

RENSELAER MUNICIPAL LEASING CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF RENSELAER, NEW YORK)
Management's Discussion and Analysis
Years Ended December 31, 2010 and 2009

As management of the Rensselaer Municipal Leasing Corporation (the "Corporation") we offer readers of the Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the fiscal years ended December 31, 2010 and 2009. This narrative should be read in conjunction with the Corporation's financial statements which follow this section. For comparative purposes, certain items relating to the year ended December 31, 2009 presentations have been reclassified.

Financial Highlights:

- The assets of the Corporation equal its liabilities at December 31, 2010 and 2009 (unrestricted net assets are \$0 at year end) since the purpose of the Corporation is to act as a conduit for lease financing. Only assets and liabilities are reported.
- The Corporation had total revenues (including both operating and non-operating) of \$1,455,800 and \$1,925,337 for the fiscal years ended December 31, 2010 and 2009, respectively. Primarily all of the revenue is financing income from the Van Rensselaer Manor.
- The Corporation has outstanding bonded debt of \$27,825,000 and \$28,980,000 at December 31, 2010 and 2009, respectively. During 2009, the Corporation completed a bond transaction which refunded the previously existing bonds with the proceeds of a new 2009 issuance.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements. This report includes the independent auditors' report, management's discussion and analysis, financial statements, and the notes to financial statements.

Required Financial Statements—The financial statements are prepared using the accrual basis of accounting. The financial statements include:

- *Statements of Net Assets*—Presents all assets, liabilities and net assets of the Corporation at December 31, 2010 and 2009.
- *Statements of Revenues, Expenses and Changes in Net Assets*—Presents the financial activity for the years ended December 31, 2010 and 2009 and displays how this financial activity changed the Corporation's net assets.
- *Statements of Cash Flows*—Presents the cash provided and used during 2010 and 2009, and how it affects the cash balance at December 31, 2010 and 2009.
- *Notes to the Financial Statements*—Provide information regarding the Corporation's organization, accounting methods and policies, as well as explanations of the Corporation's contractual obligations and future commitments.

The Management's Discussion and Analysis listed in the foregoing table of contents is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. This supplementary information is the responsibility of the Corporation's management. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

March 28, 2011