

# OFFICIAL STATEMENT DATED APRIL 12, 2010

## NEW ISSUE

## BOND ANTICIPATION NOTES

*In the opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel, subject to continuing compliance by the Town of Colonie, New York (the "Town") with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is (a) excluded from gross income of the Owners thereof for federal income tax purposes under existing law, and (b) exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Moreover, interest on the Notes is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed by the Code. The Notes will be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code. (See the caption "TAX EXEMPTION" herein for a discussion of certain federal taxes applicable to corporate Owners of the Notes.)*

## TOWN OF COLONIE ALBANY COUNTY, NEW YORK

### \$12,300,000 BOND ANTICIPATION NOTES, 2010, SERIES A [BOOK-ENTRY ONLY NOTES]

Dated Date: May 4, 2010

Maturity Date: May 4, 2011

*Prior Redemption:* The Notes are not subject to redemption prior to maturity.

*Security and Sources of Payment:* The Notes will constitute general obligations of the Town of Colonie, Albany County, New York and will contain a pledge of its faith and credit for the punctual payment of the principal of and interest on the Notes, and all the taxable real property within the Town will be subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for such purpose.

At the option of the purchaser(s), the Notes will be issued in registered or bearer form. If the Notes are issued in registered form, the Notes may be either registered to the purchaser(s) or registered in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York ("DTC") as book-entry notes. Note certificates shall be delivered to the purchaser(s) of notes requested in bearer form or in the form registered to the purchaser(s), and each such note certificate shall rate of interest and shall be in a denomination equal to the aggregate amount awarded to such purchaser at such interest rate.

*Form and Denomination:* The Notes to be issued in book-entry-only form will be issued as registered notes, and, when issued, will be registered in the name of Cede & Co. as partnership nominee of The Depository Trust Company ("DTC"), New York, New York, or such other name as may be requested by an authorized representative of DTC, which will act as the Securities Depository for the Notes to be issued in book-entry-only form. Individual purchases of the Notes to be issued in book-entry only form may be made only in book-entry form in denominations of \$5,000 or integral multiples thereof. Noteholders of the Notes to be issued in book-entry only form will not receive certificates representing their ownership interest in the Notes to be issued in book-entry only form purchased. See "Book-Entry Only System" herein.

*Payment:* Payment of the principal of and interest on the Notes to be issued in book-entry-only form will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name." Payment will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the Town, subject to any statutory and regulatory requirements as may be in effect from time to time. See "Book-Entry Only System" herein. Payment of the principal of and interest on the Notes issued in bearer form or in the form registered to the Purchaser(s) will be payable at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder.

For those Notes issued in registered form, the Town will act as Paying agent for the Notes. For those Notes issued in bearer form, the purchasers will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser(s).

*The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the legal opinions as to the validity of the Notes of Hodgson Russ LLP, Bond Counsel, of Albany, New York. It is anticipated that the Notes will be available for delivery in New York, New York or at such other place as may be agreed with the purchaser(s) on or about May 4, 2010.*

THE TOWN DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12, EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S) AS MORE FULLY DESCRIBED IN THE NOTICES OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. IN ADDITION, THE TOWN WILL COVENANT IN UNDERTAKINGS TO PROVIDE ANNUAL FINANCIAL INFORMATION AND OPERATING DATA AND NOTICE OF CERTAIN MATERIAL EVENTS (AS DEFINED IN THE RULE) AS REQUIRED BY THE RULE (SEE "CONTINUING DISCLOSURE UNDERTAKING" AND "MATERIAL EVENT NOTICES", HEREIN).

**TOWN OF COLONIE  
ALBANY COUNTY, NEW YORK**

Memorial Town Hall - Route 9  
Newtonville, NY 12128  
Telephone: 518/786-7327  
Fax: 518/783-2877

**TOWN BOARD**

Paula A. Mahan, Supervisor

Robert D. Becker  
William E. Carl  
Daniel J. Dustin

Nancy R. Hernandez  
Daniel A. Hornick  
Linda J. Murphy

-----

Elizabeth A. DelTorto, Town Clerk  
Michael C. Magguilli, Esq., Town Attorney  
Craig T. Blair, Comptroller

\* \* \*

**BOND COUNSEL**

Hodgson Russ LLP  
Albany, New York

\* \* \*

**FINANCIAL ADVISOR**

MUNISTAT SERVICES, INC.

Municipal Finance Advisory Service

12 Roosevelt Avenue  
Port Jefferson Station, NY 11776  
(631) 331-8888

E-mail: [info@munistat.com](mailto:info@munistat.com)  
Website: <http://www.munistat.com>

**OFFICIAL STATEMENT**  
**Relating to**  
**TOWN OF COLONIE,**  
**ALBANY COUNTY, NEW YORK**

**\$12,300,000 BOND ANTICIPATION NOTES, 2010, SERIES A**  
**[BOOK-ENTRY-ONLY NOTES]**

This Official Statement presents certain information relating to the Town of Colonie, Albany County, New York (the "Town", "County" and "State," respectively) in connection with the sale of \$12,300,000 Bond Anticipation Notes, 2010, Series A (the "Notes").

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

**THE NOTES**

**General**

The Notes will be dated May 4, 2010 and will mature, without right of redemption prior to maturity, on May 4, 2011, with interest payable at maturity.

At the option of the purchaser(s), the Notes will be issued in registered or bearer form. If the Notes are issued in registered form, the Notes may be either registered to the purchaser(s) or registered in the name of Cede & Co., as partnership nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry notes. The Town Clerk will be the fiscal and paying agent for the Notes while the Notes are in registered form.

Note certificates shall be delivered to the purchaser(s) of notes requested in bearer form or in the form registered to the purchaser(s), and each such note certificate shall bear a single rate of interest and shall be in a denomination equal to the aggregate amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in lawful money of the United States of America (Federal Funds) at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder.

For those Notes issued as book-entry-only notes registered to Cede & Co., DTC will act as securities depository for the Notes and owners will not receive certificates representing their interest in the Notes. Individual purchases of such registered Notes may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the Town to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. See "Book-Entry-Only System" herein.

For those Notes issued in bearer form, the purchaser upon request, will be designated fiscal and paying agent. Paying agent fees, if any, will be paid by the purchaser(s). The Town's contact information is as follows: Craig T. Blair, Town Comptroller, Town of Colonie, Town Hall, Route 9, Newtonville, NY 12128, Phone (518)786-7327, Fax (518) 783-2877 and email: blairc@colonie.org.

**Prior Redemption**

The Notes are not subject to redemption prior to maturity.

## Book-entry-only System

For those Notes issued in book-entry form through DTC, the Notes will be issued as fully-registered Notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for all Notes bearing the same rate of interest and CUSIP number, maturity of the Notes, each in the aggregate principal amount of such maturity issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

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

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

Redemption notices shall be sent to DTC. If less than all of the Notes 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.

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the 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 notes 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, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (Or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the 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.

Payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the 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 notes 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, or the 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 District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

### **Authorization and Purpose**

The Notes are being issued pursuant to the Constitution and statutes of the State of New York including, among others, the Town Law and the Local Finance Law. The Notes are being issued for the following purposes:

| <u>Date<br/>Authorized</u> | <u>Purpose</u>   | <u>Amount to<br/>be Issued</u> |
|----------------------------|--|--------------------------------|
| 02-11-10                   | Various Building Improvements .....                        | \$ 320,000                     |
| 02-11-10                   | Highway Reconstruction and Paving Projects .....           | 2,200,000                      |
| 02-11-10                   | Storm Sewer Rehabilitation Projects .....                  | 300,000                        |
| 06-11-09                   | Energy Conservation Project – Town Library .....           | 350,000                        |
| 02-11-10                   | Town Landfill – Area 5 Closure, Phase 1 .....              | 2,500,000                      |
| 02-11-10                   | Town Landfill – Area 6, Additional Developments Costs..... | 1,253,500                      |
| 02-11-10                   | Old Landfill Cap Restoration.....                          | 200,000                        |
| 02-11-10                   | Storm Water Management & Engineering Fees .....            | 150,000                        |
| 02-11-10                   | Latham Water District – Various Improvements .....         | 1,750,000                      |
| 07-26-06                   | Latham Water District – Security Upgrades .....            | 500,000                        |
| 02-11-10                   | Improvements to Town Sewer Systems .....                   | 400,000                        |
| 02-25-10                   | Acquisition of Various Town Equipment .....                | <u>2,376,500</u>               |
|                            | Total  | <u>\$12,300,000</u>            |

### **Security and Source of Payment**

Each Note when duly issued and paid for will constitute a contract between the Town and the holder thereof.

The Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal of and interest thereon. For the payment of such principal and interest, the Town has power and statutory authorization to levy ad valorem taxes on all real property in the Town subject to taxation without limitation as to rate or amount.

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the Town to levy taxes on real estate therefor.

## **Remedies upon Default**

Under current law, provision is made for contract creditors (including the Noteholders) of the Town to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates to officials to appropriate and pay judgments out of current funds or the proceeds of a tax levy have been issued.

Remedies for enforcement of payment are not expressly included in the Town's contract with holders of its bonds and notes, although any permanent repeal by statute or constitutional amendment of a Noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

The State has consented that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. Subject to such consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debts, including judicial control over identifiable and unidentifiable creditors.

In recent times, certain events and legislation affecting remedies on default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of noteholders, such courts might hold that future events including financial crises as they may occur in the State and in municipalities of the State require the exercise by the State of its emergency police powers to assure the continuation of essential services.

No principal or interest payments on Town indebtedness are past due. The Town has never defaulted in the payment of the principal of and interest on any indebtedness.

## **THE TOWN**

### **Description**

The Town, with a land area of over 57 square miles, is located in northeastern Albany County, immediately north of the City of Albany and about halfway between the Cities of Schenectady and Troy. Its northern and eastern boundaries are the Mohawk and Hudson Rivers respectively. The Town, which includes two incorporated villages, Colonie and Menands and such unincorporated communities as Loudonville, Latham, Maplewood and Newtonville, is primarily residential with some industrial and commercial valuations.

Commercial facilities include several shopping centers. The Colonie Center is a covered mall shopping center featuring major outlets of R.H. Macy, Inc. and Sears Roebuck & Co. as well as specialty shops and parking. The Latham Farms Shopping Center, which includes Wal-Mart, Sam's Club and Home Depot stores, opened in August, 1993 and is situated between Routes 9 and 7, adjacent to the Northway. The Northway Mall and the Latham Circle Mall are also located within the Town. A sizeable portion of recent development in the Town has been devoted to apartment and garden apartment complexes and to the construction of multi-story office buildings. The Town is the site of the Albany County Airport, which provides passenger service on most major routes throughout the United States; the passenger station of Amtrak is located nearby in Rensselaer.

The Town provides sanitary sewer and water distribution facilities to its residents. Recreation facilities owned and operated by the Town include a golf course, parks and swimming pools, skating rinks, playgrounds, boat launching sites and libraries. Police protection and emergency medical service is provided by the Town. Fire protection is provided by the Fire Districts and Fire Protection Districts located in the Town, and the Town is the site of the base station of one of the mutual aid systems in the State coordinating the operations of volunteers in 13 fire departments. The Highway Department is charged with maintenance of the paved roads in the Town and repaves more than 20 miles of highway each year.

The Town is situated in the center of the tri-city area (Albany-Troy-Schenectady) with access to such employment opportunities as the State of New York offices in Albany, the General Electric Company in Schenectady, industrial operations in Troy and the United States Arsenal in Watervliet.

Highway facilities include the New York State Thruway, with two interchanges leading directly into the Town, the Northway (Interstate Route 87), Interstate Route 90, New York Routes 5 and 7 and U.S. Route 9. Transportation for freight by rail and water is provided by the Delaware & Hudson, ConRail and Amtrak Railroads, the Hudson and Mohawk Rivers and the Barge Canal. Air passenger and freight service is available at the Albany County Airport, located in the Town.

## Governmental Organization

The Town was established in 1895 pursuant to enactment of the New York State Legislature. The Town is located in the County of Albany, New York, which County is divided for local government purposes into ten towns and the cities of Albany, Cohoes and Watervliet. In turn, some of such Towns contain incorporated villages established for purposes of providing certain municipal services and facilities to their residents. The Town is a political subdivision of the State having its own elected legislative body, the Town Board, pursuant to Constitutional provision and, except for certain contractual arrangements for cooperative provisions of some services or facilities, the Town does not rely in any manner upon the County for purposes of providing local government needs.

The legislative body of the Town is its Town Board of seven members, the presiding officer of which is the Town Supervisor elected for a two year term. The six additional members of the Town Board are elected for four year terms. The Town Supervisor and the council members are elected at large.

The Town Supervisor is the chief executive officer of the Town. Additional Town officers are the Town Clerk and the Receiver of Taxes, elected at large to two year and four year terms, respectively. The Town Board appoints the Town Comptroller, the Public Works Commissioner and the Town Attorney.

The Town provides the bulk of municipal services furnished to the residents thereof and for such purpose furnishes water and sewer facilities and builds and maintains Town highways. Police protection is provided by the Town and the County and fire protection is provided through separate entities, the various fire districts and voluntary fire organizations in the Town. Planning and zoning and the financing of Town courts are provided by the Town. Regulation of building construction and licensing of trades and occupations along with the usual municipal services of recreational facilities and street lighting are all Town functions. Social services and health services, to the extent provided on a public basis, are essentially County responsibilities.

### Employees

The Town provides services through approximately 785 full-time and part-time employees. Some of such employees are represented by units of organized labor, as set forth below:

| <u>Employee Organization</u>                 | <u>Term of Contract</u> | <u>Est. No. of Employees</u> |
|--|-------------------------|------------------------------|
| Civil Service Employees' Association .....   | 12-31-08 <sup>a</sup>   | 178                          |
| Policemen's Benevolent Association .....     | 12-31-11                | 105                          |
| Public Safety Dispatchers' Association ..... | 12-31-08 <sup>a</sup>   | 27                           |
| Emergency Medical Services .....             | 12-31-10                | 72                           |
| Administrative Unit (UPSEU).....             | NA <sup>a</sup>         | 268                          |

a. In negotiation.

## DEMOGRAPHIC AND STATISTICAL INFORMATION

The following tables present certain comparative demographic and statistical information regarding the Town, the County, the State and the United States.

### Population

| <u>Year</u> | <u>Town of<br/>Colonie</u> | <u>Albany<br/>County</u> | <u>New York<br/>State</u> | <u>United States</u> |
|-------------|----------------------------|--------------------------|---------------------------|----------------------|
| 1940 .....  | 20,631                     | 221,315                  | 13,479,000                | 132,165,000          |
| 1950 .....  | 29,522                     | 239,386                  | 14,830,000                | 151,326,000          |
| 1960 .....  | 52,760                     | 272,926                  | 16,782,000                | 179,323,000          |
| 1970 .....  | 69,147                     | 286,742                  | 18,237,000                | 203,216,000          |
| 1980 .....  | 74,593                     | 285,909                  | 17,557,288                | 226,504,825          |
| 1990 .....  | 76,494                     | 292,594                  | 17,990,455                | 249,632,692          |
| 2000 .....  | 79,258                     | 294,565                  | 18,976,457                | 284,413,930          |

Source: U.S. Bureau of the Census

### Building Permits Issued

| <u>Year</u> | <u>Commercial &amp; Industrial</u> | <u>Residential</u> | <u>Residential Alterations Additions</u> | <u>Other</u> | <u>Total</u> | <u>Estimated Constr. Value</u> |
|-------------|------------------------------------|--------------------|--|--------------|--------------|--------------------------------|
| 2004 .....  | 65                                 | 190                | 461                                      | 947          | 1,663        | 130,038,983                    |
| 2005 .....  | 434                                | 120                | 434                                      | 536          | 1,524        | 124,685,181                    |
| 2006 .....  | 517                                | 505                | 384                                      | 33           | 1,439        | 128,013,462                    |
| 2007 .....  | 428                                | 100                | 394                                      | 437          | 1,359        | 111,609,134                    |
| 2008 .....  | 420                                | 93                 | 384                                      | 340          | 1,237        | 89,203,681                     |
| 2009 .....  | 385                                | 72                 | 395                                      | 259          | 1,101        | 74,386,404                     |

### Per Capita Income

|           | <u>Town of<br/>Colonie</u> | <u>Albany<br/>County</u> | <u>New York<br/>State</u> |
|-----------|----------------------------|--------------------------|---------------------------|
| 1980..... | \$8,324                    | \$ 7,598                 | \$ 7,496                  |
| 1990..... | 17,983                     | 16,363                   | 16,501                    |
| 2000..... | 25,231                     | 23,345                   | 23,389                    |

Source: U.S. Dept. of Commerce, Bureau of the Census.

### Non-Agricultural Employment by Category (%)

|  | <u>Albany<sub>1</sub><br/>SMSA</u> |             | <u>New York<br/>State</u> |             |
|--|------------------------------------|-------------|---------------------------|-------------|
|  | <u>1997</u>                        | <u>2000</u> | <u>1997</u>               | <u>2000</u> |
| Manufacturing .....                            | 9.0                                | 8.6         | 1.9                       | 10.0        |
| Trade.....                                     | 21.4                               | 14.4        | 34.3                      | 13.9        |
| Transportation, Communication & Utilities..... | 4.0                                | 4.4         | 4.6                       | 5.5         |
| Finance, Insurance & Real Estate.....          | 5.9                                | 7.2         | 4.5                       | 8.8         |
| Professional & Other Services.....             | 31.0                               | 44.9        | 35.6                      | 52.8        |
| Public Administration.....                     | 25.3                               | 11.4        | 9.5                       | 5.2         |
| Construction .....                             | 3.4                                | 5.6         | 6.7                       | 5.2         |
| Other.....                                     | -                                  | 2.8         | 2.9                       | 4.1         |

1. Encompasses Five-County Albany Metropolitan Area.

Source: New York State Department of Commerce, U.S. Bureau of the Census

### Wage and Salary Employment in Albany Metropolitan Area <sup>1</sup> (in 000's)

|            | <u>Total<br/>Non-<br/>Agricul.</u> | <u>Manuf.</u> | <u>Const.</u> | <u>Trans.,<br/>Comm.,<br/>Public<br/>Util.</u> | <u>Trade</u> | <u>Fin.,<br/>Ins.,<br/>Real<br/>Est.</u> | <u>Services</u> | <u>Govt.</u> |
|------------|------------------------------------|---------------|---------------|--|--------------|--|-----------------|--------------|
| 1996.....  | 424.8                              | 39.4          | 14.1          | 16.3   | 91.3         | 25.5                                     | 129.5           | 108.7        |
| 1997.....  | 430.0                              | 38.8          | 14.8          | 17.1   | 92.1         | 25.4                                     | 133.2           | 108.6        |
| 1998.....  | 439.5                              | 39.1          | 16.1          | 17.4   | 91.7         | 25.9                                     | 139.6           | 109.2        |
| 1999.....  | 451.5                              | 38.5          | 17.5          | 17.8   | 94.6         | 26.1                                     | 146.1           | 110.4        |
| 2000 ..... | 422.3                              | 36.6          | 23.8          | 18.7   | 61.1         | 30.7                                     | 153.9           | 97.5         |

1. Encompasses Five-County Albany Metropolitan Area.

Source: New York State Department of Labor.

## Unemployment Rate Statistics

|                      | <u>Town of<br/>Colonie</u> | <u>Albany<br/>Schenectady-<br/>Troy (SMSA)</u> | <u>New York<br/>State</u> |
|----------------------|----------------------------|--|---------------------------|
| Averages:            |                            |  |                           |
| 2005 .....           | 3.5%                       | 3.9%   | 5.0%                      |
| 2006 .....           | 3.4                        | 3.8  | 4.5                       |
| 2007 .....           | 3.5                        | 3.9  | 4.5                       |
| 2008 .....           | 4.8                        | 5.9  | 7.0                       |
| 2009 .....           | 6.2                        | 7.1  | 8.3                       |
| 2010 (January) ..... | 6.6                        | 7.8  | 9.4                       |

Source: New York State Department of Labor

### Selected Listing of Largest Employers

| <u>Name</u>                           | <u>Type</u>               | <u>Approx. No.<br/>of Employees</u> |
|---------------------------------------|---------------------------|-------------------------------------|
| CHD Meridian Healthcare Inc. ....     | Medical Mgmt              | 2,050                               |
| Empire Blue Cross & Blue Shield ..... | Health Care               | 1,637                               |
| U.S. Postal Service .....             | Postal Service            | 1,350                               |
| South Colonie Central Schools .....   | Public School             | 1,037                               |
| North Colonie Central Schools .....   | Public School             | 855                                 |
| Community Care Physicians PC .....    | Health Care               | 798                                 |
| Town of Colonie .....                 | Local Government          | 787                                 |
| Albany Molecular Research Inc. ....   | Pharmaceutical            | 714                                 |
| United Parcel Service .....           | Private Parcel Deliveries | 665                                 |
| Intermagnetics General Corp. ....     | Manufacturing             | 560                                 |

## INDEBTEDNESS OF THE TOWN

### Constitutional Requirements

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

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

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

**Payment and Maturity.** Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Town authorizes the issuance of bonds with substantially level or declining debt service. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization of its serial bonds and such required annual installments on its notes.

**Debt Limit.** The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the Town and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional and statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll of the

Town and dividing the same by the equalization rate, or the ratio which such assessed valuation bears to the full valuation, as determined by the State Board of Equalization and Assessment. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuations of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

### **Statutory Procedure**

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

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

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 Town 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 Town complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but is not an absolute legal requirement.

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

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

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

The following pages present certain details with respect to the indebtedness of the Town as of the date of the Official Statement.

**Computation of Debt Limit and Calculation of Total Net Indebtedness**  
(As of April 12, 2010)

| <u>Fiscal Year</u><br><u>Ending</u><br><u>December 31:</u> | <u>Assessed</u><br><u>Valuation</u> | <u>State</u><br><u>Equalization</u><br><u>Rate</u> | <u>Full</u><br><u>Valuation</u> |
|--|-------------------------------------|--|---------------------------------|
| 2006 .....   | \$5,561,000,112                     | 78.39%   | \$7,094,017,236                 |
| 2007 .....   | 5,617,083,539                       | 66.59  | 8,435,325,933                   |
| 2008 .....   | 5,649,001,453                       | 61.01  | 9,259,140,227                   |
| 2009 .....   | 5,651,655,895                       | 67.00  | 8,435,307,305                   |
| 2010 .....   | 5,673,619,527                       | 65.75  | <u>8,629,079,129</u>            |
| Total Five Year Full Valuation .....                       |                                     |  | \$41,852,869,830                |
| Average Five Year Full Valuation .....                     |                                     |  | 8,370,573,966                   |
| Debt Limit - 7% of Average Full Valuation .....            |                                     |  | <u>585,940,177</u>              |
| <b>Inclusions:</b>   |                                     |  |                                 |
| Outstanding Bonds:   |                                     |  |                                 |
| General Purposes .....                                     |                                     |  | 46,309,700                      |
| Water .....  |                                     |  | 5,528,250                       |
| Excluded Sewer <sup>1</sup> .....                          |                                     |  | <u>26,245,200</u>               |
| Sub-Total .....  |                                     |  | <u>78,083,150</u>               |
| Bond Anticipation Notes:                                   |                                     |  |                                 |
| General Purposes .....                                     |                                     |  | 12,454,000                      |
| Water .....  |                                     |  | 250,000                         |
| Sub-Total .....  |                                     |  | <u>12,704,000</u>               |
| Total Inclusions .....                                     |                                     |  | <u>90,787,150</u>               |
| <b>Exclusions:</b>   |                                     |  |                                 |
| Water Debt .....   |                                     |  | 5,528,500                       |
| Excluded Sewer Debt <sup>1</sup> .....                     |                                     |  | 26,245,200                      |
| Appropriations .....                                       |                                     |  | <u>2,494,300</u>                |
| Total Exclusions .....                                     |                                     |  | <u>34,268,000</u>               |
| Total Net Indebtedness Before Issuing the Notes .....      |                                     |  | <u>56,519,150</u>               |
| The Notes .....  |                                     |  | 12,300,000                      |
| Less: BANS to be paid from Proceeds .....                  |                                     |  | -0-                             |
| Excluded Water Debt .....                                  |                                     |  | 2,250,000                       |
| Net Effect of Issuing the Notes .....                      |                                     |  | <u>10,050,000</u>               |
| Total Net Indebtedness After Issuing the Notes .....       |                                     |  | <u>66,569,150</u>               |
| Net Debt Contracting Margin .....                          |                                     |  | <u>\$519,371,027</u>            |
| Percentage of Debt Contracting Margin Exhausted .....      |                                     |  | 11.36%                          |

1. Excluded in accordance with certificates received from the Comptroller of the State of New York pursuant to Section 124.10 of the Local Finance Law.

**Details of Short-Term Indebtedness Outstanding**

(As of April 12, 2010)

The Town presently has outstanding the following short-term obligations:

| <u>Date Due</u> | <u>Type</u> | <u>Purpose</u>         | <u>Amount</u>        |
|-----------------|-------------|------------------------|----------------------|
| 09-07-10        | BANs        | Various Purposes ..... | <u>\$ 12,704,000</u> |
|                 |             | Total .....            | <u>\$12,704,000</u>  |

1. To be funded by the issuance serial bonds or bond anticipation renewal notes, net of current budget appropriation in the amount of \$319,000.

**Other Short-Term Indebtedness**

As of the date of this Official Statement, the Town has no other short term indebtedness outstanding.

**Authorized But Unissued Items**

As of the date of this Official Statement, the Town has authorizations for serial bonds which have not been funded in the aggregate amount of \$45,786,600. The issuance of the Notes will fund \$12,300,000 of such authorizations.

**Anticipated Future Borrowings**

The Town has no formal capital program. Improvements are authorized to be funded from time to time as the Town Board deems necessary.

**Debt Service Requirements - Outstanding Bonds <sup>1</sup>**

| Ending<br>December 31: | Fiscal Year         |                     |                      |
|------------------------|---------------------|---------------------|----------------------|
|                        | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>         |
| 2010.....              | \$6,725,800         | \$3,568,829         | \$10,294,629         |
| 2011.....              | 6,325,000           | 2,962,200           | 9,287,200            |
| 2012.....              | 6,080,000           | 2,745,041           | 8,825,041            |
| 2013.....              | 5,295,000           | 2,550,693           | 7,845,693            |
| 2014.....              | 5,260,000           | 2,374,161           | 7,634,161            |
| 2015.....              | 5,380,000           | 2,189,857           | 7,569,857            |
| 2016.....              | 4,920,000           | 1,994,876           | 6,914,876            |
| 2017.....              | 3,940,000           | 1,802,056           | 5,742,056            |
| 2018.....              | 4,015,000           | 1,644,077           | 5,659,077            |
| 2019.....              | 3,815,000           | 1,485,466           | 5,300,466            |
| 2020.....              | 3,920,000           | 1,325,052           | 5,245,052            |
| 2021.....              | 3,375,000           | 1,158,098           | 4,533,098            |
| 2022.....              | 3,120,000           | 1,021,759           | 4,141,759            |
| 2023.....              | 3,220,000           | 887,021             | 4,107,021            |
| 2024.....              | 3,315,000           | 746,816             | 4,061,816            |
| 2025.....              | 3,345,000           | 602,784             | 3,947,784            |
| 2026.....              | 1,755,000           | 485,576             | 2,240,576            |
| 2027.....              | 1,525,000           | 402,164             | 1,927,164            |
| 2028.....              | 1,070,000           | 334,238             | 1,404,238            |
| 2029.....              | 1,110,000           | 271,925             | 1,381,925            |
| 2030.....              | 950,000             | 212,325             | 1,162,325            |
| 2031.....              | 995,000             | 156,406             | 1,151,406            |
| 2032.....              | 1,040,000           | 96,600              | 1,136,600            |
| 2033.....              | <u>1,090,000</u>    | <u>32,700</u>       | <u>1,122,700</u>     |
| Totals.....            | <u>\$81,585,800</u> | <u>\$31,050,720</u> | <u>\$112,636,520</u> |

1. Includes \$14,235,800 Public Improvement Serial Bonds, 2009.

## Calculation of Estimated Overlapping and Underlying Indebtedness

| <u>Overlapping<br/>Units</u>  | <u>Date of<br/>Report</u> | <u>Percentage<br/>Applicable</u> | <u>Applicable<br/>Total<br/>Indebtedness</u> | <u>Applicable<br/>Net<br/>Indebtedness</u> |
|-------------------------------|---------------------------|----------------------------------|--|--|
| Albany County .....           | 11-20-09                  | 33.62%                           | \$83,070,950                                 | \$81,337,839                               |
| Village of Colonie .....      | 08-31-06                  | 100.00%                          | 470,000                                      | 0  |
| Village of Menands .....      | 05-31-08                  | 100.00%                          | 0  | 0  |
| Watervliet City SD .....      | 01-30-09                  | 15.10%                           | 2,837,290                                    | 2,572,285                                  |
| South Colonie CSD .....       | 08-03-09                  | 93.97%                           | 47,922,254                                   | 26,342,223                                 |
| North Colonie CSD .....       | 06-30-08                  | 100.00%                          | 40,726,617                                   | 24,558,150                                 |
| Menands UFSD .....            | 06-30-08                  | 100.00%                          | 3,900,000                                    | 3,900,000                                  |
| Maplewood Common SD .....     | 06-30-08                  | 100.00%                          | 215,000                                      | 116,960                                    |
| Niskayuna CSD .....           | 01-11-10                  | 6.74%                            | 7,073,782                                    | 1,938,216                                  |
| Rotterdam-Mohonasen CSD ..... | 07-10-08                  | 5.43%                            | 1,401,814                                    | 70,091                                     |
| Fire Districts (Est.) .....   | 12-31-09                  | Var.                             | <u>1,750,000</u>                             | <u>1,750,000</u>                           |
| Totals .....                  |                           |                                  | <u>\$189,367,707</u>                         | <u>\$142,585,764</u>                       |

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Statements.

## FINANCES OF THE TOWN

### Financial Statements and Accounting Procedures

The Town maintains its financial records in accordance with the Uniform System of Accounts for Towns prescribed by the State Comptroller. The financial records of the Town are audited by independent accountants. The last such audit made available for public inspection covers the fiscal year ended December 31, 2008. A copy of such report is available in electronic format on the website of the Town's Financial Advisor, Munistat Services, Inc. (www.munistat.com). In addition, the financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Town has complied with the requirements of various State and Federal statutes.

The Statements of Revenues, Expenditures and Changes in Fund Equity presented in Appendix A of this Official Statement are based on the audited Annual Financial Reports of the Town for the fiscal years of the Town through and including 2003.

#### *Fund Structure and Accounts*

The Town utilizes fund accounting to record and report its various service activities. A fund represents both a legal and an accounting entity which segregates the transactions of specific programs in accordance with special regulations, restrictions or limitations.

There are three basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) proprietary funds that account for operations of a commercial nature; and, (3) fiduciary funds that account for assets held in a trustee capacity.

The Town presently maintains the following governmental funds: General Funds (Town-Wide and Town Outside Village), Highway Fund, Capital Projects Fund and Non Major Funds (Library, Special Grant and the Drainage District). Fiduciary funds include Trust and Agency Funds. Proprietary funds consists of the Town of Colonie Landfill, Latham Water Department and Pure Water Department.

#### *Basis of Accounting*

The Town's governmental funds are accounted for on a modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual - that is, when they become "measurable" and "available" to finance expenditures to the current period. Revenues are susceptible to accrual include real property taxes, intergovernmental revenues (State and Federal aid) and operating transfers.

Expenditures are generally recognized under the modified accrual basis of accounting, that is when the related fund liability is incurred. Exceptions to this general rule are principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they

have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town's government-wide, proprietary, and fiduciary fund financial statements are accounted for on the accrual basis of accounting. Under the accrual basis, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales tax, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from other taxes are recorded when available. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

### **Investment Policy**

Pursuant to the statutes of the State of New York, the Town is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys the investment of which is otherwise provided for by law, 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, provided however, that such time deposit account or certificate of deposit is payable within such time as the proceeds shall be needed to meet the expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller in tax anticipation notes or revenue anticipation notes issued by any municipalities, school district, or district corporation, other than those notes issued by the Town; (6) certificates of participation issued by political subdivisions of the State, as those terms are defined in the law; (7) obligations of a New York public corporation which are made lawful investments for the Town pursuant to the enabling laws of such public corporation; or (8) in the case of moneys held in certain reserve funds established by the Town pursuant to law, in obligations of the Town. Any investments made by the Town pursuant to law are required to be payable or redeemable at the option of the Town within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. These statutes also require that the Town's investments, unless registered or inscribed in the name of the Town, must be purchased through, delivered to and held in custody of a bank or trust company in the State. All such investments held in the custody of a bank or trust company must be held pursuant to a written custodial agreement as that term is defined in the law. The Town is not presently investing in repurchase agreements.

Collateral is required for demand deposit, money market accounts and certificates of deposit not covered by Federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts.

### **Financial Operations**

The Town Supervisor functions as the chief fiscal officer as provided in Section 2.00 of the Local Finance Law; in this role, the Supervisor is responsible for the Town's accounting and financial reporting activities, which are delegated to and carried out by the Town Comptroller. In addition, the Supervisor is also the Town's budget officer and, with the assistance of the Town Comptroller, prepares the annual tentative budget for submission to the Town Board. Budgetary control during the year is the responsibility of the Town Comptroller. Pursuant to Section 30.00 of the Local Finance Law, the Supervisor has been authorized to issue or renew certain specific types of notes. As required by law, the Supervisor must execute an authorizing certificate which then becomes a matter of public record.

The Town Board, as a whole, serves as the finance board of the Town and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and bonded debt.

Town finances are operated primarily through the General and Highway Funds. All real property taxes and most of the other Town revenues are credited to these funds. Current operating expenditures are paid from these funds subject to available appropriations. The Town also has water and sewer districts, which are accounted for within separate funds. The primary sources of income for these districts comes from special assessments levied against district properties at the same time real estate taxes are levied. Capital projects and selected equipment purchases are accounted for in special capital projects funds. The Town observes a calendar year (January 1 through December 31) for operating and reporting purposes.

## **Revenues**

The Town receives most of its revenues from real property taxes, sales tax and user fees. A summary of such revenues for the five most recently completed fiscal years may be found in Appendix A.

### *Real Property Taxes*

See "Real Property Tax Information", herein.

### *State Aid*

Based on the unaudited Annual Report Update Document for 2008 of the Town, the Town received approximately 7.76% of its total General Fund operating revenue from State aid in 2008 (inclusive of mortgage tax revenue). There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and, in fact, the State has drastically reduced funding to municipalities and school districts in the last several years in order to balance its own budget.

## **Expenditures**

Based on the audited Annual Financial Reports of the Town, the major categories of expenditure for the Town are General Government Support, Public Safety, Home and Community Service, Transportation, Culture and Recreation, Employee Benefits and Debt Service. A summary of such expenditures for the five most recently completed fiscal years may be found in Appendix A.

### **Results of Financial Operations Operating and Cumulative Deficits January 1, 2001 to June 11, 2007**

At the beginning of its 2001 fiscal year, the Town's General Fund had a positive fund balance of \$14.6 million. In each of the succeeding fiscal years, 2001 through and including 2006, the General Fund experienced operating deficits ranging from \$2.3 million (in 2001) to \$4.1 million (in 2005). As of December 31, 2006, according to unaudited financial statements as reported to the Office of the State Comptroller, the cumulative deficit in the General Fund was \$8.7 million. Such operating deficits were caused by structural imbalances in the Annual Adopted Budget of the Town. Such imbalances included appropriating fund balance in excess of amounts actually available, budgeting insufficient funds to pay for increased costs associated with health insurance and employee pension obligations and inclusion of \$1.2 million per year of revenues from the sale of land to the County of Albany, which transaction was realized in 2008.

The Town also experienced operating deficits in its Highway Fund, Library Fund and Maplewood Refuse Fund for the fiscal years ending December 31, 2003, 2004 and 2005 which were also caused by appropriating fund balances in excess of amounts actually available, by budgeting of insufficient appropriations for operations and employee benefits as well as a significant reduction (almost \$700,000) in the amount of sales tax revenues allocated to the Highway Fund from the originally budgeted amount in fiscal year 2004. For the fiscal year ended December 31, 2005, the cumulative deficit in the Highway Fund was \$1.4 million. In 2006, the Highway Fund had an operating surplus and the cumulative deficit in such fund declined to \$1.2 million.

For the 2006 fiscal year, the Town instituted a property tax to finance the Highway Fund so that sales tax revenue could be retained by the General Fund, and increased overall property taxes by 7.5%. It also increased budgeted appropriations in its General Fund and in the Highway Fund for operations, health insurance premiums and pension costs to more accurately reflect the level of such expenditures. For the 2007 fiscal year, the Town increased overall property taxes in its budget by 18%.

In February, 2008, the Office of the State Comptroller issued its report on the audit of the Town, entitled Financial Condition and Internal Controls Over Cash Disbursements. The report covered the period from January 1, 2006 through June 11, 2007, but also includes a review of results of operations for the preceding four years. The Report confirms the deficits in the General Fund (\$8.7 million); Highway Fund (\$1.2 million); Library Fund (\$240,269); and the Maplewood Refuse District Fund (\$1,769). The report also noted that real property taxes in the aggregate amount of \$6.6 million was levied for the Highway Fund in lieu of appropriating sales tax revenues from the General Fund as required by law. In short, the General Fund owes the Highway Fund this amount and if such an adjustment is made the deficit in the General Fund is increased to \$15.3 million.

The State Comptroller's Report also cites negative unrestricted net assets in the Landfill Enterprise Fund in the amount of \$8 million as of December 31, 2006. The primary cause of this deficit is the requirement that \$9.1 million of future landfill closure and post-closure costs must be recognized in the Statement of Net Assets of the

Fund on a current basis even though such costs will not actually be realized on or after the date that the landfill ceases to accept waste. In addition, the Landfill Fund transferred approximately \$12.5 million to the General Fund from 2003 through 2006 to finance the cost of General Fund operations.

In its response to the Report, the Town has acknowledged that it will adopt and maintain conservative budgeting practices, eliminate interfund advances and prepare a comprehensive plan to resolve the deficit fund balances and cash flow deficiencies, including the deficit in the Landfill Fund.

As of the date of this Statement the Town has begun implementation of its comprehensive deficit elimination plan, which consists of the following elements: the sale of its share of Heritage Park to the County of Albany for \$2.7 million; a multi-departmental cost savings plan for the 2008 fiscal year which is expected to generate approximately \$1.6 million in budgetary savings; and a special one-time deficit funding property tax levy in the amount \$5.2 million which was levied and collected in January, 2009.

### **Results of Operations - 2008**

As noted in the Audited Financial Statements of the Town for the year ended December 31, 2008, The government-wide unrestricted deficit at December 31, 2007 was \$20,675,000. The financial plan implemented by the Town during 2008 resulted in a reduction of this deficit by approximately \$2.77 million, prior to the recognition of other post employment benefits (OPEB) obligations in the amount of approximately \$8.1 million. The deficit in the General Fund increased by approximately \$5.4 million to \$29.38 million due to the allocation of sales tax revenues to the Highway Fund. If this allocation had not been required, the General Fund would have realized an operating surplus of approximately \$2.5 million.

### **Pension Systems**

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) The Retirement Systems are cost-sharing multiple employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded investments. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All employees who became members on or after July 27, 1976 must contribute 3% of their gross annual salary towards the cost of their retirement program. Chapter 86 of the Laws of 2000 eliminated the 3% for Tier 3 and Tier 4 members with 10 years of service credit.

With regard to the ERS, a pension reform bill has been signed by the Governor into Law as Chapter 49 of the Laws of 2003. Chapter 49 changes the cycle of billing to match budget cycles of the Town. Under the previous method, the Town was unsure of how much it paid to the system until after its budget was implemented. Under the new system the contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1 instead of the following April 1 so that the Town will be able to more accurately include the cost of the contribution into its budget. Chapter 49 requires the Town to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower contribution possible.

On July 20<sup>th</sup>, 2004 the New York State Legislature passed a bill amending the General Municipal Law, Local Finance Law and the Retirement and Social Security Law. On July 30, 2004, the Governor signed the new retirement system legislation into Law as Chapter 260 of the Laws of 2004. The bill moves the annual payment date for contributions from December 15<sup>th</sup> to February 1<sup>st</sup>, effective December 15, 2004. It increases, from five to ten years, the maximum amortization period of the portion of employer contributions that exceeds 7% of payroll for the 2004-2005 fiscal year of the Retirement System (April 1 - March 31). It also allows employers to bond for their 2005-2006 and 2006-2007 fiscal year contributions in excess of 9.5% and 10.5%, respectively. This amortization may be made with the Retirement System or the Town could issue a maximum of 10 year general obligation bonds, the interest on which would be set at prevailing bond market rates on the date of sale and would be taxable for federal income tax purposes.

The Law requires the Town to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower contribution possible. For December, 2004, it is estimated that the contribution will be 11% of payroll. The legislation further authorizes that the amount of payment in excess of 7% of payroll will be allowed to be amortized over a period of five years. This amortization may be made with the State Comptroller and the Town would pay 5% interest on any amortized amounts or the Town could issue general obligation bonds, the interest on which would be taxable for federal income tax purposes.

The Town has elected to amortize the amount of its December 2004 payment in excess of 7% of its payroll (\$1,974,125) with the State Comptroller for 10 years at a rate of 5.00%. Its annual payment of principal and interest, payable on December 15 each year from 2005 to 2014, will be \$255,658. The Town also amortized its December 2005 payment in excess of 9.5% of its payroll (\$1,514,596) and a portion of its 2006 payment in excess of 10.5% of payroll (\$585,152) with the State Comptroller for 10 years at a rate of 5.00%. The annual payment of principal and interest, due December 15 each year from 2006 to 2015 (for the 2005 amortized amount) and from 2007 to 2016 (for the 2006 amortized amount), will be \$196,147 and \$75,780, respectively.

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

**Contributions to the Retirement Systems**

| <u>Fiscal Year<br/>Ending<br/>December 31:</u> | <u>Employees'<br/>Retirement<br/>System</u> | <u>Policemen's &amp;<br/>Firemen's Retirement<br/>System</u> | <u>Total</u> |
|--|---|--|--------------|
| 2004 .....                                     | \$2,984,903                                 | \$1,810,211  | \$4,795,114  |
| 2005 .....                                     | 2,742,653                                   | 1,592,933  | 4,335,586    |
| 2006 .....                                     | 2,621,772                                   | 1,925,251  | 4,547,023    |
| 2007 .....                                     | 2,510,505                                   | 1,999,581  | 4,510,086    |
| 2008 .....                                     | 2,223,241                                   | 2,450,209  | 4,673,450    |
| 2009 .....                                     | 2,416,725                                   | 2,000,454  | 4,417,179    |
| 2010 (Budgeted) .....                          | 3,517,151                                   | 2,602,616  | 6,119,767    |

**Other Post Employment Benefits**

It should also be noted that the Town 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 Town, to account for post-retirement healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting. Although GASB 45 encourages earlier adoption, implementation is required by the following dates, based on the size of government measured by annual revenue:

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

School Districts and Boards of Cooperative 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 and continued through May 15, 2006 pursuant to Chapter 16 of the Laws of 2006. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

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

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

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

As of December 31, 2008, the actuarial accrued liability for benefits was \$74,035,500. The annual required contribution was \$9,165,000; the net OPEB obligation, net of contributions made, was \$8,098,883.

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 Town is in compliance with the requirements of GASB 45.

## **REAL PROPERTY TAX INFORMATION**

### **Real Property Taxes**

The Town derives a portion of its annual revenue through a direct real property tax.

A. Tables presenting the tax levy, by purpose, collection performance and tax rates can be found in Appendix

### **Tax Collection Procedure**

Taxes are due January 1, payable without penalty to and including January 31. Penalties thereafter are 1% if paid in February and 1-1/2% if paid in March. On April 1, the tax roll is returned to the County and taxes plus penalties are payable to the County. The Town retains the total amount of town highway and special district levies from the total collections and returns the balance plus the uncollected items to the County, which assumes collection responsibility and holds annual tax sales. The Town thus is assured of receiving the full amount of its real estate tax levy each year.

The Town also acts as collection agency for school district taxes, paying same to the districts as collected and returning uncollected items to the County which reimburses the districts for such uncollected taxes.

The County acts as billing and collecting agent with respect to public utility (including special franchise) and railroad properties.

**Selected Listing of Large Taxable Properties**  
2010 Assessment Roll

| <u>Name</u>                          | <u>Type</u>        | <u>Assessed<br/>Valuation</u> |
|--------------------------------------|--------------------|-------------------------------|
| Niagara Mohawk .....                 | Utility            | \$92,398,234                  |
| FMP Colonie Center, LLC .....        | Shopping Center    | 70,000,000                    |
| Kir Latham Farms.....                | Shopping Center    | 40,000,000                    |
| New Wolf Rd LLC .....                | Office Buildings   | 32,000,000                    |
| Verizon New York, Inc .....          | Utility            | 30,820,749                    |
| Corporate Woods 11 Co., LP .....     | Office Building    | 25,600,000                    |
| Columbia 90 Assoc. LLC.....          | Office Buildings   | 23,650,000                    |
| NYSUT Building Corp. ....            | Office Building    | 23,474,000                    |
| CS Albany Realty, LLC .....          | Hotel              | 23,400,000                    |
| Hudson Preserve Operation, LLC ..... | Apartment Complex  | 20,900,000                    |
| Picotte Development Co.....          | Office Building    | 20,500,000                    |
| Village Square of Penna .....        | Motel              | 20,120,000                    |
| PHLA, LLC.....                       | Apartment Complex  | 19,748,000                    |
| Town of Colonie IDA.....             | Office Buildings   | 19,210,300                    |
| Riverview Assets, LLC. ....          | Various Properties | <u>18,300,000</u>             |
|                                      |                    | <u>\$480,121,283</u>          |

1. Assessment Roll established in 2009 for levy and collection of taxes during 2010 Fiscal Year.
2. Represents 8.46% of the taxable Assessed Valuation of the Town for 2010.

**LITIGATION**

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

**INVESTMENT RISKS**

There are various forms of risk associated with investing in the Notes. Although none of such risks currently exist with respect to the Town or the Notes, there can be no assurance that one or more of such events will not occur in the future. One such risk is that the Town will be unable to promptly pay interest and principal on the Notes as they become due (see "Remedies Upon Default", herein). If a Noteholder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition, there may be other risk factors which a potential investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

There are a number of factors which could have a detrimental effect on the ability of the Town to continue to generate revenues, particularly its property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in certiorari proceedings could result in a large reduction in the assessed valuation of taxable real property in the Town. In addition, to the extent that the Town is dependent on State aid, there can be no assurance that such aid will be continued in the future (see "Discussion of Financial Matters", herein). Unforeseen developments could also result in substantial increases in Town expenditures, thus placing considerable strain on the Town's financial condition.

If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. In addition, the price and principal value of the Notes is dependent on the prevailing level of interests rates; if interest rates rise, the price of a bond will decline, causing the bondholder or noteholder to incur a capital loss upon the sale of such bond.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Notes and other debt issued by the Town. Any such future legislation would have an adverse effect on the market value of the Notes (See "Tax Exemption" herein).

### **TAX EXEMPTION**

In the opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel, under existing law, the interest on the Notes is excluded from gross income of the Owners thereof for federal income tax purposes, and is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed by the Internal Revenue Code of 1986, as amended (the "Code"). However, it should be noted that (1) the Town, by failing to comply with certain restrictions contained in the Code, may cause interest on the Notes to become subject to federal income taxation from the date of issuance of the Notes, respectively, (2) Section 56 of the Code provides that for purposes of computing the alternative minimum tax on corporations (as defined for federal income tax purposes), interest on the Notes is taken into account in determining adjusted current earnings, and (3) interest on the Notes earned by foreign corporations doing business in the United States could be subject to the branch profits tax imposed by Section 884 of the Code. Interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

In rendering the foregoing opinions, Hodgson Russ LLP, noted that the exclusion of the interest on the Notes from gross income for federal income tax purposes is subject to, among other things, continuing compliance by the Town with the applicable requirements of Sections 141, 148 and 149 of the Code and the regulations promulgated thereunder (collectively, the "Tax Requirements"). In the opinion of Hodgson Russ LLP, the Tax Compliance Certificate establishes requirements and procedures, compliance with which will satisfy the Tax Requirements.

The Tax Requirements referred to above, which must be complied with in order that interest on the Notes remains excluded from gross income for federal income tax purposes, include, but are not limited to:

- (1) The requirement that the proceeds of the Notes be used in a manner so that the Notes are not obligations which meet the definition of a "private activity bond" within the meaning of Section 141 of the Code.
- (2) The requirements contained in Section 148 of the Code relating to arbitrage bonds.
- (3) The requirements that payment of principal or interest on the Notes not be directly or indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) as provided in Section 149(b) of the Code.

In the Tax Compliance Certificate, the Town has covenanted to comply with the Tax Requirements, and refrain from taking any action which would cause the interest on the Notes to be includable in gross income for federal income tax purposes. Any violation of the Tax Requirements may cause the interest on the Notes to be included in gross income for federal income tax purposes from the date of issuance of the Notes, respectively. Hodgson Russ LLP expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

You should also be advised that the interest on the Notes is subject to, among others, the following provisions contained in the Code:

- (1) Interest on the Notes is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed by the Code.
- (2) If the Notes are held by certain foreign corporations doing business in the United States, the interest on such Notes will be included in "effectively connected earnings and profits" for purposes of computing a branch profits tax of up to 30%.
- (3) A property casualty insurance company's deduction for the losses incurred will be reduced by 15% of the income received from tax-exempt obligations.
- (4) The United States Treasury Department has promulgated regulations which might have the effect of imposing a tax at ordinary income rates with respect to interest on the Notes owned by "S Corporations" in certain cases.

(5) In addition, the Notes will constitute "qualified tax-exempt obligations" within the meaning of the Code, and if the Notes are held by a financial institution, a portion of the interest expense allocable to the Notes may not be deductible by such financial institution for federal income tax purposes.

Under the Code, the benefits of the exclusion of the interest on the Notes from gross income for federal income tax purposes may be diminished by operation of certain provisions of the Code which affect recipients of social security and railroad retirement benefits.

Each purchaser of the Notes should consult his tax advisor regarding the impact of the foregoing and other provisions of the Code on his individual tax position.

Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Notes may affect the tax status of interest on the Notes. The Code has been continuously subject to legislative modification, amendments and revisions and proposals for further changes are regularly submitted by leaders of the legislative and executive branches of the federal government. No representation is made as to the likelihood of such proposals being enacted in their current or similar form, or if enacted, the effective date of any such legislation and no assurances can be given that such proposals or amendments will not materially and adversely affect the economic value of the Notes or the tax consequences of ownership of the Notes.

All quotations from and summaries and explanations of provisions of laws 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 NOTES 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 NOTES.**

## **DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES**

### **Absence of Litigation**

Upon delivery of the Notes, the Town will furnish a certificate, dated the date of delivery of the Notes, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution, or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes. The certificate will also state that there is no controversy or litigation of any nature now pending or threatened by or against the Town wherein an adverse judgement or ruling could have a material adverse impact on the financial condition of the Town or adversely affect the power of the Town to levy, collect, and enforce the collection of taxes or other revenues for the payment of the Notes, which has not been disclosed in this Official Statement.

### **Legal Matters**

The legality of the authorization and issuance of the Notes will be covered by the legal opinion of Hodgson Russ LLP, Bond Counsel, Albany, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Town, and unless paid from other sources, are payable as to principal and interest from *ad valorem* taxes levied upon all the taxable real property within the Town, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Notes may be limited or otherwise affected by (a) any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies heretofore or hereafter enacted or (b) by the unavailability of, or any limitation on the availability of, any particular right or remedy (whether in a proceeding in equity or at law) because of the discretion of a court or because of any procedural requirement, public policy or equitable principle or requirement as to commercial reasonableness, conscionability or good faith, (ii) assuming that the Town complies with certain requirements of the Code, interest on the Notes (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and (iii) assuming that the Town complies with certain requirements of the Code, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York. Bond Counsel will express no opinion regarding other federal income tax consequences arising with respect to the Notes.

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed, without inquiry or other investigation (a) the legal capacity of each natural person, (b) the full power and authority of each person other than the Town to execute and deliver certain documents and to perform certain acts, (c) no modification of any provision of any document, no waiver of any right or remedy and no exercise of any right or remedy other than in a commercially reasonable and conscionable manner and in good faith, (d) the genuineness of each signature, the completeness of each document submitted to Bond Counsel, the authenticity of each document submitted to Bond Counsel as an original, the conformity to the original of each document submitted to Bond Counsel as a copy and the authenticity of the original of each document submitted to Bond Counsel as a copy, (e) the accuracy on the date of this letter of certain reviewed documents, (f) the truthfulness of each statement as to any factual matter contained in such reviewed documents, and (g) the due and timely filing of certain filed documents; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Town, together with other legally available sources of revenue, if any, will be sufficient to enable the Town to pay the principal of and interest on the Notes as the same respectively become due and payable; and (iv) no opinion is expressed by Bond Counsel as to whether the Town in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

### **Undertaking Regarding Material Event Notices**

In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the Town has agreed to provide, or cause to be provided, with respect to the Notes, during the period in which the Notes are outstanding, in a timely manner, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB"), notice of the occurrence of any of the following events with respect to the Notes, if such event is material: (a) principal and interest payment delinquencies; (b) non-payment related defaults; (c) unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancements reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions or events affecting the tax-exempt status of the Notes; (g) modifications to rights of Note holders; (h) bond calls; (i) defeasances; (j) release, substitution, or sale of property securing repayment of the Notes, and (k) rating changes.

The Town may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the Town determines that any such other event is material with respect to the Notes; but the Town does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

A copy of a continuing disclosure agreement pursuant to which the Town will agree to provide, or cause to provide, the information described above shall be provided to the purchaser at closing.

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

### **RATING**

The Notes are not rated. Moody's Investors Service has assigned its rating of "Baa1" to the outstanding bonds of the Town. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

### **FINANCIAL ADVISOR**

Munistat Services, Inc. has assisted the Town as financial advisor in certain matters with respect to the sale and issuance of the Notes.

## OTHER MATTERS

The statutory authority for the power to spend money for the objects or purposes, or to accomplish the objects or purposes, for which the Notes are to be issued is the Town Law and the Local Finance Law.

The fiscal year of the Town is January 1 to December 31.

There is no bond or note principal or interest past due.

This Official Statement does not include the financial data of any other political subdivision of the State of New York having power to levy taxes within the Town, except as expressed in the "Calculation of Overlapping and Underlying Indebtedness."

## ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of the Town Comptroller, Craig T. Blair, Town of Colonie, Memorial Town Hall - Route 9, Newtonville, NY 12128, telephone number 518/786-7327 and email: [blairc@colonie.org](mailto:blairc@colonie.org), or from the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888 and website: <http://www.munistat.com>.

## MISCELLANEOUS

Any statements made in this Official Statement and indicated to involve matters of opinion or estimates are represented to be opinions or estimates in good faith. No assurance can be given, however, that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

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

By: s/s PAULA A. MAHAN  
Town Supervisor  
Town of Colonie, New York

**APPENDIX A**

**FINANCIAL INFORMATION**

Valuations and Debt

Tax Levy and Collection Record

Statement of Revenues, Expenditures and Fund Balances:  
General Fund  
Special Revenue Funds

Balance Sheets

Budget Summaries

**VALUATIONS AND DEBT**

|   | <u>2005</u>          | <u>2006</u>          | <u>2007</u>           | <u>2008</u>          | <u>2009</u>          | <u>2010</u>      |
|---|----------------------|----------------------|-----------------------|----------------------|----------------------|------------------|
| Assessed Valuation of Fully Taxable Real Property | \$ 5,525,129,403     | \$ 5,561,000,112     | \$ 5,617,083,539      | \$ 5,649,001,453     | \$ 5,651,655,895     | \$ 5,673,619,527 |
| State Equalization Rate                           | 81.42%               | 78.39%               | 66.59%                | 61.01%               | 67.00%               | 65.75%           |
| Full Valuation                                    | \$ 6,785,960,947     | \$ 7,094,017,237     | \$ 8,435,325,933      | \$ 9,259,140,228     | \$ 8,435,307,306     | \$ 8,629,079,129 |
| Outstanding Debt:                                 |                      |                      |                       |                      |                      |                  |
| Subject to Debt Limit:                            |                      |                      |                       |                      |                      |                  |
| Bonds   | \$ 27,655,900        | \$ 24,576,200        | \$ 25,485,100         | \$ 38,702,700        | \$ 38,702,700        | \$               |
| Bond Anticipation Notes                           | 9,209,900            | 19,267,800           | 32,979,300            | 20,534,000           | 20,534,000           |                  |
| Sub-Total   | <u>36,865,800</u>    | <u>43,844,000</u>    | <u>58,464,400</u>     | <u>59,236,700</u>    | <u>59,236,700</u>    |                  |
| Not Subject to Debt Limit:                        |                      |                      |                       |                      |                      |                  |
| Bonds   | 37,603,569           | 40,843,269           | 34,749,900            | 33,617,300           | 33,617,300           |                  |
| Bond Anticipation Notes                           | 943,800              | 2,517,600            | 2,346,400             | 1,412,800            | 1,412,800            |                  |
| Revenue Anticipation Notes                        | 6,000,000            | 6,000,000            | 6,000,000             | 5,000,000            | 5,000,000            |                  |
| Sub-Total   | <u>44,547,369</u>    | <u>49,360,869</u>    | <u>43,096,300</u>     | <u>40,030,100</u>    | <u>40,030,100</u>    |                  |
| Total Debt Outstanding                            | \$ <u>81,413,169</u> | \$ <u>93,204,869</u> | \$ <u>101,560,700</u> | \$ <u>99,266,800</u> | \$ <u>99,266,800</u> | \$               |

**TAX LEVY AND COLLECTION RECORD**

|                                | <u>2005</u>          | <u>2006</u>          | <u>2007</u>          | <u>2008</u>          | <u>2009</u>          | <u>2010</u>          |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Town and Highway Taxes | \$ 13,156,382        | \$ 15,180,016        | \$ 16,875,402        | \$ 17,396,495        | \$ 21,322,086 a      | \$ 16,039,914        |
| Special Districts:             |                      |                      |                      |                      |                      |                      |
| Water                          | 2,633,782            | 2,658,098            | 2,667,682            | 2,690,845            | 2,798,417            | 3,211,425            |
| Sewer                          | 5,687,100            | 6,007,921            | 6,390,195            | 6,495,602            | 6,737,559            | 6,907,828            |
| Refuse & Garbage               | 23,000               | 33,000               | 35,000               | 36,000               | 36,000               | 36,000               |
| Fire & Fire Protection         | 5,867,133            | 6,274,670            | 6,683,997            | 7,187,642            | 7,610,053            | 7,591,072            |
| Relevied Water Districts       | 388,294              | 397,622              | 651,645              | 601,157              | 663,521              | 776,197              |
| County Taxes                   | 25,095,441           | 24,403,040           | 23,899,591           | 23,935,319           | 23,496,016           | 25,166,645           |
| Reassessed School Taxes        | 2,985,408            | 2,810,290            | 3,686,053            | 3,735,474            | 4,279,881            | 4,108,251            |
| Miscellaneous Items            | 22,082               | 25,645               | 62,422               | 46,335               | 113,187              | 42,306               |
| Total Tax Levy                 | \$ <u>55,858,622</u> | \$ <u>57,790,302</u> | \$ <u>60,951,987</u> | \$ <u>62,124,869</u> | \$ <u>67,056,720</u> | \$ <u>63,879,638</u> |
| Amount Collected               | \$ 53,690,366        | \$ 53,185,692        | \$ 52,586,516        | \$ 53,807,632        | \$ 63,144,067        | \$ 57,005,019        |
| Returned to County:            |                      |                      |                      |                      |                      |                      |
| Amount                         | \$ 2,168,256         | \$ 4,604,610         | \$ 8,365,471         | \$ 8,317,237         | \$ 3,912,653         | \$ 6,874,619         |
| Percentage                     | 3.88%                | 7.97%                | 13.72%               | 13.39%               | 5.83%                | 10.76%               |
| Tax Rate per \$1,000 of AV:    |                      |                      |                      |                      |                      |                      |
| Town & Highway                 | \$ 2.12              | \$ 2.28              | \$ 2.60              | \$ 2.72              | \$ 2.80              | \$ 2.83              |
| County                         | \$ 4.63              | \$ 4.38              | \$ 4.27              | \$ 4.33              | \$ 4.17              | \$ 4.47              |

a. Includes one-time deficit reduction tax (\$5.2 million).

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY**

**GENERAL FUNDS**

|  | Fiscal Year Ending December 31: |                       |                        |                        |                        |
|--|---------------------------------|-----------------------|------------------------|------------------------|------------------------|
|  | <u>2004</u>                     | <u>2005</u>           | <u>2006(a)</u>         | <u>2007</u>            | <u>2008</u>            |
| Revenues:  |                                 |                       |                        |                        |                        |
| Real Property Taxes  | \$ 11,138,493                   | \$ 12,260,434         | \$ 7,767,236           | \$ 7,843,221           | \$ 8,853,096           |
| Sales and Use Taxes  | 16,045,193                      | 15,696,041            | 10,783,867             | 8,904,880              | 8,637,023              |
| Fees for Services  | 5,037,898                       | 5,708,500             | 5,596,015              | 6,037,028              | 6,221,637              |
| Interest and Use of Property   | 1,334,514                       | 1,137,542             | 1,148,134              | 1,362,205              | 1,390,267              |
| Licenses and Permits   | 644,324                         | 699,632               | 69,671                 | 62,862                 | 60,505                 |
| Fees and Fines   | 800,137                         | 886,269               | 972,127                | 947,823                | 990,635                |
| Payments in lieu of Taxes  | 0                               | 0                     | 0                      | 0                      | 0                      |
| Interest and Penalties on Taxes  | 0                               | 0                     | 0                      | 0                      | 0                      |
| Sale of Property   | 73,789                          | 156,861               | 108,642                | 288,817                | 2,822,441              |
| Miscellaneous  | 101,285                         | 384,174               | 350,599                | 326,022                | 187,563                |
| Interfund Revenues   | 0                               | 0                     | 963,397                | 2,521,553              | 2,786,973              |
| Intergovernmental Revenue  | 329,692                         | 790,476               | 1,772,512              | 146,540                | 137,892                |
| State and Federal Aid  | 750,499                         | 589,422               | 4,630,814              | 3,577,029              | 2,817,429              |
| <b>Total Revenues</b>  | <u>36,255,824</u>               | <u>38,309,351</u>     | <u>34,163,014</u>      | <u>32,017,980</u>      | <u>34,905,461</u>      |
| Expenditures:  |                                 |                       |                        |                        |                        |
| General Government Support   | 8,524,266                       | 9,004,092             | 8,869,381              | 9,444,848              | 9,380,917              |
| Public Safety  | 12,799,983                      | 13,027,316            | 11,839,624             | 12,839,737             | 13,071,312             |
| Health   | 3,379,057                       | 3,242,362             | 3,337,351              | 3,564,930              | 3,570,931              |
| Transportation   | 1,163,497                       | 1,152,283             | 542,299                | 600,735                | 551,510                |
| Economic Assistance & Opportunity  | 49,506                          | 59,934                | 57,701                 | 41,338                 | 46,745                 |
| Culture and Recreation   | 5,291,178                       | 5,301,059             | 5,401,795              | 5,656,978              | 5,352,516              |
| Home and Community Services  | 981,586                         | 982,357               | 0                      | 0                      | 12,553                 |
| Employee Benefits  | 8,185,555                       | 9,968,458             | 7,810,336              | 10,473,964             | 9,374,148              |
| Debt Service   | 3,884,417                       | 3,655,053             | 5,663,863              | 2,690,245              | 2,911,259              |
| Capital Outlay   | 10,182                          | 851,503               | 251,416                | 315,854                | 29,501                 |
| <b>Total Expenditures</b>  | <u>44,269,227</u>               | <u>47,244,417</u>     | <u>43,773,766</u>      | <u>45,628,629</u>      | <u>44,301,392</u>      |
| Excess (Deficiency) of Revenues over Expenditures                              | <u>(8,013,403)</u>              | <u>(8,935,066)</u>    | <u>(9,610,752)</u>     | <u>(13,610,649)</u>    | <u>(9,395,931)</u>     |
| Other Financing Sources (Uses):  |                                 |                       |                        |                        |                        |
| Operating Transfers In   | 2,093,000                       | 3,286,788             | 3,133,500              | 2,485,000              | 3,950,554              |
| Operating Transfers Out  | 0                               | 0                     | (1,098,156)            | 0                      | 0                      |
| Proceeds of Obligations  | 0                               | 0                     | 2,685,200              | 0                      | 0                      |
| Incurrence of Pension Related Debt   | 0                               | 1,537,998             | 0                      | 0                      | 0                      |
| <b>Total Other Financing Sources (Uses)</b>                                    | <u>2,093,000</u>                | <u>4,824,786</u>      | <u>4,720,544</u>       | <u>2,485,000</u>       | <u>3,950,554</u>       |
| Excess (Deficiency) of Revenues & Other Sources Over Expenditures & Other Uses | <u>(5,920,403)</u>              | <u>(4,110,280)</u>    | <u>(4,890,208)</u>     | <u>(11,125,649)</u>    | <u>(5,445,377)</u>     |
| Fund Equity Beginning of Year  | <u>2,317,607</u>                | <u>(3,602,796)</u>    | <u>(7,796,713)</u>     | <u>(12,836,921)</u>    | <u>(23,934,217)</u>    |
| Prior period Adjustment  | <u>0</u>                        | <u>0</u>              | <u>(150,000)</u>       | <u>28,353</u>          | <u>0</u>               |
| <b>Fund Equity End of Year</b>   | <u>\$ (3,602,796)</u>           | <u>\$ (7,713,076)</u> | <u>\$ (12,836,921)</u> | <u>\$ (23,934,217)</u> | <u>\$ (29,379,594)</u> |

(a) As of 2006, this schedule presents only Town-Wide General Fund; Part-Town General Fund is presented as part of Non-Major Governmental Funds.

Sources: Audited Financial Reports of the Town (2004-2008).

NOTE: This schedule is NOT audited.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY**

**HIGHWAY FUND  
FISCAL YEAR ENDING DECEMBER 31:**

|  | <u>2004</u>             | <u>2005</u>               | <u>2006</u>             | <u>2007</u>              | <u>2008</u>              |
|--|-------------------------|---------------------------|-------------------------|--------------------------|--------------------------|
| Revenues:  |                         |                           |                         |                          |                          |
| Sales and Use Taxes                                      | \$ 5,878,800            | \$ 6,575,200              | \$ 6,624,235            | \$ 7,876,063             | \$ 7,953,723             |
| Property Taxes   | 0                       | 0                         | 6,624,235               | 7,876,063                | 7,953,723                |
| Interest and Use of Property                             | 166,045                 | (49,455)                  | 31,350                  | 25,496                   | 25,970                   |
| Licenses and Permits                                     | 15,000                  | 60,854                    | 10,000                  | 10,000                   | 0                        |
| Fines and Forfeitures                                    | 0                       | 0                         | 0                       | 94,354                   | 0                        |
| Sale of Property   | 14,134                  | 53,506                    | 6,148                   | 37,527                   | 88,025                   |
| Miscellaneous  | 30,650                  | 37,784                    | 29,990                  | 276,840                  | 66,134                   |
| Intergovernmental Revenue                                | 0                       | 0                         | 0                       | 0                        | 0                        |
| State and Federal Aid                                    | <u>298,429</u>          | <u>310,188</u>            | <u>351,528</u>          | <u>958,915</u>           | <u>518,490</u>           |
| <br>Total Revenues                                       | <br><u>6,403,058</u>    | <br><u>6,988,077</u>      | <br><u>13,677,486</u>   | <br><u>17,155,258</u>    | <br><u>16,606,065</u>    |
| Expenditures:  |                         |                           |                         |                          |                          |
| General Government Support                               | 189,706                 | 71,776                    | 250,806                 | 169,358                  | 199,858                  |
| Transportation   | 5,920,879               | 5,928,929                 | 5,197,539               | 7,152,305                | 5,810,292                |
| Employee Benefits  | 1,007,010               | 1,174,888                 | 1,071,809               | 1,394,397                | 1,163,470                |
| Debt Service   | 500,910                 | 601,626                   | 701,266                 | 818,827                  | 1,118,136                |
| Capital Outlay   | <u>0</u>                | <u>340,334</u>            | <u>27,710</u>           | <u>3,451</u>             | <u>512,588</u>           |
| <br>Total Expenditures                                   | <br><u>7,618,505</u>    | <br><u>8,117,553</u>      | <br><u>7,249,130</u>    | <br><u>9,538,338</u>     | <br><u>8,804,344</u>     |
| <br>Excess (Deficiency) of<br>Revenues over Expenditures | <br><u>(1,215,447)</u>  | <br><u>(1,129,476)</u>    | <br><u>6,428,356</u>    | <br><u>7,616,920</u>     | <br><u>7,801,721</u>     |
| Other Financing Sources (Uses):                          |                         |                           |                         |                          |                          |
| Incurrence of Pension Related Debt                       | 0                       | 117,878                   | 0                       | 0                        | 0                        |
| Operating Transfers In                                   | 0                       | 303,012                   | 0                       | 0                        | 0                        |
| Operating Transfers Out                                  | 0                       | 0                         | 0                       | 0                        | 0                        |
| Total Other Financing Sources (Uses)                     | <u>0</u>                | <u>420,890</u>            | <u>0</u>                | <u>0</u>                 | <u>0</u>                 |
| <br>Fund Balance Beginning of Year                       | <br><u>560,076</u>      | <br><u>(655,371)</u>      | <br><u>(1,363,957)</u>  | <br><u>5,074,088</u>     | <br><u>12,636,558</u>    |
| Prior Period Adjustment to Fund Equity                   | <u>0</u>                | <u>0</u>                  | <u>9,689</u>            | <u>(54,450)</u>          | <u>0</u>                 |
| <br>Fund Equity End of Year                              | <br><u>\$ (655,371)</u> | <br><u>\$ (1,363,957)</u> | <br><u>\$ 5,074,088</u> | <br><u>\$ 12,636,558</u> | <br><u>\$ 20,438,279</u> |

Sources: Audited Financial Reports of the Town (2004-2008).

NOTE: This schedule is NOT audited.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY**

**NON MAJOR FUNDS\*  
FISCAL YEAR ENDING DECEMBER 31:**

|  | <u>2004</u>         | <u>2005</u>         | <u>2006</u>         | <u>2007</u>         | <u>2008</u>       |
|--|---------------------|---------------------|---------------------|---------------------|-------------------|
| Revenues:  |                     |                     |                     |                     |                   |
| Real Property Taxes                                  | \$ 1,110,524        | \$ 1,266,991        | \$ 4,184,270        | \$ 4,502,920        | \$ 4,855,070      |
| Sales and Use Taxes                                  | 899,504             | 824,000             | 3,459,317           | 4,311,043           | 5,143,988         |
| Departmental Income                                  |                     |                     |                     |                     | 206,116           |
| Interest and Use of Property                         | 5,906               | 10,454              | 24,759              | 25,657              | 24,130            |
| Fees and Fines                                       | 59,331              | 62,693              | 149,743             | 212,086             | 72,100            |
| Licenses and Permits                                 | 0                   | 0                   | 706,617             | 632,597             | 511,156           |
| Sale of Property                                     | 0                   | 0                   | 60,171              | 4,197               | 2,267             |
| Interfund Revenue                                    | 0                   | 0                   | 752                 | 0                   | 61,497            |
| Miscellaneous  | 66,324              | 57,765              | 69,712              | 80,005              | 77,240            |
| State and Federal Aid                                | 2,880,552           | 2,693,335           | 3,133,579           | 3,489,672           | 3,565,234         |
|  | <u>5,022,141</u>    | <u>4,915,238</u>    | <u>11,788,920</u>   | <u>13,258,177</u>   | <u>14,518,798</u> |
| Expenditures:  |                     |                     |                     |                     |                   |
| General Government Support                           | 34,048              | 27,201              | 230,402             | 286,675             | 254,454           |
| Public Safety  | 0                   | 0                   | 4,341,039           | 4,632,838           | 4,965,942         |
| Health   | 0                   | 0                   | 61,761              | 59,501              | 59,756            |
| Transportation                                       | 0                   | 0                   | 802,323             | 846,858             | 822,940           |
| Culture and Recreation                               | 1,811,479           | 1,903,231           | 1,933,486           | 1,981,955           | 1,957,457         |
| Home and Community Services                          | 23,813              | 21,969              | 1,400,746           | 1,576,338           | 4,781,359         |
| Employee Benefits                                    | 337,129             | 398,637             | 1,128,923           | 1,454,379           | 1,208,562         |
| Debt Service   | 111,540             | 381,835             | 173,091             | 173,546             | 167,124           |
| Capital Outlay                                       | 0                   | 21,993              | 4,040               | 17,146              | 0                 |
|  | <u>2,318,009</u>    | <u>2,754,866</u>    | <u>10,075,811</u>   | <u>11,029,236</u>   | <u>14,217,594</u> |
| Excess (Deficiency) of<br>Revenues over Expenditures | <u>2,704,132</u>    | <u>2,160,372</u>    | <u>1,713,109</u>    | <u>2,228,941</u>    | <u>301,204</u>    |
| Other Financing Sources (Uses):                      |                     |                     |                     |                     |                   |
| Proceeds of Obligations                              | 0                   | 212,500             | 0                   | 0                   | 0                 |
| Incurrence of Pension Related Debt                   | 0                   | 58,939              | 0                   | 0                   | 0                 |
| Interfund Transfers                                  | 0                   | 0                   | 1,098,156           | 0                   | 0                 |
| Total Other Financing Sources (Uses)                 | <u>0</u>            | <u>271,439</u>      | <u>1,098,156</u>    | <u>0</u>            | <u>0</u>          |
| Net Change in Fund Balances                          | <u>2,704,132</u>    | <u>2,431,811</u>    | <u>2,811,265</u>    | <u>2,228,941</u>    | <u>301,204</u>    |
| Fund Balance - Beginning of Year                     | Fund Equity End     | 2,704,132           | 5,135,943           | 21,561              | (275,558)         |
| Prior Period Adjustment                              | 0                   | 0                   | 73,948              | 459,172             | 9,699             |
| Fund Equity End of Year                              | \$ <u>2,704,132</u> | \$ <u>5,135,943</u> | \$ <u>8,021,156</u> | \$ <u>2,709,674</u> | \$ <u>35,345</u>  |

\*Non Major Funds consist of the following funds: Special Grant, Library, Drainage and Refuse & Garbage (SR); as of 2006, also includes Part-Town General Fund.

Sources: Audited Financial Reports of the Town (2004-2008).

NOTE: This schedule is NOT audited.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET ASSETS  
OF PROPRIETARY FUNDS**

**ENTERPRISE FUNDS\*  
FISCAL YEAR ENDING DECEMBER 31:**

|  | <u>2004</u>                  | <u>2005</u>             | <u>2006</u>             | <u>2007</u>             | <u>2008</u>             |
|--|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Operating Revenues:                              |                              |                         |                         |                         |                         |
| Charges for Services                             | \$ 19,886,026                | \$ 23,235,081           | \$ 26,709,279           | \$ 25,399,699           | \$ 20,551,993           |
| Miscellaneous Services                           | 70,461                       | 89,946                  | 307,829                 | 698,829                 | 189,178                 |
| Property Taxes                                   | 0                            | 112,164                 | 0                       | 0                       | 9,182,170               |
| Operating Grants and Revenues                    | <u>0</u>                     | <u>0</u>                | <u>0</u>                | <u>0</u>                | <u>0</u>                |
| <br>Total Operating Revenues                     | <br><u>19,956,487</u>        | <br><u>23,437,191</u>   | <br><u>27,017,108</u>   | <br><u>26,098,528</u>   | <br><u>29,923,341</u>   |
| Operating Expenditures:                          |                              |                         |                         |                         |                         |
| Personal Services                                | 5,370,167                    | 5,627,846               | 3,738,809               | 4,604,575               | 6,062,877               |
| Employee Benefits                                | 1,940,198                    | 2,706,827               | 1,950,575               | 2,607,854               | 2,268,797               |
| Other Post Employment Benefits                   |                              |                         |                         |                         | 1,319,573               |
| Supplies, Materials and Services                 | 7,700,771                    | 8,810,492               | 12,241,272              | 12,251,093              | 10,918,779              |
| Insurance  | 295,043                      | 324,412                 | 205,172                 | 231,220                 | 404,430                 |
| Depreciation                                     | 2,352,511                    | 2,672,286               | 2,601,750               | 3,050,464               | 3,385,389               |
| Closure and Post Closure Costs                   | <u>882,290</u>               | <u>774,822</u>          | <u>717,905</u>          | <u>1,129,821</u>        | <u>1,286,478</u>        |
| <br>Total Operating Expenditures                 | <br><u>18,540,980</u>        | <br><u>20,916,685</u>   | <br><u>21,455,483</u>   | <br><u>23,875,027</u>   | <br><u>25,646,323</u>   |
| <br>Income (Loss) From Operations                | <br><u>1,415,507</u>         | <br><u>2,520,506</u>    | <br><u>5,561,625</u>    | <br><u>2,223,501</u>    | <br><u>4,277,018</u>    |
| Non-Operating revenues (expenses)                |                              |                         |                         |                         |                         |
| Use of Property                                  | 198,016                      | 203,463                 | 0                       | 781,136                 | 342,795                 |
| Gain (Loss) on the Sale of Capital Assets        |                              |                         |                         |                         | 22,482                  |
| Federal and State Capital Grants                 | 0                            | 0                       | 0                       | 228,364                 | 2,748,558               |
| Sale of Property                                 | 29,210                       | 34,388                  | 93,643                  | 0                       | 0                       |
| Interest Income (Expense)                        | <u>(763,367)</u>             | <u>(1,321,693)</u>      | <u>(1,912,780)</u>      | <u>(1,226,075)</u>      | <u>(1,733,848)</u>      |
| <br>Total Non-Operating Expense                  | <br><u>(536,141)</u>         | <br><u>(1,083,842)</u>  | <br><u>(1,819,137)</u>  | <br><u>(216,575)</u>    | <br><u>1,379,987</u>    |
| Net Income Before Contributions                  | <u>879,366</u>               | <u>1,436,664</u>        | <u>3,742,488</u>        | <u>2,006,926</u>        | <u>5,657,005</u>        |
| Capital Contributions                            | 3,202,760                    | 431,968                 | 0                       | 0                       | 0                       |
| Transfer In                                      | 1,010,294                    | 0                       | 0                       | 0                       | 0                       |
| Transfer Out                                     | <u>(2,093,000)</u>           | <u>(2,898,000)</u>      | <u>(3,133,500)</u>      | <u>(2,485,000)</u>      | <u>(3,889,455)</u>      |
| Changes in Net Assets                            | <u>2,999,420</u>             | <u>(1,029,368)</u>      | <u>608,988</u>          | <u>(478,074)</u>        | <u>1,767,550</u>        |
| <br>Fund Net Assets - Beginning of Year          | <br><u>Fund Net Assets-1</u> | <br><u>2,999,420</u>    | <br><u>5,017,760</u>    | <br><u>8,213,874</u>    | <br><u>7,553,157</u>    |
| Prior Period Adjustments                         | <u>0</u>                     | <u>0</u>                | <u>2,587,126</u>        | <u>(182,643)</u>        | <u>591,458</u>          |
| Fund Net Assets - Beginning of Year, as restated | <u>0</u>                     | <u>2,999,420</u>        | <u>7,604,886</u>        | <u>8,031,231</u>        | <u>8,144,615</u>        |
| <br>Fund Net Assets-End of Year                  | <br><u>\$ 2,999,420</u>      | <br><u>\$ 1,970,052</u> | <br><u>\$ 8,213,874</u> | <br><u>\$ 7,553,157</u> | <br><u>\$ 9,912,165</u> |

\* Enterprise Funds consist of the following: Landfill, Pure Waters Department and Latham Water Department

Sources: Audited Financial Reports of the Town (2004-2008).

NOTE: This schedule is NOT audited.

## BUDGET SUMMARIES

Year Ended 12/31/09

|                               | <u>General Funds</u>        | <u>Special Revenue<sup>1</sup></u> | <u>Landfill</u>            |
|-------------------------------|-----------------------------|------------------------------------|----------------------------|
| <b>Revenues:</b>              |                             |                                    |                            |
| Real Property Taxes           | \$ 14,170,801               | \$ 4,369,784                       | \$ 0                       |
| Deficit Elimination Tax       | 5,658,000                   | 0                                  | 0                          |
| Payments In Lieu of Taxes     | 750,000                     | 5,000                              | 0                          |
| Interest & Penalties on Taxes | 218,000                     | 0                                  | 0                          |
| Sales Tax                     | 21,201,274                  | 964,351                            | 0                          |
| Emergency Medical Services    | 4,100,000                   | 0                                  | 0                          |
| Mortgage Tax                  | 2,840,000                   | 0                                  | 0                          |
| Other State Aid               | 689,966                     | 449,000                            | 50,000                     |
| Departmental Income           | 2,927,918                   | 15,762,238                         | 10,320,000                 |
| Use of Money & Property       | 1,286,500                   | 487,000                            | 57,000                     |
| Intergovernmental Charges     | 104,600                     | 0                                  | 0                          |
| Licenses & Permits            | 545,325                     | 5,000                              | 0                          |
| Fines & Forfeitures           | 1,000,000                   | 61,000                             | 0                          |
| Sale of Prop & Comp for Loss  | 1,090,000                   | 23,500                             | 0                          |
| Miscellaneous Local Sources   | 334,500                     | 176,620                            | 5,000                      |
| Interfund Revenues            | 2,780,000                   | 0                                  | 0                          |
| Community Development         | 31,000                      | 0                                  | 0                          |
| Landfill Equity Transfer      | 2,787,906                   | 0                                  | (2,787,906)                |
| Appropriated Fund Balance     | 0                           | 7,993,695                          | 0                          |
|                               | <u>62,515,790</u>           | <u>30,297,188</u>                  | <u>7,644,094</u>           |
| <b>Total</b>                  | <b>\$ <u>62,515,790</u></b> | <b>\$ <u>30,297,188</u></b>        | <b>\$ <u>7,644,094</u></b> |
| <b>Expenditures:</b>          |                             |                                    |                            |
| Salaries and Wages            | \$ 41,208,144               | \$ 8,939,973                       | \$ 1,604,986               |
| Equipment                     | 326,450                     | 109,250                            | 112,500                    |
| Capital Outlay                | 49,500                      | 265,000                            | 48,000                     |
| Contractual Expense           | 7,859,088                   | 10,858,961                         | 2,436,324                  |
| Employee Benefits             | 9,316,414                   | 3,721,249                          | 553,271                    |
| Debt Service Charges          | 3,285,517                   | 5,620,627                          | 2,719,280                  |
| Fund Charges                  | 0                           | 300,000                            | 0                          |
| Fund Transfers                | 0                           | 0                                  | 0                          |
| Government Reimbursements     | 75,000                      | 60,000                             | 0                          |
| Insurance                     | 395,677                     | 422,128                            | 169,733                    |
|                               | <u>62,515,790</u>           | <u>30,297,188</u>                  | <u>7,644,094</u>           |
| <b>Total</b>                  | <b>\$ <u>62,515,790</u></b> | <b>\$ <u>30,297,188</u></b>        | <b>\$ <u>7,644,094</u></b> |

1. Includes the following funds: Highway, Library, Sewer, Water Districts, Refuse and Garbage District, Drainage District and County Election Charges

Source: Adopted Budget of the Town for 2009

## BUDGET SUMMARIES

Year Ended 12/31/10

|                               | <u>General Funds</u> | <u>Special Revenue<sup>1</sup></u> | <u>Landfill</u>     |
|-------------------------------|----------------------|------------------------------------|---------------------|
| <b>Revenues:</b>              |                      |                                    |                     |
| Real Property Taxes           | \$ 14,730,032        | \$ 4,610,807                       | \$ 0                |
| Deficit Elimination Tax       | 0                    |                                    | 0                   |
| Payments In Lieu of Taxes     | 100,000              | 0                                  | 0                   |
| Interest & Penalties on Taxes | 228,000              | 0                                  | 0                   |
| Sales Tax                     | 20,185,491           | 935,000                            | 0                   |
| Emergency Medical Services    | 3,794,000            | 0                                  | 0                   |
| Mortgage Tax                  | 2,840,000            | 0                                  | 0                   |
| Other State Aid               | 753,500              | 474,000                            | 62,500              |
| Departmental Income           | 3,220,200            | 14,209,592                         | 10,641,542          |
| Use of Money & Property       | 1,227,000            | 492,000                            | 53,000              |
| Intergovernmental Charges     | 104,600              | 0                                  | 0                   |
| Licenses & Permits            | 469,000              | 5,000                              | 0                   |
| Fines & Forfeitures           | 1,000,000            | 60,000                             | 0                   |
| Sale of Prop & Comp for Loss  | 1,508,500            | 23,500                             | 0                   |
| Miscellaneous Local Sources   | 602,100              | 170,768                            | 0                   |
| Interfund Revenues            | 3,350,000            | 0                                  | 0                   |
| Community Development         | 31,000               | 0                                  | 0                   |
| Landfill Equity Transfer      | 2,788,000            | 0                                  | (2,788,000)         |
| Appropriated Fund Balance     | 0                    | 6,606,357                          | 0                   |
|                               | <u>\$ 56,931,423</u> | <u>\$ 27,587,024</u>               | <u>\$ 7,969,042</u> |
| <b>Expenditures:</b>          |                      |                                    |                     |
| Salaries and Wages            | \$ 28,531,507        | \$ 9,056,574                       | \$ 1,552,459        |
| Equipment                     | 482,516              | 89,350                             | 79,088              |
| Capital Outlay                | 41,500               | 399,800                            | 285,500             |
| Contractual Expense           | 7,565,827            | 8,341,294                          | 2,597,210           |
| Employee Benefits             | 10,011,200           | 3,471,300                          | 533,200             |
| Debt Service Charges          | 3,137,516            | 5,296,706                          | 2,751,585           |
| Fund Charges                  | 6,731,357            | 460,000                            | 0                   |
| Fund Transfers                | 0                    | 0                                  | 0                   |
| Government Reimbursements     | 75,000               | 0                                  | 0                   |
| Insurance                     | 355,000              | 472,000                            | 170,000             |
|                               | <u>\$ 56,931,423</u> | <u>\$ 27,587,024</u>               | <u>\$ 7,969,042</u> |

1. Includes the following funds: Highway, Library, Sewer, Water Districts, Refuse and Garbage District and Albany Street Drainage District.