

Supplement to the 2004-05 Annual Information Statement of the State of New York March 15, 2005

This Supplement to the January 25, 2005 Update to the Annual Information Statement of the State of New York is dated March 15, 2005 (the "Supplement") and contains information only about the specific matters described herein and only through that date. The Annual Information Statement ("AIS") dated September 19, 2004 and the Update to the AIS dated January 25, 2005 should be read, in their entirety, in conjunction with the information in this Supplement.

The Governor, the State Comptroller, the State Legislature and other parties may issue statements or reports that contain predictions, projections or other information relating to the State's financial condition, including potential operating results for the current fiscal year and projected baseline gaps for future fiscal years, that may vary materially from the information provided in this Supplement. Investors and other market participants should, however, refer to this Supplement for official information regarding the financial condition of the State.

The Office of the State Attorney General has furnished the information in the following paragraph related to litigation involving the State:

In *The Onondaga Nation v. The State of New York, et al.*, plaintiff seeks a judgment declaring that certain lands allegedly constituting the aboriginal territory of the Onondaga Nation within the State are the property of the Onondaga Nation and the Haudenosaunee, or "Six Nations Iroquois Confederacy," and that conveyances of portions of that land pursuant to treaties during the period 1788 to 1822 are null and void. The "aboriginal territory" described in the complaint consists of an area or strip of land running generally north and south from the St. Lawrence River in the north, along the east side of Lake Ontario, and south as far as the Pennsylvania border, varying in width from about 10 miles to more than 40 miles, including the area constituting the City of Syracuse.

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The Division of the Budget (DOB) notes that the complaint, which was filed on March 11, 2005, currently makes no claims for monetary damages although the plaintiff has the ability to later amend it to include monetary damages. DOB further notes that the Executive is evaluating the plaintiff's claims and has not determined what course of action it might take, and, as a result, there is no current timetable for attempting to resolve the claims.