

**\$5,730,000 Town of Cortland
DeKalb County, Illinois
Special Service Area Number One
Special Tax Refunding Bonds, Series 2007**

Annual Continuing Disclosure Report

For the Fiscal Year Ending April 30, 2008

Prepared by:

MUNICAP, INC.

January 7, 2009

**\$5,730,000 Town of Cortland
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I. UPDATED INFORMATION

Information provided below is updated for the fiscal year ending April 30, 2008, unless stated otherwise:

- Special taxes were levied in 2007 for collection in 2008 in the amount of \$330,000. According to DeKalb County, calendar year 2007 special taxes in the amount of \$313,852 were collected and transferred to the trustee, representing 95.1 percent of the special taxes levied. The balance of the calendar year 2007 special taxes in the amount of \$16,148 were collected at tax sale on October 27, 2008, and transferred to the trustee on November 14, 2008. As a result, there are no delinquent calendar year 2007 special taxes at this time.
- Special taxes were levied in 2008 for collection in 2009 in the amount of \$330,000. The special taxes are due in June and September 2009. As a result, there are no delinquent special taxes for calendar year 2008 at this time.
- According to the U.S. Census Bureau's 2007 American Community Survey, the median household income for DeKalb County and the State of Illinois was \$70,612 and \$65,761, respectively.
- According to the U.S. Census Bureau's 2007 American Community Survey, the 2007 average annual unemployment rate for DeKalb County and the State of Illinois was 7.8 percent and 7.2 percent, respectively.
- According to the U.S. Census Bureau's 2007 American Community Survey, the median home value for DeKalb County and the State of Illinois was \$189,700 and \$208,800, respectively.
- According to the U.S. Census Bureau's 2007 American Community Survey, the number of single family homes in DeKalb County and the State of Illinois was 25,642 and 3,376,009, respectively.
- According to the assessor's office for DeKalb County, the 2007 equalized assessed value of the Town of Cortland was \$68,242,687.
- According to the assessor for DeKalb County, the 2007 equalized assessed value of the property within Special Service Area Number One was \$14,801,728. The estimated market value is three times the equalized assessed value within the special service area. As a result, the estimated market value of the town's Special Service Area Number One was \$44,405,184. As of November 30, 2008, the outstanding amount on the Series 2006 Refunding Bonds was \$5,686,000. Accordingly, the 2007 estimated value-to-lien ratio is 7.81 to 1.00.
- According to the DeKalb County tax extension office's web site, the representative calendar year 2007 tax rate for a single-family unit located within School District 428 was 7.9842 per \$100 of assessed value.

II. INTRODUCTION

The Town of Cortland, DeKalb County, Illinois, Special Service Area Number One issued the \$5,730,000 Series 2007 Special Tax Refunding Bonds to refund and defease the \$5,000,000 Series 2002 Special Tax Bonds. The Series 2007 Special Tax Refunding Bonds were issued pursuant to (i) the provisions of Section Seven of Article VII of the Illinois Constitution of 1970; (ii) the Special Service Area Tax Law of the State of Illinois, as amended; (iii) the Illinois Local Government Debt Reform Act of the State of Illinois, as amended; (iv) Ordinance No. 2007-08 of the town adopted on March 12, 2007, including a Bond Order executed pursuant thereto providing for the issuance of the Bonds; and (v) the Trust Indenture between the town and First Midwest Bank, National Association, dated April 1, 2007.

According to the Official Statement for the Series 2007 Special Tax Refunding Bonds, the Town of Cortland Special Service Area Number One consists of approximately 75 acres of land located at the southeast corner of Pleasant Street and Somonauk Road in Cortland, Illinois, commonly known as the Neucort Lakes Subdivision. The area includes 235 detached single-family homes developed by Neumann Homes, Inc. As of November 30, 2008, all 235 single-family homes built within the special service area have been sold and closed with homebuyers.

Pursuant to the Official Statement, the Series 2007 Bonds were issued to (i) refund in advance of their maturity all of the outstanding Series 2002 Bonds, (ii) fund the Debt Service Reserve Fund for the bonds in the amount of \$488,545, and (iii) pay costs of issuing the bonds and refunding the prior bonds. The proceeds of the prior bonds were authorized to be used to provide special services benefiting the special service area consisting of the acquisition, construction and installation of public improvements, including, but not limited to, engineering, soil testing and appurtenant work, mass grading and demolition, storm water management facilities, storm drainage systems and storm sewers, site clearing and tree removal, public water facilities, sanitary sewer facilities, erosion control measures, roads, streets, curbs, gutters, street lighting and signalization, sidewalks and related street improvements, and equipment and materials necessary for the maintenance thereof, landscaping and tree installation, costs for land and easement acquisitions relating to any of the foregoing improvements, and other eligible costs of improvements to serve the special service area.

The information provided herein is not intended to supplement or otherwise relate to the information provided in the Official Statement and any such intent is expressly disavowed. Rather, this report responds to the specific requirements of the continuing disclosure agreement.

No representation is made as to the materiality or completeness of the information provided herein or as to whether other relevant information exists with respect to the period covered by this report. Other matters or events may have occurred or become known during or since that period that may be material. All information is provided as of November 30, 2008, unless otherwise stated, and no representation is made that the information contained in this report is indicative of information that may pertain since the end of the period covered by this report or in the future.

III. TRUSTEE ACCOUNTS

The trustee for the Series 2007 Refunding Bonds is the First Midwest Bank. The balance as of November 30, 2007, interest paid, disbursements and account balances as of November 30, 2008 are shown by the following table.

**Table III-1
Account Balances**

	Balance 11/30/07	Interest Paid	Additional Proceeds	Disburse- ments	Balance 11/30/08
Reserve Fund	\$253,334	\$6,021	\$0	\$0	\$259,355
Bond & Interest Fund	\$314,524	\$4,622	\$339,274	\$337,093	\$321,327
Improvement Fund	\$3,672	\$83	\$0	\$3,755	\$0
Administrative Expense Fund	\$60,973	\$1,324	\$30,000	\$73,305	\$18,992
Cost of Issuance Account	\$9,216	\$57	\$0	\$9,273	\$0
Escrow Account	\$5,506,916	\$250,392	\$0	\$369,275	\$5,388,033
Total	\$6,148,635	\$262,499	\$369,274	\$792,702	\$5,987,706

Additional proceeds to the Bond and Interest Fund represent transfers of special tax collections from DeKalb County for the payment of debt service. Additional proceeds to the Administrative Expense Fund were transfers from the Bond and Interest Fund for the payment of administrative expenses. Disbursements from the Improvement Fund were transfers to the Town of Cortland pursuant to Section 7.7 of the Trust Indenture. Disbursements from the Cost of Issuance Account were transfers to the Bond and Interest Fund to close the account pursuant to Section 7.3 of the Trust Indenture. Disbursements from the Escrow Account were for the payment of debt service on the prior bonds.

The interest paid through November 30, 2008 does not include interest accrued but not yet paid. Bond proceeds in the Escrow Account are invested in U.S. Treasury notes earning 4.51 percent. The other bond proceeds in each fund are invested in money market funds currently earning between 1.07 and 1.38 percent per year. Table III-2 below shows the approximate rates of return on the investments as of November 30, 2008.

According to Article VII of the Trust Indenture, dated as of April 1, 2007, investment income in the Bond and Interest Fund will remain in the Bond and Interest Fund. The proceeds in excess of the reserve requirement in the Reserve Fund will remain in the Reserve Fund. Investment income in the Administrative Expense Fund will remain in the fund and be used for the purposes of the fund. Investment income in the Escrow Account will be used to pay debt service on the prior bonds.

**Table III-2
Rate of Return**

Account	Rate of Return
Reserve Fund	1.28%
Bond & Interest Fund	1.38%
Administrative Expense Fund	1.07%
Escrow Account	4.51%

IV. DISTRICT OPERATIONS

A. TOWN FINANCIAL STATEMENTS

A copy of the town's audited financial statements for the fiscal year ending April 30, 2008 has been provided under separate cover.

B. SPECIAL ASSESSMENTS LEVIED AND COLLECTED

The Series 2002 Bonds were defeased and Series 2007 Refunding Bonds were issued on April 2, 2007. Special taxes in the amount of \$330,000 will be levied in 2008. Special taxes are to be abated such that the amount to be collected in 2009 is equal to \$330,000. The methodology used to calculate the special taxes to be abated and to amend the special tax roll is explained in the balance of this report.

The special tax is to be abated each year within the Town of Cortland Special Service Area Number One such that (i) the ratio of the special tax for each parcel as abated to the Maximum Special Tax is equal, (ii) the special tax as abated is not more than 100 percent of the Maximum Special Tax, and the total of the special tax extended to and collected from all of the parcels of taxable property is equal to the Special Tax Requirement. The special tax requirement, generally, is equal to (i) annual debt service and administration expenses, less (ii) investment income and available capitalized interest.

Special taxes are collected in June and September in the year after they are levied. The special taxes due in June 2009 will be applied to the payment due on the bonds on September 1, 2009 and the special taxes due in September 2009 will be applied to the payment due on the bonds on March 1, 2010.

Table IV-1 provides a summary of the special tax requirement for calendar year 2008. The expenses of the special service area are expected to exceed the funds available to the special service area by \$330,000. Accordingly, the special tax requirement for calendar year 2008 is \$330,000. An explanation of the estimated expenses and revenues follows.

Table IV-1
2008 Special Tax Requirement

Debt Service:	
Interest Sept. 1, 2009	\$128,747
Interest March 1, 2010	\$128,747
Principal March 1, 2010	\$94,000
Total Debt Service	\$351,494
Administration Expenses	\$17,770
Special Reserve Fund	\$0
Contingency	\$84,374
Sub-total Expenses	\$453,638
Reserve Fund Investment Income	(\$2,443)
Surplus from Prior Year	(\$121,195)
Special Tax Requirement for 2008	\$330,000

(i) Debt Service

Debt service includes the payments due on September 1, 2009 and March 1, 2010. The interest payments for calendar year 2008 are calculated based on an annual coupon rate of 4.15 percent on the outstanding Term 2017 Bonds of \$1,046,000 and an annual coupon rate of 4.70 percent on the outstanding Term 2032 Bonds of \$4,555,000. Accordingly, the interest payments due on September 1, 2009 and March 1, 2010 will be \$128,747 each. There is a principal payment due on March 1, 2010 of \$94,000, resulting in total debt service for the year of \$351,494.

(ii) Administrative Expenses

Administrative expenses generally include the annual expenses of the trustee, the administrator and the legal fees for the town associated with the special service area. The annual charge of the trustee is estimated to be \$4,162. The cost of the administrator for 2008 is estimated to be \$11,730 (including charges for arbitrage rebate and continuing disclosure services). The annual legal fees for Foley and Lardner are estimated to be \$1,530. Increasing these amounts by two percent, results in total estimated administrative expenses budgeted for calendar year 2008 to be \$17,770.

(iii) Special Reserve Fund

As per Section 7.3 of the Trust Indenture for the Series 2007 Refunding Bonds for Special Service Area Number One, special tax proceeds shall be deposited into the Special Reserve Fund until the amounts on deposit in the Special Reserve Fund equal the Special Reserve Requirement. According to Section 1.3 of the Trust Indenture for the Series 2007 Refunding Bonds, the Special Reserve Requirement for Special Service Area Number One is equal to \$70,000. The special reserve fund was to be funded with calendar year 2007 special taxes. Special taxes in the amount of \$70,000 will be transferred from the Bond and Interest Fund to the Special Reserve Fund once the final distribution of special taxes for calendar year 2007 has been made to the trustee. Accordingly, the Special Reserve Fund will be fully funded with calendar year 2007 special taxes. As a result, calendar year 2008 special taxes will not be required to fund the Special Reserve Requirement.

(iv) Contingency

A contingency, equal to approximately twenty-three percent of annual expenses and an additional amount to round the special tax requirement to the nearest five thousand, has been added in the event there are tax delinquencies, unanticipated expenses or if investment income is less than estimated.

(v) Reserve Fund Investment Income

The reserve requirement is currently \$488,545. As per Section 7.2(b) of the Trust Indenture for the Series 2007 Refunding Bonds for Special Service Area Number One, the Reserve Requirement may be satisfied with (1) one or more Reserve Fund Credit Instruments, (2) Qualified Investments, or (3) a combination thereof. At the time of delivery of the Series 2007 Refunding Bonds, a Surety Bond, which constitutes a Reserve Fund Credit Instrument, was deposited to the credit of the Reserve Fund in the amount of \$244,273, which with the initial deposit to the Reserve Fund of \$242,273, established a balance in the Reserve Fund equal to the Reserve Requirement of \$486,546. As of September 30, 2008, the balance in the Reserve Fund was \$258,712, which included half of the Reserve Requirement funded with bond proceeds and \$14,439 in investment income previously posted to the account. Bond proceeds in the amount of \$244,273 are invested in a Federated Money Market Fund earning 1.58 percent per annum. Money market rates have been declining over the last year. As a result, investment income is estimated based on a money market rate of 1.00 percent per annum. At the yield of 1.00 percent per annum, \$1,018 in investment income is estimated to be earned on the Reserve Fund prior to the next debt service payment on March 1, 2009. Together with the investment income previously posted to the Reserve Fund, these funds will be made available to pay a portion of the debt service on the Series 2007 Refunding Bonds on March 1, 2009. An additional \$2,443 in annual investment income is estimated to be earned

on the bond proceeds invested in the Reserve Fund by March 1, 2010, which may be applied to the payment of debt service on September 1, 2009 and March 1, 2010.

(vi) Surplus from Prior Year

Table IV-2 below outlines the estimated surplus for calendar year 2007 that may be applied to pay debt service and administrative expenses for calendar year 2008. Special taxes were levied in the amount of \$330,000 for calendar year 2007. According to DeKalb County, calendar year 2007 special taxes in the amount of \$313,852 have been collected and transferred to the trustee, representing 95.1 percent of the special taxes levied. Outstanding special taxes for calendar year 2007 in the amount of \$16,148 were collected at tax sale on October 27, 2008, and the county anticipated making the final distribution of the calendar year 2007 special tax by November 19, 2008. The outstanding calendar year special taxes in the amount of \$16,148 were transferred to the trustee on November 14, 2008.

As of September 30, 2008, the balance in the Bond and Interest Fund was \$334,478. A portion of this balance will be made available to pay debt service on the Series 2007 Refunding Bonds in the aggregate amount of \$215,511 on March 1, 2009. Special taxes in the amount of \$70,000 will be transferred from the Bond and Interest Fund to the Special Reserve Fund once the final distribution of the calendar year 2007 special taxes are transferred to the trustee.

As mentioned above, as of September 30, 2008, there was \$14,439 in investment income in the Reserve Fund. An additional \$1,018 in investment income is estimated to be earned on the bond proceeds invested in the Reserve Fund by March 1, 2009. These funds will be made available to pay debt service on March 1, 2009. The debt service payment due on March 1, 2009 includes an interest payment of \$130,511, which is based on an annual coupon rate of 4.15 percent on the outstanding Term 2017 Bonds of \$1,131,000 and an annual coupon rate of 4.70 percent on the outstanding Term 2032 Bonds of \$4,555,000, and a principal payment of \$85,000.

**Table IV-2
Surplus from Prior Year**

Available Funds:	
Balance of CY07 Special Taxes to be Transferred by November 19, 2008	(\$16,148)
Balance in the Bond & Interest Fund at Sept. 30, 2008	(\$334,478)
Available Reserve Fund Investment Income at Sept. 30, 2008	(\$14,439)
Estimated Reserve Fund Investment Income thru March 1, 2009	(\$1,018)
Available Administrative Expense Fund at Sept. 30, 2008	(\$53,278)
<i>Subtotal available funds</i>	<i>(\$419,361)</i>
Debt Service:	
Interest on March 1, 2009	\$130,511
Principal on March 1, 2009	\$85,000
Balance of CY07 Administrative Expenses	\$12,655
Transfer to the Special Reserve Fund	\$70,000
<i>Subtotal expenses</i>	<i>\$298,166</i>
Surplus from prior year	(\$121,195)

The administrative expense budget for calendar year 2007 was \$17,422. Administrative expenses totaling \$12,655 remain outstanding for calendar year 2007. As shown by Table IV-2, counting the available funds and the remaining expenses for the year, an estimated aggregate surplus of \$121,195 will be made available to pay debt service and administrative expenses for calendar year 2008.

(viii) Summary of the Special Tax Requirement

Total special service area expenses to be paid from special taxes collected in 2008 are estimated to be \$453,638. Funds available to pay these expenses, other than special taxes, are estimated at \$123,638, resulting in a special tax requirement of \$330,000.

C. SPECIAL TAXES LEVIED AND COLLECTED

Special taxes were levied in 2007 for collection in 2008 in the amount of \$330,000. According to DeKalb County, calendar year 2007 special taxes in the amount of \$313,852 were collected and transferred to the trustee, representing 95.1 percent of the special taxes levied. The balance of the calendar year 2007 special taxes in the amount of \$16,148 were collected at tax sale on October 27, 2008, and transferred to the trustee on November 14, 2008. As a result, there are no delinquent calendar year 2007 special taxes at this time.

Special taxes were levied in 2008 for collection in 2009 in the amount of \$330,000. Calendar year special taxes are due in June and September 2009. As a result, there are no delinquent special taxes for calendar year 2008 at this time.

D. DELINQUENCY COLLECTION EFFORTS

There are no collection efforts underway at this time.

V. *DISTRICT FINANCIAL INFORMATION*

A. THE TOWN

(i) Median Family Income

Table V-1 below provides the 2007 median family income in DeKalb County and the State of Illinois. According to the U.S. Census Bureau's 2007 American Community Survey, the median household income for DeKalb County and the State of Illinois was \$70,612 and \$65,761, respectively. As of December 18, 2008, the 2007 median family income for the Town of Cortland was not available.

Table V-1
Median Family Income

	1990	2000	2007
Cortland	\$36,858	\$57,361	N/A
DeKalb County	\$39,066	\$58,194	\$70,612
State of Illinois	\$28,664	\$55,545	\$65,761

Source: US Census Bureau's 2007 American Community Survey

(ii) Unemployment Rates

Table V-2 below provides the average annual unemployment rates for DeKalb County and the State of Illinois. According to the U.S. Census Bureau's 2007 American Community Survey, the 2007 average annual unemployment for DeKalb County and the State of Illinois was 7.8 percent and 7.2 percent, respectively.

Table V-2
Unemployment Rates

Year	State of Illinois	DeKalb County
2002	5.7	5.5
2003	6.0	5.7
2004	6.2	5.3
2005	5.7	5.3
2006	4.1	3.8
2007	7.2	7.8

Source: US Census Bureau's 2007 American Community Survey

(iii) Median Home Values

Table V-1 on the following page provides the 2007 median home values in DeKalb County and the State of Illinois. According to the U.S. Census Bureau's 2007 American Community Survey, the median home value for DeKalb County and the State of Illinois was \$189,700 and \$208,800, respectively. As of December 18, 2008, the 2007 median home value for the Town of Cortland was not available.

**Table V-3
Median Home Values**

	1990	2000	2007
Cortland	\$79,800	\$134,400	N/A
DeKalb County	\$81,200	\$135,900	\$189,700
State of Illinois	\$80,900	\$130,800	\$208,800

Source: US Census Bureau's 2007 American Community Survey

(iv) Building Permits and Equalized Assessed Value

Table V-4 below shows the annual number of building permits issued and the equalized assessed value of property within the town from 2002 to 2007. According to the assessor's office for DeKalb County, the 2007 equalized assessed value of the Town of Cortland was \$68,242,687.

**Table V-4
Building Permits and Equalized Assessed Value**

Year	Single Family Residential Building Permits	Equalized Assessed Value
2002	86	\$29,122,713
2003	132	\$35,421,329
2004	102	\$41,641,222
2005	140	\$50,462,813
2006	97	\$57,601,321
2007	88	\$68,242,687

Source: DeKalb County Assessor's Office

(v) Single Family Homes

Table V-5 below shows the number of single-family homes in DeKalb County and the State of Illinois. According to the U.S. Census Bureau's 2007 American Community Survey, the number of single-family homes in the DeKalb County and the State of Illinois was 25,642 and 3,376,009, respectively. As of December 18, 2008, the number of single-family homes in the Town of Cortland in 2007 was not available.

**Table V-5
Single-family Homes**

	1990	2000	2007
Cortland	291	541	N/A
DeKalb County	16,841	21,012	25,642
State of Illinois	2,714,940	3,066,496	3,376,009

Source: US Census Bureau's 2007 American Community Survey

B. SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

(i) Delinquency Rates

Table V-6 on the following page shows the special taxes levied and collected each year and the percentage of outstanding special taxes prior to the tax sale for calendar years 2002 through 2008. (Special taxes were not levied in calendar year 2002, as debt service on the Series 2002 Bonds was paid with the bond proceeds deposited in the Capitalized Interest Account.) The tax sale takes place each year in late October and the final

distribution of special taxes usually takes place in the late autumn of each year. As of November 30, 2008, the administrator has confirmed with the county that there are no outstanding special taxes for any prior year.

Special taxes were levied in 2008 for collection in 2009 in the amount of \$330,000. Calendar year 2008 special taxes are due in June and September 2009. As a result, there are no outstanding special taxes for calendar year 2008 at this time.

**Table V-6
Delinquency Rates**

Levy Year	Special Taxes Levied	Special Taxes Collected	Percent Collected	Percent Outstanding
2002	\$0	\$0	0.0%	0.0%
2003	\$175,000	\$172,766	98.7%	1.3%
2004	\$360,000	\$347,746	96.6%	3.4%
2005	\$360,000	\$327,831	91.1%	8.9%
2006	\$365,000	\$344,768	94.5%	5.5%
2007	\$330,000	\$313,853	95.1%	4.9%
2008	\$330,000	N/A	N/A	N/A

(ii) Value to Lien Ratio

The value to lien ratio is based on the 2007 assessed value within the special service area. According to the tax extension office for DeKalb County, the 2007 assessed value of taxable property within Special Service Area Number One was \$14,801,728. The estimated market value is three times the equalized assessed value of taxable property within the special service area. As a result, the estimated market value of Special Service Area Number One was \$44,405,184. As of November 30, 2008, outstanding principal amount on the Series 2007 Refunding Bonds for Special Service Area Number One was \$5,686,000.

Table V-7 below sets forth the estimated value-to-lien ratio with respect to Special Service Area Number One.

**Table V-7
Value to Lien Ratio**

	SSA Number One
Estimated Market Value	\$44,405,184
Outstanding Bonds	\$5,686,000
Value-to-Lien Ratio	7.81

C. DEBT SERVICE REQUIREMENTS

(i) Maximum Special Taxes and Debt Service Coverage

The aggregate maximum special taxes, annual administrative expenses, estimated annual reserve fund investment income, annual debt service and debt service coverage, are provided in Table V-8 below. The aggregate maximum special taxes for the bond years ending 2009 through 2032 shown in Table V-8 below are based on 235 taxable units. The trustee and administrative fees, Reserve Fund investment earnings, and adjusted debt service for the bond year ending 2009 are actual figures and estimates for all future bond years. The debt service is based on the principal amortization schedule shown in the Official Statement for the Series 2007 Refunding Bonds and an interest rate of 4.150 percent on the Term 2017 Bonds of \$1,131,000 and 4.70 percent on the Term 2032 Bonds of \$4,555,000.

An explanation of the special tax requirement and debt service coverage for calendar year 2008 is provided in Section IV, "District Operations," of this report. As of September 1, 2008, the outstanding Series 2007 Refunding Bonds were equal to \$5,686,000.

Table V-8
Maximum Special Taxes and Debt Service Coverage

Bond year Ending	Maximum Special Tax	Trustee & Administrative Fees	Reserve Fund Earnings	Total Revenue	Debt Service	Debt Service Coverage
2009	\$424,553	\$17,422	\$6,021	\$413,152	\$346,022	1.19
2010	\$430,921	\$17,770	\$2,443	\$415,594	\$351,494	1.18
2011	\$437,385	\$18,125	\$2,443	\$421,703	\$357,593	1.18
2012	\$443,946	\$18,488	\$2,443	\$427,901	\$362,277	1.18
2013	\$450,605	\$18,858	\$2,443	\$434,190	\$368,588	1.18
2014	\$457,364	\$19,235	\$2,443	\$440,572	\$374,441	1.18
2015	\$464,225	\$19,620	\$2,443	\$447,048	\$379,839	1.18
2016	\$471,188	\$20,012	\$2,443	\$453,619	\$386,780	1.17
2017	\$478,256	\$20,412	\$2,443	\$460,287	\$392,182	1.17
2018	\$485,430	\$20,820	\$2,443	\$467,053	\$398,085	1.17
2019	\$492,711	\$21,237	\$2,443	\$473,917	\$405,437	1.17
2020	\$500,102	\$21,662	\$2,443	\$480,883	\$411,037	1.17
2021	\$507,603	\$22,095	\$2,443	\$487,951	\$416,932	1.17
2022	\$515,217	\$22,537	\$2,443	\$495,123	\$424,075	1.17
2023	\$522,946	\$22,987	\$2,443	\$502,402	\$431,372	1.16
2024	\$530,790	\$23,447	\$2,443	\$509,786	\$437,776	1.16
2025	\$538,752	\$23,916	\$2,443	\$517,279	\$444,287	1.16
2026	\$546,833	\$24,394	\$2,443	\$524,882	\$450,858	1.16
2027	\$555,035	\$24,882	\$2,443	\$532,596	\$458,442	1.16
2028	\$563,361	\$25,380	\$2,443	\$540,424	\$465,945	1.16
2029	\$571,811	\$25,888	\$2,443	\$548,366	\$473,320	1.16
2030	\$580,389	\$26,405	\$2,443	\$556,427	\$479,520	1.16
2031	\$589,094	\$26,933	\$2,443	\$564,604	\$488,545	1.16
2032	\$597,931	\$27,472	\$244,716	\$815,174	\$294,207	2.77
	\$12,156,448	\$529,997	\$304,483	\$11,930,934	\$9,799,054	

D. REPRESENTATIVE PROPERTY TAXES

Table V-9 on the following page describes the general ad valorem tax rate that was assessed against a randomly selected single-family unit in the Town of Cortland for calendar year 2007. According to the DeKalb County tax extension office's web site, the representative calendar year 2007 tax rate for a single-family unit located within School District 428 was 7.9842 per \$100 of assessed value. Please note: Table V-9 does not include the calendar year 2007 special tax, which was \$1,404 per unit.

Table V-9
Representative Property Taxes

Town of Cortland	Single Family Home
Market Value	\$171,396
Assessed Value	\$57,132
Multiplier	1.0512
Average Homeowner's Exemption	\$5,500
Taxable valuation	\$50,179
Taxing Agency	2007 Tax Rates (%)
DeKalb County	0.84486
Forest Preserve	0.06768
Cortland Township	0.08356
Cortland Roads and Bridges	0.21926
Cortland Library	0.32974
Town of Cortland	0.71438
Cortland Fire	0.44625
School District #428	4.72882
Community College #523	0.54965
Total Tax Rate for 2007	7.9842
Representative Ad Valorem Tax	\$4,006
Maximum Special Tax (2007 Levy Year)	\$1,834

E. THE SPECIAL SERVICE AREA AND SPECIAL TAXES

(i) Summary of Area's Annual Budget

Table V-10 below shows the special service area's annual budget for calendar year 2004 through 2007.

Table V-10
Annual Budget

	CY04	CY05	CY06	CY07
Debt Service	\$358,750	\$363,719	\$369,275	\$351,494
Administrative Expenses	\$14,000	\$14,000	\$16,320	\$17,770
Contingency	\$62,896	\$82,999	\$83,797	\$84,374
Sub-total Expenses	\$435,646	\$460,718	\$469,392	\$453,638
Reserve Fund Investment Income	(\$6,750)	(\$16,193)	(\$23,750)	(\$2,443)
Surplus/Deficit from Prior Year	(\$68,896)	(\$84,525)	(\$80,642)	(\$121,195)
Special Tax Requirement	\$360,000	\$360,000	\$365,000	\$330,000

F. GENERAL OBLIGATION BONDED AND DEBT CERTIFICATED DEBT

Table V-11 on the following page shows the general obligation bonded and debt certificated debt for the town as reported by the treasurer for the Town of Cortland as of November 30, 2008.

Table V-11
General Obligation Bonded and Debt Certificated Debt
(Principal Only)

Fiscal Year	Debt Certificates	Cumulative Principal	
		Amount	Percent
2008	\$0	\$0	0.0%
2009	\$105,890	\$105,890	6.2%
2010	\$217,860	\$323,750	19.0%
2011	\$226,235	\$549,985	32.3%
2012	\$175,365	\$725,350	42.5%
Total	\$725,350	\$1,704,975	100.0%

VI. SIGNIFICANT EVENTS

Pursuant to the continuing disclosure agreement, listed events include the following:

- i.) principal or interest payment delinquencies;
- ii.) non-payment related defaults;
- iii.) unscheduled draws on any reserve fund for the bonds reflecting financial difficulties;
- iv.) unscheduled draws on credit enhancements reflecting financial difficulties;
- v.) substitution of credit or liquidity providers, or their failure to perform;
- vi.) adverse tax opinions or events affecting the tax-exempt status of the bonds;
- vii.) modifications to rights of bondholders;
- viii.) optional, contingent or unscheduled calls of the bonds;
- ix.) defeasances;
- x.) release, substitution or sale of property (other than the sale of homes in the ordinary course) securing repayment of the bonds.
- xi.) Rating changes.

The administrator does not have knowledge of any listed events as of the date of this report.