SERIAL BONDS
REFUNDING ISSUE

RATING: See "RATING" herein
AGM Insured Bonds (5/15/23-31)
Moody's: Insured "Aa3 (on Review for Possible Downgrade)"*, Underlying "A3" (Negative Outlook)
Uninsured Bonds: (5/15/13-22): "A3" (Negative Outlook)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that it is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel is also of the opinion that interest on the Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

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

$6,985,000

VILLAGE OF JOHNSON CITY

BROOME COUNTY, NEW YORK

GENERAL OBLIGATIONS

$6,985,000 General Obligation Refunding (Serial) Bonds, 2013

(referred to hereinafter as the "Bonds")

CUSIP BASE #: 478232

Dated: Date of Delivery **Due: May 15, 2013-2031**

MATURITIES

Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP
2013	$ 55,000	2.000%	0.600%	KF7	2020	$345,000	2.250%	2.100%	KN0	2026*	$420,000**	3.750%	2.800%	KU4
2014	105,000	2.000	0.900	KG5	2021	355,000	2.500	2.350	KP5	2027*	440,000**	4.000	2.850	KV2
2015	365,000	2.000	1.100	KH3	2022	360,000	2.750	2.550	KQ3	2028*	460,000**	4.000	2.900	KW0
2016	375,000	2.000	1.350	KJ9	2023	375,000**	3.000	2.600	KR1	2029*	480,000**	4.000	2.950	KX8
2017	385,000	2.000	1.600	KK6	2024*	385,000**	3.500	2.700	KS9	2030*	500,000**	4.000	3.000	KY6
2018	325,000	2.000	1.750	KL4	2025*	400,000**	3.750	2.750	KT7	2031*	520,000**	4.000	3.080	KZ3
2019	335,000	2.000	1.870	KM2										

* The Bonds maturing in the years 2024-2031 are subject to redemption prior to maturity as described herein under the heading "Optional Redemption".

** The scheduled payment of principal of and interest on the Bonds maturing on May 15 in the years 2023 through 2031 inclusive (the "Insured Bonds") when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by ASSURED GUARANTY MUNICIPAL CORP. ("AGM"). See "APPENDIX - D" herein. The Bonds maturing in the years 2013-2022 are not insured.

ASSURED GUARANTY® MUNICIPAL

The Bonds are general obligations of the Village of Johnson City, Broome County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limits. See "TAX LEVY LIMITATION LAW" herein.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 each or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on May 15, 2013, November 15, 2013 and semi-annually thereafter on May 15 and November 15 in each year until maturity. Principal and interest will be paid 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 Bonds, as described herein.

The Bonds are offered when, as and if issued and received by the Underwriter and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York. Certain legal matters will be passed on for the Underwriter by its counsel, Squire Sanders (US) LLP, New York, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about January 30, 2013.

ROOSEVELT & CROSS INC

January 8, 2013

VILLAGE OF JOHNSON CITY
BROOME COUNTY, NEW YORK

No person has been authorized by the Village of Johnson City to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation 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 of Johnson City.

The Underwriter has provided the following sentence for inclusion in this Official Statement. "The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of its responsibilities under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKETS. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

of the

VILLAGE OF JOHNSON CITY

BROOME COUNTY, NEW YORK

Relating To

$6,985,000 General Obligation Refunding (Serial) Bonds, 2013

This Official Statement, which includes the cover page, has been prepared by the Village of Johnson City, Broome County, New York (the "Village", the "County" and "State" respectively), in connection with the sale by the Village of the principal amount of $6,985,000 General Obligation Refunding (Serial) Bonds, 2013 (the "Bonds").

The factors affecting the Village's financial condition and the Bonds are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the Village's tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

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 proceedings of the Village relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and such proceedings.

NATURE OF OBLIGATION

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

Holders of any series of notes or bonds of the Village may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Bonds will be 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 as required by the Constitution and laws of the State. For the payment of such principal and interest, the Village has power and statutory authorization to levy ad valorem taxes on all real property within the Village subject to such taxation by the Village, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "New Tax Levy Limitation Law"). The New Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

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 is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the New Tax Levy Limitation Law imposes a statutory limitation on the Village's power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the New Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "TAX LEVY LIMITATION LAW," herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

> "A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean . . . So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of

> indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted . . .. While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

DESCRIPTION OF THE BONDS

The Bonds 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 as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the Village is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limitations. See "TAX LEVY LIMITATION LAW" herein.

The Bonds will be dated the date of delivery and will mature in the principal amounts and on the dates as set forth on the cover page. The Bonds are subject to redemption prior to maturity as described herein under the heading "Optional Redemption". The record date for the Bonds will be the last business day of the calendar month preceding such interest payment.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on May 15, 2013, November 15, 2013 and semi-annually thereafter on May 15 and November 15 and in each year until maturity. Principal and interest will be paid 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 Bonds, as described herein.

Optional Redemption

The Bonds maturing on or before May 15, 2023 shall not be subject to redemption prior to maturity. The Bonds maturing on or after May 15, 2024 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed), at the option of the Village on May 15, 2023 or on any date thereafter at par plus accrued interest to the date of redemption.

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 the Village by lot in any customary manner of selection as determined by the Village Clerk/Treasurer. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such 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 call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Book-Entry-Only System

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

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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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"). 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**.

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

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

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

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

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Village, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

Source: The Depository Trust Company.

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 (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, 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 THIS 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; (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.

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.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds 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 will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the principal corporate trust office of the bank or trust company located and authorized to do business in the State to be named as fiscal agent by the Village upon termination of the book-entry-only system. Interest on the Bonds will remain payable on May 15, 2013, November 15, 2013 and semi-annually thereafter on May 15 and November 15 in each year to maturity. 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. Bonds 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 of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the Village Clerk/Treasurer authorizing the sale of the Bonds 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 Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

AUTHORIZATION AND PLAN OF REFUNDING

Authorization and Purpose

The Bonds are being issued pursuant to the Constitution and statutes of the State, including particularly Section 90.10 of the Local Finance Law, a refunding bond resolution adopted by the Board of Trustees of the Village on November 13, 2012 (the "Refunding Bond Resolution") and other proceedings and determinations related thereto.

The Refunding Bond Resolution authorizes the refunding of all or a portion of the $265,000 outstanding principal balance of the Public Improvement (Serial) Bonds, 2000 originally issued by the Village in the aggregate principal amount of $660,000 and all or a portion of the $7,045,000 outstanding principal balance of the Public Improvement (Serial) Bonds, 2005 originally issued by the Village in the aggregate principal amount of $8,490,000 (the "Refunded Bonds"), and authorizes issuance of the Bonds to provide the funds necessary to effect the refunding of the Refunded Bonds.

The Refunded Bonds were issued pursuant to the Constitution and statutes of the State, including among others, the Village Law, the Local Finance Law and various bond resolutions for the following purposes and amounts:

$660,000 Public Improvement (Serial) Bonds, 2000 – dated May 15, 2000

Purpose	Amount
North Side Fire Station Reconstruction/Harry L. Drive Reconstruction	$ 660,000

$8,490,000 Public Improvement (Serial) Bonds, 2005 – dated May 15, 2005

Purpose	Amount
Construction of a new police / court facility	$ 8,490,000

The Refunding Financial Plan

The Bonds are being issued to effect the refunding of the Refunded Bonds pursuant to the Village's refunding financial plan (the "Refunding Financial Plan"). The Refunding Financial Plan provides that the proceeds of the Bonds (after payment of the underwriting fee and other costs of issuance related to the Bonds) are to be applied to the purchase of the Government Obligations. The Government Obligations are to be placed in an irrevocable trust fund (the "Escrow Deposit Fund") with The Bank of New York Mellon (the "Escrow Holder"), pursuant to the terms of an escrow contract (the "Escrow Contract") by and between the Village and the Escrow Holder. The Refunding Financial Plan further provides that the Government Obligations will mature in amounts and bear interest sufficient, together with any un-invested cash deposited into the Escrow Deposit Fund from proceeds of the Bonds, to meet principal and interest payments with respect to the Refunded Bonds on the dates such payments are due or, in the case of Refunded Bonds subject to redemption prior to maturity, upon their earliest redemption dates (the "Payment Dates"). The Refunding Financial Plan calls for the Escrow Holder, pursuant to the Refunding Bond Resolution and the Escrow Contract, to call for redemption all the then outstanding Refunded Bonds on their respective first permitted redemption date. The owners of the Refunded Bonds will have a first lien on all of the respective cash and securities necessary for the refunding in the Escrow Deposit Fund into which are required to be deposited all investment income on and maturing principal of the Government Obligations, together with the un-invested cash deposit, until the Refunded Bonds have been paid, whereupon the Escrow Contract, given certain conditions precedent, shall terminate.

The Village is expected to realize, as a result of the issuance of the Bonds, and in accordance with the Refunding Financial Plan, cumulative dollar and present value debt service savings.

Under the Refunding Financial Plan, the Refunded Bonds will continue to be general obligations of the Village and will continue to be payable from Village sources legally available therefore. However, inasmuch as the Government Obligations and cash held in the Escrow Deposit Fund will have been verified to be sufficient to meet all required payments of principal and interest on the Refunded Bonds, it is not anticipated that such Village sources of payment will be used.

The New York State Local Finance Law provides that upon placement in escrow of proceeds of the Refunding Bonds sufficient to provide for the payment of the principal and interest of the bonds to be refinanced by such refunding bonds the refunded bonds are no longer counted in computing the Village's debt for constitutional and statutory debt limitation purposes.

The amounts and maturities of the Refunded Bonds are set forth below:

CUSIP BASE #: 478232

$660,000 Public Improvement (Serial) Bonds, 2000 – dated May 15, 2000

Due May 15th	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CUSIPS
2014	$ 50,000	6.200%	5/15/2013	100.000%	GU9
2015	55,000	6.200%	5/15/2013	100.000%	GV7
2016	55,000	6.200%	5/15/2013	100.000%	GW5
2017	60,000	6.200%	5/15/2013	100.000%	GX3
	$ 220,000				

$8,490,000 Public Improvement (Serial) Bonds, 2005 – dated May 15, 2005

Due May 15th	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CUSIPS
2015	260,000	4.375%	5/15/2014	100.000%	HN4
2016	275,000	4.375%	5/15/2014	100.000%	HP9
2017	285,000	4.375%	5/15/2014	100.000%	HQ7
2018	295,000	4.375%	5/15/2014	100.000%	HR5
2019	310,000	4.375%	5/15/2014	100.000%	HS3
2020	325,000	4.375%	5/15/2014	100.000%	HT1
2021	340,000	4.375%	5/15/2014	100.000%	HU8
2022	355,000	4.375%	5/15/2014	100.000%	HV6
2023	375,000	4.375%	5/15/2014	100.000%	HW4
2024	390,000	4.375%	5/15/2014	100.000%	HX2
2025	410,000	4.375%	5/15/2014	100.000%	HY0
2026	430,000	4.500%	5/15/2014	100.000%	HZ7
2027	455,000	4.500%	5/15/2014	100.000%	JA0
2028	475,000	4.500%	5/15/2014	100.000%	JB8
2029	500,000	4.500%	5/15/2014	100.000%	JC6
2030	525,000	4.500%	5/15/2014	100.000%	JD4
2031	550,000	4.500%	5/15/2014	100.000%	JE2
	$ 6,555,000				

Verification of Mathematical Computations

Causey, Demgen & Moore Inc., a firm of independent public accountants, will deliver to the Village, on or before the settlement date of the Bonds, its attestation report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the Village and its representatives. Included in the scope of its engagement will be a verification of the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on, the Government Obligations used to fund the Escrow Deposit Fund to be established by the Escrow Holder to pay, when due, the principal of and interest on the Refunded Bonds.

The verification performed by Causey, Demgen & Moore Inc. will be solely based upon data, information and documents provided to Causey, Demgen & Moore Inc. by the Village and its representatives. Causey, Demgen & Moore Inc. reports of its verification will state Causey, Demgen & Moore Inc. has no obligations to update the report because of events occurring, or data or information coming to their attention, subsequent to the date of the report.

Sources and Uses of Bond Proceeds

Proceeds of the Bonds are to be applied as follows:

Sources:	Par Amount of the Bonds		$ 6,985,000.00
	Original Issue Premium (Discount)		375,224.55
		Total	$ 7,360,224.55
Uses:	Deposit to Escrow Fund		$ 7,203,333.64
	Underwriter's Discount		40,652.70
	Bond Insurance		46,602.41
	Costs of Issuance and Contingency		69,635.80
		Total	$ 7,360,224.55

THE VILLAGE

There follows in this Official Statement a brief description of the Village, together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

General Information

The Village is located in upstate New York in the geographical location commonly known as the Southern Tier. It is situated in the Town of Union, Broome County, adjacent to the City of Binghamton and part of the metropolitan area of that City running along with Susquehanna River Valley through the Villages of Johnson City and Endicott and the unincorporated areas of Endwell and Vestal. The Village encompasses approximately 4.5 square miles.

Transportation

Major expressways in and around the Village include State highways #17, #88 and Interstate highway #81, which extends from Canada to Tennessee and connects to the national Interstate System at various locations.

Air transportation through the Binghamton Regional Airport is provided by various national, commuter and regional airlines which include USAir, NorthWest Air Link, Atlantic Coast, Commuter Air, and Continental Express. United Express Air Service/MESADA also operates from the airport. The Village is also served by the Tri-Cities Airport, located in Johnson City. Railroads providing freight service to the Village include Conrail, the Canadian Pacific Railroad, New York Susquehanna Railroad and Western Railroad.

Utilities & Services

Electric utility and natural gas services are provided by the New York State Electric and Gas Corporation (NYSEG). Fire and police protection are provided by full time paid staffs of the Village. Water, sewer and refuse service are all provided by the Village of Johnson City.

The Village of Johnson City and the City of Binghamton executed an agreement in 1965, whereby the parties agreed to jointly own and operate a sewage treatment plant and related facilities situated in the Town of Vestal, New York. Facility ownership, operational expenses, capital assets and related debt are shared by the City and Village in the ratio of 54.8% and 45.2%, respectively. In addition to the sponsors, the following entities pay user charges for the use of the facilities: the Towns of Binghamton, Conklin, Dickinson, Fenton, Kirkwood, Union, Vestal, the Village of Port Dickinson and Binghamton University.

Flood Damage

The Village sustained flood damage in the Fall of 2011 from a hurricane and tropical storm. The damage totaled about $6 million and the Village has adopted three resolutions to cover costs. The resolutions are for $2,550,000 for various buildings and facilities, $550,000 for sanitary sewer damage and $2,100,000 for water facility damage. In June of 2012, the Village borrowed $1,670,000 through the Environmental Facilities Corporation, with ultimate reimbursement being made by FEMA.

The sewage treatment plant that is jointly owned by the City of Binghamton (the "City") and the Village also suffered damage. Plant employees, Board members, and the City Engineer have worked with its insurer and FEMA to identify all damages, and are in the process of formulating Project Worksheets (PWs) with FEMA PA project specialists. 100% of eligible project costs will be recovered through State and Federal Assistance. In addition, the City, on behalf of the City and the Village, has applied to EFC for approximately $8.6 million in loans from the State Clean Water Revolving Loan Fund to address this situation.

Major Employers

The following are the larger employers within or in close proximity to the Village.

Name of Employer	Type of Business	Approx. Number of Employees
Broome County	Government	2,400
Binghamton University	Education	1,973
United Health Services	Health Care	1,450
Lourdes Hospital	Health Care	1,400
New York State Electric & Gas	Utility	1,250
Universal Instruments	Manufacturing	800
Oakdale Mall	Retail	635
Wegmans	Retail	500

Source: Village Officials.

Banking Facilities

The following banks are located in the Village:

Chemung Canal Trust Company
Manufacturers & Traders Trust Company (M&T Bank)
NBT Bank, N.A.
Community Bank, N.A.

Population Trends

	Village of Johnson City	Broome County	New York State
1970	18,045	221,815	18,236,882
1980	17,126	213,648	17,558,072
1990	16,578	212,160	17,990,455
2000	15,535	200,536	18,976,457
2010	15,174	200,600	19,378,102
2011 (estimate)	15,180	200,448	19,302,448

Source: U.S. Census Bureau.

Wealth and Income Indicators

Per capita income statistics are available for the Village, County and State. Listed below are select figures from U.S. Census reports.

	Per Capita Income			Median Family Income		
	1990	2000	2011	1990	2000	2011
Village of:						
Johnson City	$ 12,497	$ 17,511	$ 20,960	$ 30,855	$ 39,241	$ 51,347
County of:						
Broome	13,626	19,168	24,766	35,824	45,422	58,829
State of:						
New York	16,501	23,389	31,796	39,741	51,691	69,202

Source: U.S. Census Bureau, 2007-2011 American Community Survey

Education

Binghamton University began as Triple Cities College in 1946, joining the State University System in 1950 as Harpur College. In 1965 the campus was formally designated the State University of New York at Binghamton. Today, the University consists of the Harpur College of Arts & Sciences, the School of Education & Human Development, the School of Management, the Decker School of Nursing, and the Thomas J. Watson School of Engineering & Applied Science. Binghamton University has an enrollment of 11,515 undergraduates and 2,920 graduate students.

The University is nationally recognized for its strong academic programs, distinguished faculty, and talented students. Kiplinger's Personal Finance Magazine rated Binghamton University second among the nations Public Universities for out-of-state students and in the top ten for in-state.

Broome Community College is a comprehensive academic institution supervised by the State University of New York, sponsored by Broome County, and accredited by both professional and educational organization. The college was chartered as the New York State Institute of Applied Arts and Sciences at Binghamton in 1946. It became Broome Community in 1971. Broome Community College has an enrollment of 4,246 full-time and 2,312 part-time students. The college offers 52-degree programs and various certificate programs designed to prepare graduates for immediate employment or transfer to four-year colleges and universities.

Financial Organization

The Village Treasurer is the Chief Fiscal Officer and the accounting officer. It is the Village Treasurer's duty to receive, disburse and account for all financial transactions. The Mayor is the budget officer of the Village.

Budgetary Procedures

The budget officer prepares the proposed budget each year, pursuant to the Laws of the State of New York, and a public hearing is held thereon. Subsequent to the public hearing revisions, if any, are made and the budget is then adopted by the Village Board of Trustees as its final budget for the coming fiscal year. The budget is not subject to referendum.

Form of Village Government

The Chief Executive Officer of the Village is the Mayor who is elected for a term of four years and is eligible to succeed himself. He is also a member of the Board of Trustees. The legislative and administrative body of the Village is the Board of Trustees, composed of the Mayor and four Trustees. Trustees are elected for a term of two years. Each term is staggered so that every two years three Trustees run for election. There is no limitation as to the number of terms which may be served by members of the Board of Trustees.

The Village Mayor is the chief administrative and executive officer of the Village and is the chief administrator of all Village departments. The Mayor, with the approval of the Board of Trustees appoints the Village Clerk/Treasurer to serve a two-year term who serves as the Chief Fiscal Officer.

Investment Policy

Pursuant to the statutes of the State of New York, the Village is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the Village; (6) obligations of a New York public corporation which are made lawful investments by the Village pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of Village moneys held in certain reserve funds established pursuant to law, obligations issued by the Village. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

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

State Aid

The Village receives financial assistance from the State. In its budget for the 2012-13 fiscal year, approximately 5.7% of the revenues of the Village are estimated to be received in the form of State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Village, in any year, the Village may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, as is the case this year, municipalities and school districts in the State, including the Village, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the 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 effect upon the Village requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (See also "MARKET AND RISK FACTORS").

Employees

The Village currently employs approximately 130 full-time employees of which 107 are represented by labor organizations. The following is a breakdown of employee representation by collective bargaining agents which represent them and the dates of expiration of their agreements:

Employees Represented	Union Representation	Contract Expiration Date
26	Firefighters' Association	May 31, 2011 [1]
35	AFSCME (Public works)	May 31, 2016
30	Police Benevolent Association (PBA)	May 31, 2013
13	Administrative Unit	May 31, 2016
1	Management Unit	May 31, 2012 [1]
2	Court Employees	May 31, 2013

[1] Currently under negotiations.

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 and Local Police and Fire Retirement System ("PFRS"; with ERS, the "Retirement Systems"). The ERS is 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 offers 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. In most cases, the Retirement Systems are non-contributory with respect to members working ten or more years. However, for new hires, contributions must continue for the duration of employment. All members working less than ten years must contribute 3% of gross annual salary toward the cost of retirement programs.

On December 10, 2009, then 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% for any civilian who retires prior to age 62.
- Requiring employees to continue contributing 3% 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 5 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% of non-overtime wages.

On March 16, 2012, Governor Cuomo signed into law the new Tier VI pension program, effective for new ERS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

The Village has made retirement contributions to ERS and PFRS as follows:

Fiscal Year	ERS	PFRS	Total
2006-07	$ 268,221	$ 909,127	$ 1,177,348
2007-08	284,385	897,780	1,182,165
2008-09	117,229	886,442	1,003,781
2009-10	199,920	961,189	1,161,109
2010-11	278,208	749,120	1,027,328
2011-12	377,967	735,837	1,113,804
2012-13 (Budgeted)	204,673	1,091,003	1,295,676

Note: The Village is paying the full retirement contribution and is not amortizing any portion of its retirement obligation as a result of the increased contribution rates over the last couple of years. Contribution increases were anticipated and budgeted for during the development of the annual budgets.

Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Significant shifts in contribution rates resulted in budgetary planning problems for many participating local governments.

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

On July 30, 2004, the Governor signed into law Chapter 260 of the Laws of 2004 (“Chapter 260”). Chapter 260 contains three components which alter the way municipalities and school districts contribute to the State pension system: (1) revision of the payment due date, (2) extension of the period of time for pension debt amortization, and (3) authorization to establish a pension reserve fund. Prior to the effective date of the provisions of Chapter 260, the annual retirement bill sent to municipalities and school districts from the State has reflected pension payments due between April 1 and March 31, consistent with the State fiscal year.

Chapter 260 provides for the following changes:

- Contribution Payment Date Change: The law changed the date on which local pension contributions are due to the State. The annual required contribution is now due Feb. 1 annually instead of Dec. 15. As a result, no payment was due in calendar year 2004. With many municipalities (but no school districts except those whose pension payments are made through the related city, such as Buffalo, Rochester, Syracuse and Yonkers) in the State on a calendar fiscal year end, this adjustment provided, a significant one-time benefit for fiscal 2004, allowing certain municipalities to use 2004 resources otherwise meant for pension expenditures for other budgeting purposes or to add to fund balance.

- Pension Cost Amortization-Extension of Payout Period: The law also permits municipalities to amortize a portion of the current year pension cost over a period of 10 years, extending the term from five years as authorized under the 2003 Chapter 49 legislation. Municipalities can amortize, either directly through the State retirement system at a fixed interest rate annually determined by the State Comptroller or through the capital markets, pension payments in excess of 7% of eligible payroll in 2005, 9.5% in 2006, and 10.5% in 2007. The Village has chosen to pay its contributions in full.

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

On September 10, 2010, Comptroller Thomas P. DiNapoli announced increases over the previous year in the 2011-2012 employer contribution rates for the New York State Common Retirement Fund. The average contribution rate for ERS increased from 11.9% of salaries to 16.3% of salaries. On August 24, 2011, the Comptroller announced that for fiscal year 2012-13, the average contribution rate for the ERS will increase from 16.3% of salaries to 18.9%. The average PFRS rate increased from 18.2% of salary in fiscal year 2011 to 21.6% of salary in fiscal year 2012. For 2012-2013 PFRS rates increase 4.2% to 25.8%. For 2013-14, the average contribution rate for the ERS will increase from 18.9% of salaries to 20.9%. The average contribution rate for PFRS will increase from 25.8% to 28.9%.

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 formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual 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 amounts, for future such use.

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

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. The Village saved money by requiring retirees over 65 to use Medicare as primary insurance before using Village health insurance. Also, the Village went to a single insurance carrier, resulting in additional savings.

Other Post-Employment Benefits

It should also be noted that the Village provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that will require governmental entities, such as the Village, to account for post-retirement healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting.

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

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

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

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC.

Actuarial Valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are less than 200 members. The Village currently has approximately 136 active members, and 113 retirees.

The Village is in compliance with the requirements of GASB 45. The Village entered into a contract with Armory Associates, LLC, an actuary, to provide the services required under GASB 45. Armory Associates, LLC has determined that the Village's actuarial accrued liability ("AAL") for OPEB as of May 31, 2010 was approximately $83,693,424. For financial reporting purposes, the Village has elected to amortize the AAL over 30 years. For the fiscal year ended May 31, 2010, the Village's Annual Required Contribution was $7,494,152. Should the Village be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the Village's finances and could force the Village to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the Village to partially fund its actuarial accrued OPEB liability. As a result, the Village has decided to continue funding the expenditure on a pay-as-you-go basis. The Village is currently working with Armory Associates, LLC. on valuations for May 31, 2011.

Unemployment Rate Statistics

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

Annual Average

	2005	2006	2007	2008	2009	2010	2011
Broome County	4.9%	4.7%	4.5%	5.6%	8.3%	8.9%	8.5%
New York State	5.0%	4.6%	4.6%	5.4%	8.3%	8.6%	8.2%

2012 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Broome County	9.7%	9.4%	8.7%	8.2%	8.6%	9.2%	9.3%	9.0%	8.5%	8.4%	8.1%	N/A
New York State	9.1%	9.2%	8.7%	8.1%	8.6%	9.1%	9.1%	8.8%	8.2%	8.3%	7.9%	N/A

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

Other Information

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

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

The fiscal year of the Village is June 1st to May 31st.

The procedure for the validation of the Bonds provided in Title 6 of Article 2 of the Local Finance Law has been complied with prior to the issuance of the Bonds.

This Official Statement does not include the financial data of any other political subdivision having power to levy taxes within the Village.

Financial Statements

The financial affairs of the Village are subject to periodic audit by the State Comptroller. In past years, the Village retained the firm of Ciaschi, Dietershagen, Little, Mickelson & Company, LLP, certified public accountants, for annual audits of general purpose financial statements. The last audit report covers the period ending May 31, 2008 and can be obtained by contacting the Village or Fiscal Advisors & Marketing, Inc. The Village was not required to, and did not prepare audited financial statements for the 2009, 2010, 2011 and 2012 fiscal years mainly due to the costs associated with preparing such audits. The Village prepared unaudited financial statements for the 2009, 2010, 2011 and 2012 fiscal years which are available and can be obtained by contacting the Village or Fiscal Advisors & Marketing, Inc. The Village was delayed in completing its 2010, 2011 and 2012 unaudited financial statements due to recent flooding and staffing issues. The Village plans to prepare a single audit for the fiscal year ending May 31, 2013.

The Village complies with the Uniform System of Accounts as prescribed by the State Comptroller for Villages in New York State. Except for the accounting for fixed assets, this system conforms to generally accepted accounting principles as prescribed by the American Institute of Certified Public Accounts' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending May 31, 2005, the Village is required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis. The Village has implemented the general provisions of Statement No. 34 in the year ending May 31, 2004.

TAX INFORMATION

Valuations and Rates

Fiscal Year Ending May 31:	Taxable Assessed Valuation	State Equalization Rate	Full Valuation of Property
2001	$ 30,762,417	7.87%	$ 390,882,045
2002	30,738,186	7.56%	406,589,762
2003	31,025,370	6.40%	484,771,406
2004	30,906,675	6.58%	469,706,307
2005	30,561,854	6.25%	488,989,664
2006	30,561,854	5.94%	514,509,327
2007	30,516,900	5.94%	513,752,525
2008	30,482,650	5.62%	542,395,907
2009	30,650,590	5.00%	613,011,800
2010	30,740,837	4.64%	662,518,039
2011	30,761,007	4.31%	713,712,459
2012	30,360,588	4.43%	685,340,587

Tax Rates Per $1,000 (Assessed)

Year Ending May 31:	2008	2009	2010	2011	2012
	$ 274.52	$ 279.84	$ 288.23	$ 296.43	$ 300.13

Tax Collection Record

Year Ending May 31:	2008	2009	2010	2011	2012
Total Tax Levy	$ 8,368,077	$ 8,602,516	$ 8,860,537	$ 9,118,521	$ 9,112,103
Uncollected (1)	0	0	0	0	0
% Uncollected	0.0%	0.0%	0.0%	0.0%	0.0%

(1) See 'Tax Collection Procedure' herein.

Tax Collection Procedure

Tax payments are due on June 1 to and including June 30 in each year without penalty. Penalties for tax delinquencies are imposed at the rate of 5% for the first month delinquent and an additional 1% for each month or fraction thereof thereafter. The County remits to the Village the amount of uncollected taxes, and then administers the delinquent collections, so that the Village receives its entire levy in the same fiscal year.

Constitutional Tax Margin

Fiscal Years Ending May 31, 2010 through 2012:

	2010	2011	2012
Five-Year Average Full Valuation	$ 574,278,702	$ 605,211,532	$ 643,395,759
Tax Limit - 2% thereof	11,485,574	12,104,231	12,867,915
Total Additions	2,165,105	4,111,800	2,493,550
Total Taxing Power	$ 13,650,679	$ 16,216,031	$ 15,361,465
Tax Levy	8,860,837	9,118,521	9,112,103
Constitutional Tax Margin	$ 4,789,842	$ 7,097,510	$ 6,249,362

Ten Largest Taxpayers – 2011-12 Assessment Roll

Name	Estimated Assessed Value
Oakdale Mall LLC	$ 2,906,777
NYSEC	918,176
Feinberg Ridge Associates	613,228
Three Broome Associates	491,700
Wegmans Food Markets, Inc.	508,700
Sears Roebuck & Co.	430,000
JC Town Center Associates, LLC	423,760
Susquehanna Realty Holding	210,425
Verizon New York Inc.	169,286
United Medmanagement, Inc.	235,600

The ten largest taxpayers listed above have a total estimated assessed valuation of $6,907,652 which represents 22.7% of the Village tax base.

Source: Village Officials.

Assessment Information

Real property in the Village is assessed by the Town of Union.

Veterans' and senior citizens' exemptions are offered to those who qualify.

The assessment roll of the Village is constituted approximately as follows: 54% Commercial and 46% Residential. The estimated total property tax for an average residence valued at $100,000 is $3,000 per year.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It expires on June 15, 2016 unless extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments are required for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A village may exceed the tax levy limitation for the coming fiscal year only if the governing body of such village first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law, to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality, prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the tax levy limitation provisions.

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits 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 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 Board of Trustees authorizes the issuance of bonds with substantially level or declining annual 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 amortization and redemption of its serial bonds and such required annual installments on its notes.

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

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Village to borrow and incur indebtedness by the enactment of the Local Finance Law subject, of course, to the 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.

Pursuant to the Local Finance Law, the Village authorizes the issuance of bonds by the adoption of a bond resolution approved by at least two-thirds of the members of the Board of Trustees, the finance board of the Village. Customarily, the Board of Trustees has delegated to the Village Treasurer, as chief fiscal officer of the Village, the power to authorize and sell bonds.

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, may be contested only if:

(1) Such obligations are authorized for a purpose for which the Village is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligation and an action contesting such validity is commenced within twenty days after the date of such publication, or

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

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

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

The Board of Trustees, as the finance board of the Village, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may, and generally does, delegate the power to sell the obligations to the Village Clerk-Treasurer, the chief fiscal officer of the Village, pursuant to the Local Finance Law.

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

In general, the Local Finance Law contains provisions providing the Village with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget notes (see "Details of Outstanding Indebtedness" herein). Although permitted by the Local Finance Law, the Village has not generally issued short-term obligations.

Debt Outstanding End of Fiscal Year

Years Ending May 31:	2008	2009	2010	2011	2012
Bonds	$ 26,115,000	$ 25,630,200	$ 24,770,000	$ 35,017,619	$ 33,645,000
Bond Anticipation Notes	14,551,176	15,985,874	12,856,606	1,973,509	6,393,784
Lease Installment Purchase	121,813	96,333	47,439	25,287	0
Energy Performance Contract	0	1,525,044	1,449,333	1,370,534	1,285,173
Totals	$ 40,787,989	$ 43,237,451	$ 39,123,378	$ 38,386,949	$ 41,323,957

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Village evidenced by bonds and notes as of December 24, 2012.

	Maturity	Amount
Bonds	2012-2040	$ 33,070,000
Bond Anticipation Notes		
Various Purposes	October 11, 2013	4,053,917
Maintenance Vehicles & Sidewalk Repair	October 11, 2013	600,000
Repairs – Flood Damage	March 1, 2013	2,500,000
Improvements to Sewage Treatment Plant	June 7, 2013	4,000,000
Improvements to Sewage Treatment Plant (taxable)	June 7, 2013	1,000,000
	Total Debt Outstanding	$ 45,223,917

Note: The Village plans to issue $570,000 bond anticipation notes expected to deliver on January 18, 2013 for payment of a settled claim with the Binghamton-Johnson City Joint Sewage Board.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of December 24, 2012:

Five-Year Average Full Valuation of Taxable Real Property			$ 643,395,758
Debt Limit - 7% thereof			45,037,703
Inclusions:			
Bonds	$ 33,070,000		
Bond Anticipation Notes	12,153,917		
Total Inclusions		$ 45,223,917	
Exclusions:			
Appropriations Bonds [1]	$ 285,000		
Appropriations Notes [1]	0		
Sewer Debt [2]	24,940,000		
Water Debt [3]	0		
Total Exclusions		$ 25,225,000	
Total Net Indebtedness Subject to Debt Limit			$ 19,998,917
Net Debt-Contracting Margin			$ 25,038,786
The percent of debt contracting power exhausted is			44.40%

(1) Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law
(2) Sewer Debt is excluded pursuant to section 124.10 of the Local Finance Law. Exclusion certificate dated February 12, 2010.
(3) Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.

Note: The issuance of the Bonds will not increase the net indebtedness of the Village.

Bonded Debt Service

A schedule of Bonded Debt Service, including principal of the Bonds, may be found in APPENDIX - B to this Official Statement.

Cash Flow Borrowings

The Village issued $550,000 Revenue Anticipation Notes-2005 in anticipation of the collection of the sewer rent increases effective July 1, 2005. Said notes were dated April 29, 2005 and matured April 26, 2006. The Village issued a $275,000 revenue anticipation note during April 26, 2006 which matured on April 26, 2007. Other than the aforementioned borrowings, the Village has not found it necessary to borrow revenue anticipation notes or tax anticipation notes in the recent past, and has no other plans to borrow for such in the future.

Estimate of Obligations to be Issued

The Village reviews annual improvement projects and needs and develops a plan on repair and/or replacement of equipment and facilities.

The Village plans to issue $570,000 bond anticipation notes expected to deliver on January 18, 2013 for payment of a settled claim with the Binghamton-Johnson City Joint Sewage Board.

The Village has no other projects authorized or contemplated at this time.

Overlapping Indebtedness

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

Unit	Outstanding Indebtedness [1]	Exclusions [2]	Net Indebtedness	Approx. % Within Village	Applicable Net Indebtedness
Broome County	$ 191,488,523	$ 40,646,941 [3]	$ 150,841,582	6.96%	$ 10,498,574
Town of Union	5,101,349	544,749 [3]	4,556,600	24.79%	1,129,581
Johnson City CSD	48,801,073	42,700,939 [4]	6,100,134	58.57%	3,572,848
				Total	$ 15,201,003

[1] Bonds and bond anticipation notes at the close of the 2010 fiscal year, not adjusted to include subsequent bond sales, if any.
[2] Pursuant to applicable constitutional and statutory provisions, this indebtedness is deductible from gross indebtedness for debt limit purposes.
[3] Sewer and water debt and appropriations.
[4] State Building aid.

Source: State Comptroller Reports.

Debt Ratios

The following table sets forth certain ratios relating to the Village's net indebtedness as of December 24, 2012:

	Amount	Per Capita (a)	Percentage of Full Value (b)
Gross Indebtedness (see Computation of Debt Limit) .... $	45,223,917	$ 2,966.28	6.60%
Net Indebtedness (see Computation of Debt Limit)	19,998,917	1,311.75	2.92%
Gross Plus Net Overlapping Indebtedness (c)	60,482,086	3,967.08	8.82%
Net Plus Net Overlapping Indebtedness (c)	35,257,086	2,312.55	5.11%

(a) According to the 2010 Census, the population of the Village is 15,246.
(b) The Village's full value of taxable real estate for 2011-12 is $685,340,587.
(c) The Village's estimated applicable share of net underlying indebtedness is $15,258,169. (See "Estimated Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. Each Bond when duly issued and paid for will constitute a contract between the Village and the holder thereof. Under current law, provision is made for contract creditors of the Village to enforce payments upon such contracts, if necessary, through court action. 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 on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. 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.

Authority to File For Municipal Bankruptcy. The Federal 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 or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Bonds should the Village be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Bonds to receive interest and principal from the Village could be adversely affected by the restructuring of the Village's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Village (including the Bonds) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Village under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the 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 Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

State Debt Moratorium Law. There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commerce 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 obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Village

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crisises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See "Nature of Obligation" and "State Debt Moratorium Law" herein.

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

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the Village has agreed to provide, or cause to be provided,

(i) 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, during any succeeding fiscal year in which the Bonds are outstanding certain annual financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced under the heading(s) "The Village", "PropertyTax Information", "Status of Indebtedness" and "Litigation" and all Appendices and a copy of the audited financial statement (prepared in accordance with generally accepted accounting principles in effect at the time of audit) for the preceding fiscal year, if any; such information, data and audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if audited financial statements are prepared, sixty days following receipt by the Village of audited financial statements for the preceding fiscal year, but, in no event, not later than the last business day of each such succeeding fiscal year.

(ii) in a timely manner, to EMMA notice of the occurrence of any of the following events not in excess of ten (10) business days after the occurrence of the event:

(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) tender offers

(m) bankruptcy, insolvency, receivership or similar event of the Village

(n) 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

(o) 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 Bonds.

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 Bonds; 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.

(iii) in a timely manner, to the MSRB or any other facility designated or authorized by the commissioner to receive Reports pursuant to the Rule, notice of its failure to provide the aforedescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

The Annual Information and the Material Event Notices, if any, will be filed with the Municipal Securities Rulemaking Board and its Electronic Municipal Market Access system for municipal securities disclosures.

The Village reserves the right to terminate its obligations to provide the aforedescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the Village no longer remains an obligated person with respect to the Bonds 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 Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Village's obligations under its continuing disclosure undertaking and any failure by the Village to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds 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.

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at closing.

The Village was late in completing its 2010, 2011 and 2012 unaudited financial statements. See “FINANCIAL STATEMENTS AND ACCOUNTING PROCEDURES” herein for additional details. The City Village is in compliance with in all other respects to Rule 15c2-12 over the last Five years.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Bonds. The following is a discussion of certain events that could affect the risk of investing in the Bonds. In addition to the events cited herein, there are other potential risk factors that an 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 investment risk.

The financial and economic condition of the Village as well as the market for the Bonds 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 and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction 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 could be adversely affected.

The Village is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues 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 taxes have been received by the State to make State aid payments to the Village. In some years, the Village has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "State Aid").

There are a number of general factors which could have a detrimental effect on the ability of the Village to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the Village. Unforeseen developments could also result in substantial increases in Village expenditures, thus placing strain on the Village's financial condition. These factors may have an effect on the market price of the Bonds.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Bonds should elect to sell a Bond 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. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds 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 potential capital loss if such bond or note is sold prior to its maturity.

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

The New Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Village and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the Village and hence upon the market price of the Bonds. See "TAX LEVY LIMITATION LAW" herein

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes it is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX – C.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Village has covenanted to comply with certain restrictions designed to insure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) or any other matters coming to the attention of Bond Counsel after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to and may not be relied upon in connection with any such actions, events or matters.

Certain requirements and procedures contained or referred to the in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. As one example, on September 12, 2011, the Obama Administration announced a legislative proposal entitled the American Jobs Act of 2011. For tax years beginning on or after January 1, 2013, the American Jobs Act of 2011 generally would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver an opinion at the time of issuance of the Bonds substantially in the form set forth in APPENDIX - C hereto. Certain legal matters will be passed on for the Underwriter by its counsel, Squire Sanders (US) LLP, New York, New York

LITIGATION

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

There is no action, suit, proceedings 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 Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the Village taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the Village.

UNDERWRITING

The Bonds are being purchased by Roosevelt & Cross Incorporated (the "Underwriter") for reoffering to the public. The purchase contract for the Bonds provides that the Underwriter will purchase all of the Bonds, if any are purchased, at a purchase price equal to $7,319,571.85 (being the par amount of the Bonds plus a net original issue premium of $375,224.55, less an underwriter's discount for the transaction of $40,652.70). The Underwriter is initially offering the Bonds to the public at the public offering yields indicated on the cover page but the Underwriter may offer and sell the Bonds to certain dealers, institutional investors and others (including sales for deposit into investment trusts, certain of which may be sponsored or managed by the Underwriter) at yields higher than the public offering yields stated on the cover page and the public offering yields may be changed from time to time by the Underwriter.

BOND RATING

Moody's Investors Service ("Moody's") is expected to be assigned a bond rating "Aa3" (on review for possible downgrade) to the Insured Bonds based upon the issuance by Assured Guaranty Municipal Corp. ("AGM") of its standard form of Municipal Bond Insurance Policy with respect to the Insured Bonds. The significance of the AGM policy as well as its terms and conditions can be obtained from Assured Guaranty Municipal Corp., 31 West 52nd Street, New York, New York 10019 (for information concerning AGM Policy, see APPENDIX - D hereto). Moody's has assigned an underlying rating of "A3, with a negative outlook" to the Bonds.

With respect to the uninsured Bonds maturing in the years 2013-2022, Moody's has assigned a municipal bond rating of "A3, with a negative outlook".

No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating of the Bonds may have an adverse effect on the market price of the Bonds.

FINANCIAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Financial Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Financial Advisor serves as independent financial advisor to the Village on matters relating to debt management. The Financial Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Financial Advisor has provided advice as to the plan of financing and the structuring of the Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Village and other sources of information believed to be reliable. The Financial Advisor has not audited, authenticated, or otherwise verified the information provided by the Village or the information set forth in this Official Statement or any other information available to the Village with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Financial Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

ADDITIONAL INFORMATION

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

Statements 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 management's beliefs as well as assumptions made by, and information currently available to, the Village's 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 MSRB. When used in Village documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Bonds, the Village will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the Village.

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

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, 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 Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, 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. Fiscal Advisors & Marketing, Inc. and the Village also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Village will act as Paying Agent for the Bonds.

The Village contact information is as follows: Village Clerk/Treasurer, Village of Johnson City, 243 Main Street, Johnson City, New York 13790, Phone: (607) 798-7861, Fax: (607) 798-7865, email: tjohnson@johnsoncityny.us.

Additional information may be obtained from the office of Fiscal Advisors & Marketing, Inc., 120 Walton Street • Suite 600, Syracuse, New York 13202.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "APPENDIX – D - BOND INSURANCE AND SPECIMEN POLICY".

VILLAGE OF JOHNSON CITY, BROOME COUNTY, NEW YORK

Dated: January 8, 2013 **/s/___________________________________**

TOM JOHNSON
VILLAGE CLERK / TREASURER

GENERAL FUND

Balance Sheets

Fiscal Years Ending May 31:	2009	2010	2011	2012
ASSETS				
Cash and Short-term Investments	$ 599,727	$ 970,639	$ 607,372	$ 581,403
Taxes Receivable	-	611,663	625,223	699,399
Other Receivables	149,370	78,744	89,720	89,720
Due from Other Governments	-	480,686	480,686	-
Due from State and Federal Governments	716,493	420,168	420,168	1,043,122
Due from Other Funds	972,208	597,117	702,117	677,116
TOTAL ASSETS	$ 2,437,798	$ 3,159,017	$ 2,925,286	$ 3,090,760
LIABILITES AND FUND EQUITY				
Accounts Payable	$ 42,629	$ 23,509	$ -	$ -
Accrued Liabilities	110,582	94,190	-	-
Due to Other Funds	1,290,077	-	-	207,137
Compensated Absences	122,521	122,521	122,521	122,521
Due to Other Governments	(135)	-	-	-
Due to NYS Retirement System	180,316	185,496	185,623	185,623
Total Notes Payable	830,975	830,975	770,000	1,055,689
Overpayments	10,919	26,389	-	-
Deferred revenue	(13,609)	-	-	-
TOTAL LIABILITIES	$ 2,574,275	$ 1,283,080	$ 1,078,144	$ 1,570,970
FUND EQUITY				
Reserved	149,497	81,590	213,066	207,105
Unreserved:				
Appropriated	86,400	13,000	20,283	43,000
Unappropriated	(372,374)	1,781,347	1,613,793	1,269,685
TOTAL FUND EQUITY	$ (136,477)	$ 1,875,937	$ 1,847,142	$ 1,519,790
TOTAL LIABILITES and FUND EQUITY	$ 2,437,798	$ 3,159,017	$ 2,925,286	$ 3,090,760

Source: Unaudited Financial Reports of the Village. This appendix itself is not audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending May 31:	2007	2008	2009	2010	2011
REVENUES					
Real Property Taxes	$ 8,180,419	$ 8,380,309	$ 8,593,476	$ 8,875,250	$ 9,117,671
Real Property Tax Items	206,146	285,786	275,314	298,670	322,588
Non-Property Tax Items	3,222,398	3,911,225	3,569,699	3,348,524	3,414,158
Departmental Income	183,747	199,613	215,331	194,014	188,102
Intergovernmental Charges	256,400	494,144	256,400	270,400	275,400
Use of Money & Property	265,843	221,913	81,271	41,527	41,307
Licenses and Permits	47,145	63,665	43,240	68,343	52,559
Fines and Forfeitures	166,100	151,190	145,971	145,611	194,578
Sale of Property and Compensation for Loss	48,476	72,862	17,752	42,472	59,439
Miscellaneous	34,332	54,010	8,373	189,947	164,735
Interfund Revenues	-	-	270,057	209,750	151,021
Revenes from State Sources	541,642	587,817	542,706	1,091,466	460,686
Revenues from Federal Sources	367,280	679,522	-	61,000	-
Total Revenues	$ 13,519,928	$ 15,102,056	$ 14,019,590	$ 14,836,974	$ 14,442,244
EXPENDITURES					
General Government Support	$ 1,470,982	$ 2,649,693	$ 1,335,544	$ 1,734,961	$ 1,815,510
Public Safety	5,743,454	6,128,335	6,585,975	5,678,340	5,556,937
Health	-	-	-	-	-
Transportation	871,131	946,851	985,252	714,985	675,305
Culture and Recreation	260,081	365,933	265,247	248,040	319,799
Home and Community Services	18,871	36,479	15,455	18,786	82,274
Employee Benefits	4,407,187	4,519,535	5,315,388	5,295,718	5,372,918
Debt Service	1,034,078	928,045	889,860	1,013,659	1,190,215
Total Expenditures	$ 13,805,784	$ 15,574,871	$ 15,392,721	$ 14,704,489	$ 15,012,958
Excess of Revenues Over (Under) Expenditures	(285,856)	(472,815)	$ (1,373,131)	$ 132,485	$ (570,714)
Other Financing Sources (Uses):					
Operating Tranfers In	419,176	543,777	307,261	527,777	388,615
Operating Tranfers Out	-	-	-	-	-
Total Other Financing	419,176	543,777	307,261	527,777	388,615
Excess of Revenues and Other Sources Over (Under) Expeditures and Other Uses	133,320	70,962	(1,065,870)	660,262	(182,099)
FUND BALANCE					
Fund Balance - Beginning of Year	$ 725,111	$ 858,431	$ 929,393	$ (136,477)	$ 1,875,937
Prior Period Adjustments (net)	-	-	-	1,352,152	153,304
Fund Balance - End of Year	$ 858,431	$ 929,393	$ (136,477)	$ 1,875,937	$ 1,847,142

Source: 2007 and 2008 Audited Financial Reports and 2009 through 2011 Unaudited Financial Reports of the Village. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending May 31:	2012 Adopted Budget	2012 Actual	2013 Adopted Budget
REVENUES			
Real Property Taxes	$ 9,112,103	$ 9,112,101	$ 9,205,297
Real Property Tax Items	303,000	379,048	400,000
Non-Property Tax Items	3,541,387	3,479,348	3,545,000
Departmental Income	182,000	149,160	162,700
Intergovernmental Charges	270,400	270,400	270,000
Use of Money & Property	41,000	52,728	65,600
Licenses and Permits	48,740	87,835	64,700
Fines and Forfeitures	150,000	206,875	223,210
Sale of Property and Compensation for Loss	35,000	238,503	10,000
Miscellaneous	163,371	4,561	9,500
Interfund Revenues	-	179,522	150,000
Revenues from State Sources	900,111	644,065	910,611
Revenues from Federal Sources	81,333	1,253,673	653,000
Total Revenues	$ 14,828,445	$ 16,057,819	$ 15,669,618
EXPENDITURES			
General Government Support	$ 1,399,081	$ 1,452,965	$ 1,345,435
Public Safety	5,253,030	5,901,702	5,707,393
Health	-	-	-
Transportation	1,561,673	1,435,388	2,063,129
Culture and Recreation	338,919	287,154	352,476
Home and Community Services	236,150	1,387,793	232,850
Employee Benefits	5,705,963	5,495,738	6,025,052
Debt Service	1,292,581	1,188,397	1,321,093
Total Expenditures	$ 15,787,397	$ 17,149,137	$ 17,047,428
Excess of Revenues Over (Under) Expenditures	$ (958,952)	$ (1,091,318)	$ (1,377,810)
Other Financing Sources (Uses):			
Operating Tranfers In	938,669	1,818,928	1,334,810
Operating Tranfers Out	-	-	-
Total Other Financing	938,669	1,818,928	1,334,810
Excess of Revenues and Other Sources Over (Under) Expeditures and Other Uses	(20,283)	727,610	(43,000)
FUND BALANCE			
Fund Balance - Beginning of Year	$ 20,283	$ 1,847,142	$ 43,000
Prior Period Adjustments (net)	-	(1,054,962)	-
Fund Balance - End of Year	$ -	$ 1,519,790	$ -

Source: Unaudited Financial Report and Budgets of the Village. This Appendix is not itself audited.

CHANGES IN FUND EQUITY

Fiscal Years Ending May 31:	2008	2009	2010	2011	2012
WATER FUND					
Fund Equity - Beginning of Year	$ 298,175	$ 585,913	$ 761,031	$ 1,090,316	$ 1,024,167
Prior Period Adjustments (net)	-	-	4,639	49,299	17,817
Revenues & Other Sources	1,855,463	1,650,630	1,914,582	1,721,890	2,351,591
Expenditures & Other Uses	1,567,725	1,475,512	1,589,936	1,837,338	2,355,207
Fund Equity - End of Year	$ 585,913	$ 761,031	$ 1,090,316	$ 1,024,167	$ 1,038,368
SEWER FUND					
Fund Equity - Beginning of Year	$ 1,568,815	$ 1,833,552	$ 2,402,876	$ 1,500,575	$ 475,062
Prior Period Adjustments (net)	-	29,573	(198,587)	20,536	1,403
Revenues & Other Sources	2,463,215	2,409,098	1,587,152	1,520,335	2,253,403
Expenditures & Other Uses	2,198,478	1,869,347	2,290,866	2,566,384	1,983,424
Fund Equity - End of Year	$ 1,833,552	$ 2,402,876	$ 1,500,575	$ 475,062	$ 746,444
LIBRARY FUND					
Fund Equity - Beginning of Year	$ 150,943	$ (16,147)	$ 279,218	$ 289,493	$ 346,012
Prior Period Adjustments (net)	-	292,290	(70,376)	(622)	1,288
Revenues & Other Sources	364,943	601,836	663,297	688,221	661,206
Expenditures & Other Uses	532,033	598,761	582,646	631,080	662,624
Fund Equity - End of Year	$ (16,147)	$ 279,218	$ 289,493	$ 346,012	$ 345,882

Source: Unaudited Financial Reports of the Village. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending May 31st	PRIOR TO REFUNDING BONDS Principal	Interest	Total	Less: Refunded Bonds Debt Service	REFUNDING BONDS Principal	Interest	Total	Total New Debt Service
2013	$ 1,370,000	$ 819,017.48	$ 2,189,017.48	$ 152,045.00	$ 55,000	$ 63,266.15	$ 118,266.15	$ 2,155,238.63
2014	1,400,000	802,519.67	2,202,519.67	354,090.00	105,000	215,812.50	320,812.50	2,169,242.17
2015	1,430,000	784,266.73	2,214,266.73	615,990.00	365,000	213,712.50	578,712.50	2,176,989.23
2016	1,465,000	764,086.46	2,229,086.46	616,205.00	375,000	206,412.50	581,412.50	2,194,293.96
2017	1,420,000	741,514.87	2,161,514.87	615,763.76	385,000	198,912.50	583,912.50	2,129,663.61
2018	1,290,000	717,419.76	2,007,419.76	549,575.00	325,000	191,212.50	516,212.50	1,974,057.26
2019	1,310,000	691,690.97	2,001,690.97	551,668.76	335,000	184,712.50	519,712.50	1,969,734.71
2020	1,305,000	664,511.17	1,969,511.17	553,106.26	345,000	178,012.50	523,012.50	1,939,417.41
2021	1,330,000	636,046.69	1,966,046.69	553,887.50	355,000	170,250.00	525,250.00	1,937,409.19
2022	1,370,000	605,326.38	1,975,326.38	554,012.50	360,000	161,375.00	521,375.00	1,942,688.88
2023	1,410,000	572,812.42	1,982,812.42	558,481.26	375,000	151,475.00	526,475.00	1,950,806.16
2024	1,450,000	538,654.36	1,988,654.36	557,075.00	385,000	140,225.00	525,225.00	1,956,804.36
2025	1,485,000	502,923.14	1,987,923.14	560,012.50	400,000	126,750.00	526,750.00	1,954,660.64
2026	1,520,000	479,230.34	1,999,230.34	562,075.00	420,000	111,750.00	531,750.00	1,968,905.34
2027	1,575,000	416,740.42	1,991,740.42	567,725.00	440,000	96,000.00	536,000.00	1,960,015.42
2028	1,620,000	388,477.34	2,008,477.34	567,250.00	460,000	78,400.00	538,400.00	1,979,627.34
2029	1,675,000	346,567.92	2,021,567.92	570,875.00	480,000	60,000.00	540,000.00	1,990,692.92
2030	1,580,000	307,536.30	1,887,536.30	573,375.00	500,000	40,800.00	540,800.00	1,854,961.30
2031	1,625,000	272,053.89	1,897,053.89	574,750.00	520,000	20,800.00	540,800.00	1,863,103.89
2032	1,095,000	235,300.10	1,330,300.10	-	-	-	-	1,330,300.10
2033	1,065,000	198,070.68	1,263,070.68	-	-	-	-	1,263,070.68
2034	1,080,000	161,003.48	1,241,003.48	-	-	-	-	1,241,003.48
2035	430,000	123,230.02	553,230.02	-	-	-	-	553,230.02
2036	440,000	103,299.12	543,299.12	-	-	-	-	543,299.12
2037	455,000	82,813.54	537,813.54	-	-	-	-	537,813.54
2038	470,000	61,419.24	531,419.24	-	-	-	-	531,419.24
2039	480,000	39,054.72	519,054.72	-	-	-	-	519,054.72
2040	500,000	16,094.96	516,094.96	-	-	-	-	516,094.96
TOTALS	$ 33,645,000	$ 12,071,682.15	$ 45,716,682.15	$ 10,207,962.54	$ 6,985,000	$ 2,609,878.65	$ 9,594,878.65	$ 45,103,598.25

CURRENT BONDS OUTSTANDING

Fiscal Year Ending	2000 Public Improvements			2005 Police/Court Facility			2009 Public Improvements		
May 31st	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2013	$ 45,000	$ 16,408	$ 61,408	$ 240,000	$ 311,888	$ 551,888	$ 35,000	$ 12,250	$ 47,250
2014	50,000	13,640	63,640	250,000	301,388	551,388	35,000	10,631	45,631
2015	55,000	10,540	65,540	260,000	290,450	550,450	40,000	8,850	48,850
2016	55,000	7,130	62,130	275,000	279,075	554,075	40,000	6,950	46,950
2017	60,000	3,720	63,720	285,000	267,044	552,044	40,000	5,000	45,000
2018	-	-	-	295,000	254,575	549,575	40,000	3,000	43,000
2019	-	-	-	310,000	241,669	551,669	40,000	1,000	41,000
2020	-	-	-	325,000	228,106	553,106	-	-	-
2021	-	-	-	340,000	213,888	553,888	-	-	-
2022	-	-	-	355,000	199,013	554,013	-	-	-
2023	-	-	-	375,000	183,481	558,481	-	-	-
2024	-	-	-	390,000	167,075	557,075	-	-	-
2025	-	-	-	410,000	150,013	560,013	-	-	-
2026	-	-	-	430,000	132,075	562,075	-	-	-
2027	-	-	-	455,000	112,725	567,725	-	-	-
2028	-	-	-	475,000	92,250	567,250	-	-	-
2029	-	-	-	500,000	70,875	570,875	-	-	-
2030	-	-	-	525,000	48,375	573,375	-	-	-
2031	-	-	-	550,000	24,750	574,750	-	-	-
TOTALS	$ 265,000	$ 51,438	$ 316,438	$ 7,045,000	$ 3,568,713	$ 10,613,713	$ 270,000	$ 47,681	$ 317,681

Ending	2010 Public Improvements			2002 NYSEFC Series 2002G			2005 NYSEFC Series 2005A		
May 31st	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2013	$ 160,000	$ 12,790	$ 172,790	$ 30,000	$ 22,297	$ 52,297	$ 510,000	$ 321,988	$ 831,988
2014	160,000	10,390	170,390	30,000	21,626	51,626	520,000	313,705	833,705
2015	160,000	7,670	167,670	30,000	20,917	50,917	525,000	304,688	829,688
2016	165,000	4,415	169,415	30,000	20,172	50,172	535,000	295,060	830,060
2017	100,000	1,300	101,300	30,000	19,397	49,397	540,000	284,050	824,050
2018	-	-	-	30,000	18,591	48,591	550,000	272,504	822,504
2019	-	-	-	30,000	17,756	47,756	555,000	260,399	815,399
2020	-	-	-	35,000	16,825	51,825	560,000	247,579	807,579
2021	-	-	-	35,000	15,786	50,786	565,000	234,620	799,620
2022	-	-	-	35,000	14,719	49,719	575,000	220,551	795,551
2023	-	-	-	35,000	13,633	48,633	580,000	205,889	785,889
2024	-	-	-	40,000	12,445	52,445	590,000	190,821	780,821
2025	-	-	-	40,000	11,151	51,151	595,000	175,192	770,192
2026	-	-	-	40,000	9,849	49,849	605,000	172,333	777,333
2027	-	-	-	40,000	8,533	48,533	615,000	131,672	746,672
2028	-	-	-	45,000	7,130	52,130	620,000	126,816	746,816
2029	-	-	-	45,000	5,638	50,638	630,000	109,511	739,511
2030	-	-	-	45,000	4,142	49,142	635,000	91,758	726,758
2031	-	-	-	50,000	2,564	52,564	645,000	73,858	718,858
2032	-	-	-	50,000	896	50,896	650,000	55,675	705,675
2033	-	-	-	-	-	-	660,000	37,351	697,351
2034	-	-	-	-	-	-	665,000	18,746	683,746
TOTALS	$ 745,000	$ 36,565	$ 781,565	$ 745,000	$ 264,065	$ 1,009,065	$ 12,925,000	$ 4,144,767	$ 17,069,767

Ending	2010 NYSEFC Series 2010C			2010 NYSEFC Series 2010D			2012 2012 NYSEFC Refunding of Series 2003B		
May 31st	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2013	$ 220,000	$ 256,861	$ 476,861	$ 60,000	$ 120,750	$ 180,750	$ 70,000	$ 97,122	$ 167,122
2014	220,000	254,905	474,905	60,000	118,950	178,950	75,000	93,333	168,333
2015	220,000	252,190	472,190	65,000	117,150	182,150	75,000	89,321	164,321
2016	220,000	248,707	468,707	65,000	115,038	180,038	80,000	85,109	165,109
2017	220,000	244,433	464,433	65,000	112,925	177,925	80,000	80,710	160,710
2018	220,000	239,435	459,435	70,000	110,813	180,813	85,000	76,077	161,077
2019	220,000	233,937	453,937	70,000	108,363	178,363	85,000	71,237	156,237
2020	220,000	228,017	448,017	75,000	105,913	180,913	90,000	66,178	156,178
2021	220,000	221,632	441,632	75,000	103,288	178,288	95,000	60,721	155,721
2022	225,000	214,696	439,696	80,000	100,475	180,475	100,000	54,885	154,885
2023	230,000	207,152	437,152	85,000	97,475	182,475	105,000	48,663	153,663
2024	235,000	199,048	434,048	85,000	94,288	179,288	110,000	42,053	152,053
2025	240,000	190,448	430,448	90,000	90,888	180,888	110,000	35,245	145,245
2026	240,000	181,479	421,479	90,000	87,288	177,288	115,000	28,282	143,282
2027	245,000	172,038	417,038	95,000	83,688	178,688	125,000	20,811	145,811
2028	250,000	162,051	412,051	100,000	79,650	179,650	130,000	12,831	142,831
2029	255,000	151,637	406,637	105,000	75,400	180,400	140,000	4,381	144,381
2030	265,000	140,699	405,699	110,000	70,938	180,938	-	-	-
2031	270,000	129,370	399,370	110,000	66,263	176,263	-	-	-
2032	275,000	117,417	392,417	120,000	61,313	181,313	-	-	-
2033	280,000	104,807	384,807	125,000	55,913	180,913	-	-	-
2034	285,000	91,970	376,970	130,000	50,288	180,288	-	-	-
2035	295,000	78,793	373,793	135,000	44,438	179,438	-	-	-
2036	300,000	65,274	365,274	140,000	38,025	178,025	-	-	-
2037	305,000	51,439	356,439	150,000	31,375	181,375	-	-	-
2038	315,000	37,169	352,169	155,000	24,250	179,250	-	-	-
2039	320,000	22,555	342,555	160,000	16,500	176,500	-	-	-
2040	330,000	7,595	337,595	170,000	8,500	178,500	-	-	-
TOTALS	$ 7,140,000	$ 4,505,753	$ 11,645,753	$ 2,840,000	$ 2,190,138	$ 5,030,138	$ 1,670,000	$ 966,960	$ 2,636,960

FORM OF BOND COUNSEL'S OPINION

January 30, 2013

Village of Johnson City,
County of Broome,
State of New York

Re: Village of Johnson City, Broome County, New York
$6,985,000 General Obligation Refunding (Serial) Bonds, 2013

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of $6,985,000 School District Refunding (Serial) Bonds, 2013 (the "Obligations"), of the Village of Johnson City, Broome County, State of New York (the "Obligor"), dated January 30, 2013, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of two per centum (2.00%) per annum as to bonds maturing in the year 2013 to 2019, both inclusive, at the rate of two and twenty five hundredths per centum (2.25%) per annum as to bonds maturing in the year 2020, at the rate of two and five tenths per centum (2.50%) per annum as to bonds maturing in the year 2021, at the rate of two and seventy-five hundredths per centum (2.75%) per annum as to bonds maturing in the year 2022, at the rate of three per centum (3.00%) per annum as to bonds maturing in the year 2023, at the rate of three and five tenths per centum (3.50%) per annum as to bonds maturing in the year 2024, at the rate of three and seventy-five hundredths per centum (3.75%) per annum as to bonds maturing in each of the years 2025 and 2026 and at the rate of four per centum (4.00%) per annum as to bonds maturing in the year 2027 to 2031, both inclusive, payable on May 15, 2012 and semi-annually thereafter on November 15 and May 15, and maturing in the amount of $55,000 on May 15, 2013, $105,000 on May 15, 2013, $365,000 on May 15, 2015, $375,000 on May 15, 2016, $385,000 on May 15, 2017, $325,000 on May 15, 2018, $335,000 on May 15, 2019, $345,000 on May 15, 2020, $355,000 on May 15, 2021, $360,000 on May 15, 2022, $375,000 on May 15, 2023, $385,000 on May 15, 2024, $400,000 on May 15, 2025, $420,000 on May 15, 2026, $440,000 on May 15, 2027, $460,000 on May 15, 2028, $480,000 on May 15, 2029, $500,000 on May 15, 2030 and $520,000 on May 15, 2031.

Bonds maturing on or before May 15, 2023 shall not be subject to redemption prior to maturity. The Bonds maturing on or after May 15, 2024 shall be subject to redemption prior to maturity on not less than thirty (30) days' notice as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the School District on May 15, 2024 or on any interest payment date thereafter at par, plus accrued interest to the date of redemption.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligations 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 Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although it is included in adjusted current earnings in calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, efforts or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions 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 Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, 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.

Very truly yours,

Orrick, Herrington & Sutcliffe LLP

BOND INSURANCE AND SPECIMEN POLICY

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds maturing on May 15 in the years 2023 through 2031, inclusive (the “Insured Bonds”) (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy hereto this Official Statement.

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

ASSURED GUARANTY MUNICIPAL CORP.

AGM is a New York domiciled financial guaranty insurance company and a wholly owned subsidiary of Assured Guaranty Municipal Holdings Inc. ("Holdings"). Holdings is an indirect subsidiary of Assured Guaranty Ltd. (“AGL”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO”. AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. No shareholder of AGL, Holdings or AGM is liable for the obligations of AGM.

AGM’s financial strength is rated “AA-” (stable outlook) by Standard and Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”) and “Aa3” (on review for possible downgrade) by Moody’s Investors Service, Inc. (“Moody’s”). An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On March 20, 2012, Moody’s issued a press release stating that it had placed AGM’s “Aa3” insurance financial strength rating on review for possible downgrade. On October 30, 2012, Moody's indicated that it anticipated resolving its review during the first half of November 2012. AGM can give no assurance as to any further ratings action that Moody’s may take. Reference is made to the press release, a copy of which is available at www.moodys.com, for the complete text of Moody’s comments.

On November 30, 2011, S&P published a Research Update in which it downgraded AGM’s financial strength rating from “AA+” to “AA-“. At the same time, S&P removed the financial strength rating from CreditWatch negative and changed the outlook to stable. AGM can give no assurance as to any further ratings action that S&P may take. Reference is made to the Research Update, a copy of which is available at www.standardandpoors.com, for the complete text of S&P’s comments.

For more information regarding AGM’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2011, its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012, its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012, and its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012.

Capitalization of AGM

At September 30, 2012, AGM's consolidated policyholders' surplus and contingency reserves were approximately $3,263,902,433 and its total net unearned premium reserve was approximately $2,153,794,346, in each case, in accordance with statutory accounting principles.

AGM's statutory financial statements for the fiscal year ended December 31, 2011, for the quarterly period ended March 31, 2012, for the quarterly period ended June 30, 2012, and for the quarterly period ended September 30, 2012, which have been filed with the New York State Department of Financial Services and posted on AGL's website at http://www.assuredguaranty.com, are incorporated by reference into this Official Statement and shall be deemed to be a part hereof.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (filed by AGL with the SEC on February 29, 2012);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 (filed by AGL with the SEC on May 10, 2012);

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012 (filed by AGL with the SEC on August 9, 2012); and

(iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012 (filed by AGL with the SEC on November 9, 2012).

All information relating to AGM included in, or as exhibits to, documents filed by AGL pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 826-0100).

Any information regarding AGM included herein under the caption "APPENDIX - D - BOND INSURANCE AND SPECIMEN POLICY – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM or one of its affiliates may purchase a portion of the Insured Bonds or any uninsured bonds offered under this Official Statement and such purchases may constitute a significant proportion of the bonds offered. AGM or such affiliate may hold such Insured Bonds or uninsured bonds for investment or may sell or otherwise dispose of such Insured Bonds or uninsured bonds at any time or from time to time.

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

ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ________________________________
Authorized Officer