MUNICIPAL FINANCE
NEW ISSUE

OFFICIAL STATEMENT

SERIAL BONDS
MOODYS = Aa2
AGC INSURED

In the opinion of Hiscock & Barclay, LLP, Albany, New York, Bond Counsel, under existing law, (1) interest on the Bonds is excluded from the 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, except that the School District, by failing to comply with certain restrictions contained in the Internal Revenue Code of 1986, as amended (the "Code"), may cause interest on the Bonds to become subject to Federal income taxation from the date of issuance thereof and (2) interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). (See the caption "Tax Matters" herein.)

The Bonds will be designated or deemed designated by the School District as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.

$4,900,000
CHATHAM CENTRAL SCHOOL DISTRICT
COLUMBIA COUNTY, NEW YORK

General Obligation Bonds
$4,900,000 School District (Serial) Bonds, 2009

Dated: September 24, 2009 **Due: June 15, 2011-2025**

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, ("DTC") which will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry only form, in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. The Bonds bear interest from September 24, 2009, with interest thereon payable on June 15, 2010 and semi-annually thereafter on December 15 and June 15. Principal and interest will be paid by the School District to the Securities Depository, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Bonds as described herein. The Record Date for the Bonds shall be the last business day of the calendar month preceding each payment date. Such Bonds mature on June 15 each year, as set forth below.

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

MATURITIES

YEAR	AMOUNT	RATE	YIELD	YEAR	AMOUNT	RATE	YIELD	YEAR	AMOUNT	RATE	YIELD
2011	$260,000	2.750%	0.90%	2016	$300,000	3.000%	2.30%	2021	$360,000	3.300%	3.30%
2012	270,000	2.750%	1.25%	2017	310,000	3.000%	2.60%	2022	370,000	3.500%	3.50%
2013	275,000	2.750%	1.50%	2018	320,000	3.000%	2.80%	2023	380,000	3.650%	3.70%
2014	280,000	2.750%	1.80%	2019	335,000	3.000%	3.00%	2024	395,000	3.750%	3.80%
2015	290,000	3.000%	2.05%	2020	345,000	3.150%	3.15%	2025	410,000	3.750%	3.90%

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a financial guaranty insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY CORP ("Assured Guaranty").

ASSURED GUARANTY®

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

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

The Bonds are offered when, as and if issued and received by the purchasers and subject to the receipt of an unqualified legal opinion as to the validity of the Bonds of Hiscock & Barclay, LLP, Albany, New York, Bond Counsel. It is anticipated that the Bonds will be available for delivery in escrow to DTC one day in advance of the date of delivery of the Bonds. The closing will be in Albany, New York on or about September 24, 2009 at approximately 11:00 a.m. Prevailing Time.

September 10, 2009

THIS REVISED COVER PAGE SUPPLEMENTS THE OFFICIAL STATEMENT OF THE SCHOOL DISTRICT DATED AUGUST 27, 2009 RELATING TO THE OBLIGATIONS DESCRIBED THEREIN AND HEREIN BY INCLUDING CERTAIN INFORMATION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15c-2-12. OTHER THAN SET FORTH ON THIS REVISED COVER PAGE AND THE INCLUSION OF THE "RATING" AND "BOND INSURANCE" SECTIONS AND EXHIBIT A SPECIMEN "FINANCIAL GUARANTY INSURANCE POLICY" AND THE REVISED "TAX MATTERS" SECTION, WHICH SECTIONS APPEAR ON THE FOLLOWING PAGES, THERE HAVE BEEN NO REVISIONS TO SAID OFFICIAL STATEMENT.

FTN FINANCIAL CAPITAL MARKETS

RATING

Moody's Investors Service, Inc. ("Moody's") is expected to assign a rating of "Aa2" (on review for possible downgrade) to the bonds, with the understanding that, upon delivery of the bonds, a financial guaranty insurance policy will be issued by Assured Guaranty. Such rating reflects only the view of such organization and an explanation of the significance of such rating may be obtained from such rating agency as follows: Moody's Investors Service Inc., Public Finance Department, 99 Church Street, New York, New York 10007, (212) 553-0300. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency that issued it, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an effect on the market price of the Bonds.

BOND INSURANCE

THE INSURANCE POLICY

Concurrently with the issuance of the Bonds, Assured Guaranty Corp. ("Assured Guaranty" or the "Insurer") will issue its financial guaranty insurance policy (the "Policy") for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

THE INSURER

Assured Guaranty is a Maryland-domiciled insurance company regulated by the Maryland Insurance Administration and licensed to conduct financial guaranty insurance business in all fifty states of the United States, the District of Columbia and Puerto Rico. Assured Guaranty commenced operations in 1988. Assured Guaranty is a wholly owned, indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, structured finance and mortgage markets. Neither AGL nor any of its shareholders is obligated to pay any debts of Assured Guaranty or any claims under any insurance policy issued by Assured Guaranty.

Assured Guaranty's financial strength is rated "AAA" (negative outlook) by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"), "Aa2" (on review for possible downgrade) by Moody's Investors Service, Inc. ("Moody's") and "AA" (ratings watch negative) by Fitch, Inc. ("Fitch"). Each rating of Assured Guaranty should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of any security guaranteed by Assured Guaranty. Assured Guaranty does not guaranty the market price of the securities it guarantees, nor does it guaranty that the ratings on such securities will not be revised or withdrawn.

Recent Developments

Ratings

On July 1, 2009, S&P published a Research Update in which it affirmed its "AAA" counterparty credit and financial strength ratings on Assured Guaranty. At the same time, S&P revised its outlook on Assured Guaranty to negative from stable. Reference is made to the Research Update, a copy of which is available at www.standardandpoors.com, for the complete text of S&P's comments.

On May 20, 2009, Moody's issued a press release stating that it had placed the "Aa2" insurance financial strength rating of Assured Guaranty on review for possible downgrade. Subsequently, in an announcement dated July 24, 2009 entitled "Moody's Comments on Assured's Announcement to Guarantee and Delist FSA Debt", Moody's announced that it expects to conclude its review by mid-August 2009. Reference is made to the press release and the announcement, copies of which are available at www.moodys.com, for the complete text of Moody's comments.

In a press release dated August 10, 2009, Fitch revised its outlook on Assured Guaranty to negative from evolving. Reference is made to the press release, a copy of which is available at www.fitchratings.com, for the complete text of Fitch's comments.

There can be no assurance as to the outcome of Moody's review, or as to the further action that Fitch or S&P may take with respect to Assured Guaranty.

For more information regarding Assured Guaranty's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2008, which was filed by AGL with the Securities and Exchange Commission ("SEC") on February 26, 2009, AGL's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009, which was filed by AGL with the SEC on May 11, 2009, and AGL's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009, which was filed by AGL with the SEC on August 10, 2009.

Acquisition of FSA

On July 1, 2009, AGL acquired the financial guaranty operations of Financial Security Assurance Holdings Ltd. ("FSA"), the parent of financial guaranty insurance company Financial Security Assurance Inc. For more information regarding the acquisition by AGL of FSA, see Item 1.01 of the Current Report on Form 8-K filed by AGL with the SEC on July 8, 2009.

Capitalization of Assured Guaranty Corp.

As of June 30, 2009, Assured Guaranty had total admitted assets of $1,950,949,811 (unaudited), total liabilities of $1,653,306,246 (unaudited), total surplus of $297,643,565 (unaudited) and total statutory capital (surplus plus contingency reserves) of $1,084,906,800 (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

Incorporation of Certain Documents by Reference

The portions of the following documents relating to Assured Guaranty are hereby incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- the Annual Report on Form 10-K of AGL for the fiscal year ended December 31, 2008 (which was filed by AGL with the SEC on February 26, 2009);
- the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009 (which was filed by AGL with the SEC on May 11, 2009);
- the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009 (which was filed by AGL with the SEC on August 10, 2009); and
- the Current Reports on Form 8-K filed by AGL with the SEC relating to the periods following the fiscal year ended December 31, 2008.

All consolidated financial statements of Assured Guaranty and all other information relating to Assured Guaranty included in documents filed by AGL with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, subsequent to the date of this Official Statement and prior to the termination of the offering of the Bonds shall be deemed to be incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such consolidated financial statements.

Any statement contained in a document incorporated herein by reference or contained herein under the heading "BOND INSURANCE-The Insurer" shall be modified or superseded for purposes of this Official Statement to the extent that a statement contained herein or in any subsequently filed document which is incorporated by reference herein also modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement.

Copies of the consolidated financial statements of Assured Guaranty incorporated by reference herein and of the statutory financial statements filed by Assured Guaranty with the Maryland Insurance Administration are available upon request by contacting Assured Guaranty at 1325 Avenue of the Americas, New York, New York 10019 or by calling Assured Guaranty at (212) 974-0100. In addition, the information regarding Assured Guaranty that is incorporated by reference in this Official Statement that has been filed by AGL with the SEC is available to the public over the Internet at the SEC's web site at *http://www.sec.gov* and at AGL's web site at *http://www.assuredguaranty.com*, from the SEC's Public Reference Room at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at the office of the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

Assured Guaranty makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, Assured Guaranty has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding Assured Guaranty supplied by Assured Guaranty and presented under the heading "BOND INSURANCE".

ASSURED GUARANTY®
ENDURING FINANCIAL STRENGTH

Financial Guaranty Insurance Policy

Issuer: Policy No.:

Obligations: Premium:

Effective Date:

Assured Guaranty Corp., a Maryland corporation ("Assured Guaranty"), in consideration of the payment of the Premium and on the terms and subject to the conditions of this Policy (which includes each endorsement hereto), hereby unconditionally and irrevocably agrees to pay to the trustee (the "Trustee") or the paying agent (the "Paying Agent") for the Obligations (as set forth in the documentation providing for the issuance of and securing the Obligations) for the benefit of the Holders, that portion of the Insured Payments which shall become Due for Payment but shall be unpaid by reason of Nonpayment.

Assured Guaranty will make such Insured Payments to the Trustee or the Paying Agent on the later to occur of (i) the date applicable principal or interest becomes Due for Payment, or (ii) the Business Day next following the day on which Assured Guaranty shall have Received a completed Notice of Nonpayment. If a Notice of Nonpayment by Assured Guaranty is incomplete or does not in any instance conform to the terms and conditions of this Policy, it shall be deemed not Received, and Assured Guaranty shall promptly give notice to the Trustee or the Paying Agent. Upon receipt of such notice, the Trustee or the Paying Agent may submit an amended Notice of Nonpayment. The Trustee or the Paying Agent will disburse the Insured Payments to the Holders only upon receipt by the Trustee or the Paying Agent, in form reasonably satisfactory to it of (i) evidence of the Holder's right to receive such payments, and (ii) evidence, including without limitation any appropriate instruments of assignment, that all of the Holder's rights to payment of such principal or interest Due for Payment shall thereupon vest in Assured Guaranty. Upon and to the extent of such disbursement, Assured Guaranty shall become the Holder of the Obligations, any appurtenant coupon thereto and right to receipt of payment of principal thereof or interest thereon, and shall be fully subrogated to all of the Holder's right, title and interest thereunder, including without limitation the right to receive payments in respect of the Obligations. Payment by Assured Guaranty to the Trustee or the Paying Agent for the benefit of the Holders shall discharge the obligation of Assured Guaranty under this Policy to the extent of such payment.

This Policy is non-cancelable by Assured Guaranty for any reason. The Premium on this Policy is not refundable for any reason. This Policy does not insure against loss of any prepayment premium or other acceleration payment which at any time may become due in respect of any Obligation, other than at the sole option of Assured Guaranty, nor against any risk other than Nonpayment.

Except to the extent expressly modified by any endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Avoided Payment" means any amount previously distributed to a Holder in respect of any Insured Payment by or on behalf of the Issuer, which amount has been recovered from such Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction that such payment constitutes an avoidable preference with respect to such Holder. "Business Day" means any day other than (i) a Saturday or Sunday, (ii) any day on which the offices of the Trustee, the Paying Agent or Assured Guaranty are closed, or (iii) any day on which banking institutions are authorized or required by law, executive order or governmental decree to be closed in the City of New York or in the State of Maryland. "Due for Payment" means (i) when referring to the principal of an Obligation, the stated maturity date thereof, or the date on which such Obligation shall have been duly called for mandatory sinking fund redemption, and does not refer to any earlier date on which payment is due by reason of a call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless Assured Guaranty in its sole discretion elects to make any principal payment, in whole or in part, on such earlier date) and (ii) when referring to interest on an Obligation, the stated date for payment of such interest. "Holder" means, in respect of any Obligation, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Obligation to payment of principal or interest thereunder, except that Holder shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Obligations. "Insured Payments" means that portion of the principal of and interest on the Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment. Insured Payments shall not include any additional amounts owing by the Issuer solely as a result of the failure by the Trustee or the Paying Agent to pay such amount when due and payable, including without limitation any such additional amounts as may be attributable to penalties or to interest accruing at a default rate, to amounts payable in respect of indemnification, or to any other additional amounts payable by the Trustee or the Paying Agent by reason of such failure. "Nonpayment" means, in respect of an Obligation, the failure of the Issuer to have provided sufficient funds to the Trustee or the Paying Agent for payment in full of all principal and interest Due for Payment on such Obligation. It is further understood that the term "Nonpayment" in respect of an Obligation includes any Avoided Payment. "Receipt" or "Received" means actual receipt or notice of or, if notice is given by overnight or other delivery service, or by certified or registered United States mail, by a delivery receipt signed by a person authorized to accept delivery on behalf of the person to whom the notice was given. Notices to Assured Guaranty may be mailed by registered mail or personally delivered or telecopied to it at 1325 Avenue of the Americas, New York, New York 10019, Telephone Number: (212) 974-0100, Facsimile Number: (212) 581-3268, Attention: Risk Management Department - Public Finance Surveillance, with a copy to the General Counsel, or to such other address as shall be specified by Assured Guaranty to the Trustee or the Paying Agent in writing. A Notice of Nonpayment will be deemed to be Received by Assured Guaranty on a given Business Day if it is Received prior to 12:00 noon (New York City time) on such Business Day; otherwise it will be deemed Received on the next Business Day. "Term" means the period from and including the Effective Date until the earlier of (i) the maturity date for the Obligations, or (ii) the date on which the Issuer has made all payments required to be made on the Obligations.

At any time during the Term of this Policy, Assured Guaranty may appoint a fiscal agent (the "Fiscal Agent") for purposes of this Policy by written notice to the Trustee or the Paying Agent, specifying the name and notice address of such Fiscal Agent. From and after the date of Receipt of such notice by the Trustee or the Paying Agent, copies of all notices and documents required to be delivered to Assured Guaranty pursuant to this Policy shall be delivered simultaneously to the Fiscal Agent and to Assured Guaranty. All payments required to be made by Assured Guaranty under this Policy may be made directly by Assured Guaranty or by the Fiscal Agent on behalf of Assured Guaranty. The Fiscal Agent is the agent of Assured Guaranty only, and the Fiscal Agent shall in no event be liable to the Trustee or the Paying Agent for any acts of the Fiscal Agent or any failure of Assured Guaranty to deposit, or cause to be deposited, sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Assured Guaranty hereby waives, in each case for the benefit of the Holders only, all rights and defenses of any kind (including, without limitation, the defense of fraud in the inducement or in fact or any other circumstance that would have the effect of discharging a surety, guarantor or any other person in law or in equity) that may be available to Assured Guaranty to deny or avoid payment of its obligations under this Policy in accordance with the express provisions hereof. Nothing in this paragraph will be construed (i) to waive, limit or otherwise impair, and Assured Guaranty expressly reserves, Assured Guaranty's rights and remedies, including, without limitation, its right to assert any claim or to pursue recoveries (based on contractual rights, securities law violations, fraud or other causes of action) against any person or entity, in each case, whether directly or acquired as a subrogee, assignee or otherwise, subsequent to making any payment to the Trustee or the Paying Agent, in accordance with the express provisions hereof, and/or (ii) to require payment by Assured Guaranty of any amounts that have been previously paid or that are not otherwise due in accordance with the express provisions of this Policy.

This Policy (which includes each endorsement hereto) sets forth in full the undertaking of Assured Guaranty with respect to the subject matter hereof, and may not be modified, altered or affected by any other agreement or instrument, including, without limitation, any modification thereto or amendment thereof. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. This Policy will be governed by, and shall be construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, Assured Guaranty has caused this Policy to be affixed with its corporate seal, to be signed by its duly authorized officer, and to become effective and binding upon Assured Guaranty by virtue of such signature.

ASSURED GUARANTY CORP.

(SEAL)

By:______________________________

[Insert Authorized Signatory Name]
[Insert Authorized Signatory Title]

Signature attested to by:

____

Counsel

TAX MATTERS

In the opinion of Hiscock & Barclay, LLP, Albany, New York, Bond Counsel, under existing law, (1) interest on the Bonds 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 Code, except that the School District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Bonds to become subject to Federal income taxation from the date of issuance thereof, and (2) interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

In rendering the foregoing opinions, Bond Counsel notes that exclusion of the interest on the Bonds from gross income for Federal income tax purposes is dependent, among other things, on compliance with the applicable requirements of the Code that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Non-compliance with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Those requirements include, but are not limited to, provisions that prescribe yield and other limits within which the proceeds of the Bonds are to be invested and require, under certain circumstances, that certain investment earnings on the foregoing be rebated on a periodic basis to the Treasury Department of the United States of America. The School District has covenanted in the Tax Certificate as to Arbitrage and Use of Proceeds, that, to maintain the exclusion of interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code, and for no other purpose, the School District shall comply with each applicable provision of the Code.

The Tax Increase Prevention and Reconciliation Act of 2005, enacted on May 17, 2006, contains a provision under which interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although the new reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Bonds to be subject to backup withholding if such interest is paid to registered owners who either (a) fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner or (b) have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's federal income tax liability provided the required information is furnished to the IRS.

Bond Counsel is further of the opinion that the difference between the principal amount of the Bonds maturing June 15, 2023 through June 15, 2025, inclusive, (referred to hereinafter as the "Discount Bonds") and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discount Bonds of the same maturity were sold constitutes original issue discount which is excluded from gross income for Federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment, Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Bond Counsel also advises that (1) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, the Code provides that such insurance company's deduction for loss is reduced by 15% of the sum of certain items, including interest on the Bonds, (2) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (3) passive investment income, including interest on the Bonds, may be subject to Federal income taxation under section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; (4) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Bonds; and (5) under Section 32(i) of the Code, receipt of investment income, including interest on the Bonds, may disqualify the recipient thereof from obtaining the earned income credit.

A bondholder's federal, state and local tax liability may otherwise be affected by the ownership or disposition of the Bonds. The nature and extent of these other consequences will depend upon the bondholder's other items of income or deduction. Bond Counsel has expressed no opinion regarding any such other tax consequences. Each purchaser of the Bonds should consult its tax advisor regarding the impact of the foregoing and other provisions of the Code on its individual tax position.

The Bonds will be designated or deemed designated by the School District as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code and, in the case of certain financial institutions (within the meaning of Section 265(b) of the Code), a deduction is allowed for 80% of that portion of the interest expense of such financial institutions that shall be allocable to interest on the Bonds.

The opinion of Bond Counsel set forth above with respect to the Federal income tax treatment of interest paid on the Bonds is based upon the current provisions of the Code. Tax legislation, administrative actions taken by tax authorities and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law and could affect the market price for, or the marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisers regarding the foregoing matters.

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

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Prepared with the Assistance of:

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

OFFICIAL STATEMENT

CHATHAM CENTRAL SCHOOL DISTRICT

COLUMBIA COUNTY, NEW YORK

Relating to

$4,900,000 School District (Serial) Bonds, 2009

This Official Statement (the "Official Statement"), which includes the cover page, has been prepared by the Chatham Central School District, Columbia County, New York (the "School District") in connection with the sale by the School District of $4,900,000 School District (Serial) Bonds, 2009 (the "Bonds").

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

DESCRIPTION OF THE BONDS

The Bonds contain a pledge of faith and credit of the School District for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State of New York (State Constitution, Article VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount.

The Bonds comprise an issue in the principal amount of $4,900,000, will be dated September 24, 2009 and mature in annual installments on June 15 in the following years and amounts:

MATURITIES

2011	$ 250,000	2015	$ 290,000	2019	$ 335,000	2023	$ 390,000
2012	260,000	2016	300,000	2020	345,000	2024	405,000
2013	265,000	2017	310,000	2021	360,000	2025	420,000
2014	275,000	2018	320,000	2022	375,000		

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

Bonds maturing on or before June 15, 2019 are not subject to redemption prior to maturity. Bonds maturing on or after June 15, 2020 are subject to redemption, at the option of the School District, prior to maturity, in whole or in part, on any interest payment date on or after June 15, 2019, at par, plus accrued interest to the redemption date. If less than all of the Bonds are to be redeemed, the particular maturity or maturities of Bonds to be redeemed shall be selected by the School District; and if less than all Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the School District by lot in any customary manner of selection as determined by the President of the Board of Education. Notice of redemption shall be given by mailing such notice to the registered holder not more than sixty (60) nor less than thirty (30) days prior to the date of redemption. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such notice, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry only form, in the principal amount of $5,000. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal and interest will be paid by the School District to the Securities Depository, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds bear interest from September 24, 2009, with interest thereon payable on June 15, 2010 and semi-annually thereafter on December 15 and June 15. The Record Date for the Bonds shall be the last business day of the calendar month preceding each payment date. The Bonds may not be registered to bearer or converted to coupon bonds.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

Continued on following page.

BOOK-ENTRY-ONLY SYSTEM - Concluded

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

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

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

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

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

Source: The Depository Trust Company.

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

CERTIFICATED BONDS

In the event that the book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State of New York to be named as the fiscal agent by the School District upon termination of the book-entry-only system. Interest on the Bonds will remain payable June 15, 2010 and semi-annually thereafter on December 15 and June 15, in each year to maturity. Interest on the Bonds will be payable by check or draft mailed by the fiscal agent to the registered owners of the Bonds, as shown on the registration books of the School District maintained by the fiscal agent as of the close of business on the Record Date, being the last business day of the calendar month preceding each interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner for Bonds of the same maturity or any other authorized denomination or denominations in the same aggregate principal amount in the manner described on the Bonds and as referenced in certain proceedings of the School District referred to therein.

AUTHORIZATION AND PURPOSE

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

> The construction of additions to and the reconstruction of various School District buildings, pursuant to a Bond Resolution dated July 29, 2008 authorizing the issuance of $6,035,000 serial bonds, of which the School District is now issuing $4,900,000 serial bonds.
>
> This is the first and final issuance of indebtedness against said Resolution.

STATUS OF PROJECT

On May 20, 2008, the voters in the Chatham Central School District approved a $6,035,000 capital project consisting of additions to and reconstruction of various School District buildings, including site work, and acquire original furnishings, equipment, machinery or apparatus required for the purpose for which such renovated and reconstructed buildings are to be used. Plans and specifications have received State Education Department approval. Construction commenced on May 19, 2009 and is expected to last five to six months.

REMAINING BOND AUTHORIZATIONS

The School District has no bond authorizations for other purposes which remain unissued as of the date of this Official Statement.

FUTURE CONSTRUCTION PLANS

The School District maintains an active program of building renovations and improvements, in compliance with the numerous and changing requirements of the State Education Department.

GENERAL INFORMATION

The Chatham Central School District covers approximately 129 square miles in the Towns of Austerlitz, Canaan, Chatham, Ghent, Kinderhook and New Lebanon in Columbia County. The population of the District is estimated to be 9,375 (not a U.S. census estimate).

New York State Routes 22, 66 and 217 serve the School District. The Taconic State Parkway and the New York State Thruway are easily accessible. Rail and air transportation is also accessible in Albany to the North or New York City to the South.

The School District is a mixture of residential and agricultural areas. Major employers of School District residents are Sunoco-Crellin Inc., Columbia Memorial Hospital and several colleges located in the upper Hudson Valley area. Residents also commute to Albany as well as the Berkshires in Massachusetts for employment.

Water and sewer services are provided by the Village of Chatham as well as by private wells and septic systems. The Chatham Village Police provides police protection, which is supplemented by the Columbia County Sheriff's Department and the New York State Police. Various volunteer organizations provide ambulance service and fire protection. Electricity is provided by New York State Electric & Gas Corporation. Taconic Telephone Corporation and Verizon New York Inc. provide telephone service.

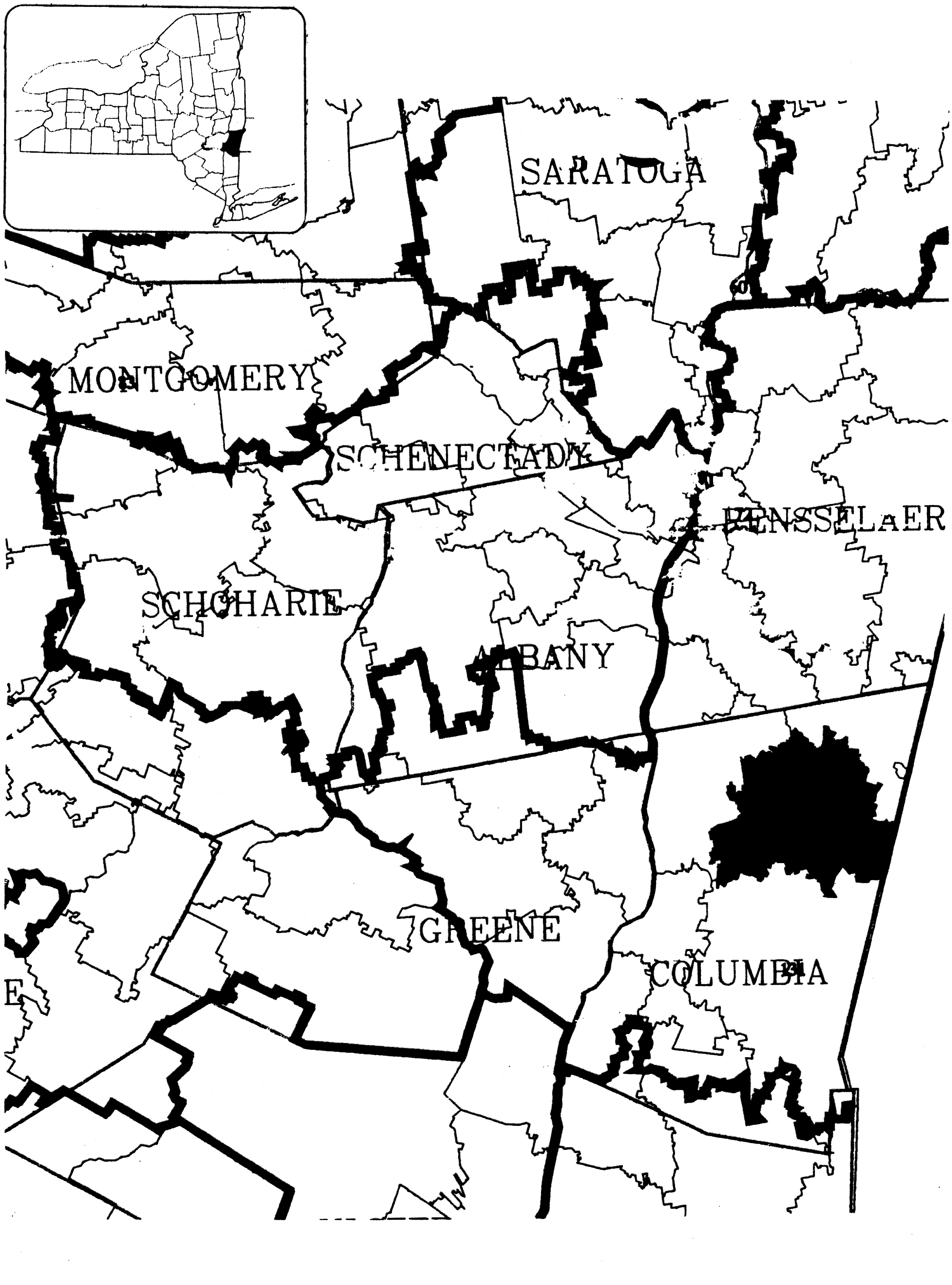
The School District provides public education for grades K-12. Higher educational opportunities are available at Columbia-Green Community College and at the many colleges and universities in the Albany and New York City areas.

School District residents find most of the usual commercial and financial services at Bank of America, N.A., The National Bank of Kinderhook and First Niagara Bank in Chatham as well as in nearby Hudson. The local area is rich in cultural and recreational activities, and is further enhanced with the Berkshires to the east and the Catskills to the west.

BOND RATING

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

GENERAL LOCATION MAP – CHATHAM CENTRAL SCHOOL DISTRICT



SCHOOL DISTRICT OFFICIALS

The 2009-10 Board of Education consists of:

	Term Expires
John Wapner, President	06-30-12
Elizabeth Macfarlane, Vice President	06-30-11
Michael Clark	06-30-12
Denise Dapice	06-30-10
Fred Hutchinson	06-30-13
Francis L. Iaconetti	06-30-11
David O'Connor	06-30-12
James Toteno	06-30-11
VACANT	06-30-10

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

Cheryl A. Nuciforo	Superintendent of Schools
Diane T. Malecki	Business Administrator
Darci Ordway	School District Clerk
Laura Rafferty	Treasurer
Keith G. Flint, Esq.	School District Attorney
Rhinebeck Architecture & Planning PC	Architects
Raymond G. Preusser, CPA, P.C.	Certified Public Accountant
Hiscock & Barclay, LLP	Bond Counsel
Bernard P. Donegan, Inc.	Financial Consultants

HISTORICAL/PROJECTED ENROLLMENT

2004-05	1,444
2005-06	1,427
2006-07	1,387
2007-08	1,317
2008-09	1,317
2009-10	1,247
2010-11	1,197
2011-12	1,150
2012-13	1,112
2013-14	1,056

SCHOOL FACILITIES

Name of School	Grades	Date of Construction	Date of Last Addition or Alteration	Current Capacity
Mary E. Dardess Elementary School	K - 4	1958	2001	521
Chatham Middle School	5 - 8	1915	2006	563
Chatham High School	7 - 12	1974	2006	550
Total Capacity				1,634

EMPLOYEE CONTRACTS

Association	Periods Covered	Number of Employees Covered	Affiliation
Chatham Central School District Teachers' Association	07-01-06/06-30-10	173	NYSUT
Chatham Central School District Educational Support Personnel	07-01-07/06-30-11	34	NYSUT
Chatham Central School District Bus Drivers' Association	07-01-07/06-30-11	37	NYSUT
Chatham Central School District Clerical Staff (CSEA)	07-01-08/06-30-12	17	CSEA
Chatham Central School District Principals' Association	07-01-08/06-30-12	5	School Administrators Association of New York State
Chatham Central School District Management – Confidential	07-01-09/06-30-10	7	None
Chatham Superintendent	07-01-09/06-30-12	1	None
Chatham Business Administrator	05-01-07/04-30-10	1	None
Chatham Director of PPS	07-01-06/06-30-09[1]	1	None

The School District currently has 273 full-time and 22 part-time employees.

Note: 1 The School District is currently negotiating with the Director of PPS.

STATUS AND FINANCING OF EMPLOYEE PENSION BENEFITS

All non-teaching and non-certified administrative employees of the School District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York State and Local Employees' Retirement System ("ERS"). In the School District's 2009-10 Budget, the appropriation for payments to the ERS is $339,020.

Teachers and certified administrators are members of the New York State Teachers' Retirement System ("TRS"). Payments to the TRS are deducted from the School District's State aid payments. In the School District's 2009-10 Budget, the appropriation for payments to the TRS is $768,088.

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

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the School District's employees is not subject to the direction of the School District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the School District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

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

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

Chapter 260 contained three components which altered the way municipalities and school districts contribute to the State pension system: (1) revision of the payment due date, (2) extension of the period of time for pension debt amortization, and (3) authorization to establish a pension reserve fund. Prior to the effective date of Chapter 260, the annual retirement bill sent to municipalities and school districts from the State has reflected pension payments due between April 1 and March 31, consistent with the State fiscal year.

Chapter 260 provided for the following changes:

- Contribution Payment Date Change: The law changed the date on which local pension contributions are due to the State. The annual required contribution is due now February 1 annually instead of December 15. As a result, no payment was due in calendar year 2004. With many municipalities and a few school districts in the State on a calendar fiscal year end, this adjustment provided a significant one-time benefit for fiscal 2004, allowing certain municipalities and school districts to use 2004 resources otherwise meant for pension expenditures for other budgeting purposes or to add to fund balance. (The School District is not on a calendar fiscal year.)

Continued on following page.

STATUS AND FINANCING OF EMPLOYEE PENSION BENEFITS - Continued

- Pension Cost Amortization-Extension of Payout Period: The law also extended the ability of municipalities and school districts to amortize a portion of the current year pension cost over a period of 10 years, extending the term from five years as authorized under the 2003 Chapter 49 legislation. Municipalities and school districts can amortize, either directly through the State retirement system at a fixed interest rate annually determined by the State Comptroller or through the capital markets, pension payments in excess of 9.5% in 2006, and 10.5% in 2007.

- Pension Contributions Reserve Fund: The law created special authorization to create a new category of reserve fund under the General Municipal Law. Municipalities and school districts may now establish a retirement contribution reserve fund that can be funded from other available current government resources.

On May 30, 2009 Comptroller DiNapoli released a preliminary estimate that the rate of return for the Fund was a negative 26.3% for the fiscal year ended March 31, 2009. DiNapoli said that the market downturn would require higher employer pension contributions rates in future years and he announced proposed legislation that is intended to give State and local employers an option to manage those expected increases. It is not possible at this time to determine whether such proposed legislation will be enacted into law.

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

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

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

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

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

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

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

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

MAJOR EMPLOYERS

Name	Type of Product or Service	Approximate Number of Employees
Chatham Central School District	Public Education	295
Sonoco-Crellin Inc.	Plastic Manufacturer	250
Fairpoint Corporation	Utility	95
The Executive Line	Office Supplies Manufacturer	50
Price Chopper	Grocery Supermarket	50

UNEMPLOYMENT RATES

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

Year	County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
1999	3.1%	5.2%	4.2%
2000	3.4%	4.5%	4.0%
2001	3.5%	4.9%	4.7%
2002	4.3%	6.2%	5.8%
2003	4.4%	6.4%	6.0%
2004	4.4%	5.8%	5.5%
2005	3.9%	5.0%	5.1%
2006	3.8%	4.6%	4.6%
2007	3.9%	4.5%	4.6%
2008	4.9%	5.4%	5.8%

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

INVESTMENT POLICY

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposit accounts in, or certificates of deposit issued by a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) obligations issued pursuant to Local Finance Law Sections 24.00 (tax anticipation notes) or 25.00 (revenue anticipation notes) with approval of the State Comptroller, by any municipality, school district or district corporation other than the School District; and (6) in the case of the School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities, an eligible letter of credit or an eligible surety bond, as each such term is defined in the law.

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

BUDGETARY PROCEDURES

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

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

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

STATE AID

The School District receives financial assistance from the State. In its budget for the current fiscal year, approximately 25.36% of the revenues of the School District are estimated to be received in the form of State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the School District, in any year, the School District may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, as the State has not adopted its budget in a timely manner in some years, and may not do so in future years, municipalities and school districts in the State, including the School District, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the School District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the School District requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

In addition to the amount of State aid budgeted by the School District in its 2009-10 fiscal year, the State will reimburse the School District for property tax savings provided by the State to taxpayers under the STAR (see "STAR - School Tax Exemption") Program. The STAR reimbursement payment schedule for 2008-09 was as follows: 35% of STAR aid by October 15, 2008; 70% by November 15, 2008; 80% by December 15, 2008 and the balance by the first business day in January, 2009. Additionally, there was a payment on or before March 31, 2009 for corrections filed after December 4, 2008 and prior to February 28, 2009. The 2009-10 reimbursement schedule is expected to be the same as 2008-09.

In Campaign for Fiscal Equity, Inc. et al. v. State, et al. (Supreme Court, New York County), plaintiffs challenged the State's method of providing funding for New York City public schools. Plaintiffs sought a declaratory judgment that the State's public school financing system violates article 11, section 1 of the State Constitution and Title VI of the Federal Civil Rights Act of 1964 and injunctive relief that would require the State to satisfy State Constitutional Standards. State legislative reforms in the wake of the Campaign for Fiscal Equity case include increased accountability for expenditure of State funds and collapsing over 30 categories of school aid into one classroom operating formula referred to as foundation aid. Foundation aid prioritizes funding distribution based upon student need. As part of the 2009-2010 State budget there is an 1.9% increase in State aid for education, bringing total State funding for this purpose to $21.9 billion.

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.

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

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

OTHER INFORMATION

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

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

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

The population of the School District is currently estimated to be 9,375 (not a U.S. Census estimate).

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

FINANCIAL AUDITS

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

The School District complies with the Uniform System of Accounts as prescribed for school districts in New York State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting ("GAAFR"), published by the National Committee on Government Accounting Standards Board ("GASB").

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

FINANCIAL INFORMATION[1]

Fiscal Year Ended June 30:	2004	2005	2006	2007	2008	2009
Assessed Valuation:						
Austerlitz	$ 168,635,775	$ 173,397,578 [2]	$ 241,556,495 [2]	$ 240,429,184	$ 242,448,075 [2]	$ 338,026,833 [2]
Canaan	148,462,443	155,889,793 [2]	234,663,024 [2]	266,042,757	263,476,971	263,559,937
Chatham	258,574,532	264,207,212	300,335,100	312,341,904	315,630,904	318,333,668
Ghent	212,984,824	215,629,180	216,815,477	217,823,223	224,359,601 [2]	392,849,346 [2]
Kinderhook	19,996,684 [2]	26,031,007 [2]	29,391,427	35,614,886	39,711,994	42,673,629
New Lebanon	11,613,093	12,553,395	12,450,986	12,429,789 [2]	25,769,060 [2]	25,976,589
Total Assessed Value	$ 820,267,351	$ 847,708,165	$ 1,035,212,509	$ 1,084,681,743	$ 1,111,396,605	$ 1,381,420,002
Equalization Rates:						
Austerlitz	90.00%	74.47%	100.00%	80.00%	69.27%	100.00%
Canaan	90.00%	84.00%	100.00%	94.19%	88.25%	88.25%
Chatham	95.00%	90.00%	95.00%	75.00%	65.00%	67.00%
Ghent	100.00%	87.28%	75.00%	63.79%	63.03%	100.00%
Kinderhook	93.28%	100.00%	100.00%	100.00%	100.00%	100.00%
New Lebanon	90.00%	85.00%	78.50%	71.00%	100.00%	100.00%
Equalized Value:						
Austerlitz	$ 187,373,083	$ 232,842,188	$ 241,556,495	$ 300,536,480	$ 350,004,439	$ 338,026,833
Canaan	164,958,270	185,583,086	234,663,024	282,453,293	298,557,474	298,651,486
Chatham	272,183,717	293,563,568	316,142,210	416,455,872	485,586,006	475,124,877
Ghent	212,984,824	247,054,514	289,087,302	341,469,231	355,956,847	392,849,346
Kinderhook	21,437,268	26,031,007	29,391,427	35,614,886	39,711,994	42,673,629
New Lebanon	12,903,436	14,768,700	15,861,128	17,506,745	25,769,060	25,976,589
Total Equalized Value	$ 871,840,598	$ 999,843,063	$ 1,126,701,586	$ 1,394,036,507	$ 1,555,585,820	$ 1,573,302,760

Continued on following page.

FINANCIAL INFORMATION[1]

Fiscal Year Ended June 30:	2004	2005	2006	2007	2008	2009
Total Equalized Value	$ 871,840,598	$ 999,843,063	$ 1,126,701,586	$ 1,394,036,507	$ 1,555,585,820	$ 1,573,302,760
Tax Levy for All Purposes	$ 14,119,052	$ 15,061,718	$ 15,842,712	$ 16,608,838	$ 17,737,313	$ 18,482,412
Tax Rate/$1,000 Equalized Value	$ 16.19	$ 15.06	$ 14.06	$ 11.91	$ 11.40	$ 11.75
Tax Levy as a Percentage of Equalized Value	1.62%	1.51%	1.41%	1.19%	1.14%	1.17%
Outstanding Debt:						
Serial Bonds	$ 13,650,000	$ 12,645,000	$ 11,610,000	$ 10,550,000	$ 9,455,000	$ 8,905,000 [3]
Energy Performance Contracts	2,222,577	2,049,997	1,868,008	1,676,096	1,473,719	1,254,809
Total Debt	$ 15,872,577	$ 14,694,997	$ 13,478,008	$ 12,226,096	$ 10,928,719	$ 10,159,809
Per Capita Debt	$ 1,693.07	$ 1,567.47	$ 1,437.65	$ 1,304.12	$ 1,165.73	$ 1,083.71
Debt/$1,000 Equalized Value	$ 18.21	$ 14.70	$ 11.96	$ 8.77	$ 7.03	$ 6.46
Debt as a Percentage of Equalized Value	1.82%	1.47%	1.20%	0.88%	0.70%	0.65%

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

2 Difference due to townwide revaluation.

3 Does not include $7,750,000 serial bonds economically defeased with the 2003 Refunding Serial Bond.

STATEMENT OF NET ASSETS

As of June 30, 2008

ASSETS:	
Current Assets:	
Restricted Cash	$ 2,619,202
Unrestricted Cash	5,065,867
State & Federal Aid Receivable	243,282
Accounts Receivable, Net	65,295
Due from Other Governments	145,536
Due from Fiduciary Funds	1,169
Inventories	7,781
Total Current Assets	8,148,132
Noncurrent Assets:	
Capital Assets, Net Depreciation	26,496,984
Total Noncurrent Assets	26,496,984
TOTAL ASSETS	$ 34,645,116
LIABILITIES:	
Current Liabilities:	
Accrued Liabilities	$ 1,041,091
Accounts Payable	42,795
Overpayments	7,837
Deferred Revenue	498
Due to Other Governments	898
Due to State Teachers' Retirement System	906,730
Due to Employees' Retirement System	80,147
Bonds Payable	705,000
Capital Lease	213,410
Total Current Liabilities	2,998,406
Noncurrent Liabilities:	
Bonds Payable	8,750,000
Capital Lease	1,260,309
Total Noncurrent Liabilities	10,010,309
TOTAL LIABILITIES	$ 13,008,715
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	$ 15,568,265
Restricted for:	
Encumbrances	2,108,099
Employee Benefits	2,081,290
Capital	500,000
Tax Certiorari	37,912
Subsequent Year's Expenditures	857,059
Unrestricted	483,776
TOTAL NET ASSETS	$ 21,636,401

Source: Annual Financial Report prepared by Certified Public Accountants.

STATEMENT OF ACTIVITIES

As of June 30, 2008

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue & Changes in Net Assets
General Support	$ 3,312,684	$ 526,749	$ 0	$ 0	$ (3,839,433)
Instruction	12,519,507	4,324,057	185,967	492,310	(16,165,287)
Pupil Transportation	1,490,936	468,139	0	51,946	(1,907,129)
Employee Benefits	5,410,485	(5,410,485)	0	0	0
Debt Service - Interest	493,924	0	0	0	(493,924)
Depreciation	1,081,111	0	0	0	(1,081,111)
School Lunch Program	413,602	91,540	256,481	169,792	(78,869)
Total Functions & Programs	$ 24,722,249	$ 0	$ 442,448	$ 714,048	$ (23,565,753)

General Revenues:	
Real Property Taxes	$ 16,216,928
Other Tax Items	1,574,367
Use of Money & Property	444,582
Sale of Property & Compensation for Loss	11,517
Miscellaneous	258,851
State Sources	6,648,440
Federal Sources - Medicaid Reimbursement	125,899
Total General Revenues	$ 25,280,584
Change in Net Assets	$ 1,714,831
NET ASSETS, BEGINNING OF YEAR	$ 19,921,570
TOTAL NET ASSETS, END OF YEAR	$ 21,636,401

Source: Annual Financial Report prepared by Certified Public Accountants.

GENERAL FUND

COMPARATIVE BALANCE SHEET

Fiscal Year Ended June 30:	2004	2005	2006	2007	2008
ASSETS:					
Cash	$ 3,919,979	$ 4,848,612	$ 4,650,549	$ 5,958,250	$ 6,316,750
Other Receivables, Net	22,578	11,166	106,624	26,505	63,588
Due from Other Funds	91,594	162,517	142,533	338,980	1,389,947
Due from State & Federal	76,171	217,944	126,707	187,830	126,328
Due from Other Governments	73,886	102,251	134,488	134,445	145,536
Total Assets	$ 4,184,208	$ 5,342,490	$ 5,160,901	$ 6,646,010	$ 8,042,149
LIABILITIES:					
Accounts Payable	$ 12,332	$ 3,627	$ 0	$ 0	$ 42,504
Accrued Liabilities	665,167	838,991	911,238	932,470	1,013,230
Due to State Teachers' Retirement System	666,456	656,922	793,353	870,532	906,730
Due to Employees' Retirement System	0	60,488	70,570	76,170	80,147
Deferred Revenues	0	135,029	101,455	86,018	51,516
Overpayments	0	0	0	0	7,837
FUND BALANCE:					
Reserve for Encumbrances	528,299	574,967	425,997	1,812,995	1,372,691
Reserve for Tax Certiorari	0	0	37,912	37,912	37,912
Reserve for Employee Benefits	615,900	556,479	940,182	1,194,234	2,081,290
Reserve for Capital	0	0	0	0	500,000
Appropriated Fund Balance	1,260,013	2,002,626	1,376,500	800,000	857,059
Unappropriated Fund Balance	436,041	513,361	503,694	835,679	1,091,233
Total Fund Balance	2,840,253	3,647,433	3,284,285	4,680,820	5,940,185
Total Liabilities & Fund Balance	$ 4,184,208	$ 5,342,490	$ 5,160,901	$ 6,646,010	$ 8,042,149

Source: Annual Financial Reports prepared by Certified Public Accountants.

GENERAL FUND

REVENUES, EXPENSES AND FUND BALANCE

Modified Accrual Double-Entry Basis

Fiscal Year Ended June 30:	Actual 2004	2005	2006	2007	2008	Budget 2009	2010
Balance July 1	$ 2,221,785	$ 2,840,253	$ 3,647,433	$ 3,284,285	$ 4,680,820	$ 5,940,185 [1]	$ 857,059 [2]
REVENUES:							
Real Property Taxes	$ 14,172,528	$ 15,061,718	$ 15,843,221	$ 16,608,838	$ 17,751,845	$ 18,482,412	$ 18,769,724
Other Tax Items	13,990	7,035	0	14,130	39,450	0	0
Charges for Services	223,990	103,917	130,440	158,010	156,650	0	0
Use of Money & Property	114,011	214,803	399,256	479,872	439,260	229,500	82,620
Forfeitures	94	0	0	0	0	0	0
Sale of Property/ Compensation for Loss	34,150	228,235	1,884	7,720	11,517	0	0
Miscellaneous	251,850	154,223	130,267	95,381	258,851	265,000	300,000
State Aid	5,186,251	5,594,242	6,118,436	6,380,308	6,712,260	6,714,620	6,799,562
Federal Aid	145,641	174,348	155,052	94,774	125,899	0	0
Interfund Transfers	29,474	150,000	323	0	0	0	0
Total Revenues	$ 20,171,979	$ 21,688,521	$ 22,778,879	$ 23,839,033	$ 25,495,732	$ 25,691,532	$ 25,951,906
Total Revenues & Beginning Balance	$ 22,393,764	$ 24,528,774	$ 26,426,312	$ 27,123,318	$ 30,176,552	$ 31,631,717	$ 26,808,965
EXPENSES:							
General Support	$ 2,315,542	$ 2,852,239	$ 2,888,540	$ 3,007,753	$ 3,312,684	$ 3,521,122	$ 3,622,105
Instruction	9,833,493	10,730,825	11,015,348	11,278,176	12,041,589	12,965,701	12,409,396
Transportation	1,301,898	1,455,248	1,566,738	1,598,910	1,682,959	1,862,211	1,751,199
Employee Benefits	3,735,012	4,012,806	4,790,045	4,704,222	5,297,579	6,055,629	6,301,893
Debt Service - Principal	1,674,314	1,177,580	1,216,989	1,251,912	1,297,376	1,000,510	1,354,268
- Interest	676,525	640,757	601,102	559,704	513,565	480,866	492,173
Interfund Transfers	16,727	11,886	1,063,265	41,821	90,615	662,553	877,931
Total Expenses	$ 19,553,511	$ 20,881,341	$ 23,142,027	$ 22,442,498	$ 24,236,367	$ 26,548,592	$ 26,808,965
Adjustments	0	0	0	0	0	0	0
Balance June 30	$ 2,840,253	$ 3,647,433	$ 3,284,285	$ 4,680,820	$ 5,940,185	$ 5,083,125 [E]	$ 0
Fund Balance as a Percentage of Total Revenues	14.08%	16.82%	14.42%	19.64%	23.30%	19.79% [E]	N/A%

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

Notes:
1 Appropriated Fund Balance equals $857,059.
2 Appropriated Fund Balance.
E Estimated based on the 2008-09 Budget.
N/A Not applicable.

CHANGES IN REMAINING FUND BALANCES

Modified Accrual Double-Entry Basis

Fiscal Year Ended June 30:	2004	2005	2006	2007	2008
SPECIAL AID FUND:					
Balance July 1	$ 24,053	$ 19,725	$ 4,141	$ 2,340	$ 15,376
Revenues	643,373	634,963	596,259	616,942	561,771
Expenses	639,853	650,547	598,060	603,906	558,547
Adjustments	(7,848) [2]	0	0	0	0
Balance June 30	$ 19,725	$ 4,141	$ 2,340	$ 15,376	$ 18,600
SCHOOL LUNCH FUND:					
Balance July 1	$ 17,654	$ (10)	$ 2,772	$ 2,140	$ 5,807
Revenues	399,727	418,459	469,840	470,311	499,386
Expenses	417,391	415,677	470,472	466,644	505,142
Adjustments	0	0	0	0	0
Balance June 30	$ (10)	$ 2,772	$ 2,140	$ 5,807	$ 51
PUBLIC LIBRARY FUND:					
Balance July 1	$ 66,131	$ 85,509	$ 73,854	$ 89,517	$ 82,205
Revenues	41,550	21,034	32,126	9,575	9,836
Expenses	22,172	32,638	16,463	16,887	5,333
Adjustments	0	(51) [2]	0	0	0
Balance June 30	$ 85,509	$ 73,854	$ 89,517	$ 82,205	$ 86,708
CAPITAL FUND:[1]					
Balance July 1	$ (171,782)	$ 264,741	$ 61,237	$ 962,225	$ 75,487
Revenues	555,981	10,000	1,015,000	0	0
Expenses	119,458	213,504	114,012	886,738	84,944
Adjustments	0	0	0	0	0
Balance June 30	$ 264,741	$ 61,237	$ 962,225	$ 75,487	$ (9,457)
DEBT SERVICE FUND:					
Balance July 1	$ 29,474	$ 5,987	$ 5,987	$ 72,701	$ 85,175
Revenues	5,987	0	66,714	12,474	5,309
Expenses	29,474	0	0	0	0
Adjustments	0	0	0	0	0
Balance June 30	$ 5,987	$ 5,987	$ 72,701	$ 85,175	$ 90,484

Source: Annual Financial Reports prepared by Certified Public Accountants.

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

2 Change in fund balance.

TAX COLLECTION PROCEDURE

School taxes are due September 1. If paid by September 30, no penalty is imposed. There is a 2% penalty if paid by the end of October. On November 1, a list of all unpaid taxes is given to the County for relevy on County/Town tax rolls. The School District is reimbursed by the County for all unpaid taxes the first week of April in each year and is thus assured of 100% collection of its annual levy.

STAR - SCHOOL TAX EXEMPTION

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

Homeowners over 65 years of age with household incomes of $73,000 or less, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of $60,100. Other homeowners are eligible for a $30,000 "full value" exemption on their primary residence.

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

TAX COLLECTION RECORD

Fiscal Year Ended June 30:	2004	2005	2006	2007	2008	2009
General Fund Tax Levy	$ 14,172,528	$ 15,061,718	$ 15,843,221	$ 16,608,838	$ 17,751,845	$ 18,482,412
Omissions/Loss of Exemptions - Prior Years	(53,476)	0	(509)	0	(14,532)	0
Total Levy for All Purposes	$ 14,119,052	$ 15,061,718	$ 15,842,712	$ 16,608,838	$ 17,737,313	$ 18,482,412
Excess/(Deficit) on Tax Rolls	4,004	(21,079)	0	(34,091)	0	0
Taxes Cancelled	0	0	0	0	0	0
Net Taxes on Roll	$ 14,123,056	$ 15,040,639	$ 15,842,712	$ 16,574,747	$ 17,737,313	$ 18,482,412
STAR Program	1,418,765	1,472,344	1,465,690	1,515,411	1,522,498	1,455,317
Net Taxes After STAR Program	$ 12,704,291	$ 13,568,295	$ 14,377,022	$ 15,059,336	$ 16,214,815	$ 17,027,095
Taxes Collected Prior to Return	11,819,563	12,705,323	13,252,665	13,961,301	15,041,238	15,804,509
Uncollected Date of Return	$ 884,728	$ 862,972	$ 1,124,357	$ 1,098,035	$ 1,173,577	$ 1,222,586
Percentage Collected Prior to Return	93.04%	93.64%	92.18%	92.71%	92.76%	92.82%

MAJOR TAXPAYERS

2008 Assessment Roll Used for 2008-09 Taxes

Name	Type	Equalized Value
New York State Electric & Gas Corporation	Utility	$ 15,480,967
State of New York-DEC	Forest Land	10,477,568
Taconic Telephone Corporation	Utility	8,488,848
Tennessee Gas Pipeline	Utility/Railroad	6,704,485
CSX Transportation Inc.	Railroad	6,367,759
William Ackman	Residential	4,582,090
JRF Enterprises, LLC	Residential	4,175,200
Francis Greenburger	Residential	4,029,708
Austin Real Estate Inc.	Real Estate	3,324,970
Total		$ 63,631,595[1]

Note: 1 The above taxpayers represent 4.04% of the School District's 2008-09 equalized value of $1,573,302,760.

SCHOOL DISTRICT INDEBTEDNESS - CONSTITUTIONAL REQUIREMENTS

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

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

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

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

Debt Limit. The School District has the power to contract indebtedness for any school district purpose so long as the principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

SCHOOL DISTRICT INDEBTEDNESS - STATUTORY PROCEDURE

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

The School District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the School District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds.

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

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

1 Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or

2 There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations

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

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

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

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

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

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

STATUS OF OUTSTANDING BOND ISSUES

Original Amount:	$15,805,000		$6,923,912		$6,075,083	
Dated Date:	04-29-03		07-15-00		12-15-00	
Purpose:	Advance Refunding Serial Bonds		Building Reconstruction		Additions/Reconstruction of Various School Buildings	
Last Maturity:	06-15-19		06-15-19		06-15-19	
Interest Rate/ Instrument:	3.9704% - SB[2]		5.3719% - SB[1]		5.1392% - SB[1]	
Balance Principal 06-30-09:	$8,750,000		$4,075,000		$3,675,000	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest	Principal	Interest
2010	$ 730,000	$ 362,748	$ 400,000	$ 219,031	$ 325,000	$ 188,906
2011	755,000	334,685	400,000	197,531	350,000	172,250
2012	785,000	308,260	400,000	176,031	375,000	154,313
2013	810,000	279,804	400,000	154,531	375,000	135,094
2014	840,000	249,429	400,000	133,031	375,000	115,875
2015	885,000	208,041	400,000	111,531	375,000	96,656
2016	925,000	164,954	400,000	90,031	375,000	77,438
2017	965,000	127,954	425,000	68,531	375,000	58,219
2018	1,005,000	88,148	425,000	45,688	375,000	39,000
2019	1,050,000	45,938	425,000	22,844	375,000	19,500
Totals	$ 8,750,000	$ 2,169,959	$ 4,075,000	$ 1,218,781	$ 3,675,000	$ 1,057,250

Original Amount:	$189,150	
Dated Date:	03-18-09	
Purpose:	School Buses	
Last Maturity:	06-15-13	
Interest Rate/ Instrument:	2.99% - SIB	
Balance Principal 06-30-09:	$155,000	
Fiscal Year Ending June 30:	Principal	Interest
2010	$ 35,000	$ 4,635
2011	40,000	3,588
2012	40,000	2,392
2013	40,000	1,196
Totals	$ 155,000	$ 11,811

Fiscal Year Ending June 30:	Totals Principal	Totals Interest	Total Debt Service	Year-End Outstanding Principal
2010	$ 1,490,000	$ 775,320	$ 2,265,320	$ 15,165,000
2011	1,545,000	708,054	2,253,054	13,620,000
2012	1,600,000	640,996	2,240,996	12,020,000
2013	1,625,000	570,625	2,195,625	10,395,000
2014	1,615,000	498,335	2,113,335	8,780,000
2015	1,660,000	416,229	2,076,229	7,120,000
2016	1,700,000	332,423	2,032,423	5,420,000
2017	1,765,000	254,704	2,019,704	3,655,000
2018	1,805,000	172,835	1,977,835	1,850,000
2019	1,850,000	88,281	1,938,281	0
Totals	$ 16,655,000	$ 4,457,801	$ 21,112,801	

Source: School District Bond Records.

Note: 1 The School District has completed an advance refunding on these bond issues.

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

BOND PRINCIPAL MATURING IN CURRENT AND SUBSEQUENT FISCAL YEARS

Fiscal Year Ending June 30:	Prior Issues	This Issue	Total Maturing Principal	Year-End Outstanding Principal
2010	$ 1,490,000	$ 0	$ 1,490,000	$ 20,065,000
2011	1,545,000	250,000	1,795,000	18,270,000
2012	1,600,000	260,000	1,860,000	16,410,000
2013	1,625,000	265,000	1,890,000	14,520,000
2014	1,615,000	275,000	1,890,000	12,630,000
2015	1,660,000	290,000	1,950,000	10,680,000
2016	1,700,000	300,000	2,000,000	8,680,000
2017	1,765,000	310,000	2,075,000	6,605,000
2018	1,805,000	320,000	2,125,000	4,480,000
2019	1,850,000	335,000	2,185,000	2,295,000
2020		345,000	345,000	1,950,000
2021		360,000	360,000	1,590,000
2022		375,000	375,000	1,215,000
2023		390,000	390,000	825,000
2024		405,000	405,000	420,000
2025		420,000	420,000	0
Totals	$ 16,655,000	$ 4,900,000	$ 21,555,000	

STATUS OF SHORT-TERM INDEBTEDNESS

The School District has no outstanding short-term indebtedness as of the date of this Official Statement.

BUILDING AID ESTIMATE

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

	Outstanding Principal	Bond Ratio	Estimated Aid
2000 Serial Bonds	$ 3,675,000	.523[1]	$ 1,922,025
2000 Serial Bonds	4,075,000	.523[1]	2,131,225
2003 Refunding Serial Bonds	8,750,000	.000[2]	0
This Issue	4,900,000	.000[3]	0
		TOTAL	$ 4,053,250

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

1 Calculated by taking the State building aid ratio times the Bond Percentage as reported by the State Education Department on the 2007-08 Aidable Debt Service for Projects with Debt Outstanding as of July 1, 2002 Report abstracted as of November 5, 2008.

2 The School District expects to receive additional State building aid on the applicable State share and local share of the refinancing costs on the Refunding Serial Bonds.

3 The School District has not applied for a Building Aid Estimate, but anticipates that aid may be received on this indebtedness.

DEBT STATEMENT SUMMARY

As of August 27, 2009

Town	2008-09 Assessed Valuation	Final 2008 Equalization Rate	Equalized Value
Austerlitz	$ 338,026,833	100.00%	$ 338,026,833
Canaan	263,559,937	88.25%	298,651,486
Chatham	318,333,668	67.00%	475,124,877
Ghent	392,849,346	100.00%	392,849,346
Kinderhook	42,673,629	100.00%	42,673,629
New Lebanon	25,976,589	100.00%	25,976,589
Total			$ 1,573,302,760

Debt Limit (10% thereof)		$ 157,330,276
Inclusions:		
Refunded Serial Bonds	$ 7,750,000	
Refunding Serial Bonds	8,750,000	
Bonds	155,000	
Total Inclusions		$ 16,655,000
Exclusions:		
Building Aid Estimate	$ 0 [1]	
Total Exclusions		$ 0
Total Net Indebtedness Before Giving Effect to This Issue		$ 16,655,000
This Issue	$ 4,900,000	
Amount of This Issue Excluded	0 [1]	4,900,000
Total Net Indebtedness After Giving Effect to This Issue		$ 21,555,000
Net Debt-Contracting Margin		$ 135,775,276
Percentage of Debt-Contracting Power Exhausted		13.70%

Notes: 1 If the School District had an SA-24 Building Aid Estimate authorizing a deduction of $4,053,250, as shown on the previous page, its net indebtedness would be reduced to $17,501,750 and its debt-contracting margin would be increased to $139,828,526. However, because the calculations of building aid are not based on an actual SA-24 Building Aid Estimate certified by the Commissioner of Education, the exclusion shown here is zero.

ESTIMATED CALCULATION OF OVERLAPPING INDEBTEDNESS

Overlapping Unit	Applicable Equalized Value	Percent	Gross Debt: Bonds	Gross Debt: Notes	Exclusions	Net Debt	Estimated Applicable Overlapping Indebtedness
Columbia County	$ 1,573,302,760 $ 6,994,082,495	22.49%	$ 10,771,000	$ 0	$ 0	$ 10,771,000	$ 2,422,398
Town of Austerlitz	$ 338,026,833 $ 395,050,123	85.57%	690,000	0	0	690,000	590,433
Town of Canaan	$ 298,651,486 $ 398,513,283	74.94%	0	0	0	0	0
Town of Chatham	$ 475,124,877 $ 643,199,532	73.87%	25,600	518,666	544,266	0	0
Town of Ghent	$ 392,849,346 $ 496,359,266	79.15%	0	0	0	0	0
Town of Kinderhook	$ 42,673,629 $ 758,594,127	5.63%	0	0	0	0	0
Town of New Lebanon	$ 25,976,589 $ 261,533,307	9.93%	0	0	0	0	0
Village of Chatham	$ 107,967,962 $ 107,967,962	100.00%	0	1,010,586	0	1,010,586	1,010,586
Total							$ 4,023,417

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

LITIGATION

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

In the event of a default in the payment of the principal of or interest on the Bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds.

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

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

Recent amendments to the Federal Bankruptcy Act have the effect of facilitating recourse to the protection of a Federal Court by public bodies for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State to file a petition with any United States District Court or Court of Bankruptcy under any provision of Federal law for the composition or adjustment of municipal indebtedness. While these provisions do not apply to school districts, there can be no assurance that they will not be made applicable in the future.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of the City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of the Local Finance Law enacted at the 1975 Extraordinary Session of the State Legislature, authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. These provisions do not apply to school districts, but there can be no assurance that they will not be made applicable in the future. In any event, no such emergency has been declared with respect to the School District.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Bonds will be covered by the unqualified legal opinion of Hiscock & Barclay, LLP, Albany, New York, Bond Counsel to the School District, to the effect that the Bonds are valid and binding general obligations of the School District, all taxable property in the territory of the School District is subject to ad valorem taxation, without limitation as to rate or amount to pay the Bonds, and the School District is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources. In addition, such opinion will state that interest on the Bonds is excluded from gross income for Federal income tax purposes and is not an item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals and corporations. The opinion set forth in the preceding sentence will be subject to the condition that the School District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for Federal income tax purposes. The School District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel also will express an opinion that interest on the Bonds is exempt from personal income taxes imposed by New York State or any political subdivision thereof, including The City of New York. Bond Counsel will express no opinion regarding other Federal or state tax consequences arising with respect to the Bonds. The opinion will state that (1) the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity and (2) Bond Counsel expresses no opinion as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds. The opinion will be given as of the date of issuance of the Bonds and Bond Counsel will assume no obligation to update or supplement the opinion to reflect any facts or circumstances that may thereafter come to their attention or any changes in law that may thereafter occur.

TAX MATTERS

In the opinion of Hiscock & Barclay, LLP, Albany, New York, Bond Counsel, under existing law, (1) interest on the Bonds 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 Code, except that the School District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Bonds to become subject to Federal income taxation from the date of issuance thereof, and (2) interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

In rendering the foregoing opinions, Bond Counsel notes that exclusion of the interest on the Bonds from gross income for Federal income tax purposes is dependent, among other things, on compliance with the applicable requirements of the Code that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Non-compliance with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Those requirements include, but are not limited to, provisions that prescribe yield and other limits within which the proceeds of the Bonds are to be invested and require, under certain circumstances, that certain investment earnings on the foregoing be rebated on a periodic basis to the Treasury Department of the United States of America. The School District has covenanted in the Tax Certificate as to Arbitrage and Use of Proceeds, that, to maintain the exclusion of interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code, and for no other purpose, the School District shall comply with each applicable provision of the Code.

The Tax Increase Prevention and Reconciliation Act of 2005, enacted on May 17, 2006, contains a provision under which interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although the new reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Bonds to be subject to backup withholding if such interest is paid to registered owners who either (a) fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner or (b) have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's federal income tax liability provided the required information is furnished to the IRS.

Bond Counsel also advises that (1) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, the Code provides that such insurance company's deduction for loss is reduced by 15% of the sum of certain items, including interest on the Bonds, (2) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (3) passive investment income, including interest on the Bonds, may be subject to Federal income taxation under section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; (4) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Bonds; and (5) under Section 32(i) of the Code, receipt of investment income, including interest on the Bonds, may disqualify the recipient thereof from obtaining the earned income credit.

A bondholder's federal, state and local tax liability may otherwise be affected by the ownership or disposition of the Bonds. The nature and extent of these other consequences will depend upon the bondholder's other items of income or deduction. Bond Counsel has expressed no opinion regarding any such other tax consequences. Each purchaser of the Bonds should consult its tax advisor regarding the impact of the foregoing and other provisions of the Code on its individual tax position.

The Bonds will be designated or deemed designated by the School District as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code and, in the case of certain financial institutions (within the meaning of Section 265(b) of the Code), a deduction is allowed for 80% of that portion of the interest expense of such financial institutions that shall be allocable to interest on the Bonds.

The opinion of Bond Counsel set forth above with respect to the Federal income tax treatment of interest paid on the Bonds is based upon the current provisions of the Code. Tax legislation, administrative actions taken by tax authorities and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law and could affect the market price for, or the marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisers regarding the foregoing matters.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12, promulgated by the Securities and Exchange Commission (the "Commission"), as the same may be amended or officially interpreted from time to time, (the "Rule"), the School District shall provide, or cause to be provided either directly or through a designated agent to the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board ("MSRB"):

(i) During any succeeding fiscal year in which the Bonds are outstanding, certain annual financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in this Official Statement under the headings "Bond Rating", "School District Officials", "Historical/Projected Enrollment", "School Facilities", "Employee Contracts", "Status and Financing of Employee Pension Benefits", "Unemployment Rates", "Major Employers", "Investment Policy", "Budgetary Procedures", "State Aid", "Other Information", "Financial Audits", "Financial Information", "Statement of Net Assets", Statement of Activities", "General Fund - Comparative Balance Sheet", "General Fund - Revenue, Expenses and Fund Balance", "Changes in Remaining Fund Balances", "Tax Collection Procedure", "STAR - School Tax Exemption", "Tax Collection Record", "Major Taxpayers", "Status of Short-Term Indebtedness", "Status of Outstanding Bond Issues", "Building Aid Estimate", "Debt Statement Summary", "Estimated Calculation of Overlapping Indebtedness" and "Litigation"; and a copy of the audited financial statements (prepared in accordance with generally accepted accounting principles in effect at the time of the audit) for the preceding fiscal year, if any. Such information, data and audited financial statements, if any, will be provided on or prior to the end of the sixth month of each succeeding fiscal year; provided, however, if audited financial statements are not available as of such date, unaudited financial statements will be provided. In that event, audited financial statements, if prepared, will be provided within sixty days following receipt thereof by the School District of audited financial statements for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year.

(ii) In a timely manner, notice of any of the following events with respect to the Bonds, if such event is material:

(a) principal and interest payment delinquencies

(b) non-payment related defaults

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) unscheduled draws on credit enhancements reflecting financial difficulties

(e) substitution of credit or liquidity providers, or their failure to perform

(f) adverse tax opinions or events affecting the tax-exempt status of the Bonds

(g) modifications to rights of Bond holders

(h) bond calls

(i) defeasances

(j) release, substitution, or sale of property securing repayment of the Bonds

(k) rating changes

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

Continued on following page.

CONTINUING DISCLOSURE UNDERTAKING - Concluded

(iii) In a timely manner, to MSRB, notice of its failure to provide the required annual financial information, operating data and audited financial statements, if any, on or prior to the date specified.

The School District reserves the right to terminate its obligations to provide the annual financial information, operating data, audited financial statements and notice of Material Events, if and when the School District no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The School District acknowledges that its undertaking pursuant to the Rule is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds).

Failure of the School District to comply with its undertaking shall not be considered a default under the Bonds and shall have solely the following consequences: (a) the obligation of the School District to deliver annual financial and operating data and an event notice pursuant to the Rule, and (b) the obligation of the School District to include notice of such breach in all final official statements delivered in connection with an offering of securities in accordance with the Rule. The right to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the obligations specified and no other remedies shall be available, including without limitation, any claim for money damages, as a consequence of such a failure.

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

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

MISCELLANEOUS

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

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

Dated: August 27, 2009
Chatham, New York

John Wapner
President, Board of Education