<u>Current Capacity</u>
Bradley Elementary School	K - 6	1943	1990	450
Myles Elementary School	K - 6	1956	2004	650
Hughes Elementary School	K - 6	1958	2003	650
R. W. Perry Junior High School	7 - 9	1964	1968	1,150
Senior High School	10 - 12	1934	2004	<u>1,050</u>
Total Capacity				<u>3,950</u>

EMPLOYEE CONTRACTS

<u>Association</u>	<u>Periods Covered</u>	<u>Number of Employees Covered</u>	<u>Affiliation</u>
New Hartford Teachers' Association	07-01-08/06-30-10	245	NYSUT
New Hartford Employees' Union	07-01-08/06-30-10	149	New Hartford Employees' Union
New Hartford Teachers' Association Administrative Group	07-01-07/06-30-10	13	New Hartford Teachers' Association Administrative Group

The School District currently has 366 full-time and 54 part-time employees.

STATUS AND FINANCING OF EMPLOYEE PENSION BENEFITS

All non-teaching and non-certified administrative 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 and Local Employees' Retirement System ("ERS"). In the School District's 2008-09 Budget, the appropriation for payments to the ERS is \$474,591.

Teachers and certified administrators are members of the New York State Teachers' Retirement System ("TRS"). Payments to the TRS are deducted from the School District's State aid payments. In the School District's 2008-09 Budget, the appropriation for payments to the TRS is \$1,422,731.

Both the ERS and the TRS are non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 with less than 10 years of service must contribute 3% of their gross annual salary toward the cost of retirement programs.

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.

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

On July 20, 2004 Chapter 260 of the Laws of 2004 ("Chapter 260") was enacted amending the New York State General Municipal Law, Local Finance Law and the Retirement and Social Security Law.

Chapter 260 contained three components which altered the way municipalities and school districts contribute to the State pension system: (1) revision of the payment due date, (2) extension of the period of time for pension debt amortization, and (3) authorization to establish a pension reserve fund. Prior to the effective date of 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 due now February 1 annually instead of December 15. As a result, no payment was due in calendar year 2004. With many municipalities and a few school districts in the State on a calendar fiscal year end, this adjustment provided a significant one-time benefit for fiscal 2004, allowing certain municipalities and school districts to use 2004 resources otherwise meant for pension expenditures for other budgeting purposes or to add to fund balance. (The School District is not on a calendar fiscal year.)

Continued on following page.

STATUS AND FINANCING OF EMPLOYEE PENSION BENEFITS - Continued

- **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% 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.

School districts and Boards of Cooperative Education 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.

It should also be noted that the School District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that will require governmental entities, such as the School District, to account for post-retirement healthcare (and certain other) benefits as it accounts for vested pension benefits. Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting. Although GASB 45 encourages earlier adoption, implementation is required by the following dates, based on the size of the governmental employer as measured by annual revenue:

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

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

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

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

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC. The School District expects to be in compliance with the requirements of GASB 45 by or before the applicable effective date.

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

MAJOR EMPLOYERS

<u>Name</u>	<u>Type of Product or Service</u>	<u>Approximate Number of Employees</u>
National Grid	Utility	6,500 ¹
Faxton-St. Luke's Healthcare	Healthcare Provider	2,900
Par Technology	System Integration	1,200
Utica National Insurance Company	Insurance	800
Con Med Corporation	Medical Equipment Manufacturer	600

Note: 1 Number includes state-wide employees.

UNEMPLOYMENT RATES

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

<u>Year</u>	<u>County Unemployment Rate</u>	<u>New York State Unemployment Rate</u>	<u>U.S. Unemployment Rate</u>
1999	4.0%	5.2%	4.2%
2000	3.9%	4.5%	4.0%
2001	4.6%	4.9%	4.7%
2002	5.3%	6.2%	5.8%
2003	5.5%	6.4%	6.0%
2004	5.2%	5.8%	5.5%
2005	4.8%	5.0%	5.1%
2006	4.4%	4.6%	4.6%
2007	4.3%	4.5%	4.6%
2008	5.5%	5.4%	5.8%

Source: New York State Department of Labor, abstracted April 17, 2009. Rates shown are not seasonally adjusted.

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 deposit accounts in, or certificates of deposit issued by 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) obligations issued pursuant to Local Finance Law Sections 24.00 (tax anticipation notes) or 25.00 (revenue anticipation notes) with approval of the State Comptroller, by any municipality, school district or district corporation other than the School District; and (6) in the case of the 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 a pledge of eligible securities, an eligible letter of credit or an eligible surety bond, as each such term is defined in the law.

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

BUDGETARY PROCEDURES

Pursuant to the Education Law, the Board of Education of the School District annually prepares, or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the School District must mail a school budget notice to all qualified voters which contains the total budgeted amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the budget vote.

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified School District residents are eligible to participate.

If, by majority vote, the budget is rejected, the Board of Education may change, alter or revise the budget and may hold a second public hearing and referendum on the third Tuesday in June. However, such Board of Education may exercise its option, pursuant to the Education Law, to adopt by resolution a contingency (also known as austerity) budget for the ensuing fiscal year. Such contingency budget provides for ordinary contingent expenses, including debt service.

STATE AID

The School District receives financial assistance from the State. In its budget for the current fiscal year, approximately 27.19% 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. Additionally, as the State has not adopted its budget in a timely manner in some years, and may not do so in future years, 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. 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.

In addition to the amount of State aid budgeted by the School District in its 2008-09 fiscal year, the State will reimburse the School District for property tax savings provided by the State to taxpayers under the STAR (see "STAR - School Tax Exemption") Program. The STAR reimbursement payment schedule for 2008-09 is as follows: 35% of STAR aid by October 15, 2008; 70% by November 15, 2008; 80% by December 15, 2008 and the balance by the first business day in January, 2009. Additionally, there will be a payment on or before March 31, 2009 for corrections filed after December 4, 2008 and prior to February 28, 2009.

Recent state legislative reforms 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. Most of the increase was in foundation aid (\$1.1 billion) which is scheduled to increase in phases to a total increase of \$5.5 billion by 2010-11.

While the recent increases in State aid have been targeted to high needs schools other schools have shared in the overall increase in State aid. The School District is unable to predict whether this pattern of distribution will continue beyond that which is included in the legislation dealing with foundation aid. Increased State aid for New York City schools and other high needs schools may result in reductions in the future of State aid to certain schools districts including the School District.

The 2009-10 Executive Budget contains reductions in State aid to school districts. There is no assurance that reductions in State aid to school districts will not be included in the State's 2009-10 Enacted Budget.

While the School District has received State aid in recent years, both the determination of the amount of State aid and the apportionment of State aid are legislative acts and the State Legislature may amend or repeal the statutes relating to State aid and the formulas which determine the amount of State aid payable to the School District. The current or future financial condition of the State may affect the amount of State aid appropriated by the State Legislature.

OTHER INFORMATION

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

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

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

The population of the School District is currently estimated to be 21,500 (not a U.S. Census estimate).

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

FINANCIAL AUDITS

The School District retains an independent public accountant, whose most recent report covers the period ended June 30, 2008. Copies of the report have been duly delivered to each nationally recognized municipal securities information repository ("NRMSIR") and may be examined at the School District office. Such report was prepared as of the date thereof and has not been updated in connection with the preparation and dissemination of this Official Statement, which Official Statement itself was not audited. Any interested person is hereby referred to such report and any other report that may be filed with any NRMSIR from time to time to determine whether there is, or has been, any material qualification to the opinion or opinions of such accountants that may have been provided therein.

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 National Committee on Government Accounting Standards Board ("GASB").

Since the fiscal year ending June 30, 2003, the School District is in compliance with the requirement to issue its financial statements in accordance with the GASB Statement #34. This statement includes reporting all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis.

FINANCIAL INFORMATION¹

Fiscal Year Ended June 30:	2004	2005	2006	2007	2008	2009
Assessed Valuation:						
New Hartford	\$ 990,229,361	\$ 1,053,351,798	\$ 1,069,995,713	\$ 1,077,339,895	\$ 1,094,049,263	\$ 1,122,088,392
Frankfort	14,592,358	14,503,806	14,662,620	14,758,468	15,216,403	15,262,797
Paris	2,237,543	2,303,881	2,833,342	2,809,988	2,825,864	2,811,900
Kirkland	7,616,794	7,594,048	7,493,451	7,478,943	7,522,848	8,029,365
Total Assessed Value	\$ 1,014,676,056	\$ 1,077,753,533	\$ 1,094,985,126	\$ 1,102,387,294	\$ 1,119,614,378	\$ 1,148,192,454
Equalization Rates:						
New Hartford	100.00%	100.00%	97.00%	92.00%	87.00%	83.00%
Frankfort	100.00%	96.00%	96.00%	90.24%	78.98%	79.59%
Paris	91.49%	87.00%	100.00%	99.00%	91.50%	85.50%
Kirkland	91.00%	85.00%	77.00%	70.00%	65.00%	58.00%
Equalized Value:						
New Hartford	\$ 990,229,361	\$ 1,053,351,798	\$ 1,103,088,363	\$ 1,171,021,625	\$ 1,257,527,888	\$ 1,351,913,725
Frankfort	14,592,358	15,108,131	15,273,562	16,354,685	19,266,147	19,176,777
Paris	2,445,669	2,648,139	2,833,342	2,838,371	3,088,375	3,288,771
Kirkland	8,370,103	8,934,174	9,731,754	10,684,204	11,573,612	13,843,732
Total Equalized Value	\$ 1,015,637,491	\$ 1,080,042,242	\$ 1,130,927,021	\$ 1,200,898,885	\$ 1,291,456,022	\$ 1,388,223,005
Tax Levy for All Purposes	\$ 24,205,390	\$ 24,565,681	\$ 25,102,856	\$ 26,023,609	\$ 27,048,890	\$ 28,555,579
Tax Rate/\$1,000 Equalized Value	\$ 23.83	\$ 22.75	\$ 22.20	\$ 21.67	\$ 20.94	\$ 20.57
Tax Levy as a Percentage of Equalized Value	2.38%	2.27%	2.22%	2.17%	2.09%	2.06%
Outstanding Debt:						
Bonds	\$ 15,926,822	\$ 22,466,000	\$ 20,528,000	\$ 19,040,000	\$ 17,051,000 ²	\$ 40,083,859 ^P
Bond Anticipation Notes	8,858,000	304,141	597,148	836,060	21,056,280	1,199,018 ^P
Total Debt	\$ 24,784,822	\$ 22,770,141	\$ 21,125,148	\$ 19,876,060	\$ 38,107,280	\$ 41,282,877 ^P
Per Capita Debt	\$ 1,152.78	\$ 1,059.08	\$ 982.57	\$ 924.47	\$ 1,772.43	\$ 1,920.13 ^P
Debt/\$1,000 Equalized Value	\$ 24.40	\$ 21.08	\$ 18.68	\$ 16.55	\$ 29.51	\$ 29.74 ^P
Debt as a Percentage of Equalized Value	2.44%	2.11%	1.87%	1.66%	2.95%	2.97% ^P

Notes: 1 Equalized values shown here are those used by the School District for tax levy purposes as provided in the Real Property Tax Law. In some cases, equalization rates established specifically for school tax apportionment may have been used, as is also provided in the Real Property Tax Law.

2 Does not include \$1,060,000 of Bonds economically defeased with the 2002 Refunding Serial Bond.

P Projected.

STATEMENT OF NET ASSETS

As of June 30, 2008

ASSETS:

Unrestricted Cash	\$ 22,791,498
Restricted Cash	3,932,311
Accounts Receivable	58,277
Due from Other Governments	1,140,872
Prepaid Expenditures	1,989
Capital Assets, Net	<u>25,491,083</u>

TOTAL ASSETS \$ 53,416,030

LIABILITIES:

Accounts Payable	\$ 617,120
Accrued Liabilities	2,510,350
Notes Payable	21,056,280
Deferred Revenue	14,569

Long-Term Liabilities:

Due Within One Year	1,886,000
Due Within More Than One Year	<u>16,123,617</u>

TOTAL LIABILITIES \$ 42,207,936

NET ASSETS:

Invested in Capital Assets, Net of Related Debt \$ (12,616,197)

Restricted for:

Encumbrances	130,231
Tax Certiorari	542,500
Employee Benefit Accrued Liability	1,900,000
Subsequent Year's Expenditures	1,165,000
Insurance Recoveries	750,000
Liability Claims	739,811
Unrestricted	<u>18,596,749</u>

TOTAL NET ASSETS \$ 11,208,094

TOTAL LIABILITIES & NET ASSETS \$ 53,416,030

Source: Annual Financial Report prepared by Certified Public Accountants.

STATEMENT OF ACTIVITIES

As of June 30, 2008

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue & Changes in Net Assets
		Charges for Services & Sales	Operating Grants & Contributions	Governmental Activities
General Support	\$ (6,727,125)	\$ 418,675	\$ 0	\$ (6,308,450)
Instruction	(29,980,608)	0	764,345	(29,216,263)
Pupil Transportation	(2,061,808)	0	0	(2,061,808)
Community Services	(40,731)	0	0	(40,731)
Debt Service - Interest	(813,972)	0	0	(813,972)
Depreciation - Unallocated	(513,771)	0	0	(513,771)
School Lunch Program	(79,911)	0	0	(79,911)
Total Functions & Programs	\$ (40,217,926)	\$ 418,675	\$ 764,345	\$ (39,034,906)
 General Revenues:				
Real Property Taxes				\$ 27,034,418
Other Tax Items				258,634
Use of Money & Property				734,304
Sale of Property & Compensation for Loss				1,077
Miscellaneous				484,039
State Sources				12,509,281
Federal Sources - Medicaid Reimbursement				<u>113,201</u>
Total General Revenues				\$ 41,134,954
Change in Net Assets				2,100,048
NET ASSETS, BEGINNING OF YEAR				<u>\$ 9,108,046</u>
TOTAL NET ASSETS, END OF YEAR				<u>\$ 11,208,094</u>

Source: Annual Financial Report prepared by Certified Public Accountants.

GENERAL FUND
COMPARATIVE BALANCE SHEET

Fiscal Year Ended <u>June 30:</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>ASSETS:</u>					
Unrestricted Cash	\$ 1,068,809	\$ 3,212,382	\$ 3,001,058	\$ 3,742,366	\$ 4,327,713
Restricted Cash	4,346,541	4,047,958	4,410,800	3,932,311	3,932,311
Other Receivables, Net	87,991	65,921	129,509	161,922	58,277
Due from Other Funds	2,442,273	1,247,890	1,690,940	975,804	527,154
State & Federal Aid Receivable	943,069	911,408	0	0	0
Due from Other Governments	0	0	662,887	908,995	857,686
Prepaid Expenditures	<u>0</u>	<u>0</u>	<u>4,054</u>	<u>1,714</u>	<u>1,989</u>
Total Assets	<u>\$ 8,888,683</u>	<u>\$ 9,485,559</u>	<u>\$ 9,899,248</u>	<u>\$ 9,723,112</u>	<u>\$ 9,705,130</u>
<u>LIABILITIES:</u>					
Accounts Payable	\$ 654,381	\$ 660,425	\$ 761,432	\$ 661,086	\$ 598,801
Accrued Liabilities	867,658	2,161,171	2,301,724	2,655,245	2,398,879
Due to Other Funds	819,829	422,264	17,963	22,666	11,116
Deferred Revenue	0	0	0	4,229	14,569
<u>FUND BALANCE:</u>					
Reserve for Encumbrances	85,433	70,404	25,197	49,737	39,370
Reserve for Employee Benefit					
Accrued Liability	2,012,849	1,831,699	2,192,950	1,900,000	1,900,000
Reserve for Liabilities	0	0	0	739,811	739,811
Reserve for Tax Certiorari	2,248,259	2,216,259	2,216,259	542,500	542,500
Reserve for Insurance	0	0	0	750,000	750,000
Appropriated Fund Balance	1,470,000	1,380,000	1,595,000	1,385,000	1,165,000
Unappropriated Fund Balance	<u>730,274</u>	<u>743,337</u>	<u>788,723</u>	<u>1,012,838</u>	<u>1,545,084</u>
Total Fund Balance	<u>6,546,815</u>	<u>6,241,699</u>	<u>6,818,129</u>	<u>6,379,886</u>	<u>6,681,765</u>
Total Liabilities & Fund Balance	<u>\$ 8,888,683</u>	<u>\$ 9,485,559</u>	<u>\$ 9,899,248</u>	<u>\$ 9,723,112</u>	<u>\$ 9,705,130</u>

Source: Annual Financial Reports prepared by Certified Public Accountants.

GENERAL FUND

REVENUES, EXPENSES AND FUND BALANCE

Modified Accrual Double-Entry Basis

Fiscal Year Ended June 30:	Actual					Budget
	2004	2005	2006	2007	2008	2009
Balance July 1	\$ 5,109,031	\$ 6,546,815	\$ 6,241,699	\$ 6,818,129	\$ 6,379,886	\$ 6,681,765 ¹
REVENUES:						
Real Property Taxes	\$ 24,205,390	\$ 24,565,681	\$ 25,102,856	\$ 26,023,609	\$ 27,048,890	\$ 28,555,579
Other Tax Items	88,626	76,691	105,013	177,352	244,162	149,000
Charges for Services	300,405	388,040	346,469	350,951	418,675	265,000
Use of Money & Property	274,488	418,046	706,018	872,941	729,610	555,000
Sale of Property/ Compensation for Loss	12,451	401	16,066	693	1,077	5,000
Miscellaneous	273,744	177,903	347,051	560,333	484,039	215,000
State Aid	9,838,435	10,148,794	11,601,407	11,070,717	12,221,738	11,776,135
Federal Aid	110,790	177,574	159,760	160,036	113,201	18,000
Interfund Transfers	1,873	6,441	0	0	0	302,000
Total Revenues	\$ 35,106,202	\$ 35,959,571	\$ 38,384,640	\$ 39,216,632	\$ 41,261,392	\$ 41,840,714
Total Revenues & Beginning Balance	\$ 40,215,233	\$ 42,506,386	\$ 44,626,339	\$ 46,034,761	\$ 47,641,278	\$ 48,522,479
EXPENSES:						
General Support	\$ 4,803,255	\$ 3,853,813	\$ 4,883,289	\$ 5,060,150	\$ 5,133,489	\$ 5,345,369
Instruction	18,774,498	19,263,991	20,050,677	20,842,706	20,917,998	21,498,845
Transportation	1,351,512	1,327,983	1,508,964	1,519,502	1,539,764	1,692,914
Community Services	8,494	10,835	29,385	8,512	40,731	34,249
Employee Benefits	6,453,940	9,284,612	8,549,506	9,399,325	10,335,385	10,903,901
Debt Service - Principal	1,587,310	1,844,370	2,002,141	2,090,148	2,190,061	2,621,256
- Interest	689,409	679,083	784,248	734,532	802,085	909,180
Interfund Transfers	0	0	0	0	0	0
Total Expenses	\$ 33,668,418	\$ 36,264,687	\$ 37,808,210	\$ 39,654,875	\$ 40,959,513	\$ 43,005,714
Adjustments	0	0	0	0	0	0
Balance June 30	\$ 6,546,815	\$ 6,241,699	\$ 6,818,129	\$ 6,379,886	\$ 6,681,765	\$ 5,516,765 ^E
Fund Balance as a Percentage of Total Revenues	18.65%	17.36%	17.76%	16.27%	16.19%	13.19% ^E

Source: Annual Financial Reports prepared by Certified Public Accountants and Annual Budget.

Notes: ¹ Appropriated Fund Balance equals \$1,165,000.
^E Estimated.

CHANGES IN REMAINING FUND BALANCES

Modified Accrual Double-Entry Basis

Fiscal Year Ended <u>June 30:</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>SPECIAL AID FUND:</u>					
Balance July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues	1,059,248	952,210	1,007,546	926,118	1,051,888
Expenses	1,059,248	952,210	1,007,546	926,118	1,051,888
Adjustments	0	0	0	0	0
Balance June 30	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>SCHOOL LUNCH FUND:</u>					
Balance July 1	\$ 145,683	\$ 170,351	\$ 201,105	\$ 210,592	\$ 147,004
Revenues	66,155	65,419	77,658	50,600	4,694
Expenses	41,487	34,665	68,171	114,188	100,671
Adjustments	0	0	0	0	0
Balance June 30	\$ 170,351	\$ 201,105	\$ 210,592	\$ 147,004	\$ 51,027
<u>CAPITAL FUND:¹</u>					
Balance July 1	\$ 1,577,919	\$ (3,566,817)	\$ 957,974	\$ 245,819	\$ (274,019)
Revenues	486,152	8,383,548	64,141	602,148	201,060
Expenses	5,630,888	3,858,757	776,296	1,121,986	2,859,562
Adjustments	0	0	0	0	0
Balance June 30	\$ (3,566,817)	\$ 957,974	\$ 245,819	\$ (274,019)	\$ (2,932,521)

Source: Annual Financial Reports prepared by Certified Public Accountants.

Notes: 1 The Governmental Accounting Standards Boards NCGA Interpretation #9 requires proceeds of short-term obligations (including bond anticipation notes) to be recorded as a "liability" on the balance sheet. Revenue may only be recognized as subsequent principal reductions are made to the short-term liability. Consequently, capital projects financed with short-term obligations appear to be overspent until permanent bonds are sold or the short-term obligation is liquidated.

TAX COLLECTION PROCEDURE

Property taxes for the School District are collected by the Town tax receivers. Such taxes are due and payable on September 1, but may be paid without penalty by September 30. Penalties on unpaid taxes are 1% from October 1 through November 15.

On or about November 15, the Town tax receivers file a report of any uncollected school taxes with the respective County. Each County thereafter on or before April 30 pays to the School District the amount of its uncollected taxes. Thus, the School District receives its full levy prior to the end of its fiscal year.

REAL PROPERTY TAX RELIEF

After receiving the preliminary report of the New York State Commission on Property Tax Relief (the "Commission"), Governor David A. Patterson announced that he has accepted the Commission's principal recommendation. The Governor introduced school property tax cap legislation (the "Property Tax Cap Legislation") to address the growth in property taxes levied by school districts. The Property Tax Cap Legislation would apply to all school districts within the State other than the "Big Five" cities (New York City, Buffalo, Rochester, Syracuse and Yonkers). The Property Tax Cap Legislation includes, inter alia, a provision whereby a school district's tax levy limit, excluding the taxes necessary to support the local share of capital expenditures, could increase by up to the lesser of 4% or 120% of the annual increase in the consumer price index (the "Tax Levy Limit"). The Property Tax Cap Legislation provides for voter-initiated "under ride" propositions that impose a limit on the school district's tax levy that is lower than the Tax Levy Limit. If an "under ride" proposition is approved, the school district would be required to adopt a budget that complies with the tax levy limit described in the "under ride" proposition and would be barred from advancing any other tax levy proposition. The Cap Legislation also provides that, unless an "under ride" proposition has been approved, any school district subject to the Tax Levy Limit would be required to submit a tax levy proposition for approval by voters at the annual school district meeting. If the proposed tax levy is within the Tax Levy Limit, then a majority vote would be required for approval. If the proposed tax levy exceeds the Tax Levy Limit, then the voter threshold required for approval would vary from 55% to 60%, depending upon the level of State school aid payable to the school district in the following fiscal year.

There is no way to predict whether the Property Tax Cap Legislation or similar legislation will be enacted into law in the future. In any event, the enactment of the Property Tax Cap Legislation in its current form will not affect the validity of any obligations issued by the School District, including the Bonds, or the ability of the School District to levy taxes on the taxable real property in the School District to pay principal of the Bonds and the interest thereon as the same becomes due and payable.

STAR - SCHOOL TAX EXEMPTION

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

Homeowners over 65 years of age with household incomes of \$73,000 or less, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of \$49,420. Other homeowners are eligible for a \$26,100 "full value" exemption on their primary residence.

The School District received full reimbursement of such exempt taxes from the State on the first business day in January, 2009. For a description of the State's STAR Aid payment schedule, see "State Aid".

TAX COLLECTION RECORD

Fiscal Year Ended <u>June 30:</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund Tax Levy	\$ 24,205,390	\$ 24,565,681	\$ 25,102,856	\$ 26,023,609	\$ 27,048,890	\$ 28,555,579
Omissions/Loss of Exemptions - Prior Years	0	0	0	0	0	0
Total Levy for All Purposes	\$ 24,205,390	\$ 24,565,681	\$ 25,102,856	\$ 26,023,609	\$ 27,048,890	\$ 28,555,579
Excess/(Deficit) on Tax Rolls	0	0	0	0	0	0
Taxes Cancelled	97,844	102,300	21,866	481,054	0	0
Net Taxes on Roll	\$ 24,303,234	\$ 24,667,981	\$ 25,124,722	\$ 26,504,663	\$ 27,048,890	\$ 28,555,579
STAR Program	4,061,486	3,883,142	3,903,458	4,060,328	4,053,509	3,984,582
Net Taxes After STAR Program	\$ 20,241,748	\$ 20,804,839	\$ 21,221,264	\$ 22,444,335	\$ 22,995,381	\$ 24,570,997
Taxes Collected Prior to Return	19,431,739	19,978,715	20,315,570	21,194,110	21,825,600	23,736,970
Uncollected Date of Return	\$ 810,009	\$ 826,124	\$ 905,694	\$ 1,250,225	\$ 1,169,781	\$ 834,027
Percentage Collected Prior to Return	96.00%	96.03%	95.73%	94.43%	94.91%	96.61%

MAJOR TAXPAYERS

2008 Assessment Roll Used for 2008-09 Taxes

<u>Name</u>	<u>Type</u>	<u>Equalized Value</u>
Sangertown Square Mall	Shopping Center	\$101,368,361
Consumer Square	Shopping Center	45,506,987
Preswick Glen	Commercial	26,259,706
Utica Mutual Insurance Company	Insurance Company	16,993,855
Inland Western NY Orchards	Multi-Retail	16,192,771
Applewood Community	Mobile Home Park	15,293,481
Slocum-Dickson Medical	Medical Services	12,807,228
Par Technology	Office Building	10,819,277
K-Mart Plaza	Shopping Center	10,045,783
New Hartford Shopping Center	Shopping Center	<u>8,433,734</u>
Total.....		<u>\$263,721,183¹</u>

Note: 1 The above taxpayers represent 19.00% of the School District's 2008-09 equalized value of \$1,388,223,005.

SCHOOL DISTRICT INDEBTEDNESS - CONSTITUTIONAL REQUIREMENTS

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than (i) the expiration of the period of probable usefulness of the object or purpose as determined by statute, with no installment of principal to be more than fifty per centum in excess of the smallest prior installment or, (ii) in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which it is contracted with substantially level or declining annual debt service. 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.

Debt Limit. The School District has the power to contract indebtedness for any school district purpose so long as the 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. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

SCHOOL DISTRICT INDEBTEDNESS - STATUTORY PROCEDURE

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

The School District 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.

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

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if

- 1 Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or
- 2 There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations

and an action contesting such validity is commenced within twenty days after the date of such publication, or

- 3 Such obligations are authorized in violation of the provisions of the Constitution.

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

The Board of Education, as the finance board of the School District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the School District, pursuant to the Local Finance Law.

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

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

STATUS OF OUTSTANDING BOND ISSUES

Original Amount:	\$4,830,000	\$2,386,000	\$302,000
Dated Date:	03-15-91	07-15-96	11-18-03
Purpose:	School Construction	Technology/Renovations	School Buses
Last Maturity:	06-15-10	06-15-11	12-15-08
Interest Rate/ Instrument:	6.80% - SB ¹	5.20% - SB ¹	3.00% - SIB
Balance Principal 06-30-08:	<u>\$550,000</u>	<u>\$510,000</u>	<u>\$61,000</u>
	<u>Principal</u> <u>Interest</u>	<u>Principal</u> <u>Interest</u>	<u>Principal</u> <u>Interest</u>
Fiscal Year Ending June 30:			
2009	\$ 275,000	\$ 37,400	\$ 160,000
2010	<u>275,000</u>	<u>18,700</u>	\$ 26,775
2011			175,000
			<u>9,188</u>
Totals	<u>\$ 550,000</u>	<u>\$ 56,100</u>	<u>\$ 61,000</u> * <u>\$ 1,830</u>

Original Amount:	\$8,055,000	\$6,025,000	\$10,465,000
Dated Date:	06-15-05	06-25-02	06-15-03
Purpose:	Additions/ Reconstruction	Advance Refunding	Additions/ Reconstruction
Last Maturity:	06-15-20	06-15-13	06-15-18
Interest Rate/ Instrument:	3.70% - SB	3.7246% - SB ²	3.252% - SB
Balance Principal 06-30-08:	<u>\$6,760,000</u>	<u>\$2,245,000</u>	<u>\$7,530,000</u>
	<u>Principal</u> <u>Interest</u>	<u>Principal</u> <u>Interest</u>	<u>Principal</u> <u>Interest</u>
Fiscal Year Ending June 30:			
2009	\$ 465,000	\$ 249,301	\$ 700,000
2010	485,000	232,445	\$ 90,600
2011	500,000	214,864	730,000
2012	525,000	196,739	62,600
2013	550,000	177,708	390,000
2014	560,000	157,633	33,400
2015	575,000	136,913	210,000
2016	600,000	115,638	17,800
2017	625,000	93,438	<u>215,000</u>
2018	650,000	70,313	<u>9,138</u>
2019	675,000	45,938	755,000
2020	<u>550,000</u>	<u>20,625</u>	765,000
			785,000
			820,000
			835,000
			<u>845,000</u>
Totals	<u>\$ 6,760,000</u>	<u>\$ 1,711,551</u>	<u>\$ 2,245,000</u> <u>\$ 213,538</u>

Continued on following page.

STATUS OF OUTSTANDING BOND ISSUES - Concluded

Original Amount:	\$475,000	
Dated Date:	02-15-07	
Purpose:	Addition/Reconstruction	
Last Maturity:	06-15-21	
Interest Rate/ Instrument:	4.4629% - SB	
Balance Principal 06-30-08:	<u>\$455,000</u>	
	<u>Principal</u>	<u>Interest</u>
Fiscal Year Ending June 30:		
2009	\$ 25,000	\$ 20,206
2010	30,000	19,113
2011	30,000	17,800
2012	30,000	16,488
2013	30,000	15,175
2014	35,000	13,863
2015	35,000	12,331
2016	35,000	10,800
2017	35,000	9,225
2018	40,000	7,650
2019	40,000	5,850
2020	45,000	4,050
2021	<u>45,000</u>	<u>2,025</u>
Totals	<u>\$ 455,000</u>	<u>\$ 154,576</u>

Fiscal Year Ending June 30:	Totals		Total Debt Service	Year-End Outstanding Principal
	Principal	Interest		
2009	\$ 2,321,000	\$ 669,281	\$ 2,990,281	\$ 15,790,000
2010	2,365,000	575,351	2,940,351	13,425,000
2011	1,790,000	479,270	2,269,270	11,635,000
2012	1,490,000	414,196	1,904,196	10,145,000
2013	1,550,000	362,533	1,912,533	8,595,000
2014	1,360,000	308,414	1,668,414	7,235,000
2015	1,395,000	262,256	1,657,256	5,840,000
2016	1,455,000	213,938	1,668,938	4,385,000
2017	1,495,000	161,463	1,656,463	2,890,000
2018	1,535,000	107,538	1,642,538	1,355,000
2019	715,000	51,788	766,788	640,000
2020	595,000	24,675	619,675	45,000
2021	<u>45,000</u>	<u>2,025</u>	<u>47,025</u>	0
Totals	<u>\$ 18,111,000</u>	<u>\$ 3,632,726</u>	<u>\$ 21,743,726</u>	

Source: School District Bond Records.

Notes: * Principal reduction made prior to date of Debt Statement, April 28, 2009.

1 The School District has completed an advance refunding on these Bond issues.

2 The net proceeds of this Advance Refunding Bond issue(s) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for all future debt service payments on the original Bond(s).

BOND PRINCIPAL MATURING IN CURRENT AND SUBSEQUENT FISCAL YEARS

Fiscal Year Ending June 30:	Prior Issues	These Issues	Total Maturing Principal	Year-End Outstanding Principal
2009	\$ 2,321,000	\$ 0	\$ 2,321,000	\$ 40,708,859
2010	2,365,000	1,115,000	3,480,000	37,228,859
2011	1,790,000	1,443,859	3,233,859	33,995,000
2012	1,490,000	1,595,000	3,085,000	30,910,000
2013	1,550,000	1,645,000	3,195,000	27,715,000
2014	1,360,000	1,400,000	2,760,000	24,955,000
2015	1,395,000	1,465,000	2,860,000	22,095,000
2016	1,455,000	1,510,000	2,965,000	19,130,000
2017	1,495,000	1,590,000	3,085,000	16,045,000
2018	1,535,000	1,645,000	3,180,000	12,865,000
2019	715,000	1,760,000	2,475,000	10,390,000
2020	595,000	1,740,000	2,335,000	8,055,000
2021	<u>45,000</u>	1,885,000	1,930,000	6,125,000
2022		1,975,000	1,975,000	4,150,000
2023		2,050,000	2,050,000	2,100,000
2024		<u>2,100,000</u>	<u>2,100,000</u>	0
Totals	<u>\$ 18,111,000</u>	<u>\$ 24,918,859</u>	<u>\$ 43,029,859</u>	

STATUS OF SHORT-TERM INDEBTEDNESS

As of April 28, 2009

<u>Bond Anticipation Notes</u>	<u>Dated</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
Building	06-19-08	06-19-09	2.50%	\$20,000,000 ¹
Various Buses	10-10-08	10-09-09	3.45%	772,024
Various Buses	01-28-09	10-09-09	2.66%	<u>426,994</u>
Total				<u>\$21,199,018</u>

Source: School District Note Records.

Note: 1 To be paid in full with the proceeds of the Series A Bonds.

BUILDING AID ESTIMATE

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the School District is eligible to receive a Building Aid Estimate from the New York State Department of Education. The School District has not applied for a Building Aid Estimate, but anticipates that aid may be received on its outstanding indebtedness, computed as follows:

	<u>Outstanding Principal</u>	<u>Bond Ratio</u>	<u>Estimated Aid</u>
1991 Serial Bonds	\$ 550,000	.635 ¹	\$ 349,250
1996 Serial Bonds	510,000	.637 ¹	324,870
2002 Refunding Serial Bonds – B	2,245,000	.000 ²	0
2003 Serial Bonds	7,530,000	.691 ³	5,203,230
2005 Serial Bonds	6,760,000	.691 ³	4,671,160
2007 Serial Bonds	455,000	.691 ³	314,405
These Issues	24,918,859	.000 ⁴	<u>0</u>
		TOTAL	\$ <u>10,862,915</u>

Notes: The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

- 1 Calculated by taking the State building aid ratio times the Bond Percentage as reported by the State Education Department on the 2007-08 Aidable Debt Service for Projects with Debt Outstanding as of July 1, 2002 Report abstracted as of May 13, 2008.
- 2 The School District expects to receive additional State building aid on the applicable State share and local share of the refinancing costs on the Refunding Serial Bonds.
- 3 Calculated by taking the State building aid ratio times the Bond Percentage as reported on the SA-130 dated August 17, 2007.
- 4 The School District has not applied for a Building Aid Estimate, but anticipates that aid may be received on this indebtedness.

DEBT STATEMENT SUMMARY

As of April 28, 2009

<u>Town</u>	<u>2008-09 Assessed Valuation</u>	<u>Final 2008 Equalization Rate</u>	<u>Equalized Value</u>
New Hartford	\$ 1,122,088,392	83.00%	\$ 1,351,913,725
Frankfort	15,262,797	79.59%	19,176,777
Paris	2,811,900	85.50%	3,288,771
Kirkland	8,029,365	58.00%	<u>13,843,732</u>
Total			<u>\$ 1,388,223,005</u>
Debt Limit (10% thereof)			\$ 138,822,300
<u>Inclusions:</u>			
Bonds		\$ 14,745,000	
Refunded Serial Bonds		1,060,000	
Refunding Serial Bonds		2,245,000	
Bond Anticipation Notes		<u>21,199,018</u>	
Total Inclusions			\$ 39,249,018
<u>Exclusions:</u>			
Building Aid Estimate		<u>\$ 0</u> ¹	
Total Exclusions			<u>\$ 0</u>
Total Net Indebtedness Before Giving Effect to This Issue			\$ 39,249,018
This Issue		\$ 24,918,859	
Amount of This Issue Included Above as			
Bond Anticipation Notes		<u>20,000,000</u>	<u>4,918,859</u>
Total Net Indebtedness After Giving Effect to This Issue			\$ 44,167,877
Net Debt-Contracting Margin			\$ 94,654,423
Percentage of Debt-Contracting Power Exhausted			31.82%

Notes: 1 If the School District had an SA-24 Building Aid Estimate authorizing a deduction of \$10,862,915, as shown on the previous page, its net indebtedness would be reduced to \$33,304,962 and its debt-contracting margin would be increased to \$105,517,338. However, because the calculations of building aid are not based on an actual SA-24 Building Aid Estimate certified by the Commissioner of Education, the exclusion shown here is zero.

ESTIMATED CALCULATION OF OVERLAPPING INDEBTEDNESS

Overlapping Unit	Applicable Equalized Value	Percent	Gross Debt		Exclusions	Net Debt	Estimated Applicable Overlapping Indebtedness
			Bonds	Notes			
Oneida County	\$ 1,369,046,228 \$ 8,430,166,840	16.24%	\$ 106,468,563	\$ 4,548,132	\$ 12,843,189	\$ 98,173,506	\$ 15,943,377
Herkimer County	\$ 19,176,777 \$ 3,967,724,403	0.48%	8,365,000	0	8,365,000	0	0
Town of New Hartford	\$ 1,351,913,725 \$ 1,351,913,725	100.00%	2,820,000	5,439,800	117,000	8,142,800	8,142,800
Town of Frankfort	\$ 19,176,777 \$ 284,129,397	6.75%	1,717,300	0	527,300	1,190,000	80,325
Town of Paris	\$ 3,288,771 \$ 182,192,373	1.81%	1,750,881	0	1,561,000	189,881	3,437
Town of Kirkland	\$ 13,843,732 \$ 464,734,258	2.98%	1,128,000	0	193,000	935,000	27,863
Village of New Hartford	\$ 100,659,860 \$ 100,659,860	100.00%	1,690,000	0	0	1,690,000	1,690,000
Total							<u>\$ 25,887,802</u>

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2007.

LITIGATION

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

In the event of a default in the payment of the principal of or interest on the Bonds, 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 Bonds.

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

As is the general rule with respect to municipal corporations, judgments against the School District may not be enforced by levy and execution against School District property.

Recent amendments to the Federal Bankruptcy Act have the effect of facilitating recourse to the protection of a Federal Court by public bodies 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 with any United States District Court or Court of Bankruptcy under any provision of Federal 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 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 the Local Finance Law enacted at the 1975 Extraordinary Session of the State Legislature, authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. These provisions do not apply to school districts, but there can be no assurance that they will not be made applicable in the future. In any event, no such emergency has been declared with respect to the School District.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Bonds will be covered by the unqualified legal opinion of Bond, Schoeneck & King PLLC, Utica, New York, Bond Counsel to the School District, such opinion to be delivered with the Bonds. Certain legal matters will be passed on for the School District by its Counsel, Anthony G. Hallak, Esq., Clinton, New York.

TAX EXEMPTION

In the opinion of Bond, Schoeneck & King, PLLC, Bond Counsel, under existing statutes, regulations, administrative rulings and court decisions as of the date of such opinion, and assuming compliance by the School District with certain representations, certifications and covenants, interest on the Bonds is excluded from gross income for federal income tax purposes. Furthermore, Bond Counsel is of the opinion that interest on the Bonds is not an "item of tax preference" for purposes of computing the federal alternative minimum tax imposed on individuals and corporations and is not included in "adjusted current earnings" for purposes of calculating the federal alternative minimum tax imposed on corporations.

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements which must be met at the time of, and subsequent to, the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. Included among these continuing requirements are certain restrictions and prohibitions on the use of bond proceeds, restrictions on the investment of bond proceeds and other moneys or properties, required ownership of a facility by an organization described in Section 501(c)(3) of the Code or a governmental unit, and the rebate to the United States of certain earnings in respect of investments. Noncompliance with such continuing requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds irrespective of the date on which such noncompliance occurs. In the Arbitrage and Tax Compliance Certificate executed in connection with the issuance of the Bonds, the School District has made certain representations and certifications, and has covenanted to comply with certain procedures, designed to assure compliance with the requirements of the Code. In rendering the above-described opinion, Bond Counsel has assumed the accuracy of such representations and certifications and the continuing compliance by the School District with such covenants.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds, and the accrual or receipt of interest thereon, may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of the Bonds and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

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

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of, interest on, the Bonds.

No assurance can be given that any future legislation, including amendments to the Code or the State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Bonds to be subject to federal, State or local income taxation, or otherwise prevent Bondholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including but not limited to a regulation or ruling, or the selection of the Bonds for audit examination or the course or result of an audit examination of the Bonds or of obligations which present similar tax issues, will not affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the forgoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE BONDS.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of SEC 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 ("SEC"), the School District has agreed to provide, or cause to be provided either directly or through a designated agent,

- (i) During any succeeding fiscal year in which the Bonds are outstanding, to each nationally recognized municipal securities information repository ("NRMSIR") designated by SEC in accordance with the Rule, and to the New York State information depository, if New York State creates a depository ("SID"), certain annual financial information and operating data for the preceding fiscal year, and a copy of the audited financial statements for the preceding fiscal year, if any, such information, data and audited financial statements, if any, will be of the type included in the final Official Statement delivered in connection with the Bonds, with consistent accounting principles pursuant to State law and regulations in effect from time to time, and will be so provided on or prior to the latter of either the end of the sixth month of each such succeeding fiscal year or, if audited financial statements are prepared, sixty days following receipt by the School District of audited financial statements for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year;
- (ii) In a timely manner, to each NRMSIR or to the Municipal Securities Rulemaking Board ("MSRB") and to the SID, notice of the occurrence of any of the following events with respect to the Bonds, if such event is material:
 - (a) principal and interest payment delinquencies
 - (b) non-payment related defaults
 - (c) unscheduled draws on debt service reserves reflecting financial difficulties
 - (d) unscheduled draws on credit enhancements reflecting financial difficulties
 - (e) substitution of credit or liquidity providers, or their failure to perform
 - (f) adverse tax opinions or events affecting the tax-exempt status of the Bonds
 - (g) modifications to rights of Bond holders
 - (h) bond calls
 - (i) defeasances
 - (j) release, substitution, or sale of property securing repayment of the Bonds
 - (k) rating changes

The 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 Bonds; 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.

On or after July 1, 2009, the School District shall provide any Material Event Notice, accompanied by required identifying information, to the MSRB in an electronic format as prescribed by the MSRB.

- (iii) In a timely manner, to each NRMSIR or to the MSRB and to the SID, notice of its failure to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

Continued on following page.

CONTINUING DISCLOSURE UNDERTAKING – Concluded

The School District reserves the right to terminate its obligations to provide the aforescribed annual financial information and operating data and such audited financial statements, if any, and notices of Material Events as set forth above, if and when the School District no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The School District acknowledges that its undertaking pursuant to the Rule provided herein is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of this undertaking will be limited to a right to obtain specific enforcement of the School District's obligations under this continuing disclosure undertaking and any failure by the School District to comply with the provisions of this undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The School District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the School District; provided that, the School District agrees that any such modification will be done in a manner consistent with the Rule.

The School District is in compliance with all prior undertakings pursuant to the Rule, to the extent any such undertakings have been made.

MISCELLANEOUS

The execution and delivery of this Official Statement have been duly authorized by the Board of Education of the School District. Concurrently with the delivery of the Bonds, the School District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the School District is not guaranteed as to accuracy, completeness or fairness, the School District has no reason to believe and does not believe that such information is materially inaccurate or misleading, and to the knowledge of the School District, since the date of the Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the School District and no material adverse changes in the general affairs of the School District or in its financial condition as shown in the Official Statement other than as disclosed in or contemplated by the Official Statement. Certain information contained in the Official Statement has been obtained from sources other than the School District. All quotations from and summaries and explanations of provisions of laws herein do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

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

Dated: April 28, 2009
New Hartford, New York

James Davis
President, Board of Education