

FINAL OFFICIAL STATEMENT DATED DECEMBER 1, 2011

SERIAL BONDS AND BOND ANTICIPATION NOTES

STANDARD & POOR'S: "A/STABLE"
UNINSURED

In the opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, subject to continuing compliance by the Village of Watkins Glen, Schuyler County, New York (the "Village") with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds and the Notes is (A) excluded from gross income of the owners thereof for federal income tax purposes under existing law, and (B) exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Moreover, interest on the Bonds and the Notes is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes. (See the caption "TAX EXEMPTION" herein for a discussion of certain federal taxes applicable to corporate owners of the Bonds and the Notes.)

The Bonds and the Notes will be designated as "qualified tax-exempt obligations" pursuant to Section 256(b)(3) of the Code.

VILLAGE OF WATKINS GLEN SCHUYLER COUNTY, NEW YORK (the "Village")

\$1,618,457

PUBLIC IMPROVEMENT SERIAL BONDS, 2011

(Book-Entry Only)

(the "Bonds")

(Designated/Bank Qualified)

Dated: December 15, 2011

**Principal Due: December 15, 2012/2031, inclusive
Interest Due June 15, 2012, December 15, 2012, and
semi-annually thereafter on June 15 and December 15**

BOND MATURITY SCHEDULE

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2012	\$68,457	2.500%	0.750%	942452EH2	2022	\$90,000	3.000%	3.000%	942452ET6
2013	70,000	2.500%	1.000%	942452EJ8	2023	90,000	3.125%	3.200%	942452EU3
2014	70,000	2.500%	1.150%	942452EK5	2024	95,000	3.375%	3.400%	942452EV1
2015	75,000	2.500%	1.400%	942452EL3	2025	95,000	3.500%	3.600%	942452EW9
2016	75,000	2.500%	1.700%	942452EM1	2026	100,000	3.625%	3.700%	942452EX7
2017	75,000	3.000%	2.000%	942452EN9	2027	70,000	3.750%	3.800%	942452EY5
2018	80,000	3.000%	2.200%	942452EP4	2028	75,000	4.000%	3.900%	942452EZ2
2019	80,000	3.000%	2.400%	942452EQ2	2029	75,000	4.000%	4.000%	942452FA6
2020	85,000	3.000%	2.600%	942452ER0	2030	80,000	4.000%	4.100%	942452FB4
2021	85,000	3.000%	2.800%	942452ES8	2031	85,000	4.125%	4.200%	942452FC2

RAYMOND JAMES & ASSOCIATES INC.

Prior Redemption: The Bonds maturing on or before December 15, 2019 will not be subject to redemption, in whole or in part, prior to maturity. The Bonds maturing on or after December 15, 2020 will be subject to redemption prior to maturity, at the option of the Village, on December 15, 2019 or on any date thereafter, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at par (100%) plus accrued interest to the date of redemption, as described herein under the heading "Optional Redemption."

Form and Denomination: 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, ("DTC") New York, New York, which will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry-only form, in denominations of \$5,000 or integral multiples thereof, except for one necessary Bond of an odd denomination maturing December 15, 2012, such that one bond certificate will be issued for each maturity of Bonds. Bondholders will not receive certificates representing their ownership interest in the Bonds purchased. See "Book-Entry-Only System" herein.

Payment: Payment of the principal of and interest on the Bonds to the Beneficial Owners of the Bonds will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name". Payment will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the Village, subject to any statutory and regulatory requirements as may be in effect from time to time. See "Book-Entry-Only System", herein.

The Bonds bear interest from December 15, 2011, with interest thereon payable on June 15, 2012, December 15, 2012 and semi-annually thereafter of June 15 and December 15 in each year until maturity (or prior redemption). The Bonds mature on December 15 in each year commencing December 15, 2012.

The record date for the Bonds is the last business day of the calendar month preceding an interest payment date.

\$1,200,000

BOND ANTICIPATION NOTES, 2011

(the "Notes")

(Designated/Bank Qualified)

Interest Rate: 1.50%

CUSIP #: 942452FD0

Reoffered @ 0.70%

OPPENHEIMER & CO INC.

Dated: December 15, 2011

Maturity Date: December 13, 2012

Prior Redemption: The Notes will NOT be subject to redemption, in whole or in part, prior to maturity.

Form and Denomination: The Notes will be issued as registered Notes, and will be registered in the name of Cede & Co. as nominee of DTC, which will act as securities depository for the Notes. Individual purchases of the Notes will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof, as may be determined by such purchaser. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payments of principal of and interest on the Notes will be made by the Village to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes as described herein. See "Book-Entry-Only System" herein.

Interest on the Bonds and the Notes will be calculated on a 30 day month and a 360 day year basis, payable at maturity.

The Bonds and the Notes are general obligations of the Village and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds and the Notes. All the taxable real property within the Village is subject to the levy of *ad valorem* taxes to pay the Bonds and the Notes and interest thereon, for such purpose (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York [the "Tax Levy Limit Law"]; see "REAL PROPERTY TAX INFORMATION—Tax Levy Limit Law," herein).

The Bonds and the Notes are offered when, as and if issued and received by the respective purchasers thereof and subject to the receipt of unqualified legal opinions as to the validity of the Bonds and the Notes of Hodgson Russ LLP, Bond Counsel, of Buffalo, New York and certain other conditions. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about December 15, 2011. It is anticipated that the Notes will be available for delivery through the facilities of DTC on or about December 15, 2011.

THIS REVISED COVER SUPPLEMENTS THE OFFICIAL STATEMENT OF THE VILLAGE DATED NOVEMBER 17, 2011 RELATING TO THE OBLIGATIONS THEREOF DESCRIBED THEREIN AND HEREIN BY INCLUDING CERTAIN INFORMATION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12. OTHER THAN AS SET FORTH ON THE REVISED COVER PAGE, THE SECTIONS "SCHEDULE OF PRINCIPAL PAYMENTS – OUTSTANDING AND PROPOSED BONDS" AND "RATING," THERE HAVE BEEN NO REVISIONS TO SAID OFFICIAL STATEMENT.

OFFICIAL STATEMENT DATED NOVEMBER 17, 2011

SERIAL BONDS AND BOND ANTICIPATION NOTES

STANDARD & POOR'S: APPLIED FOR

In the opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, subject to continuing compliance by the Village of Watkins Glen, Schuyler County, New York (the "Village") with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds and the Notes is (A) excluded from gross income of the owners thereof for federal income tax purposes under existing law, and (B) exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Moreover, interest on the Bonds and the Notes is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes. (See the caption "TAX EXEMPTION" herein for a discussion of certain federal taxes applicable to corporate owners of the Bonds and the Notes.)

The Bonds and the Notes will be designated as "qualified tax-exempt obligations" pursuant to Section 256(b)(3) of the Code.

VILLAGE OF WATKINS GLEN SCHUYLER COUNTY, NEW YORK (the "Village")

\$1,618,457

PUBLIC IMPROVEMENT SERIAL BONDS, 2011 (Book-Entry Only) (the "Bonds") (Designated/Bank Qualified)

Dated: December 15, 2011

**Principal Due: December 15, 2012/2031, inclusive
Interest Due June 15, 2012, December 15, 2012, and
semi-annually thereafter on June 15 and December 15**

BOND MATURITY SCHEDULE

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2012	\$58,457				2022	\$95,000			
2013	65,000				2023	95,000			
2014	65,000				2024	100,000			
2015	65,000				2025	100,000			
2016	70,000				2026	105,000			
2017	75,000				2027	70,000			
2018	80,000				2028	75,000			
2019	80,000				2029	75,000			
2020	90,000				2030	80,000			
2021	90,000				2031	85,000			

* Subject to adjustment by the Village in accordance with the Notice of Bond Sale, to accomplish substantially level or declining annual debt service, as provided by the Local Finance Law.

SEALED AND ELECTRONIC PROPOSALS SUBMITTED VIA PARITY WILL BE RECEIVED UNTIL 11:30 A.M. ON DECEMBER 1, 2011. FOR MORE INFORMATION, VIEW THE NOTICE OF BOND SALE POSTED AT WWW.I-DEALPROSPECTUS.COM OR WWW.MUNICIPALSOLUTION.COM.

Prior Redemption: The Bonds maturing on or before December 15, 2019 will not be subject to redemption, in whole or in part, prior to maturity. The Bonds maturing on or after December 15, 2020 will be subject to redemption prior to maturity, at the option of the Village, on December 15, 2019 or on any date thereafter, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at par (100%) plus accrued interest to the date of redemption, as described herein under the heading "Optional Redemption."

Form and Denomination: 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, ("DTC") New York, New York, which will act as securities depository for

the Bonds. Individual purchases of the Bonds will be made in book-entry-only form, in denominations of \$5,000 or integral multiples thereof, except for one necessary Bond of an odd denomination maturing December 15, 2012, such that one bond certificate will be issued for each maturity of Bonds. Bondholders will not receive certificates representing their ownership interest in the Bonds purchased. See "Book-Entry-Only System" herein.

Payment: Payment of the principal of and interest on the Bonds to the Beneficial Owners of the Bonds will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name". Payment will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the Village, subject to any statutory and regulatory requirements as may be in effect from time to time. See "Book-Entry-Only System", herein.

The Bonds bear interest from December 15, 2011, with interest thereon payable on June 15, 2012, December 15, 2012 and semi-annually thereafter of June 15 and December 15 in each year until maturity (or prior redemption). The Bonds mature on December 15 in each year commencing December 15, 2012.

Proposals shall be for not less than \$1,618,457 and accrued interest, if any, on the total principal amount of the Bonds. Proposals shall be accompanied by a good faith deposit in the form of a wire transfer or a certified or cashier's check, payable to the order of the Village of Watkins Glen, in the amount of \$8,092.

The record date for the Bonds is the last business day of the calendar month preceding an interest payment date.

\$1,200,000

BOND ANTICIPATION NOTES, 2011

(the "Notes")

(Designated/Bank Qualified)

Dated: December 15, 2011

Maturity Date: December 13, 2012

WRITTEN, FAXED OR TELEPHONED PROPOSALS SUBMITTED VIA PARITY WILL BE RECEIVED UNTIL 11:00 A.M. ON DECEMBER 1, 2011. FOR MORE INFORMATION, VIEW THE NOTICE OF SALE POSTED AT WWW.I-DEALPROSPECTUS.COM OR WWW.MUNICIPALSOLUTION.COM.

Prior Redemption: The Notes will NOT be subject to redemption, in whole or in part, prior to maturity.

Form and Denomination: The Notes will be issued as registered Notes, and at the option of the initial purchaser(s), may be registered to the Depository Trust Company ("DTC" or the "Securities Depository") or may be registered in the name of the initial purchaser(s).

If the Notes will be issued through DTC, the Notes will be registered in the name of Cede & Co. as nominee of DTC, which will act as securities depository for the Notes. Individual purchases of the Notes will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof, as may be determined by such purchaser(s). Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payments of principal of and interest on the Notes will be made by the Village to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes as described herein. See "Book-Entry-Only System" herein.

If the Notes are registered in the name of the purchaser(s), principal of and interest on the Notes will be payable in federal funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder(s). In such case, the Notes will be issued in registered form in denominations of \$5,000, or integral multiples thereof, as may be determined by such successful bidder(s).

Interest on the Bonds and the Notes will be calculated on a 30 day month and a 360 day year basis, payable at maturity.

The Bonds and the Notes are general obligations of the Village and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds and the Notes. All the taxable real property within the Village is subject to the levy of

ad valorem taxes to pay the Bonds and the Notes and interest thereon, for such purpose (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York [the “Tax Levy Limit Law”]; see “REAL PROPERTY TAX INFORMATION—Tax Levy Limit Law,” herein).

The Bonds and the Notes are offered when, as and if issued and received by the respective purchasers thereof and subject to the receipt of unqualified legal opinions as to the validity of the Bonds and the Notes of Hodgson Russ LLP, Bond Counsel, of Buffalo, New York and certain other conditions. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about December 15, 2011. It is anticipated that the Notes will be available for delivery through the facilities of DTC (or such other place as may be agreed upon with the purchaser(s)) on or about December 15, 2011.

THE VILLAGE DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE “RULE”), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE BONDS AND THE NOTES. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF BOND SALE WITH RESPECT TO THE BONDS AND THE NOTICE OF SALE WITH RESPECT TO THE NOTES. THE VILLAGE WILL CONVENANT, IN SEPARATE UNDERTAKINGS WITH THE HOLDERS OF THE BONDS AND THE NOTES, TO PROVIDE CERTAIN INFORMATION AND NOTICE OF CERTAIN DESIGNATED EVENTS (AS SPECIFIED IN THE RULE), AS REQUIRED BY THE RULE (SEE “LIMITED UNDERTAKING REGARDING CONTINUING DISCLOSURE FOR THE BONDS” AND “DISCLOSURE UNDERTAKING FOR THE NOTES,” HEREIN).

**VILLAGE OF WATKINS GLEN
SCHUYLER COUNTY, NEW YORK**

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R. Mark Swinnerton, Jr., Mayor

TRUSTEES

Scott D. Gibson
Kevin J. Smith
Wayne N. Weber
Vacant

* * *

Donna J. Beardsley, Clerk/Treasurer
Naomi Kingsley, Deputy Clerk
David H. Ealy, Esq., Village Attorney

* * *

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* * *

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

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Prepared with the Assistance of:
Municipal Solutions, Inc.

OFFICIAL STATEMENT

**VILLAGE OF WATKINS GLEN
SCHUYLER COUNTY, NEW YORK
(the "Village")**

**\$1,618,457 PUBLIC IMPROVEMENT SERIAL BONDS, 2011
(the "Bonds")**

(Book-Entry Only)

(Designated/Bank Qualified)

**\$1,200,000 BOND ANTICIPATION NOTES, 2011
(the "Notes")**

(Designated/Bank Qualified)

This Official Statement which includes the cover page and the appendices hereto, presents certain information relating to the Village of Watkins Glen, Schuyler County, in the State of New York (the "Village", "County" and "State," respectively) in connection with the sale of the Village's \$1,618,457 Public Improvement Serial Bonds, 2011 (the "Bonds") and \$1,200,000 Bond Anticipation Notes, 2011 (the "Notes").

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

THE BONDS AND THE NOTES

The Bonds and the Notes are general obligations of the Village and will contain a pledge of the faith and credit of the Village for payment of the principal of and interest on the Bonds and the Notes, respectively, 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). Unless paid for from other sources, all the taxable real property within the Village is subject to the levy of *ad valorem* taxes to pay the Bonds and the Notes and the interest thereon, sufficient to pay such principal and interest as the same become due (subject to certain statutory limitations imposed by the Tax Levy Limit Law; see "REAL PROPERTY TAX INFORMATION—Tax Levy Limit Law," herein).

The financial condition of the Village, as well as the market for the Bonds and the Notes, could be affected by a variety of factors, some of which are beyond the control of the Village. See "Bondholder and Noteholder Risks," herein.

Description of the Bonds

The Bonds comprise an issue in the aggregate principal amount of \$1,618,457, will be dated December 15, 2011, and will mature in annual installments beginning on December 15, 2012, as set forth in the cover page hereof. Interest on the Bonds will be payable on June 15, 2012, December 15, 2012 and semi-annually thereafter on June 15 and December 15 until maturity (or earlier redemption).

The Bonds will be issued in registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Purchase of the Bonds will be made in book-entry-only form in denominations of \$5,000 each or any integral multiple thereof, except for one necessary Bond of an odd denomination maturing December 15, 2012. Bondholders will not receive certificates representing their ownership interest in the Bonds purchased. Principal and interest on the Bonds will be payable when due as described in "Book-Entry-Only System" herein.

The record date of the Bonds will be the last business day of the calendar month preceding each interest payment date.

Optional Redemption - Bonds

The Bonds maturing on or before December 15, 2019 will not be subject to redemption, in whole or in part, prior to maturity. The Bonds maturing on or after December 15, 2020 will be subject to redemption prior to maturity as a whole or in part, and if in part, in any order of their maturity and in any amount within a maturity, at the option of the Village on December 15, 2019 or on any date thereafter at par (100%), plus accrued interest to the date of redemption. Notice of the call for such redemption shall be given by mailing such notice to the registered owners thereof not more than sixty (60) days nor less than twenty (20) days prior to the designated redemption date. 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 of redemption, become due and payable, together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date. If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by lot in any customary manner of selection as determined by the Treasurer of the Village.

Authorization and Purpose of Issue – Bonds

The Bonds are being issued pursuant to the Constitution and Laws of the State of New York, including among others, the Village Law, the Local Finance Law, and various bond resolutions duly adopted by the Village Board of Trustees. The Bonds will provide funds to retire, at the maturity date, previously issued bond anticipation notes of the Village, in the aggregate amount of \$1,047,989 which were issued to finance reconstruction of and the construction of improvements to the Village municipal building and to provide original financing of \$570,468 for two projects as described below:

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorization</u>	<u>Previous Borrowing</u>	<u>New Monies This Issue</u>	<u>This Issue</u>
Reconstruction of and the construction of improvements to the Village municipal building	12/21/09	\$1,160,705	\$1,047,989	\$112,716	\$1,160,705
Acquisition of fire-fighting vehicle and apparatus	09/19/11	457,752	0	457,752	457,752
			<u>\$1,047,989</u>	<u>\$570,468</u>	<u>\$1,618,457</u>

Note: * There are currently outstanding \$1,047,989 bond anticipation notes which will be paid in full with proceeds of the Bonds.

Description of the Notes

The Notes will be dated December 15, 2011 and will mature, without the right of redemption, in whole or in part, prior to maturity on December 13, 2012, with interest payable at maturity at the annual rate(s) specified by the purchaser(s).

The Notes will be issued either (i) in registered form in the name of the purchaser(s), in which case principal of and interest on the Notes will be payable in federal funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder or (ii) in registered form in the name of the Cede & Co. as nominee for DTC, in which case DTC will act as securities depository for the Notes. See "Book-Entry Only System" herein. In either case, the Notes will be issued in denominations of \$5,000, or integral multiples thereof, as may be determined by the successful bidder. In the latter case, one fully-registered note certificate will be issued for all Notes bearing the same rate of interest and CUSIP number, each in the aggregate principal amount of such issue. Purchasers will not receive certificates representing their interest in the Notes, and principal and interest will be paid in lawful money of the United States of America (federal funds) by the Village directly to DTC for its nominee, Cede & Co.

Optional Redemption - Notes

The Notes will NOT be subject to prior redemption, in whole or in part, prior to maturity.

Authorization and Purpose of Issue – Notes

The Notes are being issued pursuant to the Constitution and Laws of the State of New York, including among others, the Village Law, the Local Finance Law, and a bond resolution duly adopted by the Village Board of Trustees on July 20, 2009 (as amended May 17, 2010) authorizing the issuance of \$2,890,000 of serial bonds to finance the reconstruction of and the construction of improvements to the Village water system. On November 7, 2011 the Village Board of Trustees adopted an amending resolution for the above mentioned project, decreasing the authorized amount of the May 17, 2010 amending bond resolution to \$1,600,000.

The proceeds of the Notes will be used to redeem and renew, in full, outstanding bond anticipation notes of the Village in the aggregate amount of \$1,200,000.

For further information regarding bond authorizations of the Village for capital purposes and other matters relating thereto see “Indebtedness of the Village”.

Certificated Bonds and Notes

DTC may discontinue providing its services with respect to the Bonds and the Notes at any time by giving notice to the Village and discharging its responsibilities with respect thereto under applicable law, or the Village may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds and the Notes will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof, except for one Bond of an odd denomination maturing December 15, 2012, for any single maturity. Principal of the Bonds and the Notes when due will be payable upon presentation at the principal corporate trust office of a bank(s) or trust company(ies) located and authorized to do business and act as a fiscal agent in the State of New York to be named by the Village. Interest on the Bonds will be payable June 15, 2012, December 15, 2012 and semi-annually thereafter on June 15 and December 15 in each year to maturity (or earlier redemption). Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. The Bonds and the Notes may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds and Notes of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Certificates of Determination executed by the Treasurer of the Village authorizing the sale of the Bonds and Notes and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of particular Bonds and Notes between the applicable record date for such Bonds and Notes and such interest payment date.

Book-Entry-Only System

The following is relevant to the Bonds (and to the Notes if the Notes are to be issued in book-entry form). The following discussion assumes that the Notes will be so issued. The Depository Trust Company (“DTC”), New York, NY will act as securities depository for the Bonds and the Notes. The Bonds and the Notes will be issued as fully-registered Bonds and the Notes registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond or note certificate will be issued for each maturity of the Bonds and the Notes, bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 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”). Standard & Poor’s has issued DTC a rating of AA+. 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 Bonds or the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds or the Notes on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds or the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds or the Notes, except in the event that use of the book-entry system for the Bonds or the Notes is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds and the Notes may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds and the Notes, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the Bonds and the Notes may wish to ascertain that the nominee holding the Bonds and the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners or, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption proceeds, distributions, and dividend payments on the Bonds and the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from the Village or Agent on payable date in accordance with their respective holdings shown on DTC’s records.

Payments on the Bonds and the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Village, on the 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 bonds and notes held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC or the Village, 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 Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of the Village, 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 securities at any time by giving reasonable notice to Village. Under such circumstances, in the event that a successor depository is not obtained, bond and note certificates are required to be printed and delivered.

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

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

Source: The Depository Trust Company, New York

THE VILLAGE CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS OR THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS OR THE NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS OR THE NOTES, OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS OR THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THE OFFICIAL STATEMENT.

THE VILLAGE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS OR THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS OR THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE VILLAGE MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Security and Source of Payment

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

The Bonds and the Notes are general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest, the Village has the power and statutory authorization to levy *ad valorem* taxes on all the taxable real property in the Village, without limitation as to rate or amount (subject to certain statutory limitations imposed by the Tax Levy Limit Law; see "REAL PROPERTY TAX INFORMATION—Tax Levy Limit Law," herein).

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and the Notes and the State is specifically precluded from restricting the power of the Village to levy taxes on real estate therefor. On June 24, 2011, the Tax Levy Limit Law was adopted in the State. The Tax Levy Limit Law establishes certain limitations on the power of local governments and school districts to increase the property tax levy beyond certain prescribed limits (without following certain prescribed procedures). This is new legislation, and it is not yet certain whether the Tax Levy Limit Law will withstand Constitutional scrutiny if, as expected, it is challenged in court. The Tax Levy Limit Law will have its first application with respect to the Village's budget for fiscal year 2012-2013, which begins on June 1, 2012. Since the Notes mature in the Village's 2012-2013 fiscal year and the Bonds mature in that same year and for a number of years thereafter, the new legislation could have an effect on the holders of the Bonds and the Notes. See "REAL PROPERTY TAX INFORMATION -- Tax Levy Limit Law" herein.

Remedies of Bondholders and Noteholders on Default

Upon default in payment in full of the principal of or interest on the Bonds and the Notes, a holder of such defaulted Bond or Note has a contractual right to sue the Village for the amount then due thereon. Such holder may obtain a judgment against the Village with interest as provided by law from the date of default in such payment or the date of demand therefor, if later. Execution or attachment of Village property cannot be obtained to satisfy the judgment. The General Municipal Law of the State provides that if the Village fails to pay a final judgment for such principal and/or

interest, it shall be the duty of the Village Board of the Village to assess, levy and cause to be collected at the same time and in like manner as other moneys for expenses are then next thereafter to be assessed, levied and collected, a sum of money sufficient to pay such judgment with interest thereon. Any moneys so collected shall, from time to time, be paid to the judgment creditors.

In addition, the State Constitution provides that if the Village fails to provide in its annual budget an amount sufficient to meet payment of principal of or interest on the Bonds and the Notes, the Village shall set aside from the first revenues thereafter received an amount necessary to pay such amounts which were required to be included in the Village's annual budget. In addition, the Village Treasurer may be required to set apart and apply such revenues to the payment of principal and interest on the Bonds and the Notes at the suit of any holder of the Bonds and the Notes. However, such right is subject to the discretionary power of the enforcing court and may be abridged by federal laws affecting creditors' rights or laws involving financial emergencies. (See "Special Provisions Affecting Remedies Upon Default.")

Special Provisions Affecting Remedies Upon Default

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

In accordance with the general rule with respect to municipalities, judgments against the Village may not be enforced by levy and execution against property owned by the Village.

The Federal Bankruptcy Code (the "Bankruptcy Code") allows public bodies such as the Village recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

Under the Bankruptcy Code, a petition may be filed in Federal bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Bankruptcy Code also requires the municipality to file a plan for the adjustment of its debts, which may modify or alter the rights of creditors and would authorize the Federal bankruptcy court to permit the municipality to issue certificates of indebtedness, which could have priority over existing creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite majority of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it. The Village has the legal capacity to file a petition under the Bankruptcy Code.

It might be asserted that under the Bankruptcy Code interest and principal payments made by the Village in respect of its indebtedness within ninety days of the filing of a bankruptcy petition with respect to the Village were voidable preferences. If these assertions were made and sustained by the bankruptcy court, the recipients of those preferential payments could be required to refund them, and their claims would then be treated as if the preferential payments had not been made.

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, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has ever been declared with respect to the Village.

No principal or interest payment on Village indebtedness is past due. The Village has never defaulted in the payment of the principal of and interest on any indebtedness.

THE VILLAGE

General Information

The Village has an area of approximately 2.24 square miles. It is located within the Town of Dix with a small portion in the Town of Reading. The Village, which was incorporated in 1865, is largely residential.

A State park, a salt mining manufacturer, a shopping center and a four story hotel are located in the Village. A second salt mining manufacturer and a world famous racetrack are within a few miles of the Village, as well as a number of wineries. Tourism is a large part of the local economy.

The Village operates its own electric power utility; power is purchased from the New York Power Authority and sold to the consumer. The Village supplies sewer and water services to its residents; a new water filtration plant was put into operation in 1995 and a waste water treatment plant was upgraded in 2002-03. Street maintenance, snowplowing, cemetery maintenance and recycling are provided by the Village to its residents.

Source: Village Officials

Governmental Organization

The Village was incorporated in 1865. One independently governed school district is located entirely within the Village which relies on its own taxing powers granted by the State to raise revenues. The Village uses the Town's assessment rolls as its basis for taxation of property located within the Village.

Subject to the provisions of the State Constitution, the Village operates pursuant to the Village Law, the Local Finance Law, other laws generally applicable to the Village and any special laws applicable to the Village. Under such laws, there is no authority for the Village to have a charter but pursuant to the Village Law and other laws generally applicable to home rule, the Village may from time to time adopt local laws.

The legislative power of the Village is vested in the Board of Trustees, which consists of five members, including the Mayor, who is the chief executive officer of the Village, elected for a term of four years. The four other members of the Village Board are also elected to four-year terms. All the Board members are elected at large and there is no limitation to the number of terms each may serve. The Village Clerk-Treasurer is appointed to a four year term.

Source: Village Officials

Employees

The Village provides services through approximately 27 full-time employees, 12 part-time employees and 40-45 seasonal employees. Some of the Village employees are represented by the following labor organizations:

<u>Unions</u>	<u>No. of Members</u>	<u>Contract Expiration Date</u>
Teamsters Local 529	7	May 31, 2012
Electric Department Employees Association of Watkins Glen	3	May 31, 2014
Policemen's Association of Watkins Glen	3	May 31, 2012

Source: Village Officials

DEMOGRAPHIC AND STATISTICAL INFORMATION

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

Population

<u>Year</u>	<u>Village of Watkins Glen</u>	<u>Schuyler County</u>	<u>New York State</u>	<u>United States</u>
1990	2,207	18,662	17,990,455	249,632,692
2000	2,158	19,222	18,976,457	281,421,906
2010	1,859	18,343	19,541,453	307,006,550

Source: US Census Bureau

Median Household Income

<u>Year</u>	<u>Village of Watkins Glen</u>	<u>Schuyler County</u>	<u>New York State</u>	<u>United States</u>
1990	\$22,827	\$25,712	\$32,965	\$30,056
2000	41,382	41,441	43,393	41,994

Source: US Census Bureau

Per Capita Income

<u>Year</u>	<u>Village of Watkins Glen</u>	<u>Schuyler County</u>	<u>New York State</u>	<u>United States</u>
1990	\$12,149	\$10,825	\$16,501	\$14,420
2000	23,371	20,357	23,389	21,587

Source: US Census Bureau

Unemployment Rate Statistics

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

<u>Annual Averages:</u>	<u>Schuyler County</u>	<u>New York State</u>	<u>United States</u>
2006	5.2%	4.6%	4.6%
2007	5.1	4.5	4.6
2008	5.8	5.3	5.8
2009	8.5	8.4	9.3
2010	8.4	8.6	9.6

2011 Monthly Rates:

January	10.2%	8.9%	9.8%
February	10.2	8.7	9.5
March	9.3	8.0	9.2
April	8.4	7.6	8.7
May	7.5	7.8	8.7
June	7.5	8.0	9.3
July	7.2	8.0	9.3
August	6.7	7.7	9.1
September	6.8	7.8	8.8

Source: Department of Labor, State of New York, Bureau of Labor Statistics. Information not seasonally adjusted.

Selected Listing of Larger Employers

<u>Name</u>	<u>Type</u>	<u>Approx. No. of Employees</u>
Wal-Mart	Retail	330
Schuyler County	Municipality	265
Watkins Glen Central School	Education	206
The Arc of Schuyler County	Service Agency	161
Cargill, Inc.	Manufacturing	100

Source: Village Officials

INDEBTEDNESS OF THE VILLAGE

Constitutional Requirements

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

Purpose and Pledge: Subject to certain enumerated exceptions, the Village 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 Village may contract indebtedness only for a Village purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

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

There is no constitutional limitation on the amount that may be raised by the Village by tax on real estate in any fiscal year to pay interest and principal on all indebtedness, subject to the statutory limitations imposed by the Tax Levy Limit Law.

The Village is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the Village so as to prevent abuses in taxation and assessments and in contracting indebtedness; however, as has been noted under "Security and Source of Payment" the State Legislature is prohibited by a specific constitutional provision from restructuring the power of the Village to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. See, however, the discussion of the Tax Levy Limit Law under the heading "REAL PROPERTY TAX INFORMATION—Tax Levy Limit Law," herein.

Statutory Procedure

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

Pursuant to the Local Finance Law, the Village authorizes the incurrence of indebtedness, including bonds and bond anticipation notes issued in anticipation of such bonds, by the adoption of a resolution, approved by at least two-thirds of the members of the Village Board of Trustees, the finance board of the Village. Certain of such resolutions may be subject to permissive referendum, or may be submitted to the Village voters at the discretion of the Village Board of Trustees.

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. (a) Such obligations are authorized or an object or purpose for which the Village is not authorized to expend money, or
(b) If the provisions of the law which should be complied with as of the date of publication of the notice were not substantially complied with,

and an action, suit or proceeding contesting such validity is commenced within 20 days after the date of such publication of the notice; or

2. Such obligations were authorized in violation of the provisions of the Constitution of New York.

Except on rare occasions, the Village complies with this estoppel procedure, and it has done so with respect to the bond resolutions under which the Bonds and the Notes are being issued. It is a procedure that is recommended by Bond Counsel, but is not an absolute legal requirement.

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits 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 generally do not extend five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five year limit and may be renewed subject to annual principal reductions for the entire period of probable usefulness of the purpose for which such notes were originally issued. (See "Payment and Maturity" under "Constitutional Requirements," and "Details of Short-Term Indebtedness Outstanding" herein).

In general, the Local Finance Law contains similar provisions providing the Village with power to issue certain other short-term general obligation indebtedness, including revenue and tax anticipation notes and budget and capital notes.

Debt Limit

The Village has the power to contract indebtedness for any Village purpose so long as the aggregate principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the Village and subject to certain enumerated deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional and statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll of the Village and dividing the same by the equalization rate, or the ratio which such assessed valuation bears to the full valuation, as determined by the New York State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuations of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

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

Details of Short-Term Indebtedness Outstanding

As of the date of this Official Statement, the Village has the following outstanding short-term debt:

<u>Type</u>	<u>Maturity</u>	<u>Purpose</u>	<u>Amount</u>
Bond Anticipation Note	12/15/11	Water system improvements	\$1,200,000 ¹
Bond Anticipation Note	12/15/11	Municipal building	1,047,989 ²
			\$2,247,989

Source: Village Note Records

Notes: ¹ To be redeemed and renewed, in full, with proceeds of the Notes.

² To be redeemed and retired, in full, with proceeds of the Bonds.

Revenue and Tax Anticipation Notes

The Village has not found it necessary to borrow in anticipation of taxes and revenues in recent years, nor does it anticipate any such borrowings in the near future.

Status of Outstanding Bond Issues

Year of Issue:	1979	1996A&B		
Amount Issued	\$394,000	\$1,893,000		
Last Maturity:	12/15/2014	3/15/2031		
Interest Rate/Instrument:	5.00% / SB	4.50% / SB-RD		
Purpose:	Sewer Plant	Water		
Balance Principal 05/31/11:	\$44,000	\$1,187,000		

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<u>Ending May 31:</u>				
2012	\$11,000	\$2,200	\$53,000	\$53,415
2013	11,000	1,650	54,000	51,030
2014	11,000	1,100	55,000	48,600
2015	11,000	550	56,000	46,125
2016			57,000	43,479
2017			58,000	41,040
2018			58,000	38,430
2019			60,000	35,820
2020			60,000	33,120
2021			60,000	30,420
2022			60,000	27,720
2023			60,000	25,020
2024			60,000	22,160
2025			61,000	19,620
2026			62,000	16,875
2027			62,000	14,085
2028			62,000	11,295
2029			63,000	8,505
2030			63,000	5,670
2031			63,000	2,835
Totals:	\$44,000	\$5,500	\$1,187,000	\$575,264

Note: * Principal payments made prior to Debt Statement dated November 8, 2011.

Status of Outstanding Bond Issues

Year of Issue:	1999	2000	2000B
Amount Issued	\$150,000	\$3,153,635	\$401,991
Last Maturity:	9/13/2020	8/1/2019	1/15/2021
Interest Rate/Instrument:	2.50% / SB	0.00% / SB-EFC	Various / SB
Purpose:	Fire Truck	Sewer	Water
Balance Principal 05/31/11:	\$76,697	\$1,415,635	\$240,000

Fiscal Year	Principal		Interest		Principal		Interest		
Ending May 31:									
2012	\$7,705	*	\$1,917		\$158,000	*	\$0	\$20,000	\$13,394
2013	7,897		1,725		158,000		0	20,000	12,342
2014	8,095		1,827		158,000		0	20,000	11,274
2015	8,297		1,325		157,000		0	20,000	10,187
2016	8,504		1,118		157,000		0	25,000	9,089
2017	8,717		905		157,000		0	25,000	7,701
2018	8,935		687		157,000		0	25,000	6,298
2019	9,158		464		157,000		0	25,000	4,882
2020	9,389		233		156,635		0	30,000	3,454
2021								30,000	1,718
Totals:	<u>\$76,697</u>		<u>\$10,201</u>		<u>\$1,415,635</u>		<u>\$0</u>	<u>\$240,000</u>	<u>\$80,338</u>

Notes: * Principal payments made prior to Debt Statement dated November 8, 2011.

Status of Outstanding Bond Issues

Year of Issue:	2004	2007
Amount Issued	\$1,655,499	\$920,000
Last Maturity:	9/14/2024	5/15/2019
Interest Rate/Instrument:	Various / SB	Various / SB
Purpose:	Various	Sewer
Balance Principal 05/31/11:	\$1,095,000	\$600,000

Fiscal Year	Principal		Interest	
Ending May 31:				
2012	\$100,000	*	\$40,138	\$80,000
2013	100,000		36,388	21,580
2014	100,000		32,638	18,260
2015	105,000		28,794	14,733
2016	105,000		24,856	11,205
2017	105,000		20,919	7,678
2018	100,000		17,075	4,150
2019	100,000		13,200	2,075
2020	100,000		9,200	
2021	45,000		6,300	
2022	45,000		4,500	
2023	45,000		2,700	
2024	45,000		900	
Totals:	<u>\$1,095,000</u>		<u>\$237,606</u>	<u>\$600,000</u>

Notes: * Principal payments made prior to Debt Statement dated November 8, 2011.

Total Annual Bond Principal and Interest Due

Fiscal Year <u>Ending May 31:</u>	<u>Principal</u>	<u>Interest</u>	Total Debt <u>Service</u>	<u>% Paid</u>
2012	\$429,705	\$135,964	\$565,669	9.22%
2013	430,897	124,714	555,611	18.47%
2014	437,095	113,698	550,793	27.86%
2015	442,297	101,713	544,010	37.35%
2016	437,504	89,747	527,251	46.74%
2017	438,717	78,242	516,959	56.16%
2018	398,935	66,640	465,575	64.73%
2019	401,158	56,441	457,599	73.34%
2020	356,024	46,007	402,031	80.98%
2021	135,000	38,438	173,438	83.88%
2022	105,000	32,220	137,220	86.13%
2023	105,000	27,720	132,720	88.39%
2024	105,000	23,060	128,060	90.64%
2025	61,000	19,620	80,620	91.95%
2026	62,000	16,875	78,875	93.28%
2027	62,000	14,085	76,085	94.61%
2028	62,000	11,295	73,295	95.94%
2029	63,000	8,505	71,505	97.30%
2030	63,000	5,670	68,670	98.65%
2031	63,000	2,835	65,835	100.00%
Totals:	<u>\$4,658,332</u>	<u>\$1,013,489</u>	<u>\$5,671,821</u>	

Source: Village Bond Records

Schedule of Principal Payments - Outstanding and Proposed Bonds

Fiscal Year Ending May 31:	Prior Issues	This Issue	Total Maturing Principal	Year End Outstanding Principal
2012	\$429,705	\$0	\$429,705	\$5,847,084
2013	430,897	68,457	499,354	5,347,730
2014	437,095	70,000	507,095	4,840,635
2015	442,297	70,000	512,297	4,328,338
2016	437,504	75,000	512,504	3,815,834
2017	438,717	75,000	513,717	3,302,117
2018	398,935	75,000	473,935	2,828,182
2019	401,158	80,000	481,158	2,347,024
2020	356,024	80,000	436,024	1,911,000
2021	135,000	85,000	220,000	1,691,000
2022	105,000	85,000	190,000	1,501,000
2023	105,000	90,000	195,000	1,306,000
2024	105,000	90,000	195,000	1,111,000
2025	61,000	95,000	156,000	955,000
2026	62,000	95,000	157,000	798,000
2027	62,000	100,000	162,000	636,000
2028	62,000	70,000	132,000	504,000
2029	63,000	75,000	138,000	366,000
2030	63,000	75,000	138,000	228,000
2031	63,000	80,000	143,000	85,000
2032		85,000	85,000	0
Totals:	<u>\$4,658,332</u>	<u>\$1,618,457</u>	<u>\$6,276,789</u>	

Other Obligations

As of the date of this Official Statement, the Village does not have any outstanding installment purchase debt or energy performance contracts.

Trend of Outstanding Debt

	Fiscal Year Ending May 31:				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Bonds	\$6,542,316	\$6,081,336	\$5,609,182	\$5,136,849	\$4,658,332
Bond Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,247,989</u>
Total Debt Outstanding	<u>\$6,542,316</u>	<u>\$6,081,336</u>	<u>\$5,609,182</u>	<u>\$5,136,849</u>	<u>\$6,906,321</u>

Source: Annual Update Documents of the Village

Computation of Debt Limit and Calculation of Net Indebtedness

(As of November 8, 2011)

<u>Fiscal Year Ending May 31:</u>	<u>Assessed</u> <u>Valuation</u>	State Equalization <u>Rate</u>	<u>Full Valuation</u>
2008	\$83,713,297	Various	\$107,324,740
2009	81,126,680	Various	108,168,907
2010	82,555,080	Various	117,935,829
2011	135,015,934	Various	135,015,934
2012	<u>133,322,023</u>	Various	<u>133,322,023</u>
Total (2011-12) ¹	<u>\$515,733,014</u>		<u>\$601,767,433</u>
Average Five Year Full Valuation			\$120,353,487
Debt Limit - 7% of Average Full Valuation			\$8,424,744
Inclusions:			
Bonds			\$4,392,627
Bond Anticipation Notes			<u>2,247,989</u>
Total Inclusions			<u>\$6,640,616</u>
Exclusions:			
Sewer Indebtedness ²			\$1,901,635
Water Indebtedness ³			2,627,000
Appropriations ³			<u>0</u>
Total Exclusions			<u>\$4,528,635</u>
Total Net Indebtedness Before Giving Effect to This Issue			\$2,111,981
New Monies in This Issue			\$570,468
New Monies Excludable			0
New Monies Not Excludable			<u>\$570,468</u>
Total Net Indebtedness After Giving Effect to This Issue ⁴			<u>\$2,682,449</u>
Net Debt Contracting Margin			<u>\$5,742,295</u>

Notes: ¹ The latest completed assessment roll for which a State Equalization Rate has been established.

² Excluded pursuant to Section 124.10 of the Local Finance Law by Orders of the State Comptroller dated February 24, 1997 and July 20, 1976.

³ Water indebtedness is automatically excluded pursuant to provisions of the New York State Constitution and Section 136.00 of the Local Finance Law.

⁴ Represents 31.84% of the Debt Limit of the Village.

Authorized and Unissued Indebtedness

After the issuance of the Bonds and the Notes, the Village will not have any authorized and unissued indebtedness.

Capital Project Plans and Anticipated Future Borrowings

The Village is generally responsible for providing services as required by the citizens on a Village-wide basis. The Village maintains a road system necessitating road resurfacing and improvements and the acquisition of machinery and, from time to time, equipment. Additionally, although not a capital expense, such road system requires annual expenditures for snow removal as well as regular general operating maintenance expenses. In addition, the Village owns, operates, maintains and improves recreation facilities.

The five year construction plan for the Village consists of the renovation of the existing Municipal Building and the addition of a new building that will house the Village Water System's water intake pumps which are being financed with the proceeds of the Bonds and the Notes. Once these two projects are complete, the Village's buildings will all be updated or new and should only require routine maintenance for the short term. The Village purchased a new fire-fighting vehicle, which will be paid for with proceeds of the Bonds. At this point in time there are no further construction plans for the Village within the next five years.

Direct and Overlapping Indebtedness

In addition to the Village, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Village.

The real property taxpayers of the Village are responsible for a proportionate share of outstanding debt obligations of the County, the Towns of Dix and Reading and the Watkins Glen Central School District, as well as the Village. Such taxpayers' share of this overlapping debt is based upon the amount of the Village's equalized property values taken as a percentage of each separate unit's total values. The table below sets forth both the total outstanding principal amount of debt issued by the Village and the approximate magnitude of the burden on taxable property of the Village of the debt issued and outstanding by such overlapping entities, as of the dates shown.

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Applicable Total Indebtedness	Exclusions ¹	Applicable Net Indebtedness	Full Value of Village in Municipality	Total Full Value of Municipality	% In Village	Estimated Applicable Overlapping Debt
County:								
Schuyler	2010	\$2,020,000	\$0	\$2,020,000	\$133,322,023	\$1,182,921,888	11.27%	\$227,665
Towns:								
Dix	2010	220,000	0	220,000	112,307,516	227,871,390	49.29%	108,428
Reading	2010	2,145,000	2,145,000	0	21,014,507	177,005,036	11.87%	0
School District:								
Watkins Glen	2010	26,474,484	21,550,230	4,924,254	133,322,023	657,011,139	20.29%	<u>999,240</u>
Total Net Overlapping Debt:								\$1,335,333
Total Net Direct Debt:								<u>2,682,449</u>
Total Overlapping and Direct Debt:								<u><u>\$4,017,782</u></u>

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

Note: ¹ Exclusions consist of indebtedness deductible from gross indebtedness for debt limit purposes pursuant to constitutional and statutory provisions (including water and sewer debt and revenue anticipation notes)

Debt Ratios

The following table presents certain debt ratios relating to the Village's net direct and overlapping indebtedness as of November 8, 2011:

	<u>Amount</u>	<u>Debt Per Capita</u> ¹	<u>Debt Full Value</u> ²
Net Direct Debt	\$2,682,449	\$1,442.95	2.01%
<u>Total Direct & Applicable Total Overlapping Debt</u>	<u>4,017,782</u>	<u>2,161.26</u>	<u>3.01%</u>

Notes: ¹ The population of the Village is 1,859 according to the 2010 US Census Bureau.

² The full valuation of real property located in the Village for the 2011-12 fiscal year is \$133,322,023.

FINANCES OF THE VILLAGE

Financial Statements and Accounting Procedures

The Village maintains its financial records in accordance with the Uniform System of Accounts for Villages prescribed by the State Comptroller. The financial affairs of the Village are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Village has complied with the requirements of various state and federal statutes.

In June, 1999, the Governmental Accounting Standards Board ("GASB") issued Statement 34, "Basic Financial Statements and Management's Discussions and Analysis for State and Local Governments". This Statement established new financial reporting requirements for state and local governments throughout the United States. Statement 34 required new information and restructured much of the information that governments had presented in the past. Comparability with reports issued in all prior years have been affected. GASB required the Village to implement this standard for the fiscal year ending December 31, 2003. The Village is not in compliance with the requirements of GASB Statement 34.

The Statements of Revenues, Expenditures and Balance Sheet presented in Appendix A of this Official Statement are based on the Annual Financial Reports of the Village as filed with the Office of the New York State Comptroller for the 2007 – 2011 fiscal years.

Fund Structure and Accounts

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

There are three basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) proprietary funds that account for operations of a commercial nature; and, (3) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Village presently maintains the following three major governmental funds: General Fund, Sewer Fund, and the Water Fund. The Electric Fund is reported as a proprietary fund basis. Fiduciary funds consist of a Trust and Agency Fund. Account groups are maintained for fixed assets and long-term debt.

Basis of Accounting

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

Expenditures are generally recognized under the modified accrual basis of accounting, which is when the related fund liability is incurred. An exception to this general rule is un-matured interest on general long-term debt which is recognized when due.

Investment Policy

The primary objectives of the Village's investment policy are, in priority order, as follows:

- To conform to all applicable federal, state and other legal requirements.
- To adequately safeguard principal.
- To provide sufficient liquidity to meet all operating requirements.
- To obtain a reasonable rate of return on invested funds.

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

The Village may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations of the State of New York; (3) in repurchase agreements involving the purchase and sale of direct obligations of the United States; (4) certificates of deposit issued by a bank or trust company authorized to do business in New York State; (5) time deposit accounts in a bank or trust company authorized to do business in New York State; (6) in the case of moneys held in certain reserve funds established by the Village pursuant to law, in obligations of the Village.

All funds may be invested in: (1) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (2) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the Village, itself.

Only reserve funds may be invested in: (1) obligations of the Village.

All other Village officials receiving money in their official capacity must turn over such funds to the Chief Fiscal Officer of the Village.

All of the foregoing investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the Village, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided by Section 10 of the GML.

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

Budgetary Procedures

The Village Board, with the assistance of the Village Treasurer, prepared a preliminary budget in the spring of each year and holds a public hearing thereon by April 15. Subsequent to the budget hearing, revisions, of any, are made and the budget is then adopted by the Village Board as its final budget for the coming fiscal year by May 1. The budget is not subject to voter approval.

All modifications of the budget must be approved by the governing board.

The Tax Levy Limit Law will have a significant impact on the Village's budgeting procedures and (possibly) outcomes, beginning with the Village's budget for its 2012-2013 fiscal year. See "REAL PROPERTY TAX INFORMATION—Tax Levy Limit Law," herein.

Financial Operations

The Village Treasurer functions as the chief fiscal officer of the Village as provided by Section 2 of the Local Finance Law: in this role, the Treasurer is responsible for the Village's accounting and financial reporting activities. In addition, the Village Treasurer is the Village's budget officer and must therefore prepare the annual tentative budget for submission to the Village Board of Trustees. Budgetary control during the year is the responsibility of the Treasurer. Pursuant to Section 30 of the Local Finance Law, the Treasurer must execute an authorizing certificate which then becomes a matter of public record.

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

Village finances are operated primarily through the General Fund. All real property taxes and most of the other Village revenues are credited to this fund. Current operating expenditures are paid from this fund subject to available appropriations. All revenues (rents and fees) and expenses of the Water, Sewer and Electric operations are specifically accounted for in these respective funds.

The Village's fiscal year runs from June 1 through May 31 for operating and reporting purposes.

Revenues

The Village receives most of its revenues from real property taxes and assessments. For the year ending May 31, 2011, real property taxes and assessments accounted for 44.07% of all general fund revenue.

A summary of such revenues and other financing sources for the last five completed fiscal years ending May 31, 2011 and the budget for the fiscal year ending 2012 may be found in Appendix A – Financial Information.

Real Property Taxes

See “Real Property Tax Information”, herein.

State Aid

The Village received approximately 4.61% of its total General Fund operating revenue from State aid in the fiscal year ending 2011. The Village estimates State aid for fiscal year ending 2012 will be \$91,838. The Village is dependent to a modest degree on financial assistance from New York State. However, 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 Village, in any year, the Village may be affected by a delay, until sufficient State taxes have been received by the State to make State aid payments to the Village.

The State is not constitutionally obligated to maintain or continue State aid to the Village. 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 affect upon the Village requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also “Noteholder Risks,” herein).

The State faces the prospect of multi-billion dollar deficits for the next several years, and cuts in State aid to municipalities have been included in the New York State budget for the fiscal year ending March 31, 2012, which was adopted on March 31, 2011 (and can be expected in future years).

Expenditures

The major categories of expenditure for the Village are General Government Support, Public Safety, Transportation, Home and Community Services, Employee Benefits and Debt Service. A summary of the expenditures for the five most recently completed fiscal years and the estimated expenditures for the 2011-12 fiscal year may be found in Appendix A – Financial Information.

Employee Pension Benefits

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State Local Police and Fire Retirement System ("PFRS"). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) The ERS and PFRS together are generally also known as the "Common Retirement Fund." The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers.

Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members of the ERS hired on or after July 27, 1976 must contribute 3% of gross annual salary, for the first ten years of service, toward the cost of retirement programs.

The following schedule reflects the Village's contribution to the ERS and PFRS for the last five fiscal years and the amount budgeted for fiscal year ending 2012:

<u>Fiscal Year Ending May 31:</u>	<u>ERS</u>	<u>PFRS</u>
Budgeted 2012	\$80,523	\$70,400
2011	108,124	62,846
2010	66,048	45,735
2009	68,190	50,725
2008	76,104	42,936
2007	80,044	36,863

Chapter 49 of the Laws of 2003 changed the cycle of billing to better match budget cycles of the Village and other governmental employers. Under the previous method, the Village was unsure of how much it would be required to pay to the system until after its budget was implemented. The contribution for a given fiscal year is now based on the value of the pension fund on the prior April 1 instead of the following April 1, so the Village is now able to more accurately build the cost of the contribution in its budget. The Village is required to a minimum contribution of 4.50% of payroll every year, including years in which the investment performance of the fund would make a lower contribution possible.

Due to significant capital market declines in the recent past, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings (until quite recently). As a result of the foregoing, New York State Comptroller Thomas DiNapoli has announced that the employer contribution rate for the State's Retirement System in 2012 year and subsequent years will be higher than the minimum contribution rate established by Chapter 49. For fiscal year 2012-13, the average contribution rate for the ERS will increase 16.3% to 18.9% of salaries and from 21.6% to 25.8% for the PFRS.

The Village is current with all its pension obligations and prepays all pension payments in December of each year to take advantage of the discounted payment amount offered by the System for paying pension obligations in advance of the February 1 due date.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized

amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amount, for future use.

On December 10, 2009, former Governor Paterson signed into law pension reform legislation that will provide (according to a Division of the Budget analysis) more than \$35 billion in long-term savings to State taxpayers over the next thirty years. The legislation creates a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38 percent for any civilian who retires prior to age 62.
- Requiring employees to continue contributing three percent of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from five years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15 percent of non-overtime wages.

In accordance with constitutional requirements, these new pension reforms apply only to public employees hired on or after January 1, 2010.

The investment of monies and assumptions underlying same, of the Retirement Systems covering the Village's employees is not subject to the direction of the Village. 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 Village 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.

Other Post-Employment Benefits

It should be noted that the Village provides post-employment healthcare benefits to various categories of former employees. These costs are expected to rise substantially in the future.

GASB 45 and OPEB. OPEB refers to "other post-employment benefits," and refers to benefits other than pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Before GASB 45, OPEB costs were generally accounted for and managed on a pay-as-you-go basis and had not been reported as a liability on the government's financial statements.

GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement benefits and other non-pension benefits ("OPEB"), as it accounts for vested pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance.

GASB 45 requires municipalities and school districts to account for OPEB liabilities similar to pension liabilities. It will require them to adopt the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB Statement No. 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 its compliance in meeting its ARC. The Village is in compliance with the requirements of GASB 45 for the fiscal year ending May 31, 2011.

The Village’s annual required contribution, the percentage of costs contributed and the net OPEB obligation for the last fiscal year are as follows:

<u>Fiscal Year Ending May 31:</u>	<u>Annual Required Obligation</u>	<u>Percentage of Annual OPEB Costs Contributed</u>	<u>Net OPEB Obligation</u>
2010	\$77,233	51.075%	\$37,789

As of September 30, 2010, the Village’s actuarial accrued liability for future benefits was \$900,140, all of which is unfunded.

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

Additional information about GASB 45 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

REAL PROPERTY TAX INFORMATION

Real Property Taxes

The Village derives a significant portion of its annual revenue through a direct real property tax. The following table presents the total tax levy tax rates and collection performance for each of the last five fiscal years.

Tax Collection Record

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Taxes on Roll	\$1,054,420	\$1,039,802	\$1,071,691	\$1,095,903	\$1,074,384
Delinquent Water/Sewer	19,709	14,059	15,925	16,900	16,460
Net Tax Levy	\$1,074,129	\$1,053,861	\$1,087,616	\$1,112,803	\$1,090,844
Collected During Year	1,038,000	1,008,568	1,072,932	1,066,673	1,054,335
Total Uncollected Taxes	\$36,129	\$45,293	\$14,684	\$46,130	\$36,509
Per Cent Collected Prior To Return to County	96.64%	95.70%	98.65%	95.85%	96.65%
Tax Rate Per \$1,000 AV					
Town of Dix	\$12.60	\$12.82	\$12.98	\$8.11	\$8.06
Town of Reading	12.60	12.82	12.98	8.11	8.06

Source: Village Officials

Tax Collection Procedure

Taxes are payable to July 1 without penalty. Penalties thereafter are imposed at a rate of 5% for the first month and an additional 1% for each month thereafter. In October, the tax collector sends out notification to taxpayers of unpaid taxes and adds \$1.00 to the penalty for costs of mailing. All taxes unpaid as of January 31 are advertised in the Village’s

official newspaper during the month of February and a tax certificate sale is held in March. Any property on which tax certificates are held more than three years is then sold at tax sale.

Tax Levy Limit Law

On June 24, 2011, the State Senate and the State Assembly both enacted, and Governor Andrew Cuomo signed (as Chapter 97 of the 2011 Laws of the State), significant and complex legislation relating to real property tax levies, rent regulation, exemption from local taxation and mandate relief (the “Legislation”). Part A of the Legislation amends the General Municipal Law and the Education Law in order to impose a limit upon real property tax levies by local governments (excluding the City of New York and the counties contained therein) and almost all school districts in the State (the “Tax Levy Limit Law”).

The Village is subject to the new Legislation, with the Tax Levy Limit Law first applying to the Village’s budget for its 2012-2013 fiscal year. The Tax Levy Limit Law will restrict, among other things, the amount of real property taxes that may be levied by or on behalf of the Village in a particular year. Under the Legislation, the tax levy of the Village may not increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in a designated measure of the consumer price index (“CPI”) over the amount of the Village’s prior year’s tax levy. The exceptions for a tax levy above two percent or the CPI increase are (i) funds needed to pay judgments arising out of tort actions that exceed 5% of the total tax levied by the Village in the prior fiscal year and (ii) required pension payments (but only that portion of such payments attributable to the average actuarial contribution rate exceeding two percentage points).

The Tax Levy Limit Law also allows for growth in the Village’s tax levy due to physical and quantitative changes in the Village. If the Village does not levy an amount up to the cap in any one year, it would be allowed to carry over unused tax levy capacity into future years. However, this carryover levy capacity may not be used to increase its tax levy by more than an additional 1.5 percent above the cap in any single year. If the Village’s actual tax levy exceeds its authorized levy due to clerical or technical errors, the erroneous excess levy must be placed in reserve to offset the levy for the next budget year.

The Village may adopt a budget that requires a tax levy that exceeds the tax levy limit for a given fiscal year, but only if the Village’s Board of Trustees first adopts, by a vote of 60% of the total voting power of such body, a local law to override such limit for that particular fiscal year only.

It is reasonably certain that the Legislation will come under legal challenge alleging that the Legislation violates several provisions of Article VIII of the New York State Constitution. Although the Constitution recognizes the power of the State Legislature to restrict local government taxation of property, it also expressly states that “the legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.” Although New York courts (including the State’s highest court—the Court of Appeals) have traditionally been very protective of the rights of the holders of municipal debt obligations, the outcome of any such legal challenge cannot be predicted.

It is possible that the Tax Levy Limitation Law will be subject to judicial review to resolve the constitutional issues raised by its adoption. Although courts in New York have historically been protective of the rights of holders of general obligation debt of political subdivisions, the outcome of any such legal challenge cannot be predicted.

Prospective investors in the Notes are encouraged to consult with their own legal and tax advisors and review the provisions of the Tax Levy Limit Law in its entirety.

Constitutional Tax Limit

The Constitution limits the amount that may be raised by the Village *ad valorem* tax levy on real estate in any fiscal year to two per centum (2%) of the five-year average full valuation of taxable real estate of the Village plus (1) the amounts required for principal and interest on all capital indebtedness, and (2) current appropriations for certain capital purposes. The tax limit for the Village for the 2011-12 fiscal year is as follows:

Five Year Total Full Valuation	\$601,767,432
Five Year Average Full Valuation	120,353,486
Constitutional Tax Limit: (2%)	2,407,070
Tax Levy - General Village Purposes	1,074,384
Less: Exclusions for Debt and Capital Purposes	288,305
Tax Levy Subject to Tax Limit	786,079
Percentage of Tax Limit Exhausted	32.66%
<u>Constitutional Tax Margin</u>	<u>\$1,620,991</u>

Source: Constitutional Tax Limit Worksheet as submitted to the
New York State Comptroller's Office by the Village.

Ten Largest Taxpayers

2011 Assessment Roll for 2012

<u>Name</u>	<u>Type</u>	<u>Estimated Full Valuation</u>
Wal-Mart	Commercial	\$12,600,000
Schuler County IDA	Hotel	10,736,700
NYS Electric & Gas Corp.	Utility	3,748,431
Keuka Properties LLC	Commercial	2,354,800
Central Asphalt	Commercial	1,284,500
Padua Ridge LLC	Commercial	798,200
JMCN LLC	Residential	681,300
Visions Federal Credit Union	Commercial	660,000
Natasha Hospitality, LLC	Commercial	656,900
Robinson, Robert T.	Residential	551,700
	Total	<u>\$34,072,531</u> ¹

Note: ¹ Represents 25.56% of the 2011-12 full valuation of \$133,322,023 of the Village.

LITIGATION

In common with other local governments and school districts, the Village from time to time receives notices of claim and is a party to litigation. In the opinion of the Village, after consultation with its attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Village has not asserted a substantial and adequate defense, nor which if determined against the Village, would have an adverse material effect on the financial condition of the Village.

There is no action, suit, proceeding or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Village, threatened against or affecting the Village to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the Village taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the Village.

BONDHOLDER AND NOTEHOLDER RISKS

There are various forms of risk associated with investing in the Bonds and the Notes. One such risk is that the Village will be unable to promptly pay interest and principal on the Bonds and the Notes as they become due (see "Remedies Upon Default", herein). If a Bondholder or Noteholder elects to sell his or her investment prior to its scheduled maturity date, market access or price risk may be incurred. The following is a discussion of certain events that could affect the risk of investing in the Bonds and the Notes. In addition, there may be other risk factors which a potential investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

There are a number of factors which could have a detrimental effect on the ability of the Village to continue to generate revenues, particularly its property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in certiorari proceedings could result in a large reduction in the assessed valuation of taxable real property in the Village.

The subprime mortgage crisis and various economic events growing out of it created a significant disruption in the U.S. and global credit and securities markets, and the health of those markets was impaired to the point where significant governmental intervention was deemed necessary. These developments have had significant adverse effects on the finances of New York State, on which the Village depends for a modest amount of State aid. The exact impact on the Village cannot be predicted, but, to date, it has been negative and could persist for a significant period of time. The State faces the prospect of multi-billion dollar deficits for the next several years, and cuts in State aid to municipalities and school districts have been included in the New York State budget for the fiscal year ending March 31, 2012, which was adopted on March 31, 2011 (and are likely in future years).

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

Amendments to U.S. Internal Revenue Code of 1986, as amended (the "Code") could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds, the Notes and other debt issued by the Village. Any such future legislation could have an adverse effect on the market value of the Bonds and the Notes (See "Tax Exemption" herein).

On September 12, 2011, President Obama sent to Congress a \$447 billion American Jobs Act of 2011 (the "Jobs Act") in an attempt to address persistently high unemployment in the United States. The Jobs Act contained proposals for the raising of revenue to offset the spending proposals contained in the Jobs Act. In pertinent part, the Jobs Act would bar higher-income investors from using tax-exempt bond interest (and certain other tax exclusions, expenditures and deductions) to reduce their income tax rates below 28%. If adopted in its proposed form, the Jobs Act would have a significant adverse impact on the municipal bond market. The restriction would apply to single taxpayers with incomes of \$200,000 or greater and married couples with incomes of \$250,000 or greater. It would apply to taxable years beginning on or after Jan. 1, 2013. The Jobs Act failed, on a procedural vote, to be taken up by the U.S. Senate. The President has stated that he will now submit the Jobs act to the Congress in piecemeal fashion, forcing votes on particular elements of the overall legislation. It is extremely difficult to predict whether the Jobs Act will be adopted in its present form or in any form. If enacted, the Jobs Act would in all likelihood affect (negatively) the market price for, and the marketability of, the Bonds and the Notes. Potential purchasers of the Bonds and the Notes are advised to consult with their own financial and legal advisors with respect to the Jobs Act and its possible implications for an investment in the Bonds and the Notes.

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

Bondholder or Noteholder to incur a capital loss upon the sale of such Bond or Note (unless such Bond or Note is held to maturity).

TAX EXEMPTION

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

In rendering the foregoing opinions, Hodgson Russ LLP noted that the exclusion of the interest on the Bonds and the Notes from gross income for federal income tax purposes is subject to, among other things, continuing compliance by the Village with the applicable requirements of Sections 141, 148 and 149 of the Code and the regulations promulgated thereunder (collectively, the "Tax Requirements"). In the opinion of Hodgson Russ LLP, the tax certificate and the non-arbitrage certificate (or similar documentation) that will be executed and delivered by the Village in connection with the issuance of the Bonds and the Notes (collectively the "Tax Certificates") establish requirements and procedures, compliance with which will satisfy the Tax Requirements applicable to the Bonds and the Notes.

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

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

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

The interest on the Bonds and the Notes is subject to, among others, the following provisions contained in the Code:

- (1) Interest on the Bonds and the Notes is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed by the Code. However, interest on the Bonds and the Notes is includable in the "adjusted current earnings" of any corporate owner of the Bonds and the Notes and 75% of the interest on the Bonds and the Notes is thus includable in the tax base for computing a corporation's liability with respect to the 20% alternative minimum tax imposed on corporations by the Code.
- (2) If the Bonds and the Notes are held by certain foreign corporations doing business in the United States, the interest on the Bonds and the Notes will be included in "effectively connected earnings and profits" for purposes of computing a branch profits tax of up to 30%.

- (3) A property casualty insurance company's deduction for the losses incurred will be reduced by 15% of the income received from tax-exempt obligations.
- (4) The United States Treasury Department has promulgated regulations which might have the effect of imposing a tax at ordinary income rates with respect to interest on the Bonds and the Notes owned by "S Corporations" in certain cases.
- (5) In addition, the Bonds and the Notes will constitute "qualified tax-exempt obligations" within the meaning of the Code, and if the Bonds and the Notes are held by a financial institution, a portion of the interest expense allocable to the Bonds and the Notes will be deductible for federal income tax purposes.

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

Amendments to Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and the Notes and other debt issued by the Village. Any such future legislation could have an adverse effect on the market value of the Bonds and the Notes.

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

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS AND THE NOTES

Absence of Litigation

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

Legal Matters

The legality of the authorization and issuance of the Bonds and the Notes will be covered by the legal opinion of Hodgson Russ LLP, Bond Counsel, of Buffalo, New York. Such legal opinions will state that in the opinion of Bond Counsel (i) the Bonds and the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Village, are payable as to principal and interest from *ad valorem* taxes levied upon all the taxable real property within the Village, without limitation as to rate or amount (subject to certain statutory limitations imposed by the Tax Levy Limit Law); provided, however, that the enforceability (but not the validity) of the Bonds and the Notes may be limited or otherwise affected by (a) any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies heretofore or hereafter enacted or (b) by the unavailability of equitable remedies or the application thereto of equitable principles, (ii) assuming that the Village complies with certain requirements of the Code, interest on the Bonds and the Notes (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and (iii) assuming that the Village complies with certain requirements of the Code, interest on the Bonds and the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including the City of New York. Bond Counsel will express no opinion regarding other federal income tax consequences arising with respect to the Bonds and the Notes.

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

LIMITED UNDERTAKING REGARDING CONTINUING DISCLOSURE FOR THE BONDS

Because at the time of the delivery of the Bonds, the Village will be an “obligated person” (as such is defined in Rule 15c2-12 (the “Rule”), the Village has agreed for the benefit of the beneficial owners of the Bonds to provide to the Municipal Securities Rulemaking Board (the “MSRB”) Electronic Municipal Market Access (“EMMA”) system, or its successor, in an electronic format as prescribed by the MSRB, certain customarily prepared and publicly available financial information relating to the Village (the “annual financial information,” as such term is defined under the Rule) for the preceding fiscal year on or prior to the later of either the end of the sixth month of each succeeding fiscal year, if audited financial statements are prepared, 60 days following receipt by the Village of audited financial statements for the preceding fiscal year, but in no event, later than the last business day of each such succeeding fiscal year.

The Village’s undertaking with respect to certain designated events includes timely notice not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Bonds, to the EMMA system or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Bonds, unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of Bondholders, if material;
- (h) bond calls, if material and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds;

- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar events of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no “debt service reserves” will be established for the Bonds.

With respect to event (d) the Village does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the securities.

All documents provided by the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

The Village has agreed to the foregoing undertakings in order to assist participating underwriters of the Bonds and brokers, dealers and municipal securities dealers in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934. The Village will provide the foregoing information for so long as the Rule is applicable to the Bonds and the Village remains an “obligated person” under the Rule with respect to the Bonds. No provision of the bond resolution limits the remedies available to any beneficial owner of the Bonds with respect to the enforcement of the continuing disclosure covenants of the Village described above. Failure to comply with the continuing disclosure covenants will not constitute an event of default with respect to the Bonds.

The Village may amend the continuing disclosure undertaking upon a change in circumstances provided that (a) the undertaking, as amended, would have complied with the requirements of the Rule at the time of this offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) in the opinion of nationally recognized bond counsel selected by the Village, the amendment does not materially impair the interests of the beneficial owners of the Bonds.

Annual information and notices of certain events can be obtained from the Village Treasurer, 303 N. Franklin Street, Watkins Glen, New York 14891, telephone: 607-535-2736.

An "Undertaking to Provide Notice of Certain Events" to this effect shall be provided to the purchaser(s) at closing.

There have been no instances in the previous five years in which the Village failed to comply, in all material respects, with any previous undertakings pursuant to the Rule.

DISCLOSURE UNDERTAKING FOR THE NOTES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, the Village has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;

- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (g) modifications to rights of Noteholders, if material;
- (h) note calls, if material and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Notes;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Village;
- (m) the consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Note.

With respect to event (d), the Village does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

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

The Village reserves the right to terminate its obligation to provide the aforescribed notices of certain designated events, as set forth above, if and when the Village no longer remains an obligated person with respect to the Notes within the meaning of the Rule.

The Village acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Village's obligations under its designated event notices undertaking and any failure by the Village to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The Village 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 Village; provided that the Village agrees that any such modification will be done in a manner consistent with the Rule.

Annual information and notices of certain events can be obtained from the Village Treasurer, 303 N. Franklin Street, Watkins Glen, New York 14891, telephone: 607-535-2736.

An "Undertaking to Provide Notice of Certain Events" to this effect shall be provided to the purchaser(s) at closing.

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

RATINGS

Standard & Poor's has assigned the Village a rating of "A/Stable" to the Bonds, as indicated on the cover page of this Final Official Statement. Such rating will reflect only the view of such rating agency and any desired explanation of the significance of such rating should be obtained from such rating agency as follows: Standard & Poor's Credit Market Services, 55 Water Street, 38th Floor, New York, New York, 10041, (212) 438-2118. Generally, rating agencies base their ratings on rating investigation, studies and assumptions they have made in addition to the information and materials provided by the issuer. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of such rating could have an adverse effect on the market price of the Bonds. Such rating should not be taken as a recommendation to buy or hold the Bonds.

The Village has not applied for a rating on the Notes.

FINANCIAL ADVISOR

Municipal Solutions, Inc. has assisted the Village as financial advisor in certain matters with respect to the sale and issuance of the Bonds and the Notes.

ADDITIONAL INFORMATION

Additional information may be obtained from the business office of the Village: Annual information and notices of certain designated events can be obtained from the Village Treasurer, 303 N. Franklin Street, Watkins Glen, New York 14891, telephone: 607-535-2736 or from Municipal Solutions, Inc., 2528 Route 21, Canandaigua, NY 14424, telephone: 585-394-4090, fax: 585-394-4092 or on our website at www.municipalsolution.com.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the Village and the original purchasers or holders of any of the Bonds or the Notes.

This Official Statement is submitted only in connection with the sale of the Bonds and the Notes by the Village and may not be reproduced or used, in whole, or in part, for any other purpose.

So far as any statements made in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the Village's management's beliefs as well as assumptions made by, and information available to, the Village management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Village files with the repositories. When used in Village documents or oral presentations, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

Municipal Solutions, Inc. will place a copy of this Official Statement on its website: <http://www.municipalsolution.com>. Unless the Official Statement specifically indicated otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Municipal Solutions, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information.

Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Village nor Municipal Solutions, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Municipal Solutions, Inc., and the Village disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website.

Municipal Solutions, Inc. and the Village also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

Hodgson Russ LLP, of Buffalo, New York, Bond Counsel to the Village, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the Village for use in connection with the offer and sale of the Bonds and the Notes, including but not limited to, the financial or statistical information in this Official Statement.

VILLAGE OF WATKINS GLEN

November 17, 2011
Watkins Glen, New York

By: s/s Donna J. Beardsley
Village Treasurer and Chief Fiscal Officer

Additional copies of the Official Statement may be obtained upon request
from the Office of Municipal Solutions, Inc., 2528 State Route 21,
Canandaigua, New York 14424, telephone (585) 394-4090.
Website: www.municipalsolution.com

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures and Fund Balances
General Fund - Village of Watkins Glen

	Fiscal Year Ending May 31:				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues:					
Real Property Taxes	\$1,020,613	\$1,024,857	\$1,039,802	\$1,071,182	\$1,095,903
Real Property Tax Items	149,611	191,572	191,995	164,784	95,020
Non-Property Tax Items	251,184	260,575	271,494	260,623	360,517
Departmental Income	291,225	326,087	322,061	374,552	406,351
Intergovernmental Charges	140,981	166,133	174,638	188,869	233,438
Use of Money and Property	119,570	109,458	55,250	9,522	7,503
Licenses & Permits	5,998	11,968	7,232	5,249	5,563
Fines & Forfeitures	41,417	72,359	53,478	47,675	70,369
Sale of Property & Comp. For Loss	149,634	151,393	271,488	28,290	51,056
Miscellaneous Local Sources	63,399	55,004	49,759	12,595	14,594
State Aid	82,731	84,620	99,775	88,137	114,614
Federal Aid	0	0	0	57,000	0
Interfund Transfers	0	0	0	31,600	32,050
Total Revenues	\$2,316,363	\$2,454,026	\$2,536,972	\$2,340,078	\$2,486,978
Expenditures:					
General Governmental Support	\$205,897	\$193,289	\$218,782	\$204,364	\$180,728
Public Safety	498,364	647,447	565,820	622,643	583,816
Transportation	404,540	395,544	485,570	397,708	413,696
Economic Assistance and Opportunity	8,926	8,926	9,055	8,926	6,426
Culture & Recreation	461,452	367,248	438,855	366,155	390,316
Home & Community Services	251,464	172,466	179,452	171,554	148,721
Employee Benefits	383,690	355,552	390,311	357,906	382,683
Debt Service	78,960	195,616	195,706	190,718	185,711
Operating Transfers	0	20,902	0	13,303	0
Total Expenditures	\$2,293,293	\$2,356,991	\$2,483,551	\$2,333,277	\$2,292,097
Excess (Deficit) Revenues					
Over Expenditures	\$23,070	\$97,035	\$53,421	\$6,801	\$194,881
Net Adjustments to Fund Balances	(33,330)	(147,403)	0	0	0
Fund Balance Beg. of Fiscal Year	<u>1,760,228</u>	<u>1,749,968</u>	<u>1,669,599</u>	<u>1,723,020</u>	<u>1,729,821</u>
Fund Balance End of Fiscal Year	<u>\$1,749,968</u>	<u>\$1,669,599</u>	<u>\$1,723,020</u>	<u>\$1,729,821</u>	<u>\$1,924,702</u>

Source: Annual Update Documents of the Village as submitted the New York State Comptroller's Office.

Note: This table NOT audited

Statement of Revenues, Expenditures and Fund Balances
Electric Fund - Village of Watkins Glen

	Fiscal Year Ending May 31:				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues:					
Departmental Income	\$2,724,630	\$2,999,636	\$3,053,417	\$2,416,528	\$2,794,375
Interfund Transfers	0	20,798	0	13,303	0
Use of Money and Property	27,271	25,938	9,284	4,693	2,942
Miscellaneous Local Sources	2,304	26,545	2,507	5,134	2,194
Total Revenues	<u>\$2,754,205</u>	<u>\$3,072,917</u>	<u>\$3,065,208</u>	<u>\$2,439,658</u>	<u>\$2,799,511</u>
Expenditures:					
Personal Services	152,854	248,459	242,800	228,950	250,547
Contractual Expenses	2,381,141	2,546,569	2,408,577	1,900,880	2,311,539
Employee Benefits	110,687	150,236	111,389	257,863	186,537
Interest Expense	27,784	24,263	21,449	17,276	15,111
Total Expenditures	<u>\$2,672,466</u>	<u>\$2,969,527</u>	<u>\$2,784,214</u>	<u>\$2,404,969</u>	<u>\$2,763,734</u>
Excess (Deficit) Revenues					
Over Expenditures	\$81,739	\$103,390	\$280,994	\$34,689	\$35,777
Net Adjustments to Fund Balances	(19,789)	(22,151)	(47,751)	83,958	6,308
Fund Balance Beg. of Fiscal Year	<u>2,418,584</u>	<u>2,480,534</u>	<u>2,561,773</u>	<u>2,795,016</u>	<u>2,913,663</u>
Fund Balance End of Fiscal Year	<u>\$2,480,534</u>	<u>\$2,561,773</u>	<u>\$2,795,016</u>	<u>\$2,913,663</u>	<u>\$2,955,748</u>

Source: Annual Update Documents of the Village as submitted the New York State Comptroller's Office.

Note: This table NOT audited

Statement of Revenues, Expenditures and Fund Balances
Water Fund - Village of Watkins Glen

	Fiscal Year Ending May 31:				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues:					
Departmental Income	\$494,708	\$458,233	\$436,530	\$462,284	\$454,469
Intergovernmental Charges	\$53,018	\$48,805	\$41,863	\$52,137	\$65,722
Use of Money and Property	16,224	14,560	3,881	1,629	1,294
Sale of Property and Compensation for Loss	1,088	0	233	115	0
Miscellaneous Local Sources	825	472	525	1,386	0
Interfund Transfers	6,344	63	0	0	0
Total Revenues	<u>\$572,207</u>	<u>\$522,133</u>	<u>\$483,031</u>	<u>\$517,551</u>	<u>\$521,485</u>
Expenditures:					
General Governmental Support	\$0	\$0	\$0	\$0	\$0
Home & Community Service	239,302	322,843	276,628	248,831	237,429
Employee Benefits	70,089	61,648	59,644	61,650	76,421
Debt Service	188,890	184,314	185,567	181,149	177,140
Operating Transfers	0	0	0	0	0
Total Expenditures	<u>\$498,282</u>	<u>\$568,805</u>	<u>\$521,839</u>	<u>\$491,630</u>	<u>\$490,990</u>
Excess (Deficit) Revenues					
Over Expenditures	\$73,925	(\$46,672)	(\$38,808)	\$25,921	\$30,495
Net Adjustments to Fund Balances	(8,472)	1,222	0	0	0
Fund Balance Beg. of Fiscal Year	<u>375,822</u>	<u>441,275</u>	<u>395,824</u>	<u>357,017</u>	<u>382,938</u>
Fund Balance End of Fiscal Year	<u>\$441,275</u>	<u>\$395,824</u>	<u>\$357,017</u>	<u>\$382,938</u>	<u>\$413,433</u>

Source: Annual Update Documents of the Village as submitted the New York State Comptroller's Office.

Note: This table NOT audited

Statement of Revenues, Expenditures and Fund Balances
Sewer Fund - Village of Watkins Glen

	Fiscal Year Ending May 31:				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues:					
Departmental Income	\$470,797	\$480,374	\$489,996	\$470,597	\$486,058
Intergovernmental Charges	51,355	69,632	109,285	127,095	130,816
Use of Money and Property	6,645	7,360	2,092	1,165	826
Sale of Property & Comp. For Loss	182	0	0	3,878	0
Miscellaneous Local Sources	0	22	0	1,311	0
State Aid	40,000	0	0	0	0
Interfund Transfers	150,000	42	0	0	0
Total Revenues	<u>\$718,979</u>	<u>\$557,430</u>	<u>\$601,373</u>	<u>\$604,046</u>	<u>\$617,700</u>
Expenditures:					
General Governmental Support	\$0	\$0	\$0	\$0	\$0
Home & Community Services	413,164	359,923	339,651	323,444	353,861
Employee Benefits	84,109	67,534	51,394	53,591	72,690
Debt Service	181,806	181,069	180,331	179,591	180,819
Operating Transfers	0	0	0	0	0
Total Expenditures	<u>\$679,079</u>	<u>\$608,526</u>	<u>\$571,376</u>	<u>\$556,628</u>	<u>\$556,628</u>
Excess (Deficit) Revenues					
Over Expenditures	\$39,900	(\$51,096)	\$29,997	\$47,418	\$61,072
Net Adjustments to Fund Balances	(5,752)	(11,470)	0	0	0
Fund Balance Beg. of Fiscal Year	<u>335,227</u>	<u>369,375</u>	<u>306,810</u>	<u>336,807</u>	<u>384,225</u>
Fund Balance End of Fiscal Year	<u>\$369,375</u>	<u>\$306,810</u>	<u>\$336,807</u>	<u>\$384,225</u>	<u>\$445,297</u>

Source: Annual Update Documents of the Village as submitted the New York State Comptroller's Office.

Note: This table NOT audited

Balance Sheet
Combined Funds - Village of Watkins Glen

	Fiscal Year Ending May 31, 2011			
	<u>General</u>	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
Assets:				
Cash	\$1,256,043	\$905,948	\$360,848	\$254,386
Taxes Receivables	33,150	0	0	0
Other Receivables	35,098	926	41,220	134,121
Due from Other Funds	2,526	0	0	0
Due from Other Governments	123,621	0	0	0
Prepaid Expenses	898	0	0	0
Inventories	0	181,481	0	0
Restricted Assets	569,550	0	15,897	11,248
Fixed Assets	0	2,385,269	0	0
Total Assets	<u><u>\$2,020,886</u></u>	<u><u>\$3,473,624</u></u>	<u><u>\$417,965</u></u>	<u><u>\$399,755</u></u>
Liabilities:				
Accounts Payable	\$10,727	\$7,149	\$761	\$2,155
Accrued Liabilities	26,508	12,276	3,770	3,044
Other Deposits		2,482	0	0
Other Liabilities	13,974	126,998	0	0
Due to Other Funds	0	0	0	0
Due to Other Governments	15	15,470	0	0
Bond and Long Term Liabilities	0	353,500	0	0
Deferred Revenues	44,959	0	0	0
Total Liabilities	<u><u>\$96,183</u></u>	<u><u>\$517,875</u></u>	<u><u>\$4,531</u></u>	<u><u>\$5,199</u></u>
Fund Balances:				
Reserve for Encumbrances	\$23,328	\$0	\$0	\$1,088
Special Reserves	569,550	0	15,897	11,248
Unreserved - Appropriated	53,906	0	0	0
Unreserved - Unappropriated	1,277,919	2,955,749	397,537	382,220
Total Fund Balance	<u><u>1,924,703</u></u>	<u><u>2,955,749</u></u>	<u><u>413,434</u></u>	<u><u>394,556</u></u>
Total Liabilities & Fund Balances	<u><u>\$2,020,886</u></u>	<u><u>\$3,473,624</u></u>	<u><u>\$417,965</u></u>	<u><u>\$399,755</u></u>

Source: Annual Update Document of the Village as submitted to the New York State Comptroller's Office.

Note: This table NOT audited

Budget Summaries
Combined Funds - Village of Watkins Glen
Fiscal Year Ending May 31, 2012

	<u>General</u>	<u>Water</u>	<u>Sewer</u>
Revenues:			
Real Property Taxes	\$1,074,384	\$0	\$0
Real Property Tax Items	121,000	0	0
Non-Property Tax Items	270,000	0	0
Departmental Income	353,050	469,500	489,000
Intergovernmental Charges	230,996	52,000	154,965
Use of Money & Property	46,050	1,600	1,000
Licenses & Permits	4,900	0	0
Fines & Forfeitures	45,000	0	0
Sale of Property & Comp for Loss	500	0	0
Miscellaneous Local Sources	42,300	0	0
State Aid	91,838	0	0
Appropriated Fund Balance	0	19,820	0
Total Revenues	<u>\$2,280,018</u>	<u>\$542,920</u>	<u>\$644,965</u>
Expenditures			
General Government Support	\$207,005	\$0	\$0
Public Safety	547,756	0	0
Transportation	305,530	0	0
Economic Assistance & Opportunity	500	0	0
Culture & Recreation	347,524	0	0
Home & Community Service	195,000	270,220	374,409
Employee Benefits	496,000	90,920	90,550
Debt Service	180,703	181,780	180,006
Total Expenditures	<u>\$2,280,018</u>	<u>\$542,920</u>	<u>\$644,965</u>

Source: Adopted Budgets of the Village

Note: This table NOT audited