

NEW & RENEWAL ISSUE

Ratings: See “Ratings” herein

In the opinion of Lippes Mathias LLP, Bond Counsel to the Town, under existing statutes, regulations, administrative guidance, and court decisions, and assuming continuing compliance with certain tax certifications described herein, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”), as amended. Bond Counsel is also of the opinion that the interest on the Notes is not treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. We observe that interest on the Notes may be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Furthermore, Bond Counsel is of the opinion that, under existing statutes, interest on the Notes is exempt from personal income taxes imposed by New York State and any political subdivision thereof. See “TAX MATTERS” herein.

*The Notes will **not** be designated by the Town as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.*

**TOWN OF LANCASTER
ERIE COUNTY, NEW YORK**

**\$18,599,501
BOND ANTICIPATION NOTES, 2026
(the “Notes”)**

Date of Issue: July 16, 2026

Maturity Date: July 16, 2027

The Notes will be general obligations of the Town of Lancaster, Erie County, New York (the “Town”), and will contain a pledge of the faith and credit of the Town for the payment of the principal of and interest on the Notes and, unless paid from other sources, the Notes are payable from *ad valorem* taxes which may be levied upon all the taxable real property within the Town, without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York (the “Tax Levy Limitation Law”). (See “TAX INFORMATION-Tax Levy Limitation Law,” herein).

The Notes will be issued as registered notes, and at the option of the purchaser, may be registered to the Depository Trust Company (“DTC” or the “Securities Depository”) or may be registered in the name of the purchaser.

If the Notes will be issued through DTC, to the extent so issued, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Notes. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payments of principal of and interest on the Notes will be made by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes.

To the extent that the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as may be selected by the successful bidder. In such case, the Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination, as may be determined by such successful bidder.

The Notes are dated July 16, 2026 and bear interest from that date until July 16, 2027, the maturity date, at the annual rate as specified by the purchaser of the Notes. The Notes are not subject to redemption prior to maturity.

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

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the final approving opinions of Lippes Mathias LLP, of Buffalo, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery on or about July 16, 2026.

THE TOWN DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE “RULE”), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE NOTES HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S) AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE NOTES. UNLESS THE NOTES ARE PURCHASED FOR THE BUYER’S OWN ACCOUNT AS PRINCIPAL FOR INVESTMENT AND NOT FOR RESALE, THE TOWN WILL COVENANT IN SEPARATE UNDERTAKINGS FOR THE NOTES TO PROVIDE CERTAIN CONTINUING DISCLOSURE PURSUANT TO THE RULE. SEE “DISCLOSURE UNDERTAKINGS” HEREIN.

June 30, 2026

**TOWN OF LANCASTER
ERIE COUNTY, NEW YORK**

**Robert E. Leary
Town Supervisor**

TOWN BOARD

Thomas Anticola..... Councilmember

Dawn Schroeder..... Councilmember

Melissa Studley..... Councilmember

Mark Burkard..... Councilmember

Diane Terranova Town Clerk

Jennifer L. Strong, Esq.....Town Attorney

Nicholas Swanson.....Director of Finance

AUDITORS

**Drescher & Malecki LLP
Cheektowaga, New York**

BOND COUNSEL

**Lippes Mathias LLP
Buffalo, New York**

MUNICIPAL ADVISOR



**Capital Markets Advisors, LLC
Long Island * Western New York
(716) 662-3910**

No dealer, broker, salesman or other person has been authorized by the Town to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources that are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information 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 Town since the date hereof.

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**OFFICIAL STATEMENT
RELATING TO THE ISSUANCE OF**

**TOWN OF LANCASTER
ERIE COUNTY, NEW YORK**

**\$18,599,501
BOND ANTICIPATION NOTES, 2026
(the “Notes”)**

This Official Statement, which includes the cover page and appendices hereto, presents certain information relating to the Town of Lancaster, Erie County, New York (the “Town,” “County” and “State,” respectively) in connection with the sale of the Town’s \$18,599,501 Bond Anticipation Notes, 2026 (the “Notes”).

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the Town 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 Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

THE NOTES

Description

The Notes will be issued as registered notes and at the option of the purchaser, may be registered to DTC or may be registered in the name of the purchaser.

If the Notes are issued through DTC, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Notes. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payments of principal of and interest on the Notes will be made by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes.

If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State as may be selected by the successful bidder. In such case, the Notes will be issued in registered form in denominations of \$5,000, or multiples thereof, except for one necessary odd denomination, as may be determined by such successful bidder.

Authority for and Purposes of the Notes

The Notes are being issued pursuant to the Constitution and Laws of the State, including among others, the Town Law and the Local Finance Law, and pursuant to various bond resolutions that were duly adopted by the Town Board on their respective dates, authorizing the issuance of serial bonds (and notes in anticipation thereof) for various capital projects in and for the Town (collectively, the “Project”). Such projects, and their respective amounts, are described below.

Purpose	Date(s) Authorized	Outstanding Notes	Paydown	New Money	The Notes
Water District Improvements	4/19/2021; 4/4/2022; 5/20/2024	\$4,259,000	\$928,744	-	\$3,330,256
Acquisition of Highway Equipment	3/15/2021	1,015,000	125,000	-	890,000
Acquisition of Vehicles and Equipment (Parks and Recreation Dept.)	3/15/2021	410,000	50,000	-	360,000
Road Construction and Reconstruction (Maple Drive)	3/15/2021	116,042	21,579	-	94,463
Drainage Improvements (Meadow Lea Drive)	3/15/2021	161,000	11,000	-	150,000
Highway Culverts	3/15/2021	523,180	204,723	-	318,457
Drainage Study	3/15/2021	9,706	9,706	-	0
Town Hall Improvements	3/15/2021; 5/1/2023	100,000	10,000	-	90,000
Historic Building Painting	3/15/2021	75,000	10,000	-	65,000
Dog Park Facility	7/6/2021	395,000	30,000	-	365,000
Construction and Reconstruction of Various Town Culverts	3/21/2022	234,101	14,101	-	220,000
Improvements to Public Safety Building	3/21/2022	260,000	260,000	-	0
Various Drainage Improvements	3/21/2022	68,180	26,479	-	41,701
Improvement of facilities of the Consolidated Water District	10/17/22	1,160,000	253,446	-	906,554
Road Construction and Reconstruction (Warner Road)	5/1/2023	1,140,000	10,000	-	1,130,000
Improvements to Brickyard Ball Field (Westwood Park)	5/1/2023	120,000	20,000	-	100,000
Improvements to Westwood Park Playground	5/1/2023	400,000	20,000	\$204,500	584,500
Consolidated Water District (Waterlines)	5/15/2023; 6/2/2025	4,710,000	30,000	-	4,680,000
Walden Pond Park (Turf Field)	5/20/2024	2,300,000	130,000	300,000	2,470,000
Improvements to the Enchanted Forest South Pedestrian Bridge	5/20/2024	150,000	46,430	-	103,570
Plow Trucks	5/20/2024; 5/4/2026	630,000	35,000	350,000	945,000
Vacuum Trucks	5/20/2024	272,717	17,717	-	255,000
Truck Wash	5/19/2025	250,000	-	-	250,000
Police Training Facility	5/19/2025	250,000	-	-	250,000
Improvements to Park Facilities	5/4/2026	-	-	1,000,000	1,000,000
Total:		\$19,008,926	\$2,263,925	\$1,854,500	\$18,599,501

A portion of the proceeds of the Notes in the amount of \$16,745,001 along with \$2,263,925 of budgetary appropriations, will be used to redeem and renew, in part, an outstanding bond anticipation notes of the Town that was issued on July 17, 2025. The remaining proceeds of the Notes in the amount of \$1,845,500 will provide new money financing for the various projects.

Optional Redemption

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

Nature of Obligation

The Notes, when duly issued and paid for, will constitute a contract between the Town and the holder(s) thereof.

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

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the Town to levy taxes on real estate therefor. On June 24, 2011, the Tax Levy Limitation Law was adopted in the State. The

Tax Levy Limitation Law established certain limitations on the power of local governments and school districts to increase the property tax levy beyond certain prescribed limits (without following certain prescribed procedures). The Tax Levy Limitation Law had its first application with respect to the Town's budget for fiscal year 2012-13. The Tax Levy Limitation Law does make certain allowances for the exclusion of tax levy increases associated with capital expenses by school districts. See "TAX INFORMATION-Tax Levy Limitation Law," herein. Also, certain special protective procedures and remedies available to holders of school district debt remain in place and are not affected by the Tax Levy Limitation Law. See "TOWN INDEBTEDNESS—Remedies Upon Default," herein.

Book-Entry-Only System

If the Notes are issued as book-entry notes, the Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for all of the Notes which bear the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). 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 the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("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 Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by

arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. If less than all of the securities 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with 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 Town, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, 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 Notes at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

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

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

Source: The Depository Trust Company

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

THE TOWN WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION 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 ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OF 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 NOTES.

Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving reasonable notice to the Town and discharging its responsibilities with respect thereto under applicable law, or the Town 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 Notes will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof, except for one necessary odd denomination. Principal of the Notes when due will be payable upon presentation at the principal corporate trust office of a bank or trust company located and authorized to do business and act as a fiscal agent in the State of New York to be named by the Town.

MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE

The financial condition of the Town as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the Town's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur, which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or at 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 Town to arrange for additional borrowings and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

Disease outbreaks or similar public health threats could have an adverse impact on the Town's financial condition and operating results.

The Town is dependent in part on financial assistance from the State in the form of State aid. No delay in payment of State aid to the Town is presently anticipated although no assurance can be given that there will not be a delay in payment thereof. In some recent years, the Town 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.

CYBERSECURITY

The Town, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Town faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Lippes Mathias LLP, Bond Counsel to the Town, under existing statutes, regulations, administrative guidance and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest payable on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Notes is not treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; such interest, however, is included in the "adjusted financial statement of income" (as determined under Section 56A of the Code) of "applicable corporations" (as defined in Section 59 of the Code) for purposes of determining the alternative minimum tax under Section 55 of the Code applicable to such "applicable corporations". The Arbitrage and Use of Proceeds Certificate of the Town (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Town in connection with the Notes, and Bond Counsel has assumed compliance by the Town with certain provisions and procedures set forth in the Tax Certificate relating to compliance with applicable

requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Town, under existing statutes, interest payable on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel to the Town expresses no opinion regarding any other federal or state tax consequences with respect to the Notes. Bond Counsel renders its opinion under existing statutes, regulations, administrative guidance and court decisions as of the Date of Issue and assumes no obligation to update its opinion after the Date of Issue to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest payable on the Notes, or on the exemption from state and local tax law of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain significant ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest payable on the Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, restrictions on the use and expenditure of gross proceeds of the Notes, yield and other limitations on investments of gross proceeds, and the arbitrage rebate requirement, which may require that certain excess earning on nonpurpose investments of gross proceeds be rebated to the federal government, unless an exception applies. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Town, in executing the Tax Certificate, will certify to the effect that the Town will comply with the applicable provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the stated redemption price at maturity of a Note (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity means the first price at which a substantial amount of the Notes of that maturity is sold to the public (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). The issue price for each maturity of the Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel is of the opinion that, for any Note having OID (a “Discount Note”), OID that has accrued and is properly allocable to the owners of the Discount Note under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

Under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner's adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Notes should consult their own tax advisors with respect to the treatment of OID for federal income tax purposes, including the application of the de minimis OID rule, market discount rules, reporting requirements, and special rules for certain holders, as well as the state and local tax consequences of acquiring, holding, and disposing of Discount Notes.

Note Premium

In general, if an owner acquires a Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Note after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "note premium" on that Note (a "Premium Note"). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the note premium over the remaining term of the Premium Note, based on the owner's yield over the remaining term of the Premium Note, determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Premium Note). An owner of a Premium Note must amortize the note premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the note premium allocable to that period. In the case of a tax-exempt Premium Note, if the note premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Notes should consult their own tax advisors regarding the treatment of note premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of note premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law and could affect the market price for, or the marketability of, the Notes. There can be no assurance that any such legislation, actions or decisions, if ever enacted, taken or rendered following the issuance of the Notes, will not have an adverse effect on the tax-exempt status, market price or marketability of the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Absence of Litigation

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

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Notes will be subject to the final approving opinions of Bond Counsel. Such opinions will be available at the time of delivery of the Notes and will be to the effect that the Notes are valid and legally binding general obligations of the Town for which the Town has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Town is subject to the levy of *ad valorem* real property taxes to pay the Notes and interest thereon without limitation as to rate or amount. Such opinions shall also contain further statements to the effect that (a) the power of the Town to levy unlimited real estate taxes on all real property within the Town to pay debt service may be subject to statutory limitations imposed by Chapter 97 of the Laws of 2011 (General Municipal Law 3-c), depending upon the interpretation of such statute by a court of competent jurisdiction in the event of a legal change, (b) the enforceability of rights or remedies with respect to such Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted, and (c) such law firm has not been requested to examine or review and has not examined or reviewed the accuracy or sufficiency of the Official Statement, or any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Town which have been or may have been furnished or disclosed to purchasers of the Notes, and expresses no opinion with respect to such financial or other information, or the accuracy or sufficiency thereof.

Closing Certificates

Upon the delivery of the Notes, the purchaser(s) will be furnished with the following items: (i) a certificate of the Town Supervisor to the effect that as of the date of this Official Statement and at all times subsequent thereto, up to and including the time of the delivery of the Notes, this Official Statement did not and does 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, and further stating that there has been no adverse material change in the financial condition of the Town since the date of this Official Statement to the date of issuance of the Notes; and having attached thereto a copy of this Official Statement; (ii) a certificate signed by the Town Supervisor evidencing payment for the Notes; (iii) a certificate signed by the Town Supervisor evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending or, to the knowledge of the signers, threatened, restraining or enjoining the issuance and delivery of the Notes or the levy and collection of taxes to pay the principal of and interest thereon, nor in any manner questioning the proceedings and authority

under which the Notes were authorized or affecting the validity of the Notes thereunder, (b) neither the corporate existence or boundaries of the Town nor the title of the signers to their respective offices is being contested, (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; and (iv) a tax certificate (for the Notes) or a tax certificate and nonarbitrage certificate (for the Notes) executed by the Town Supervisor, as described under “TAX EXEMPTION” herein.

DISCLOSURE UNDERTAKINGS

This Official Statement is in a form “deemed final” by the Town for the purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). At the time of the delivery of the Notes, the Town will provide an executed copy of its “Undertaking to Provide Notices of Events” (the “Undertaking”). Said Undertaking will constitute a written agreement or contract of the Town for the benefit of holders of and owners of beneficial interests in the Notes, to provide, or cause to be provided, to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, timely notice, not in excess of ten (10) business days after the occurrence of the event, of the occurrence of any of the following events with respect to the Notes:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves 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, 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 of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of purchasers of the Notes, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Town; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town]; (xiii) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, 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; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a financial obligation of the Town, if material or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect the purchasers of the Notes, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

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

The Town’s Undertaking shall remain in full force and effect until such time as the principal of and interest on the Notes shall have been paid in full. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Town, and no person or entity, including a holder of the Notes, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Town to comply with the Undertaking will not constitute a default with respect to the Notes.

The Town reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

Prior Disclosure History

The Town is in compliance in all material respects with all previous undertakings made pursuant to Rule 15c2-12 for the past five years.

CONTINUING DISCLOSURE COMPLIANCE PROCEDURES

The Town has established procedures designed to ensure that future filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting such filings to the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 through EMMA.

RATING

Moody's has assigned a rating of "MIG 1" on the Notes.

Moody's has assigned a rating of "Aa3" to the Town's outstanding bonded indebtedness of the Town.

Such ratings reflect only the view of such organization, and an explanation of the significance of such ratings may be obtained only from such rating agency, at the following address: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, NY 10007. There can be no assurance that such ratings will continue for any specified period of time or that such ratings will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such ratings may have an adverse effect on the market price of such Notes or the availability of a secondary market for those Notes.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC has acted as Municipal Advisor to the Town in connection with the sale of the Notes.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Town to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Notes.

ADDITIONAL INFORMATION

Additional information may be obtained from the Town's Director of Finance, Nick Swanson, at 21 Central Avenue, Lancaster, New York 14086, phone: (716) 601-1610, email: nswanson@lancasterny.gov or from the Town's Municipal Advisor, Capital Markets Advisors, LLC, (716) 662-3910.

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

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 Town management's beliefs as well as assumptions made

by, and information currently available to, the Town'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 Town files with the repositories. When used in Town documents or oral presentation, the words "anticipate," "estimate," "expect," "objective," "projection," "forecast," "goal," or similar words are intended to identify forward-looking statements.

Lippes Mathias LLP, of Buffalo, New York, Bond Counsel to the Town, expresses no opinions as to the accuracy or completeness of information in any document prepared by or on behalf of the Town for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

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.

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

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. 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. Capital Markets Advisors, LLC 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 Town nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website.

Further, Capital Markets Advisors, LLC and the Town 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. Capital Markets Advisors, LLC and the Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

**TOWN OF LANCASTER
ERIE COUNTY, NEW YORK**

By: /s/ Robert E. Leary
Robert E. Leary
Town Supervisor

DATED: June 30, 2026

APPENDIX A

THE TOWN

General Information

The Town, consisting of approximately 37 square miles, is located less than 11 miles east of the City of Buffalo. The Village of Lancaster is located wholly within the Town, as is a portion of the Village of Depew. The population of the Town is 45,075 according to 2025 U.S. Census. Major portions of the Lancaster Central School District and the Depew Union Free School District are situated within the Town, as well as minor portions of the Alden, Clarence and Iroquois Central School Districts. The New York State Thruway Interstate 90 runs through the Town. The Buffalo Niagara International Airport is located within a short distance from the Town.

The Town is largely suburban residential in character; it contains three light industrial parks in addition to fully-serviced, industrial-zoned lands. Many of the residents are employed within the Town while others find employment in the commercial and industrial activities of the City of Buffalo and throughout Western New York.

Town Government

The Town was established in 1833 by the State Legislature. There are five independently governed school districts located partially within the Town, which rely on their own taxing powers granted by the State to raise revenues. The school districts use the Town's assessment roll as a basis for taxation of property located within the Town.

Subject to the provisions of the State Constitution, the Town operates pursuant to the Town Law, the General Municipal Law, the Local Finance Law, other laws generally applicable to the Town, and any special laws applicable to the Town, and is classified as a first-class town. Under such laws, there is no authority for the Town to have a charter, but pursuant to the Town Law and other laws generally applicable to home rule, the Town may from time to time adopt local laws.

The legislative power of the Town is vested in the Town Board, which consists of five members, including the Supervisor, who is the chief executive and chief fiscal officer of the Town, elected for a term of four years. The four other members of the Town Board are elected to four-year terms, which terms are staggered such that two members are elected every two years. All of the Town Board members are elected at large and there is no limitation to the number of terms each may serve. Currently there are four elected members.

The Town Clerk and the Town Highway Superintendent are each elected for four-year terms. The Town Board appoints the Town Assessor and the Town Attorney.

Town Services

New York State Electric & Gas Corporation and National Fuel Gas provide electricity and natural gas to the Town, respectively. The water supply for the portions of the Town outside the Villages of Depew and Lancaster is provided by the Erie County Water Authority. A Town-wide water district is responsible for the financing and construction of water transmission lines as well as maintenance of the necessary facilities in such district. Erie County Sewer District No. 4 and special assessment sewer districts provide sanitary sewer services. Police protection is provided by the Town Police Department in the Town and the Village of Lancaster; the Village of Depew has its own police department. Fire protection is provided by various fire companies contracted by the Town and by the Village Fire Departments.

The Town is generally responsible for providing services as required by citizens on a Town-wide basis. The Town maintains a road system necessitating road resurfacing and improvements and the acquisition of machinery and equipment from time to time. The Town also owns and operates and maintains various recreation facilities.

Employees

The Town employs approximately 135 full-time, 140 part-time and 150 seasonal employees, some of which are represented by the following.

<u>Bargaining Unit</u>	<u># of Members</u>	<u>Contract Expiration</u>
Civil Service Employees Association, Blue Collar Unit	29	12/31/2025*
Civil Service Employees Association, White Collar Unit	41	12/31/2025*
Police Benevolent Association, Inc. (Cayuga Club)	52	12/31/2025*
Public Safety Dispatchers Union	13	12/31/2025*

*Currently under negotiations.

Employee Pension Benefits

Substantially all employees of the Town 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"). (Both systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employee retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. As of April 9, 2022, Tier C members only need five years of service credit to be vested. This affects members of both ERS and PFRS. Previously, Tier V and VI members needed 10 years of service to be eligible for a service retirement benefit. All benefits generally vest after ten 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. Except as noted below, all members hired on or after July 27, 1976 must contribute 3% of their gross annual salary toward the costs of retirement programs. The 3% contribution is waived when the employee completes ten (10) years of service.

A pension reform bill, Chapter 49 of the Laws of 2003, was enacted to change the cycle of ERS billing to match budget cycles of the Town. Under the previous method, the Town was unsure of how much it paid to the system until after the Town's budget was implemented. Under the new method the contribution for a given fiscal year will be based on the value of the pension fund in prior years.

On July 20, 2004, the New York State Legislature passed a bill amending the General Municipal Law, Local Finance Law and the Retirement and Social Security Law. On July 30, 2004, then Governor Pataki signed the new retirement system legislation into Law as Chapter 260 of the Laws of 2004. The bill moved the annual payment date for contributions from December 15th to February 1st, effective December 15, 2004 and permits municipalities to establish a reserve for future anticipated contributions.

On December 10, 2009, then Governor Cuomo signed in to law a new Tier V. The law is effective for ERS employees hired after January 1, 2010. New ERS employees contribute 3% of their salaries with no provision for these contributions to cease after a certain period of service.

On March 16, 2012, then 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, among other things, for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from three years to five years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in December or the following February, as required. If such payments are made in December prior to the scheduled payment date in February, such payments may be made at a discounted amount. The Town has elected to make such payments in December of each year. However, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

The following table details the Town's contractually required contributions to the ERS for the preceding five audited fiscal years for the Town's fiscal year ending December 31 (the Systems' fiscal year ending March 31), and the budgeted amount for the current fiscal year:

<u>Fiscal Year</u> <u>Ended 12/31</u>	<u>Systems' Fiscal</u> <u>Year Ended 3/31</u>	<u>ERS</u>
2026 <i>Budget</i>	2027	\$1,263,789
2025	2026	1,084,717
2024	2025	948,098
2023	2024	778,141
2022	2023	754,630
2021	2022	914,801

Source: Audited Financial Statements and 2026 Budget.

The following table details the Town's contractually required contributions to the PFRS for the preceding five audited fiscal years for the Town's fiscal year ending December 31 (the Systems' fiscal year ending March 31), and the budgeted amount for the current fiscal year:

<u>Fiscal Year</u> <u>Ended 12/31</u>	<u>Systems' Fiscal</u> <u>Year Ended 3/31</u>	<u>PFRS</u>
2026 <i>Budget</i>	2027	\$2,499,869
2025	2026	2,161,576
2024	2025	1,862,104
2023	2024	1,679,856
2022	2023	1,615,113
2021	2022	1,572,587

Source: Audited Financial Statements and 2026 Budget.

Due to significant capital market declines in the recent past, for several years, the State's ERS portfolios have experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contribution rates for the State's ERS have at times been higher than the minimum contribution rate established by Chapter 49. To mitigate such increases in the employer contribution rates, legislation was enacted that would permit local governments and schools districts to amortize a portion of their required ERS pension contribution payments with the State ERS. Such legislation also requires that those local governments and school districts choosing to amortize their ERS pension contribution payments with the State ERS reserve funds for future payment increases that are a result of fluctuations in pension plan performance.

According to Office of the New York State Comptroller, the 2026-27 Fiscal Year estimated average employer contribution rate for ERS will increase from 16.5% to 17.6% of payroll. The estimated average employer contribution rate for PFRS will be increased from 33.7% to 36.5% of payroll.

Other Post-Employment Benefits

In June 2015, the Governmental Accounting Standards Board ("GASB") released GASB Statement No. 75 ("GASB 75"), which was required to be implemented in the Town's 2018 fiscal year. GASB 75 replaces the requirements of GASB 45 and establishes new standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Under GASB 75, governments must report a liability on the face of the financial statements for the post-employment benefits ("OPEB") that they provide; such liability can no longer be a footnote as was allowed under GASB 45.

During the year ended December 31, 2025, the Town implemented GASB Statement No. 75.

The Actuarial Report summary is made part of the Independent Auditor’s Report included in Appendix C. The following table shows the components of the Town’s annual OPEB cost, the amount actually contributed to the plan and the changes in the Town’s net OPEB obligation as of December 31, 2025.

Total OPEB Liability	<u>2025</u>
Balance at December 31, 2024, as restated:	<u>\$10,672,382</u>
Changes for the year:	
Service Cost	74,251
Interest	421,900
Difference between expected and actual experience	0
Changes of assumptions	338,295
Benefit payments	<u>(811,893)</u>
Net changes in total OPEB liability	<u>22,553</u>
Net OPEB obligation – end of year	<u>\$10,694,935</u>

Should the Town be required to fund its unfunded accrued OPEB liability, it could have a material adverse impact upon the Town’s finances and could force the Town to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the Town to fund its OPEB liability. At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Town has decided to continue funding the liability on a pay-as-you-go basis.

Legislation has been proposed to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State’s OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under the proposed legislation, there are no limits on how much a local government can deposit into the trust. The Town cannot predict at this time whether such proposed legislation will be enacted into law.

FINANCIAL FACTORS

Independent Audit

The annual financial statements of the Town are audited by independent certified public accountants. The Town is also subject to periodic audit by the State Comptroller’s Office. Appendix B to this Official Statement presents a summary of the financial operating results of the General and Special Revenue Funds for each of the last five fiscal years ended, and budget summaries for the current and prior fiscal years.

Fund Structure and Accounts

The accounting practices of the Town conform to those prescribed by generally accepted accounting principles and by the New York State Comptroller’s Office “Uniform System of Accounts for Towns.”

Revenues are recorded when measurable and available to pay liabilities of the current period. Revenues susceptible to accrual include real property taxes, state and federal aid, and sales tax.

Expenditures are recorded when the fund liability is incurred. Exceptions to this rule are (1) prepaid and most inventory-type items which are generally recognized at the time of disbursement; (2) unmatured

interest on general long-term debt which is recognized when due; and (3) compensated absences, such as vacation and sick leave which vests or accumulates, which is charged as an expenditure when paid.

The encumbrance method of accounting is employed in the governmental funds, whereby commitments for contracts and outstanding purchase orders are reported as a reservation of fund balance. Such commitments are recorded as expenditures in the accounting period in which the liability is incurred.

Revenues

The Town derives a major portion of its general fund revenues from a tax on real property (see “Statement of Revenues, Expenditures and Changes in Fund Balance” in Appendix B, herein). Real property taxes and other property tax items accounted for 72.9% of total general fund revenues for the fiscal year ended December 31, 2025, while State aid accounted for 9.5%.

Real Property Tax. The following table sets forth total general fund revenues and real property tax revenues during the last five fiscal years, and the amounts budgeted for the current fiscal year.

TABLE 1
Property Taxes
(General Fund)

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues</u>
2021	\$10,700,813	\$7,899,868	74.2%
2022	11,017,406	7,788,048	70.7%
2023	13,061,367	8,419,781	64.5%
2024	13,638,147	8,572,490	62.9%
2025	11,794,578	8,596,399	72.9%
2026 Budgeted	12,117,369	8,545,753	70.5%

Source: Town’s audited financial statements (2021-2025) and 2026 Adopted Budget.

State Aid. The Town also receives a portion of its revenues in the form of State aid (per capita and mortgage tax). For the fiscal year ended December 31, 2025, State aid represented approximately 9.5% of the total general fund revenues of the Town. However, there is no assurance that the State appropriation for State aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town, possibly requiring either a counterbalancing increase in revenues from other sources to the extent available, a curtailment of expenditures, or some combination of the two.

The following table sets forth total general fund revenues and State aid during the last five fiscal years, and the amounts budgeted for the current fiscal year.

TABLE 2
State Aid
(General Fund)

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2021	\$10,700,813	\$1,527,553	11.7%
2022	11,017,406	1,415,314	12.8%
2023	13,061,367	1,052,456	8.1%
2024	13,638,147	991,229	7.3%
2025	11,794,578	1,123,108	9.5%
2026 Budgeted	12,117,369	923,000	7.6%

Source: Town’s audited financial statements (2021-2025) and 2026 Adopted Budget.

Budget Process

The Supervisor, with the assistance of the Director of Administration and Finance, acting as Budget Officer, prepares a “tentative” budget annually and presents the same to the full Town Board by September 30th. The full Town Board then reviews and may amend the budget and adopt the “preliminary” budget. Upon adoption of this “preliminary” budget, a public hearing is called. Following this hearing final revisions are made by the full Town Board and the final budget is then adopted.

Investment Policy/Permitted Investments

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

The Town may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State; (4) with the approval of the State Comptroller, tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the Town; (5) certificates of participation issued by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the Town pursuant to law, obligations of the Town.

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

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

TAX INFORMATION

Real Property Tax Collection Procedures and History

Tax payments are due January 15 to February 15 without penalty; February 16 to 28 with a 1.5% penalty; March 1 to 15 with a 3% penalty; March 16 to 31 with a 4.5% penalty; April 1 to 15 with a 6% penalty; April 16 to 30 with a 7.5% penalty. On May 1 the 7.5% penalty fee is added to the levy forming the tax base then due. Thereafter interest is added to the base at the rate of 1.5% per month on the first of each month.

The tax roll is returned to the County on July 1 at which time all unpaid taxes and penalties are payable to that office. The Town retains its full tax levies for all unpaid items from the County and thus the Town is assured of receiving 100% of its tax levy.

The following table presents tax rates for each of the last six fiscal years.

TABLE 3

Tax Rates

(per \$1,000 of Assessed Valuation)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Town Outside Villages	\$4.68	\$4.70	\$4.82	\$4.74	\$4.86	\$4.89
Village of Depew	2.07	2.04	2.21	2.27	2.27	2.14
Village of Lancaster	3.28	3.28	3.41	3.45	3.43	3.37
County	NA	NA	NA	4.71	4.37	4.66
Lighting	0.087	0.06	0.08	0.08	0.08	0.11
Fire	1.277	1.23	1.28	1.19	1.2	1.22
Water	0.238	0.26	0.29	0.28	0.34	0.38
Refuse ⁽¹⁾	176.93	179.00	176.00	180.35	180.65	192.68

(1) Per unit charge

Source: Town Officials

The following tables set forth the assessed and full valuation of taxable real property, the State equalization rate and the Town's real property tax levy for Town purposes for the last five fiscal years.

TABLE 4

Assessed and Full Valuation

	<u>Tax Year</u> <u>2022</u>	<u>Tax Year</u> <u>2023</u>	<u>Tax Year</u> <u>2024</u>	<u>Tax Year</u> <u>2025</u>	<u>Tax Year</u> <u>2026⁽¹⁾</u>
Taxable Assessed Valuation	\$4,068,772,921	\$4,148,161,643	\$4,183,636,222	\$4,180,028,849	\$4,231,523,651
State Equalization Rate	87.00%	75.00%	72.00%	64.00%	64.00%
Full Valuation	\$4,676,750,484	\$5,530,882,191	\$5,810,605,864	\$6,531,295,077	\$6,611,755,705

Source: Town Assessor

(1) 2026 assessed value is preliminary.

TABLE 5

Tax Levy and Collection Record

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026⁽¹⁾</u>
Total Tax Levy	\$50,309,195	\$50,127,521	\$52,979,797	\$53,487,104	\$26,420,878	\$27,167,004
Amount Collected	<u>\$50,237,142</u>	<u>\$48,255,143</u>	<u>\$51,222,967</u>	<u>\$51,346,890</u>	NA	NA
Returned to County:						
Amount	\$2,029,422	\$1,818,506	\$1,778,260	\$2,144,822	NA	NA
Percentage	4.04%	3.77%	3.48%	4.18%	NA	NA

Source: Town Clerk

(1) Town Clerk's office is accepting tax payments through the end of June, so the amount collected is subject to change.

Ten Largest Assessed Values for the 2026 Tax Year

The following table presents the total 2026 assessed valuations of the Town's largest property owners for the 2026 tax levy.

TABLE 6
Assessed Valuations

<u>Property Owner</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u> ⁽¹⁾
Transit Road Apartments LLC	Apartments	\$29,160,000	0.69%
Juniper Boulevard LLC	Apartments	17,100,000	0.40%
Nextere Property Tax Dept	Utility	15,751,224	0.37%
Benderson Lancaster Associates	Commercial	15,370,000	0.36%
5828 Broadway LLC	Apartments	14,645,000	0.35%
NYS Electric & Gas Corporation	Utility	12,574,304	0.30%
CCP Harris Hill 7582 LLC	Aged Home	12,345,000	0.29%
5828 Broadway LLC	Apartments	10,960,000	0.26%
Wal-Mart Stores East LP	Commercial	9,560,000	0.23%
Belvedere Apartments	Apartments	<u>9,500,000</u>	<u>0.22%</u>
	Total:	<u>\$146,965,528</u>	<u>3.47%</u>

(1) The total assessed taxable valuation of the Town for the 2026 Assessment Roll \$4,231,523,651.

The State Comptroller’s Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State’s school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System (“FSMS”) to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State’s school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district’s ST-3 report filed with the State Education Department annually, and each municipality’s annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in “significant fiscal stress,” in “moderate fiscal stress,” as “susceptible to fiscal stress” or “no designation.” Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of “no designation.” This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, it means that the entity’s financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller designates the Town as “No Designation” (<https://www1.osc.state.ny.us/localgov/fiscalmonitoring/fsms.cfm>).

New York State Comptroller’s Audit

Many municipalities throughout the state can be subject to an audit by the New York State Office of the Comptroller (“OSC”) pursuant to Article V, Section 1 of the State Constitution and the State Comptroller’s authority as set forth in Article 3 of the New York State General Municipal Law.

An audit was conducted by OSC and was released on July 12, 2024. The purpose of the audit was to determine whether the Town Supervisor adequately performed his financial duties. The complete report (including the Town’s response) can be obtained from OSC’s website.

TOWN INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the Town (and other municipalities and school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the Town and the Notes.

Purpose and Pledge. The Town 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 Town may contract indebtedness only for a Town 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 years 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) or, in the alternative, the weighted average period of probable usefulness of the several purposes for which it is contracted, unless the Town determines to issue debt amortizing on the basis of substantially level or declining annual debt service. The Town 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 bond anticipation notes.

General. The Town is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers; however, as has been noted under “THE NOTES-Nature of Obligation,” the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Town to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Town Law and the General Municipal Law.

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

The Local Finance Law also provides a 20-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The Town typically complies with such procedures.

Each bond resolution 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 and notes subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not (generally) extend five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five-year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued.

In addition, under each bond resolution, the Town Board may delegate, and has delegated to the Town Supervisor, as the chief fiscal officer of the Town, the power to issue and sell bonds and notes.

In general, the Local Finance Law contains similar provisions providing the Town with power to issue general obligation revenue anticipation notes, tax anticipation notes and budget notes.

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof shall not exceed seven per centum (7%) of the most recent five-year average full valuation of taxable real estate of the Town and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last five completed assessment rolls and applying thereto the ratio which such assessed valuation bears to the full valuation 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.

Constitutional Debt Limit

The following table sets forth the constitutional debt limit of the Town.

TABLE 7
Constitutional Debt Limit

<u>Roll Year</u>	<u>Rate Year</u>	<u>Assessed Valuation</u>	<u>Equalization Ratio</u>	<u>Full Valuation</u>
2021	2022	\$4,068,772,921	87.00%	\$4,676,750,484
2022	2023	4,148,161,643	75.00%	5,530,882,191
2023	2024	4,183,636,222	72.00%	5,810,605,864
2024	2025	4,180,028,849	64.00%	6,531,295,077
2025	2026	4,231,523,651	64.00%	<u>6,611,755,705</u>
Total Five-Year Valuation				\$29,161,289,320
Average Five-Year Valuation				\$5,832,257,864
Debt Limit – 7% of Average Full Valuation				\$408,258,050

Source: Town Assessor’s Office and the New York State Office of Real Property Services.

Statement of Debt Contracting Power

The following table sets forth the debt limit of the Town, as of June 30, 2026:

Debt Contracting Limitation	\$408,258,050
Gross Direct Indebtedness	
Serial Bonds	\$15,100,000
Bond Anticipation Notes	<u>19,008,926</u>
Total Gross Direct Indebtedness	\$34,108,926
Exclusions and Deductions	
Water Bonds	\$5,441,000
Water BANs	<u>10,129,000</u>
Total Exclusions:	\$15,570,000
Total Net Indebtedness	<u>\$18,538,926</u>
Net Debt-Contracting Margin	<u>\$389,719,124</u>
Percentage of Debt-Contracting Margin Exhausted	<u>4.54%</u>

Remedies Upon Default

Under current law, provision is made for contract creditors (including the holders of the Notes) of the Town to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum (9%) from the date due to the date of payment. 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 current funds or the proceeds of a tax levy.

The State has consented that any municipality in the State may file a petition with any 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, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debts including judicial control over identifiable and unidentifiable creditors.

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 such indebtedness."

In recent times, certain events and legislation affecting remedies on default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of the holders of bonds and notes issued by municipalities and school districts, such courts might hold that future events, including financial crises as they may occur in the State and in municipalities of the State, require the exercise by the State of its emergency and police powers to assure the continuation of essential public services.

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

Trend of Outstanding Indebtedness

The following table provides information relating to the capital indebtedness outstanding at year end for each of the five prior fiscal years for which audited financial statements are available.

TABLE 9
Outstanding Indebtedness

Debt Outstanding

<u>December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$25,479,900	\$22,989,900	\$20,400,000	\$17,795,000	\$15,100,000
Bond Anticipation Notes	<u>7,856,000</u>	<u>9,391,000</u>	<u>11,069,500</u>	<u>15,839,500</u>	<u>19,008,926</u>
Total Outstanding Debt	\$33,335,900	\$32,380,900	<u>\$31,469,500</u>	<u>\$33,634,500</u>	<u>\$34,108,926</u>

Direct and Overlapping Indebtedness

The real property taxpayers of the Town are responsible for a proportionate share of outstanding debt obligations of the County and other governmental units. Such taxpayers’ share of this overlapping debt is based upon the amount of the Town’s equalized property values taken as a percentage of each separate unit’s total values. The table below sets forth both the total outstanding principal amount of debt issued by the Town and the approximate magnitude of the burden on taxable property in the Town of the debt instruments issued and outstanding by such other political units. Authorized but unissued debt has not been included.

TABLE 10
Statement of Direct and Overlapping Indebtedness

Direct Debt

Gross Direct Debt	\$17,795,000
Exclusions & Deductions	<u>(15,839,500)</u>
Net Direct Debt	<u>\$33,634,500</u>

Overlapping Debt

<u>Issuer</u>	<u>As of:</u>	<u>Net Debt Outstanding</u>	<u>Town Share</u>	<u>Amount Applicable to Town</u>
Erie County	05/31/2025	\$385,571,924	5.57%	\$21,476,356
Village of Lancaster	05/31/2025	3,520,000	100.00%	3,520,000
Village of Depew	05/31/2025	8,692,475	14.98%	1,302,133
Lancaster CSD	05/11/2026	88,310,231	87.66%	77,412,748
Depew UFSD	10/28/2025	39,305,000	39.62%	15,572,641
Clarence CSD	12/22/2025	12,731,573	1.76%	224,076
Alden CSD	12/22/2025	2,289,850	7.96%	182,272
Iroquois CSD	06/30/2025	18,725,000	0.66%	<u>123,585</u>
Net Overlapping Debt				\$119,813,811
Net Direct Debt				<u>\$18,538,926</u>
				<u>\$138,352,737</u>

Source: NYS Comptroller’s Office

Short-Term Indebtedness

Following the issuance of the Notes, the Town will have \$18,599,501 in bond anticipation notes outstanding for various projects, which will mature on July 16, 2027.

Authorized but Unissued Indebtedness

The Town has \$2,025,000 authorized but unissued relating to a bond resolution adopted by the Town Board on March 15, 2021.

The Town has \$660,000 authorized but unissued relating to a bond resolution adopted by the Town Board on May 1, 2023.

The Town has \$476,000 authorized but unissued relating to a bond resolution adopted by the Town Board on May 19, 2025.

The Town has \$2,250,000 authorized but unissued relating to bond resolutions adopted by the Town Board on May 19, 2025.

Debt Ratios

The following table presents certain debt ratios relating to the Town’s net direct and overlapping indebtedness.

TABLE 11
Debt Ratios

	<u>Amount</u>	<u>Debt Per</u> <u>Capita</u> ⁽¹⁾	<u>Debt to</u> <u>Full Value</u> ⁽²⁾
Net Direct Debt	\$18,538,926	\$411	0.28%
Net Direct & Overlapping Debt	\$138,352,737	\$3,069	2.09%

(1) The population of the Town is 45,075 according to the 2025 Census.

(2) The Town's full value of taxable real property for assessment roll for 2026 is \$6,611,755,705.

Debt Service Schedule

The following table sets forth all principal and interest payments required on the Town's outstanding bonded indebtedness for the fiscal years ending as follows:

TABLE 12
Bond Principal and Interest Maturity
(As of June 30, 2026)

<u>Fiscal Year</u> <u>Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt Service</u>
2026	\$2,500,000	\$226,359	\$2,726,359
2027	1,435,000	345,888	1,780,888
2028	1,460,000	292,438	1,752,438
2029	1,230,000	237,588	1,467,588
2030	1,080,000	195,838	1,275,838
2031	805,000	162,738	967,738
2032	570,000	140,513	710,513
2033	445,000	125,763	570,763
2034	420,000	113,463	533,463
2035	350,000	105,063	455,063
2036	350,000	98,063	448,063
2037	315,000	91,063	406,063
2038	320,000	84,763	404,763
2039	320,000	78,363	398,363
2040	325,000	71,963	396,963
2041	330,000	65,463	395,463
2042	335,000	58,863	393,863
2043	340,000	52,163	392,163
2044	345,000	45,363	390,363
2045	350,000	38,463	388,463
2046	340,000	31,463	371,463
2047	230,000	24,663	254,663
2048	235,000	19,775	254,775
2049	235,000	14,781	249,781
2050	235,000	9,788	244,788
2051	<u>200,000</u>	<u>4,500</u>	<u>204,500</u>
Total:	<u>\$15,100,000</u>	<u>\$2,735,151</u>	<u>\$17,835,151</u>

ECONOMIC AND DEMOGRAPHIC DATA

Population

The following table presents population trends for the Town, County and State.

TABLE 13
Population Trend

	<u>2010</u>	<u>2020</u>	<u>Percentage</u> <u>Change</u>
Town	41,604	45,106	8.4%
County	919,040	954,236	3.8%
State	19,378,102	20,201,249	4.3%

Source: U.S. Census

Employment and Unemployment

The following tables provide information concerning employment in the Town, County and State. Data provided for the County and the State may not be representative of the Town.

TABLE 14
Large Commercial and Industrial Employers

<u>Name</u>	<u>Type</u>	<u>Approx. No. of Employees</u>
Lancaster Central School District	Education	1,782
C & S Wholesale Grocers, Inc.	Warehouse	867
Greenfield Health & Rehab. Center	Health Care	350
Ecology and Environment, Inc.	Environmental Counseling	340

Source: Lancaster Chamber of Commerce

TABLE 15
Civilian Labor Force
(Thousands)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Town	22.8	23.3	23.7	23.5	23.5
County	432.9	442.6	448.6	443.8	445.0
State	8,914.3	9,266.1	9,452.5	9,514.5	9,575.2

Source: New York State Department of Labor.

TABLE 16
Yearly Average Unemployment Rates

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2021	4.3%	5.3%	7.1%
2022	2.9%	3.5%	4.3%
2023	2.8%	3.5%	4.0%
2024	3.2%	3.8%	4.2%
2025	3.3%	4.0%	4.3%

Source: New York State Department of Labor.

TABLE 17
Monthly Unemployment Rates

<u>Month</u>	<u>Town</u>	<u>County</u>	<u>State</u>
May 2025	2.6%	3.4%	3.8%
June	2.8%	3.6%	4.1%
July	3.4%	4.2%	4.8%
August	3.6%	4.3%	4.9%
September	3.2%	4.0%	4.7%
October	NA	NA	NA
November	3.2%	3.8%	4.4%
December	3.3%	3.9%	4.3%
January 2026	3.8%	4.5%	4.7%
February	4.2%	5.0%	5.2%
March	3.8%	4.4%	4.4%
April	3.4%	4.0%	4.2%

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

Wealth Statistics

	<u>Town</u>	<u>County</u>	<u>State</u>
Median Household Income	\$86,340	\$71,175	\$84,578
Per Capita Income	\$48,965	\$41,560	\$49,520

Source: United States Census Bureau.

Financial Institutions

There are several banks in the Town including Alden State Bank, Bank of America, Citizens Bank, KeyBank, Bank of Akron, NBT and M&T Bank.

Communication

The Town is served by the major metropolitan area newspapers, radio and television stations. In addition, the Town has one local newspaper, the "Lancaster Bee." Following a merger with Time Warner Cable, Charter Communication, Inc. provides cable service to the Town.

Transportation

Transportation facilities include an excellent network of highways, the New York State Thruway Interstate 90, and the Metro Bus System. Several major airlines operating from the Buffalo-Niagara International Airport and the Niagara Falls International Airport also serve the area. These facilities make the Town easily accessible to the large diversified industrial area of the Niagara Frontier.

LITIGATION

The Town is subject to a number of lawsuits in the ordinary conduct of its affairs. Town officials (after consulting with the Town Attorney) do not believe, however, that adverse decisions in such suits either individually or in the aggregate, would have a materially adverse effect on the financial condition of the Town.

END OF APPENDIX A

APPENDIX B

**SUMMARY OF FINANCIAL
STATEMENTS AND BUDGETS**

TOWN OF LANCASTER, NEW YORK
Comparative Balance Sheets
Fiscal Years Ended December 31:

	<u>General Fund</u>		<u>Special Revenue Fund</u>	
	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>
Assets:				
Cash	\$6,930,926	\$5,511,234	\$7,125,933	\$6,518,795
Restricted Cash	465,058	292,139	156,491	84,621
Deposits	17,401	17,401	6,055,781	6,239,325
Receivables	56,507	83,156	6,667	12,735
Lease Receivables	1,073,334	912,705	0	0
Intergovernment Receivables	48,616	19,056	1,291,073	1,407,774
Due from Other Funds	1,150,424	1,409,246	0	0
Prepaid Expenitures	415,495	452,200	593,154	692,354
Total Assets	\$10,157,761	\$8,697,137	\$15,229,099	\$14,955,604
Liabilities and Fund Equity				
Liabilities:				
Accounts Payable	\$328,916	\$281,673	\$279,835	\$379,470
Accrued Liabilities	345,378	319,175	299,325	434,808
Due to Other Funds		100,000	130,017	0
Unearned Revenue	667,822	17,780	0	0
Total Liabilities	\$1,342,116	\$718,628	\$709,177	\$814,278
Deffered Inflow of Resources	1,061,611	947,324	\$5,683,944	\$0
Fund Equity:				
Nonspendable	415,495	452,200	593,154	692,354
Restricted	465,058	274,359	6,212,272	6,323,946
Assigned	2,813,215	2,355,724	7,714,496	7,125,026
Unassigned	4,054,266	3,948,902	0	0
Total Fund Balance	7,748,034	7,031,185	14,519,922	14,141,326
Total Liabilities and Fund Balance	\$10,151,761	\$8,697,137	\$15,229,099	\$14,955,604

TOWN OF LANCASTER, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
GENERAL FUND
Fiscal Years Ended December 31:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues					
Real Property Taxes	\$7,899,868	\$7,788,048	\$8,419,781	\$8,572,490	\$8,596,399
Other Property Tax Items	458,163	552,367	552,585	514,380	457,084
Departmental Income	174,580	207,648	184,028	261,325	266,394
Intergovernmental Charges	23,147	400	0	31,679	59,318
Use of Money and Property	210,822	287,335	663,162	749,692	708,894
Licenses & Permits	83,364	83,272	81,832	109,922	93,534
Fines & Forfeitures	157,766	195,583	202,330	223,388	277,152
Sale of Property & Comp. for Loss	2,676	47,540	168,678	195,378	123,354
Miscellaneous	162,874	80,004	225,738	585,158	89,341
State aid	1,527,553	1,415,314	1,052,456	991,229	1,123,108
Federal aid	0	359,895	1,510,777	1,403,506	0
Total Revenues	<u>\$10,700,813</u>	<u>\$11,017,406</u>	<u>\$13,061,367</u>	<u>\$13,638,147</u>	<u>\$11,794,578</u>
Expenditures and Other Uses					
General Government Support	\$3,793,376	\$3,745,097	\$4,104,300	\$4,012,101	\$4,420,218
Public Safety	137,023	134,139	148,903	144,742	166,137
Health	67,070	103,147	92,058	64,980	109,382
Transportation	198,175	186,560	195,581	203,087	209,186
Culture & Recreation	1,891,675	2,133,769	2,577,545	2,422,960	2,550,281
Home & Community Service	383,282	445,879	487,918	422,950	464,243
Employee Benefits	925,058	949,025	950,105	1,016,117	1,037,781
Debt Service - Principal	967,466	996,408	1,139,065	1,180,108	1,223,668
Debt Service - Interest	373,627	315,915	318,641	296,400	295,185
Total Expenditures	<u>\$8,736,752</u>	<u>\$9,009,939</u>	<u>\$10,014,116</u>	<u>\$9,763,445</u>	<u>\$10,476,081</u>
Excess (Deficiency) of Revenues over Expenditures	1,964,061	2,007,467	3,047,251	3,874,702	1,318,497
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
Transfers Out	(824,623)	(1,314,777)	(2,199,892)	(2,539,998)	(2,041,346)
Premium on serial bond issuance	0	0	0	0	0
Total other financing sources (uses)	<u>(824,623)</u>	<u>(1,314,777)</u>	<u>(2,199,892)</u>	<u>(2,539,998)</u>	<u>(2,041,346)</u>
Net Change in Fund Balances	1,139,438	692,690	847,359	1,334,704	(722,849)
Fund Balance - Beginning of Year	<u>3,616,163</u>	<u>4,879,281</u>	<u>5,571,971</u>	<u>6,419,330</u>	<u>7,754,034</u>
Fund Balance - End of Year	<u>\$4,755,601</u>	<u>\$5,571,971</u>	<u>\$6,419,330</u>	<u>\$7,754,034</u>	<u>\$7,031,185</u>

Sources:

Annual Audited Financial Reports for Fiscal Years Ending December 31,2021-2025

Summary is not subject to audit.

TOWN OF LANCASTER, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
SPECIAL REVENUE FUNDS
Fiscal Years Ended December 31:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues					
Real Property Taxes	\$12,341,370	\$12,504,061	\$12,539,343	\$12,184,424	\$12,738,622
Real Property Tax Items	371,913	361,818	306,837	265,196	298,213
Nonproperty Tax Items	5,617,792	5,926,816	6,639,951	6,236,063	6,598,407
Departmental Income	10,253	10,481	21,163	12,939	10,350
Intergovernmental Charges	1,399,878	1,951,380	1,811,829	1,806,972	1,883,667
Use of Money and Property	251,575	248,106	614,634	692,094	422,951
Fines & Forfeitures	1,326	0	4,307	3,613	1,830
Sale of Property	39,777	97,700	1,625	55,043	183,305
Miscellaneous	3,210	2,028	9,389	5,015	13,624
State aid	167,257	232,788	174,457	258,438	297,885
Federal aid	8,265	28,770	276,037	298,873	110,573
Total Revenues	<u>\$20,212,616</u>	<u>\$21,363,948</u>	<u>\$22,399,572</u>	<u>\$21,818,670</u>	<u>\$22,559,427</u>
Expenditures and Other Uses					
General Government Support	12,349	5,105	0	3,837,016	3,948,556
Public Safety	10,766,426	11,415,825	12,645,581	8,962,927	8,746,636
Transportation	2,658,405	3,105,193	2,926,707	3,563,820	3,442,807
Employee Benefits	3,264,658	3,151,338	3,279,829	3,681,094	4,063,162
Debt Service	512,294	575,234	609,914	559,210	587,984
Total Expenditures	<u>17,214,132</u>	<u>18,252,695</u>	<u>19,462,031</u>	<u>20,604,067</u>	<u>20,789,145</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	2,998,484	3,111,253	2,937,541	1,214,603	1,770,282
Other Financing Sources (Uses)					
Transfers in	300,000	659,895	382,250	588,098	317,000
Transfers out	(1,739,569)	(2,181,657)	(2,088,000)	(1,962,656)	(2,465,878)
Premium on serial bond issuance	0	0	0	0	0
Total Other Financing Sources (Uses)	0 (1,439,569)	(1,521,762)	(1,705,750)	(1,374,558)	(2,148,878)
Net Change in Fund Balance	0 1,558,915	1,589,491	1,231,791	(159,955)	(378,596)
Fund Balance - Beginning of Year	<u>9,945,160</u>	<u>11,504,075</u>	<u>13,093,566</u>	<u>14,679,877</u>	<u>14,519,922</u>
Fund Balance - End of Year	<u>\$11,504,075</u>	<u>\$13,093,566</u>	<u>\$14,325,357</u>	<u>\$14,519,922</u>	<u>\$14,141,326</u>

Sources:

Annual Audited Financial Reports for Fiscal Years Ending December 31, 2021-2025
Summary is not subject to audit.

**Town of Lancaster, New York
Budget Summary**

GENERAL FUND

	<u>2025</u>	<u>2026</u>
Estimated Revenues:		
Real Property Taxes	\$ 8,568,932	\$8,545,753
Real Property Tax Items	405,965	505,965
Departmental Income	218,800	218,800
Intergovernmental Charges	-	-
Use of Money and Property	465,251	515,251
Licenses and Permits	98,600	86,100
Fines and Forfeitures	150,000	200,000
Sale of Property	3,000	2,500
Miscellaneous	20,000	20,000
State Aid	768,000	923,000
Appropriated Fund Balance & Reserves	1,090,000	1,100,000
Total Estimated Revenues	<u>11,788,548</u>	<u>12,117,369</u>

Budget Appropriations:		
General Government Support	\$4,585,564	\$4,706,900
Public Safety	194,934	186,674
Health	112,650	117,150
Transportation	257,390	213,559
Culture and Recreation	2,319,388	2,585,757
Home and Community Service	627,832	277,751
Employee Benefits	1,065,589	1,091,011
Debt Service	1,532,653	1,767,142
Interfund Transfer	1,092,548	1,171,425
Total Budget Appropriations	<u>\$11,788,548</u>	<u>\$12,117,369</u>

SUMMARY OF GENERAL, HIGHWAY and POLICE FUNDS

	<u>Appropriation</u>	<u>Revenue</u>	<u>Appropriated Fund Balance</u>	<u>Appropriated Reserves</u>	<u>Amount Raised By Taxes</u>
General Fund	\$12,117,369	\$2,471,616	\$900,000	\$200,000	\$8,545,753
Town Outside Villages	1,680,385	1,053,104	475,000	0	\$152,281
Highway Funds	6,197,389	576,800	340,000	120,000	\$5,200,587
Police	14,552,777	8,410,231	1,437,305	0	\$4,665,243
TOTALS	<u>\$34,547,920</u>	<u>\$12,511,751</u>	<u>\$3,152,305</u>	<u>\$320,000</u>	<u>\$18,563,864</u>

Source: Budget summary extracted from Annual Budgets as adopted.

APPENDIX C

**INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2025**

**Can be accessed on the Electronic Municipal Market Access (“EMMA”) website
of the Municipal Securities Rulemaking Board (“MSRB”)
at the following link:**

<https://emma.msrb.org/P11970270-P11503175-P11956608.pdf>

**The audited financial statements referenced above are hereby incorporated into the
attached Official Statement.**

*** Such Financial Statements and opinion are intended to be representative only as
of the date thereof. Drescher & Malecki, LLP has not been requested by the Town
to further review and/or update such Financial Statements or opinion in connection
with the preparation and dissemination of this Official Statement.**

APPENDIX D

July 16, 2026

The Town Board of the
Town of Lancaster, in the
County of Erie, New York

Ladies and Gentlemen:

We have examined the record of proceedings relating to the sale and issuance of the [\$ _____] Bond Anticipation Notes – 2026 (collectively, the “Notes”) of the Town of Lancaster (the “Town”), in the County of Erie, a municipal corporation of the State of New York. Said Notes are dated July 16, 2026 and mature on July 16, 2027. The Notes bear interest at the rate of ____% per annum, to be computed on the basis of a 30-day month and 360-day year, payable at maturity, and are not subject to redemption prior to maturity.

The Notes are issued pursuant to (a) the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York; (b) various bond resolutions adopted by the Town Board on their respective dates authorizing financing for the various purposes referred to therein and for the Town (the “Resolution”); and (c) the Certificate of Determination of the Town Supervisor executed and filed with the Town Clerk on or before July 16, 2026 (the “Certificate of Determination”).

Said Notes are temporary obligations issued in anticipation of the sale of permanent bonds.

The Notes are payable as to both principal and interest at the office of the Town Clerk, Town of Lancaster, and otherwise as provided in the Certificate of Determination.

In our opinion, said Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York, the Resolutions and the Certificate of Determination, and constitute the valid and legally binding general obligations of the Town for which the Town has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Town is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to the applicable statutory limitations set forth in Chapter 97 of the Laws of 2011 of the State of New York, as amended, provided that the enforceability of rights or remedies with respect to (but not the validity of) the Notes may be limited by any applicable existing or future bankruptcy, insolvency or other laws (State or Federal) affecting the enforcement of creditor’s rights or remedies heretofore or hereafter enacted.

We are further of the opinion that, subject to the limitations set forth herein, under existing statutes, regulations, administrative guidance and rulings, and court decisions, interest payable on the Notes is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals.

However, interest on the Notes is included in the “adjusted financial statement income” (as determined under Section 56A of the Code) of “applicable corporations” (as defined in Section 59 of the Code) for purposes of determining the alternative minimum tax under Section 55 of the Code applicable to such “applicable corporations.”

The opinion set forth in the preceding sentences is subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. In rendering our opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Town in connection with the Notes, and have assumed compliance by the Town with certain provisions and procedures set forth in the Arbitrage and Use of Proceeds Certificate executed by the Town in connection with the issuance of the Notes (the “Tax Certificate”) relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code. We express no opinion regarding any other Federal or state tax consequences with respect to the Notes.

Further, in our opinion, under existing statutes the interest on the Notes is not subject to personal income taxes imposed by New York State or any political subdivision thereof, including the City of New York.

The Notes are not designated by the Town as “qualified tax-exempt obligations” pursuant to the provisions of Section 265 of the Code.

In rendering the opinions expressed herein, we have assumed the accuracy and truthfulness of all public records, documents and proceedings 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, and we also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and such certificates. The scope of our engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein.

The opinions expressed herein 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 Town, together with other legally available sources of revenue, if any, will be sufficient to enable the Town to pay the principal of or interest on said Notes as the same respectively become due and payable. Reference should be made to the Official Statement of the Town relating to the Notes for factual information which, in the judgment of the Town, would materially affect the ability of the Town to pay such principal and interest.

Further, although we have participated in the preparation of the Official Statement relating to the Notes, we have not been requested to examine or review and have not examined or reviewed the accuracy or sufficiency of the Official Statement of the Town relating to the Notes, or any additional proceedings, reports, correspondences, financial statements or other documents, containing financial or other information relative to the Town which have been or may hereafter

be furnished or disclosed to purchasers of the Notes, and we express no opinion with respect to any such financial or other information or the accuracy or sufficiency thereof.

As such, we have examined the executed Notes, and in our opinion the form of said Notes and their execution are regular and proper.

Very truly yours,