

**BLIND BROOK-RYE UNION FREE SCHOOL DISTRICT**

**Westchester County, New York**

**(the “School District”)**

**2009 FINANCIAL INFORMATION  
FOR  
CONTINUING DISCLOSURE REQUIREMENT**

**As of June 30, 2009  
(Unless otherwise noted)**

New York Municipal Advisors Corporation (“NYMAC”) has assisted the School District in preparing and submitting this financial update. The information contained herein has been obtained and extracted from various public reports and documents. While NYMAC and the School District believe this information to be materially accurate and not misleading, no guarantee can be made as to the accuracy or sufficiency thereof.

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PREPARED WITH THE ASSISTANCE OF



**NYMAC**

NEW YORK MUNICIPAL ADVISORS CORPORATION

2 Roosevelt Ave - Suite 201

Syosset, New York 11791

(516) 364-6363 Fax (516) 364-9501

## THE DISTRICT

### General Information

The District, with a population of 5,732 people according to the 2000 US Census, is located wholly within the Village of Rye Brook in south-eastern Westchester County, approximately 25 miles from Mid-Town Manhattan. An upper middle-class community, nearly all residents of the District are executives or professionals. The District is comprised mainly of single-family homes, with some condominium development and light industry, consisting mainly of office complexes. The Westchester County Airport is partially located within the boundaries of the District.

Municipal services such as water, sewer, police and fire protection are provided to the residents of the District by the Village of Rye Brook (the "Village"). Gas service is provided by Con Edison of New York and electric service is provided by PASNY, while telephone access is provided by Verizon and Cablevision.

The residents of the District have an excellent transportation network at their disposal. The Hutchinson River Parkway bisects the District, which affords its residents high speed highway access to numerous nearby highways, including the Merritt Parkway in Connecticut and the Cross-Westchester Expressway (I-287) which ultimately connects with the New York State Thruway (I-87) to the west and the New England Thruway (I-95) to the east. Electrified Rail Service is available from the Metropolitan Transportation Authority (Metro-North Division) which operates stations in nearby Port Chester and Rye.

### Comparative Income and Housing Data

	<u>The Village</u>	<u>County</u>	<u>State</u>	<u>U.S.</u>
Per Capita Income	\$ 48,617	\$ 36,726	\$ 23,389	\$ 21,587
Median Family Income	111,287	79,881	51,691	50,046
Median Housing Value	433,300	325,800	148,700	119,600

Source: U.S. Department of Commerce, Bureau of the Census. Data based on 2000 Census.

### Larger Taxpayers (June 30, 2009)

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
KSB Arrowwood	Hotel and Conference Center	\$99,320,000
Reckson Operating Partners	Commercial Offices	97,475,900
Westchester County Airport	Airport	52,784,450
Stone Gate at Belle Fair LLC	Assisted Living Facility	27,000,000
Rye King Associates, LLC	Commercial Offices	22,000,000
Blind Brook Club, Inc.	County Club	21,700,000
Con Edison	Public Utility	15,767,193
Iroquois Gas Trans System	Gas Company	11,976,213
King Street Home, Inc.	Nursing Home	6,750,000
KFLLC	Vacant Land	6,473,000

## Unemployment Rate Statistics

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

	<u>Year Average</u>				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Westchester County	4.5%	4.0%	3.9%	3.8%	4.8%
New York State	5.8%	5.0%	4.6%	4.5%	5.4%

  

	<u>2009 Monthly Figures</u>					
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Westchester County	6.8%	7.5%	7.1%	6.5%	7.0%	7.5%
New York State	7.6%	8.4%	8.1%	7.5%	7.9%	8.6%

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

## District Organization

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or adopt local laws.

The legislative power of the District is vested in the Board of Education. Under current law, an election is held within the District boundaries on the third Tuesday of May each year (May 19, 2009) to elect members of the Board of Education. They are generally elected for staggered terms of three years.

In early July of each year, the Board of Education meets for the purpose of reorganization. At that time the Board elects a President and Vice President, and appoints a District Clerk and District Treasurer.

## Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools and the Assistant Superintendent, Finance & Facilities.

## District Facilities

<u>Name</u>	<u>Grades</u>	<u>Year Built</u>	<u>Capacity</u>
Ridge Street School	K-5	1946	800
Blind Brook Middle School	6-8	2002	400
Blind Brook High School	9-12	1973	500

## Enrollment History and Projections

<u>School Year</u>	<u>Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2004-2005	1,425	2009-2010	1,568
2005-2006	1,475	2010-2011	1,575
2006-2007	1,490		
2007-2008	1,535		
2008-2009	1,548		

**DISTRICT INDEBTEDNESS**

**Computation of Debt Limit and Debt Contracting Margin**

**As of July 24, 2009**

Full valuation of taxable real property .....	<u>\$2,339,176,717</u>
Debt limit (10% of full valuation) .....	233,917,671
 Outstanding Indebtedness <sup>a</sup> (Principal only):	
Bonds .....	\$26,725,000
Bond Anticipation Notes .....	<u>300,000</u>
Total Indebtedness .....	\$27,025,000
 Total Net Indebtedness <sup>b</sup> .....	 <u>\$27,025,000</u>
 Debt Contracting Margin .....	 <u>\$206,892,671</u>
 Percentage of Debt Contracting Power Exhausted .....	 11.55%

<sup>a</sup>Tax Anticipation and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District.

<sup>b</sup>Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing debt. Because the District has not applied for an Exclusion Certificate, no exclusions are listed in the Debt Statement Summary. Under current law, State Building aid, is however, estimated by the District to be 30% of eligible building purpose bonded debt service.

**Debt Ratios**

The following table sets forth certain ratios relating to the District's indebtedness.

**Debt Ratios**

**As of July 24, 2009**

	<u>Amount</u>	<u>Per Capita<sup>a</sup></u>	<u>Percentage of Full Value<sup>b</sup></u>
Gross Indebtedness (see Computation of Debt Limit) .....	\$27,025,000	\$4,714.75	1.16%

<sup>a</sup> According to the 2000 Census the District has a population of the 5,732.

<sup>b</sup> The District's full value of taxable real estate for 2008-2009 is \$2,339,176,717.

**Long-Term Debt Service Schedule**

The following table sets forth all principal and interest payments presently required on all outstanding long-term bond indebtedness of the District.

**Schedule of Principal and Interest on Long-Term Bond Indebtedness**

Fiscal Year Ending June 30th	Principal	Interest	Total Principal & Interest
2010	\$1,535,000	\$1,188,981	\$2,723,981
2011	1,565,000	1,120,918	2,685,918
2012	1,595,000	1,051,581	2,646,581
2013	1,625,000	980,969	2,605,969
2014	1,655,000	909,081	2,564,081
2015	1,690,000	834,719	2,524,719
2016	1,725,000	757,775	2,482,775
2017	1,790,000	678,800	2,468,800
2018	1,825,000	595,231	2,420,231
2019	1,865,000	510,069	2,375,069
2020	1,910,000	423,100	2,333,100
2021	1,955,000	334,219	2,289,219
2022	1,100,000	243,425	1,343,425
2023	1,145,000	194,287	1,339,287
2024	1,195,000	141,638	1,336,638
2025	1,250,000	86,625	1,336,625
2026	1,300,000	29,250	1,329,250
Totals	\$26,725,000	\$10,080,668	\$36,805,668

**Outstanding Long-Term Bond Indebtedness**

The following table sets forth the total long-term bond indebtedness outstanding at the end of the fiscal years 2004-2005 through 2008-2009.

**Outstanding Long-Term Bond Indebtedness**

**As of June 30:**

<u>Year</u>	<u>Total Bonded Debt</u>
2005.....	\$14,650,000
2006.....	30,935,000
2007.....	29,885,000
2008.....	28,230,000
2009.....	26,725,000

**Details of Outstanding Indebtedness**

The following table sets forth the indebtedness of the School District as of July 24, 2009.

	<u>Maturity</u>	<u>Amount</u>
Bonds	2009-2025	\$26,725,000
Bond Anticipation Notes	July 23, 2010	<u>300,000</u>
Total Debt Outstanding		\$27,025,000

**Capital Project Plans**

At June 30, 2009, the District had \$467,871 in obligations authorized but unissued for the replacement of roofs at the Ponterio Ridge Street School. The District issued \$300,000 against this authorization on July 23, 2009.

**Revenue and Tax Anticipation Notes**

The District has not found it necessary to borrow in anticipation of revenues or taxes since the 2003-2004 fiscal year.

**Estimated Overlapping Indebtedness**

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

<u>Unit</u>	<u>Gross Outstanding Indebtedness</u>	<u>Exclusions<sup>1</sup></u>	<u>Net Outstanding Indebtedness</u>	<u>% Within School District</u>	<u>Applicable Net Indebtedness</u>
County of Westchester	\$924,158,182	\$335,017,096	\$589,141,086	1.25%	\$7,364,263
Town of Rye	680,000	0	680,000	30.11%	204,748
Village of Rye Brook	6,477,000	6,477,000	0	72.8%	<u>0</u>
Total					<u>\$7,569,011</u>

<sup>1</sup>Pursuant to applicable constitutional and statutory provisions this indebtedness is deductible from gross indebtedness for debt limit purposes.

Source: New York State Comptroller’s Special Report on Municipal Affairs for local fiscal year ending in 2007.

**FINANCIAL FACTORS**

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. (A statement of such revenues and expenditures for the five year period ending June 30, 2009 is contained in the Appendix A). The District also has the following funds: Trust and Agency, Special Aid, Special Revenue, School Lunch, Capital Projects and Fiduciary. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

**Real Property Tax**

The following table sets forth the assessed and full valuation of taxable real property, the District's real property tax levy, rates of tax per \$1,000 assessed valuation and uncollected taxes for recent years.

## TAX INFORMATION

### Valuations, Tax Levy, Rates and Uncollected Taxes

Year Ending June 30:	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assessed Valuation	\$39,941,861	\$2,069,435,218 <sup>1</sup>	\$2,076,515,480 <sup>1</sup>	\$2,210,037,099 <sup>1</sup>	\$2,339,176,717 <sup>1</sup>
New York State Equalization Rate	2.37%	100%	100%	100%	100%
Full Valuation	\$1,685,310,590	\$2,069,435,218	\$2,076,515,480	\$2,210,037,099	\$2,339,176,717
Total Tax Levy	\$24,861,939	\$26,440,229	\$28,561,860	\$27,099,375	\$29,228,777
Tax Rate Per \$1,000 A.V.	\$622.45				
Homestead		\$11.93	\$12.85	\$12.71	\$12.75
Non-Homestead		18.03	19.41	19.01	19.46
Uncollected Taxes End of Fiscal Year <sup>2</sup>	None	None	None	None	None

<sup>1</sup>The Town of Rye has recently undergone a major reassessment program. The increase in the assessed value of the District for fiscal years ending 2006 through 2009 is a result of the Town's new assessment procedures, and has a corresponding impact on the calculation of tax rates. The Town also adopted a Homestead/Non-Homestead tax system in fiscal year ending 2006.

<sup>2</sup>See "Tax Collection Procedure."

### Tax Collection Procedure

District taxes are collected by the Receiver of Taxes of the Town of Rye. School taxes are paid in two installments. The first installment is due and payable without penalty during the month of September, subject to a 2% penalty if paid during October, 5% penalty if paid in November, 7% penalty if paid during December or January, 10% penalty if paid during February or March, and 12% penalty thereafter to the date of sale of tax liens for unpaid taxes. The second half installment is due in January without penalty. Penalties for the January payment are 10% if paid in February and March, and 12% thereafter to date of sale of tax liens. All tax monies due to the District, whether collected or not, are required to be paid in full by the Town to the District by March 31<sup>st</sup> of each year, thereby assuring the District 100% collection of its tax levy annually.

### STAR - School Tax Exemption

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

Approximately 9.5% of the District's estimated 2008-2009 school tax levy was exempted by the STAR program. The District received full reimbursement of such exempt taxes from the State during the District's 2008-2009 fiscal year.

### Tax Limit

The Constitution does not limit the amount that may be raised by the District-wide tax levy on real estate in any fiscal year.

## **State Aid**

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its 2008-2009 General Fund the District received approximately 6.6% of its operating revenues in the form of State aid.

In addition to the amount of State Aid budgeted by the District in its 2008-2009 fiscal year, the State made payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR (see "STAR-School Tax Exemption") Program in the 2008-2009 fiscal year.

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

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies and not by a cut in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

## **Recent Events Affecting State Aid to New York School Districts**

On November 12, 2008, in response to the ongoing and worsening national fiscal crisis and its affect on the State, Governor David Paterson unveiled a plan to cut approximately \$2 billion of expenses in the State Budget for the State fiscal year ending March 31, 2009. The proposed cuts would have included an \$836 million reduction in State aid to school districts in the State. Under the Governor's plan, a significant amount of State aid would have been cut from the District's anticipated State aid allotment during its 2008-2009 fiscal year.

On November 18, 2008, the New York State Legislature convened an emergency session to consider the Governor's plan; however, the Legislature concluded such emergency session without taking any action on the Governor's plan. Subsequently, Governor David Paterson stated publicly that the proposed reductions in State aid would not occur during the District's 2008-2009 fiscal year.

On December 16, 2008, Governor David Paterson unveiled his 2009-2010 proposed budget, which included significant reductions in State aid to school districts. On April 2, 2009, the State Legislature adopted the State's budget for the 2009-2010 fiscal year, which maintains State aid funding to school districts at the 2008-2009 levels. The reductions in State aid as originally proposed by Governor Paterson were restored with monies allotted to New York State for the mitigation of State aid reductions to school districts as part of American Reinvestment and Recovery Act of 2009 (the "Federal Stimulus Act").

The District cannot predict at this time whether there will be any reductions in State aid in the current year or in future fiscal years or whether there will be additional Federal Stimulus Act monies made available for State aid in future years. In the event that there is a reduction in the District's anticipated State aid allotment during its 2009-2010 fiscal year and beyond, the District could mitigate the impact of any reductions by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing.

## **Other Revenues**

In addition to property taxes and State Aid, the District receives other revenues from miscellaneous sources as shown in Appendix A.

## **BUDGETARY PROCEDURES**

The District's fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District's financial plan and enrollment projection are reviewed and updated and the first draft of the next year's proposed budget is developed by the central office staff. During the winter and early spring the budget is developed and refined in conjunction with school building principals and department supervisors. Under current law, the budget is submitted to voter referendum on the third Tuesday of May each year.

## **FINANCIAL STATEMENTS AND ACCOUNTING PROCEDURES**

The financial accounts of the District are maintained in accordance with the New York State Uniform System of Accounting for School Districts. Such accounts are audited annually by independent auditors, and are available for public inspection upon request.

## **INVESTMENT POLICY**

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the "GML"), the District is generally permitted to deposit moneys in banks or trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) 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; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the District; (5) certificates of participation issued in connection with installment purchase contracts entered into by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, in obligations of the District.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner 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 instruments or investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in the custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

The Board of Education of the District has adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the District are made in accordance with such policy.

## **GENERAL FUND OPERATIONS**

Appendix A sets forth the General Fund operations for the last five fiscal years which are derived from Audited Financial Statements on file in the Superintendent's office.

## EMPLOYEES

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are as follows:

<u>No. of Employees</u>	<u>Union</u>	<u>Contract Expiration Date</u>
135	Blind Brook - Rye Federation of Teachers	June 30, 2011
68	Blind Brook - Rye Employees Local 4060	June 30, 2009 <sup>1</sup>
11	Association of Blind Brook - Rye Administrators	June 30, 2012
2	Blind Brook Managers Association	New Contract <sup>1</sup>

<sup>1</sup>Contract in negotiation.

## EMPLOYEE PENSION BENEFITS

Professional employees (teachers and administrators) are members of the New York State Teachers Retirement System ("TRS"). Payments to the TRS are generally deducted from State aid payments. All non-professional employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York State and Local Employee's Retirement System ("ERS"). Both the TRS and ERS are non-contributory with respect to members hired prior to July 1, 1976. All members of the respective systems hired on or after July 1, 1976 with less than 10 year's full-time service contribute 3% of their gross annual salary toward the cost of retirement programs.

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 District. Under the previous method, the District 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 District will be able to more accurately include the cost of the contribution into its budget. Chapter 49 requires the District 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, 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 moved the annual payment date for contributions from December 15th to February 1st, effective December 15, 2004. During its 2004 Session the New York State Legislature enacted further pension relief in the form of Chapter 260 of the Laws of 2004 ("Chapter 260"). Among other things, Chapter 260 changed the pension payment date for all local governments from December 15 to February 1 and permitted the legislative body of a municipality or school district to establish a retirement contribution reserve fund for the purpose of financing retirement contributions in the future.

Due to significant capital market declines in the recent past, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, New York State Comptroller Thomas DiNapoli has announced that the employer contribution rate for the State's Retirement System in 2011 year and subsequent years will be higher than the minimum contribution rate established by Chapter 49. At this time the District is unable to predict the amount of any such increase. To mitigate the expected increases in the employer contribution rate, Comptroller DiNapoli has proposed legislation that would permit local governments and schools districts to issue bonds to fund the required increased contribution.

## OTHER POST EMPLOYMENT BENEFITS

It should also be noted that the District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. A recently enacted accounting rule, GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), requires, governmental entities, such as the District, to account for post-retirement healthcare benefits with respect to vested pension benefits. Although GASB 45 encourages earlier adoption, implementation is required by the following dates, based on the size of government measured by annual revenue:

**Annual Revenue:**

Greater than \$100 million  
Between \$10 million and \$100 million  
Less than \$10 million

**Effective for Fiscal Year Beginning After:**

December 15, 2006  
December 15, 2007  
December 15, 2008

Since the implementation of Chapter 729 of the Laws of 1994, 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. This protection from unilateral reduction of benefits has been extended annually and continued through May 15, 2010 pursuant to Chapter 30 of the Laws of 2009. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. 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 benefits other than pension benefits. OPEB consists 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 in the same manner as they already account for pension liabilities. It requires them to adopt the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

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

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC. The District hired an actuarial firm for the actuarial valuation which calculated an ARC of \$2,770,000 and an unfunded actuarial accrued liability of \$30,956,400. The District is in compliance with the requirements of GASB 45.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are less than 200 members.

**MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND SCHOOL DISTRICTS OF THE STATE**

The financial condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or at any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the district to arrange for additional borrowing and the market for and market value of the outstanding debt obligations, including the Notes, could be adversely affected.

The District is dependent in part on financial assistance from the State in the form of State Aid. In some recent years, the District’s receipt of State aid was delayed as a result of the State’s delay in adopting its budget and appropriating State aid to municipalities and school districts. No delay in payment of State aid for the District’s current fiscal year is presently anticipated although no assurance can be given that there will not be a delay in payment thereof.

Should the District fail to receive monies expected from the State in the amounts and at the times expected, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

## **LITIGATION**

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. In the opinion of the Attorney for the District, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

There are currently pending certiorari proceedings, the results of which may require the payment of future tax refunds by the School District if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

## **ADDITIONAL INFORMATION**

Additional information may be obtained upon request from New York Municipal Advisors Corporation 516-364-6363 or from the District's Assistant Superintendent for Business and Operations 914-937-3600 x3025.

**Blind Brook - Rye Union Free School District  
Revenues, Expenditures and Fund Balance  
General Fund**

**APPENDIX A**

Year Ended June 30:	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>REVENUES</b>					
Real Property Taxes	\$21,974,864	\$23,623,281	\$25,645,188	\$27,099,376	\$29,228,777
Other Tax Items	3,481,484	3,508,404	3,681,275	3,679,620	3,552,434
Non Property Taxes	251,095	250,000	308,182	288,303	264,793
Charges for Services	306,754	398,912	423,185	359,406	352,212
Use of Money and Property	143,347	296,182	417,854	374,530	250,381
Sale of Property and Compensation for Loss	1,391	1,526	3,972	3,292	3,302
Miscellaneous	169,408	140,755	111,308	144,447	204,946
State Sources	<u>1,948,575</u>	<u>1,954,787</u>	<u>2,210,812</u>	<u>2,409,422</u>	<u>2,650,844</u>
<b>Total Revenues</b>	<u>28,276,918</u>	<u>30,173,847</u>	<u>32,801,776</u>	<u>34,358,396</u>	<u>36,507,689</u>
<b>EXPENDITURES</b>					
General Support	3,447,114	3,163,878	3,653,973	3,745,668	4,027,563
Instruction	16,782,460	17,705,869	18,888,100	20,354,239	21,886,399
Pupil Transportation	681,886	748,623	829,227	868,737	1,095,122
Community Services	0	0	5,175	3,144	1,600
Employee Benefits	4,825,537	5,472,188	6,067,585	6,288,717	6,412,505
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,180,797</u>	<u>2,977,456</u>
<b>Total Expenditures</b>	<u>25,736,997</u>	<u>27,090,558</u>	<u>29,444,060</u>	<u>34,441,302</u>	<u>36,400,645</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,539,921</u>	<u>3,083,289</u>	<u>3,357,716</u>	<u>(82,906)</u>	<u>107,044</u>
Other Financing Sources (Uses):					
Operating Transfers In	516,521	0	0	300,000	0
Operating Transfers Out	<u>(2,517,379)</u>	<u>(2,719,241)</u>	<u>(3,103,131)</u>	<u>(300,323)</u>	<u>(18,104)</u>
<b>Total Other Financing Sources</b>	<u>(2,000,858)</u>	<u>(2,719,241)</u>	<u>(3,103,131)</u>	<u>(323)</u>	<u>(18,104)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	539,063	364,048	254,585	(83,229)	88,940
Fund Balances (Deficits) - Beginning of Year	2,940,624	3,114,664	3,478,712	3,733,297	3,650,068
Accounting Change Adjustment	<u>(365,023)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances - End of Year</b>	<u><u>\$3,114,664</u></u>	<u><u>\$3,478,712</u></u>	<u><u>\$3,733,297</u></u>	<u><u>\$3,650,068</u></u>	<u><u>\$3,739,008</u></u>

Source: Annual audited financial statements of the Blind Brook - Rye Union Free School District.  
Summary itself not audited.

**Blind Brook - Rye Union Free School District  
Balance Sheets  
General Fund**

**APPENDIX A-1**

As of June 30:	<u>2008</u>	<u>2009</u>
<b><u>ASSETS</u></b>		
Cash and Equivalents	\$ 4,439,434	\$ 1,231,711
Investments	601,322	3,675,203
Receivables:		
Accounts	21,012	52,869
State and Federal Aid	168,786	169,847
Due from Other Governments	72,251	61,567
Due from Other Funds	549,047	356,433
Prepaid Expenditures	<u>255,975</u>	<u>253,556</u>
<b>TOTAL ASSETS</b>	<b><u><u>6,107,827</u></u></b>	<b><u><u>5,801,186</u></u></b>
<b><u>LIABILITIES</u></b>		
Accounts Payable	487,640	409,203
Accrued Liabilities	45,783	18,375
Due to Other Funds	301,591	28,675
Due to Retirement Systems	<u>1,622,745</u>	<u>1,605,925</u>
<b>TOTAL LIABILITIES</b>	<b><u><u>2,457,759</u></u></b>	<b><u><u>2,062,178</u></u></b>
<b><u>FUND EQUITY</u></b>		
Fund Balance:		
Reserved for Encumbrances	182,736	170,742
Reserved for Prepaid Expenditures	255,975	253,556
Reserved for Tax Certiorari	269,575	174,463
Reserved for Employee Benefit Accrued Liability	238,668	241,055
Reserved for Retirement Contributions	0	200,000
Unreserved:		
Designated for Subsequent Year's Expenditures	1,250,000	1,150,000
Undesignated	<u>1,453,114</u>	<u>1,549,192</u>
<b>TOTAL FUND EQUITY</b>	<b><u><u>3,650,068</u></u></b>	<b><u><u>3,739,008</u></u></b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b><u><u>\$6,107,827</u></u></b>	<b><u><u>\$5,801,186</u></u></b>

Source: Annual audited financial statements of the Blind Brook - Rye Union Free School District.  
Summary itself not audited.