

NEW AND RENEWAL ISSUE**BOND ANTICIPATION NOTES**

In the opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, under existing statutes, regulations, rulings, 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, for tax years beginning after December 31, 2022, interest on the Note will 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 EXEMPTION" 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 GRAND ISLAND
ERIE COUNTY, NEW YORK****\$23,934,800
BOND ANTICIPATION NOTES, 2022
(the "Notes")****Date of Issue: October 6, 2022****Maturity Date: October 6, 2023**

The Notes are general obligations of the Town of Grand Island, Erie County, New York (the "Town"). The Town has pledged its faith and credit 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 "THE NOTES - 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 and, 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, as may be determined by such successful bidder(s). 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(s).

The Notes are dated October 6, 2022 and will bear interest from that date until October 6, 2023, the maturity date, at the annual rate as specified by the purchaser of the Notes.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the final approving opinion of Hodgson Russ LLP of Buffalo, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery on or about the Date of Issue shown above.

Hodgson Russ LLP has not participated in the preparation of the demographic, financial or statistical data contained in this Official Statement, nor verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion with respect thereto.

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. UNLESS THE NOTES ARE PURCHASED FOR THE BUYER'S OWN ACCOUNT AS PRINCIPAL FOR INVESTMENT AND NOT FOR RESALE, THE TOWN WILL COVENANT IN AN UNDERTAKING TO PROVIDE CERTAIN CONTINUING DISCLOSURE PURSUANT TO THE RULE. SEE "DISCLOSURE UNDERTAKING," HEREIN.

DATED: September 2, 2022

**TOWN OF GRAND ISLAND
ERIE COUNTY, NEW YORK**

**John C. Whitney, P.E
Town Supervisor**

TOWN BOARD

CHRISTIAN BAHLEDA..... Councilmember

THOMAS DIGATI Councilmember

PETER J. MARSTON..... Councilmember

MICHAEL MADIGAN..... Councilmember

PATRICIA A. FRENTZEL..... Town Clerk

HODGSON RUSS LLP (PETER C. GODFREY) Town Attorney

PAMELA BARTONSupervising Accountant

AUDITORS

**EFPR Group, LLP
Williamsville, New York**

BOND COUNSEL

**Hodgson Russ LLP
Buffalo, New York**

MUNICIPAL ADVISOR



**Capital Markets Advisors, LLC
Hudson Valley * Long Island * Southern Tier * Western New York
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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 GRAND ISLAND
ERIE COUNTY, NEW YORK**

**\$23,934,800
BOND ANTICIPATION NOTES, 2022
(the "Notes")**

This Official Statement, which includes the cover page and appendices hereto, presents certain information relating to the Town of Grand Island, Erie County, New York (the "Town", "County" and "State," respectively) in connection with the sale of the Town's \$23,934,800 Bond Anticipation Notes, 2022 (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.

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. **This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has continued to create, since its inception in the spring of 2020, prevailing economic conditions (at the global, national, State and local levels) that remain uncertain, have been generally negative, and are subject to the potential for rapid change as new variants emerge and as governments and other organizations respond. These conditions are expected to continue for an indefinite period of time. Significant federal and state relief measures that have been enacted since the onset of the pandemic have served to support the operation and finances of the Town, but such measures were temporary in nature and are not likely to be extended or renewed, at least to such a large extent. Accordingly, the Town's overall economic situation and outlook (and all of the specific Town-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide and continuing event, the effects of which are extremely difficult to predict and quantify going forward.**

THE NOTES

Description

The Notes will be dated October 6, 2022 and will bear interest from that date until October 6, 2023, the maturity date, at the annual rate as specified by the purchaser(s) of the Notes. The Notes are not subject to redemption prior to maturity.

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.

Authorizations for and Purposes of Issue

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. The proceeds of the Notes, along with appropriated funds and available cash in the amount of \$4,141,550 will be used to redeem and renew, in part, the applicable portion of a bond anticipation note of the Town that was issued on October 7, 2021 and to provide \$750,000 in new money for various projects. Such projects, and their respective amounts, are described below:

<u>Purpose</u>	<u>Date(s) Authorized</u>	<u>2021 BAN</u>	<u>Pay Down</u>	<u>New Money</u>	<u>The Notes</u>
LED Special District Lighting	7/20/2020	1,930,000	202,860	-	1,727,140
	10/2/2017; 3/4/2019;				
Nike Base Community Center	7/20/2020	301,250	100,420	-	200,830
Town Hall HVAC Upgrades	8/5/2019; 7/6/2020	562,500	187,500	-	375,000
Highway Garage Roof Replacement	8/5/2019; 1/21/2020	450,000	150,000	-	300,000
Veteran's Park Improvements	8/5/2019	165,000	55,000	-	110,000
Town Hall Elevator	7/6/2020	550,000	450,505	-	99,495
LED General Street Lighting	7/6/2020	600,000	150,000	-	450,000
2018 Road - Reconstruction & Construction	7/2/2018	329,500	164,750	-	164,750
2019 Road - Reconstruction & Construction	7/15/2019	506,250	168,750	-	337,500
2020 Road - Reconstruction & Construction	7/20/2020	675,000	168,750	-	506,250
2021 Road - Reconstruction & Construction	8/2/2021	750,000	-	-	750,000
2022 Road - Reconstruction & Construction	7/18/2022	-	-	750,000	750,000
Water District Improvements	11/3/2008	931,000	116,375	-	814,625
Filter Media Replacement Project	5/20/2013	44,400	22,200	-	22,200
	6/16/2014; 2/6/2017;				
Water Plant Lagoon	3/5/2018	296,400	98,800	-	197,600
Waterline-Ferry Road	10/5/2015	139,000	34,750	-	104,250
Waterline-Staley Road	9/5/2017	816,315	52,350	-	763,965
Waterline- Towerwood Road	3/19/2018	427,700	233,603	-	194,097
Water System Improvements	9/4/2018	1,500,000	78,950	-	1,421,050
Water Plant SCADA	6/3/2019	235,550	76,357	-	159,193
Water Tank Improvements- Emergency	3/15/21	795,000	-	-	795,000
WW Ragging Elimination Project	9/21/2009	653,851	81,735	-	572,116
WW Pressure Swing Absorption System Upgrades	9/21/2009	94,000	11,750	-	82,250
WW Plant Improvements	9/21/2009	54,400	6,800	-	47,600
WW Pump Station 6 Improvements	3/7/2011	69,000	6,900	-	62,100
Whitehaven Road Sewer Project	10/3/2011; 2/4/2013	134,800	13,480	-	121,320
WW SCADA System	12/22/2011	53,929	9,000	-	44,929
SSES Proj Y1/Y2	5/20/2013; 1/20/2015	605,500	50,500	-	555,000
	5/20/2013; 9/3/2013				
ORF Improvements	1/20/2015	341,500	28,500	-	313,000
Emergency Sewer Repair	10/21/2013	321,270	24,720	-	296,550
SSES Proj Y3	3/17/2014; 8/21/2017	1,491,280	114,720	-	1,376,560
SSES Proj Y4	6/1/2015	736,350	52,600	-	683,750
SSES Proj Y5	3/21/2016	168,260	11,220	-	157,040
WWTP Parking Lot	10/17/2016	103,150	17,200	-	85,950
SSES Proj Y6	3/6/2017	1,829,240	114,330	-	1,714,910
Emergency Sewer Repair 2017	6/5/2017	112,910	18,820	-	94,090
Lift Station 8 Forcemain	4/16/2018	2,688,330	663,160	-	2,025,170
Chemical Storage Tanks	8/20/2018	265,025	51,100	-	213,925
WW Pump Station #5	8/19/2019	311,000	38,875	-	272,125
SES Proj Y8	8/19/2019	355,550	44,450	-	311,100
WW Pump Station #11	8/19/2019	557,140	42,860	-	514,280
WW Bedell Road Interceptor	8/19/2019	75,000	69,000	-	6,000
SSES Proj Y9	7/20/2020	1,500,000	78,950	-	1,421,050
WWTP Plant Improvements	7/20/2020	1,500,000	78,960	-	1,421,040
WWTP Plant Roof	3/15/2021	425,000	-	-	425,000
WW Gravity Thickener	9/7/2021	875,000	-	-	875,000
Totals		<u>\$27,326,350</u>	<u>\$4,141,550</u>	<u>\$750,000</u>	<u>\$23,934,800</u>

No Optional Redemption

The Notes are not subject to redemption 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 "THE NOTES-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 "THE NOTES-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.

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, the counties comprising New York City and the Big 5 City School Districts (Buffalo, Rochester, Syracuse, Yonkers and New York)). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities' tax levies.

On April 12, 2020, the enacted State budget legislation for fiscal year 2020 made the Tax Levy Limitation Law permanent.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. While the Tax Levy Limitation Law as originally enacted only allowed adjustment for development of taxable land, Chapter 20 of the Laws of 2015 allows the Commissioner of Taxation and Finance to adjust the calculation based on the development on tax exempt land. As of the date of this Official Statement, however, no such regulations have been promulgated.

A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion

of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

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

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. This has been interpreted by the Court of Appeals, the State's highest court, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), as follows:

"A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit", are used and they are not tautological. That is what the words say and that is what courts have held they mean."

Article 8 Section 12 of the State Constitution specifically provides as follows:

"It shall be the duty of the legislature, subject to the provisions of this constitution, to restrict the power of taxation, assessment, borrowing money, contracting indebtedness, and loaning the credit of counties, cities, towns and villages, so as to prevent abuses in taxation and assessments and in contracting of indebtedness by them. Nothing in this article shall be construed to prevent the legislature from further restricting the powers herein specified of any county, city, town, village or school district to contract indebtedness or to levy taxes on real estate. The legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted."

On the relationship of the Article 8 Section 2 requirement to pledge the faith and credit and the Article 8 Section 12 protection of the levy of real property taxes to pay debt service on bonds subject to the general obligation pledge, the Court of Appeals in the *Flushing National Bank* case stated:

"So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted....While phrased in permissive language, these provisions, when read together with the requirement of the pledge of faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the *Flushing National Bank* case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of municipalities.

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

It is possible that the Tax Levy Limitation Law will be subject to judicial review to resolve the constitutional issues raised by its adoption. Although courts in New York have historically been protective of the rights of holders of general obligation debt of political subdivisions, the outcome of any such legal challenge cannot be predicted.

Book-Entry-Only System

To the extent that the Notes are issued as book-entry notes, DTC 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 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.

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 redemption proceeds, distributions, and dividend 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 PARTICIPANTS 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 THE 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 OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE TOWN MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

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 Act 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 outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was declared a pandemic by the World Health Organization on March 11, 2020. See "COVID-19" herein for a further discussion of the impacts of the COVID-19 pandemic, which could have a significant adverse effect on the Town's finances.

Inflation Reduction Act of 2022

On August 16, 2022, President Biden signed into law the Inflation Reduction Act of 2022 (H.R. 5376). For tax years beginning after 2022, this legislation will impose a minimum tax of 15 percent on the "adjusted financial statement income" of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with at least \$1 billion in average annual earnings, and certain foreign-parented multinational corporations with at least \$100 million in average annual earnings, determined over a three-year period. For this purpose, adjusted financial statement income is not reduced for interest earned on tax-exempt obligations. Prospective holders of the Notes that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Notes.

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.

COVID-19

The outbreak of COVID-19, a serious respiratory disease caused by a novel strain of coronavirus, was declared a pandemic by the World Health Organization on March 11, 2020.

Economic Impacts

The outbreak of COVID-19 has drastically affected travel, commerce and financial markets globally. While several vaccines have been developed and are now being deployed world-wide, the full and continuing impact of the pandemic is difficult to predict due to uncertainties regarding its ultimate duration and severity.

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic initially caused extreme volatility across all financial markets, including the primary and secondary markets for municipal bonds. In the United States, Congress and the Federal Reserve took immediate significant steps to backstop those markets and to provide much-needed liquidity, and the markets then generally stabilized. Still, given these conditions, it is possible that the process of trading the Notes in the secondary market could be affected in ways that are difficult to predict.

Federal Response

The federal government has passed several pieces of legislation in response to the COVID-19 pandemic including the \$2.3 trillion Coronavirus Aid, Relief, and Economic Security ("CARES") Act of 2020 and the \$1.9 trillion American Rescue Plan Act ("ARP" or the "Arp Act") of 2021, both of which provide funding for pandemic-related expenses and attempt to address financial stability and liquidity issues through a variety of stimulus measures.

Stimulus Efforts for State and Local Governments: The CARES Act included a \$150 billion Coronavirus Relief Fund, which provided funds to states, tribal governments and local governments with populations exceeding 500,000

(local governments with smaller populations could receive monies from the amount allocated to their state). This money was intended for programs that were necessary expenditures incurred due to the public health emergency resulting from the pandemic. This money was not intended to be used to directly account for revenue shortfalls due to the COVID-19 pandemic, but it could indirectly assist with revenue shortfalls in cases where the expenses that were covered by this fund would otherwise create a further budget shortfall.

Municipal Liquidity Facility: The Federal Reserve established a “Municipal Liquidity Facility” (“MLF”) in 2020 that offered up to \$500 billion in direct federal lending to certain larger issuers, which were in turn able to use their own loan proceeds to make loans to included smaller governmental units that would not otherwise qualify for this program. The MLF expired on December 31, 2020. Most municipal issuers did not have to resort to the MLF because rates have been conducive to issuing debt through the conventional municipal bond market; however, it is notable that the MLF existed as a market backstop if needed.

State Response

Executive Orders: Pursuant to emergency powers granted by the State Legislature, former Governor Cuomo and current Governor Hochul have released a number of executive orders in response to the COVID-19 pandemic.

While initially “non-essential” employees were mandated to work from home, starting on May 15, 2020, regions of the State that met certain criteria were allowed to begin reopening.

As COVID-19 cases began to rise again in the fall of 2020, the State shifted to a strategy based on identifying areas with higher positivity rates and implementing successively higher restrictions in such areas. When COVID-19 cases dropped again, affected areas could be removed from the list. As of March 22, 2021, all remaining location-based restrictions were lifted.

Due to the spread of Delta and Omicron variants in the fall and winter of 2021, the State implemented a mask mandate; however, as of February 9, 2022 such State-wide mandate has been lifted.

Since increased supplies of COVID-19 vaccine have become available, the State has encouraged residents to get vaccinated and, currently, all New Yorkers five years of age or older are eligible to receive a vaccine.

Up-to-date information on the State’s COVID-19 response can be found at <https://forward.ny.gov>. Reference to website implies no warranty of accuracy of information therein.

State Budget: The City of New York was an early epicenter of the COVID-19 pandemic in the United States, and as a result the State suffered significant revenue shortfalls and unanticipated expenses beginning at the end of the State’s 2019-2020 fiscal year, and continuing during the State’s 2020-2021 and 2021-2022 fiscal years.

In response, the enacted State budget for the 2020-21 fiscal year allowed the State to reduce expenditures (including aid to local school districts and municipalities) if tax receipts were lower than anticipated. Accordingly, in June, 2020 the State Division of the Budget (“DOB”) began withholding 20 percent of most local aid payments, although such aid has generally since been restored.

Many of the State’s 2020-2021 budget decisions were based on the uncertainty of future federal aid. In the period of time since such decisions were made, the \$1.9 trillion American Rescue Plan Act was signed into law (on March 11, 2021), which legislation includes almost \$24 billion in funding for various levels of government in the State, including approximately \$12.5 billion for the State, \$6 billion for New York City, and \$4 billion to be divided among counties in the State; another \$12 billion is intended to be used toward the safe reopening of K-12 schools as well as colleges and universities.

Accordingly, the State enacted budget for the 2021-2022 fiscal year was more expansive (about 10% higher) than the prior budget, including significantly increased funding for schools and local governments. School districts benefitted from a \$1.4 billion increase in Foundation Aid and a three-year Foundation Aid full restoration phase-in that will allow all school districts to receive in full, by the 2023-2024 fiscal year, the increased level of Foundation Aid that

was originally promised in 2007, along with a \$105 million expansion of full-day prekindergarten. Local governments also received a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding. Further, municipalities that host Video Lottery Terminal (VLT) facilities received a full restoration of \$10.3 million in proposed VLT aid cuts.

The State enacted budget for the 2022-2023 fiscal year continues to provide increased funding for schools and local governments. School districts will benefit from a \$1.5 billion increase in Foundation Aid, continuing the phase-in to fully restore the level of Foundation Aid that was originally promised in 2007, along with a \$125 million expansion of full-day prekindergarten and a \$451 million increase in all other school aid programs. For local governments, the level of AIM funding is maintained at \$715 million, fully funding this program. Additionally, this budget puts an end to the intercept of sales tax to pay \$59 million in AIM-related payments to various villages and towns within the state. Further, the budget includes a \$32.8 billion five-year capital plan for programs and projects administered by the State Department of Transportation with a focus on investments in State and local roads and bridges primarily serving smaller municipalities. This budget continues to provide a similar level of funding for various transportation aid programs as the prior year, while also allocating \$100 million to the creation of a new “Pave our Potholes” program.

Although both the 2021-2022 and 2022-2023 State budgets contained additional aid for school districts and municipalities, it is uncertain whether the State will have future budget shortfalls necessitating cuts to State aid. Reductions in the payment of State aid could adversely affect the financial condition of municipalities in the State, including the Town.

Legislation Allowing Financial Flexibility for Municipalities and School Districts: On August 24, 2020, former Governor Cuomo signed legislation allowing municipalities and school districts additional financial flexibility in response to the COVID-19 pandemic. Whereas municipalities and school districts in the State typically may only pursue short-term financing for five years, under certain circumstances the new legislation allows note financing for up to an additional two years prior to converting to long-term bonds.

The new legislation also allows municipalities and school districts additional flexibility related to the use of reserve funds or inter-fund transfers for costs associated with COVID-19. The typical mandatory or permissive referendum requirements for the expenditure of funds from a capital reserve fund have been waived for capital costs attributable to the COVID-19 pandemic. Moneys from a capital reserve fund can also be temporarily advanced for operating costs or other costs attributable to the COVID-19 pandemic, so long as such moneys are repaid within five fiscal years, with interest. Additionally, while inter-fund transfers must typically be repaid by the end of the fiscal year in which the transfer is made, inter-fund advances for costs attributable to the COVID-19 pandemic do not need to be repaid until the close of the following fiscal year.

While the continuing and future impacts of COVID-19 on the global, federal, State and local economies cannot be predicted with any certainty, the ongoing pandemic could have a significant adverse effect on the Town’s finances.

Although the Town has not yet experienced any lasting adverse financial effects, it is continuing to monitor this situation and, in the absence of any future relief litigation, will attempt to mitigate any such adverse effects through program cuts or staffing reductions, as may be needed.

TAX EXEMPTION

Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, will deliver an opinion that, under existing law, the interest on the Notes is excluded from gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for purposes of the individual alternative minimum tax imposed by the Internal Revenue Code (the “Code”). However, such opinion will note that the Town, by failing to comply with certain restrictions contained in the Code, may cause interest on the Notes to become subject to federal income taxation from the date of issuance of the Notes. We observe that for tax years beginning after December 31, 2022, interest on the Notes will 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. Such opinion will state that interest on the Notes is exempt from

personal income taxes imposed by New York State or any political subdivision thereof (including The City of New York).

In rendering the foregoing opinion, Hodgson Russ LLP will note that the exclusion of the interest on the Notes from gross income for federal income tax purposes is subject to, among other things, continuing compliance by the Town with the applicable requirements of Code Sections 141, 148, and 149, and the regulations promulgated thereunder (collectively, the “Tax Requirements”). In the opinion of Hodgson Russ LLP, the tax certificate and nonarbitrage certificate that will be executed and delivered by the Town in connection with the issuance of the Notes (collectively, the “Certificates”) establish requirements and procedures, compliance with which will satisfy the Tax Requirements.

The Tax Requirements referred to above, which must be complied with in order that interest on the Notes remains excluded from gross income for federal income tax purposes, include, but are not limited to:

1. The requirement that the proceeds of the Notes be used in a manner so that the Notes are not obligations which meet the definition of a “private activity bond” within the meaning of Code Section 141;
2. The requirements contained in Code Section 148 relating to arbitrage bonds; and
3. The requirements that payment of principal or interest on the Notes not be directly or indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) as provided in Code Section 149(b).

In the Certificates, the Town will covenant to comply with the Tax Requirements, and to refrain from taking any action which would cause the interest on the Notes to be includable in gross income for federal income tax purposes. Any violation of the Tax Requirements may cause the interest on the Notes to be included in gross income for federal income tax purposes from the date of issuance of the Notes. Hodgson Russ LLP expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Notes may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Notes. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest, and the proceeds of the sale of a bond or note before maturity within the United States. Backup withholding may apply to a holder of the Notes under Code section 3406, if such holder fails to provide the information required on Internal Revenue Service (“IRS”) Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the holder as being subject to backup withholding because of prior underreporting. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner’s United States federal income tax provided the required information is furnished to the IRS. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Notes from gross income for federal income tax purposes.

Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Notes may affect the tax status of interest on the Notes. The Code has been continuously subject to legislative modifications, amendments, and revisions, and proposals for further changes are regularly submitted by leaders of the legislative and executive branches of the federal government. No representation is made as to the likelihood of such proposals being enacted in their current or similar form, or if enacted, the effective date of any such legislation, and no assurances can be given that such proposals or amendments will not materially and adversely affect the

economic value of the Notes or the tax consequences of ownership of the Notes. Prospective purchasers are encouraged to consult with their own legal and tax advisors with respect to these matters.

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Absence of Litigation

Upon delivery of the Notes, the Town shall furnish a certificate 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 the 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 opinion of Hodgson Russ LLP, Bond Counsel. Such opinion 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 estate taxes to pay the Notes and interest thereon without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of the State). Such opinion shall also contain further statements to the effect that (a) 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 (b) 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 and nonarbitrage certificate (or similar documentation) executed by the Town Supervisor, as described under "Tax Exemption" herein.

DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), unless the Notes are purchased for the purchaser's own account, as principal for investment and not for resale, the Town will enter into a Disclosure Undertaking at closing, the form of which is attached hereto as "APPENDIX D." A purchaser buying for its own account shall deliver a municipal securities disclosure certificate that documents its intent to purchase the Notes as principal for investment and not for resale (in a form satisfactory to Bond Counsel) establishing that an exemption from the Rule applies.

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 Investors Service, Inc. ("Moody's") has assigned a rating of "Aa1" to the uninsured outstanding bonded indebtedness of the Town and a "MIG 1" to the Notes.

With respect to the Moody's rating applicable to uninsured debt, such rating reflects only the view of such organization, and an explanation of the significance of such rating may be obtained only from such rating agency. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of the Town's bonds or notes or the availability of a secondary market for those bonds or 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 Supervising Accountant, Pamela Barton, at 2255 Baseline Road, Grand Island, New York 14072 (716) 773-9600 ext. 601, email: pbarton@grand-island.ny.us 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.

Hodgson Russ 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 GRAND ISLAND
ERIE COUNTY, NEW YORK**

By: /s/ John Whitney
John C. Whitney, P.E.
Town Supervisor

DATED: September 2, 2022

APPENDIX A

THE TOWN

General Information

The Town consists of an entire island of 27 square miles located in the Niagara River across from the cities of Tonawanda and North Tonawanda, and between the cities of Buffalo and Niagara Falls. In addition, the Town is only a short distance from three points of entry to the Niagara Falls, Ontario area, which serves as a gateway to several Canadian communities including St. Catharines, Hamilton and Toronto. The Town is a growing, centrally located, suburban residential area surrounded by four cities. The population of the Town is 21,389 according to the 2020 U.S. Census, a gain of 5.1% since 2010.

The Town has set aside 80 acres for a planned Industrial Park, which is located along the New York State Thruway in the vicinity of Bedell Road. The park is serviced by its own roadway and has sewer and water services. Light industries located in the Town include Fresenius Kabi USA, LLC and Life Technologies.

The Town encompasses two State parks, Buckhorn Island and Beaver Island, the latter of which includes an 18-hole golf course. The River Oaks development located within the Town includes a championship golf course. Also within the Town is a locally well-known theme amusement park, Niagara Amusement Park & Splash World (formerly known as Fantasy Island).. The Town's recreational facilities include Nike Base Park with centers for the youth and senior citizens, Veterans Park and Bi-Centennial Park with a nature trail theme. In addition, there are numerous tennis courts and a network of bikeways available to Town residents.

Town Government

The Town was established in 1852 by the State Legislature. There is one independently governed school district located in the Town, which relies on its own taxing powers granted by the State to raise revenues. The school district uses 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 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 the Town Board members are elected at large and there is no limitation to the number of terms each may serve. On September 23, 2010, the voters of the Town rejected a proposal that would have reduced the Town Board from five members to three (by eliminating two council member positions).

Effective January 1, 2000, the voters approved a referendum to combine the offices of Town Clerk and Receiver of Taxes into a single position. The Town Clerk/Tax Receiver and the Town Highway Superintendent are each elected for four-year terms. The Town Board appoints the Town Attorney.

Town Services

The water supply in the Town is provided by the Town's water plant, and the Niagara County Water District. Effective January 1996, the Town consolidated a number of special assessment water districts into one district responsible for the purification and distribution of water Town-wide. Effective January 2000, the Town consolidated the special assessment sewer districts into one district responsible for wastewater treatment Town-wide. The districts are primarily responsible for the financing, construction and maintenance of the facilities within them.

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.

Public education is provided by the Grand Island Central School District, which serves the entire Town. The Central School District has a separately elected governing body and has independent taxing and debt issuance authority.

Employees

The Town employs approximately 90 full time and 106 part time employees, of which 63 are seasonal workers.

<u># of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
35	AFL/CIO County and Municipal Council #66	12/31/23
4	Teamsters Local #264	12/31/23
28	Civil Service Employees Association	12/31/22

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, the Governor 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, the Governor signed into 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, the Governor 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 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in the December prior to the scheduled payment date or the following February, as required. If such payments are made in the 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.

The following schedule reflects the Town's contribution to each of the Retirement Systems for the last three fiscal years and the amount budgeted for the current fiscal year.

<u>Fiscal Year</u> <u>Ending December 31:</u>	<u>State Fiscal Year</u> <u>Ending March 31</u>	<u>ERS</u> <u>Contribution</u>	<u>PFRS</u> <u>Contribution</u>
2022 <i>Budget</i>	2023	\$784,500	\$25,500
2021	2022	842,609	19,310
2020	2021	764,755	16,211
2019	2020	775,604	15,242

Due to significant capital market declines in the wake of the 2008-2009 recession, the State's Retirement System portfolio experienced negative investment performance and severe downward trends in market earnings. As a result, employer contribution rates for the State's Retirement System in 2011 and subsequent years were higher than the minimum contribution rate established by Chapter 49. To mitigate such increases in the employer contribution rate, legislation has been enacted that permits local governments and schools districts to issue bonds to fund the required increased contribution.

State Comptroller Thomas DiNapoli announced that the estimated average contribution rate for participating employers in the ERS will decrease in fiscal year 2019-20 from 14.9 percent of payroll to 14.6 percent of payroll. The estimated average contribution rate for participating employers in the PFRS will remain at 23.5 percent of payroll.

As part of the 2013-14 State budget a pension smoothing option was introduced that would let municipalities amortize over seven years a portion of the upcoming pension cost spikes precipitated by the 2008 financial crash and high pension costs in general for teachers across the state. The plan, which was approved in Governor Cuomo's 2013-14 budget, would let municipalities in the 2016-17 year contribute 14.13% of employee costs toward pensions. The Town has not opted into the pension smoothing plan.

According to OSC, the estimated average employer contribution rate for ERS will be lowered from 16.2% to 11.6% of payroll. The estimated average employer contribution rate for PFRS will be reduced from 28.3% to 27% of payroll.

Other Post-Employment Benefits

The Town adopted Governmental Accounting Standards Board ("GASB") Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, starting with its fiscal year ending December 31, 2017. Statement No. 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to certain postemployment non-pension benefits ("OPEB"). For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The table below shows the components of the Town's annual OPEB cost for most recent audited fiscal year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation.

	Total OPEB Liability
Balance at December 31, 2020	<u>\$23,892,538</u>
Changes for the year:	
Service Cost	178,538
Interest	559,500
Changes in assumptions	373,949
Differences between expected & actual experience	785,472
Benefit payments	<u>(855,493)</u>
Net changes	<u>1,042,159</u>
Balance at December 31, 2021	<u>\$24,934,697</u>

Source: Town's Audited Financial Statements for Fiscal Year 2021.

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 Department of Audit and Control "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, sales tax and certain user fees such as water and sewer charges.

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 25.9% of total general fund revenues for the fiscal year ended December 31, 2021, while non-property taxes accounted for 47.3% and State aid accounted for 12.2%.

Real Property Tax. The following table sets forth total general fund revenues and real property tax revenues during the last five completed fiscal years.

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>
2017	\$7,647,737	\$2,461,985	32.2%
2018	7,826,428	2,382,765	30.4%
2019	8,964,713	2,147,983	24.0%
2020	9,612,970	2,366,223	24.6%
2021	8,829,186	2,283,333	25.9%

Source: Town's audited financial statements

Non-Property Taxes. The County is authorized and levies a sales and compensatory use tax of 4.75%, a portion of which is shared with the Town, in addition to the 4% tax levied by the State. Such sales tax collections in New York are administered by the State Tax Commissioner and the proceeds are paid to the County quarterly. The following table sets forth general fund non-property tax (sales tax and cable TV franchise) revenues received by the Town during the prior five completed fiscal years.

TABLE 2
Non-Property Taxes ⁽¹⁾
(General Fund)

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Non-Property Taxes</u>	<u>Non-Property Taxes to Revenues</u>
2017	\$7,647,737	\$3,510,198	45.9%
2018	7,826,428	3,510,922	44.9%
2019	8,964,713	3,721,647	41.5%
2020	9,612,970	3,678,973	38.3%
2021	8,829,186	4,176,644	47.3%

⁽¹⁾ Includes sales tax and cable TV franchise fees

Source: Town's audited financial statements

State Aid. The Town also receives a portion of its revenues in the form of State aid (per capita, mileage and valuation, and mortgage tax). For the fiscal year ended December 31, 2018, State aid represented approximately 10.9% 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, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

The following table sets forth total general fund revenues and State aid during the last five completed fiscal years.

TABLE 3
State Aid
(General Fund)

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2017	\$7,647,737	\$784,105	10.3%
2018	7,826,428	850,123	10.9%
2019	8,964,713	1,640,345	18.3%
2020	9,612,970	991,193	10.3%
2021	8,829,186	1,078,239	12.2%

Source: Town's audited financial statements

Other Revenues. Community Development Block Grants are another revenue source of the Town. The Town receives these funds in accordance with a contract with the Erie County Consortium, which administers the Community Development Block Grant funds received from the United States Department

of Housing and Urban Development. Grant assistance is provided for expenditures of eligible activities under Title I of the Housing and Community Development Act of 1974, as amended.

Historically, the Town has also had surplus funds from operations. These funds have in part been used to fund, from time to time, during the course of a fiscal year, supplemental appropriations, for anticipated Town needs. Portions of the balance of such surplus funds have been appropriated in the budget adopted for the next fiscal year.

Budget Process

The Supervisor, with the assistance of the Town Supervising Accountant, acting as Budget Officer, prepares a “tentative” budget annually and presents the same to the full Town Board by October 5th. 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. The budget is not subject to a referendum and there is no legal limit upon the tax rate or amount required to support the budget.

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 had 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.

REAL PROPERTY TAXES

Real Property Tax Collection Procedures and History

Taxes are due in a single payment on January 1, payable without penalty to and including February 15. Penalties thereafter are imposed at an annual rate determined in accordance with applicable law. After August 31, the tax roll is returned to the County and taxes plus penalties are payable to the County. The Town retains the total amount of Town, Highway, Special District and delinquent water and sewer charge levies from the total collections and returns the balance plus the uncollected items to the County, which assumes responsibility and holds annual tax sales. Because payment is guaranteed by the County, the Town has no uncollected taxes.

The following table presents the total tax levy, by purpose, with adjustments and collection performance for each of the last five fiscal years.

TABLE 4					
<u>Tax Levy and Collection Record</u>					
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Tax Levies:					
County Tax	\$9,453,739	\$10,056,777	\$11,158,443	\$10,385,220	\$10,916,344
Town – Gen. Hwy., Fire	6,391,163	6,280,231	6,525,738	6,725,517	6,947,415
Town - Special Districts	<u>4,090,557</u>	<u>4,585,997</u>	<u>4,781,625</u>	<u>4,725,075</u>	<u>4,825,434</u>
Total Tax Levy	\$19,935,459	\$20,923,005	\$22,465,806	\$21,835,811	\$22,689,192
Amount Collected	<u>\$18,713,624</u>	<u>\$ 19,373,456</u>	<u>20,650,797</u>	<u>20,385,821</u>	<u>\$21,252,470</u>
Returned to County:					
Amount	1,221,835	1,549,549	1,815,009	1,449,990	1,436,453
Percentage	6.13%	7.41%	8.08%	6.64%	6.33%
Town Tax Rate per \$1,000 of					
Taxable Assessed Valuation ⁽¹⁾	3.75	3.63	3.73	3.79	3.11

⁽¹⁾ Tax rate is compilation of the rates of three Town-wide tax levies for general, highway and fire purposes.

Source: Town Tax Receiver

The following table sets 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 5					
<u>Assessed and Full Valuation</u>					
Roll Year	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Tax Year	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Taxable Assessed Valuation	\$1,711,960,144	\$1,734,122,578	\$1,763,034,465	\$2,218,005,217	\$2,240,466,511
State Equalization Rate	93.00%	88.00%	85.00%	100.00%	90.00%
Full Valuation	1,840,817,359	1,970,593,839	\$2,074,158,194	\$2,218,005,217	\$2,489,407,234

Source: Town Assessor

Ten Largest Assessed Values for the 2022 Fiscal Year

The following table presents the total 2021 assessed valuations of the Town's largest property owners used for the 2022 tax levy.

TABLE 6
Assessed Valuations

<u>Property Owner</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u> ⁽³⁾
Niagara Mohawk Power Corp (1)	Utility	\$30,816,383	1.38%
Heron Pointe, LLC	Apartments	21,808,000	0.97%
Empire Pipeline Co., Inc.	Commercial	21,776,104	0.97%
Town Hall Terrace Assoc.	Apartments	16,350,000	0.73%
KRN CG LLC	Apartments	16,000,000	0.71%
Boyd Grand Island, GSA, LLC	Commercial	11,000,000	0.49%
Heron Pointe Phase II, LLC	Apartments	8,640,000	0.39%
Life Technologies (2)	Commercial	7,457,000	0.33%
William B. Fuccillo	Commercial	6,239,000	0.28%
Grandsam Island	Hotel	<u>6,180,000</u>	<u>0.28%</u>
		\$146,266,487	6.53%

- (1) Includes applicable franchise assessments for utilities as determined by the State Board of Equalizations and Assessments.
- (2) Includes two parcels (2) parcels of Life Technologies (\$1,431,000) that are exempt from federal municipal, school and county property taxes under an agreement with the Erie County Industrial Development Agency. However, this is subject to assessment for special district taxes and, in addition, annual payments are made to the Town in lieu of taxes.
- (3) The total assessed valuation of the Town for the 2022 Assessment Roll was \$2,240,466,511.

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" (see <https://www.osc.state.ny.us/files/local-government/fiscal-monitoring/pdf/2020-munis-summary.pdf>).

New York State Comptroller's Audit

Many municipalities throughout the state can be subject to an audit of 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.

The last audit of the Town conducted by OSC was released in August 23, 2019. The purpose of such audit was to determine whether the Town Board ensured information technology (IT) assets were properly safeguarded. The OSC found that the Town Officials did not monitor internet usage of computer use policy compliance, did not review the inventory of IT hardware and did not maintain an inventory of software or data, and the Town employees were not provided with IT security awareness. The OSC recommended the Town design and implement procedures to monitor internet usage for CUP compliance, periodically review the inventory of IT assets and expand it to include software and data, and ensure that all necessary Town personnel receive IT security awareness training and is provided whenever the IT policies are updated. The Town officials did not agree with certain aspects of the OSC findings and recommendations but indicates they plan to initiate corrective action.

The complete report can be obtained from OSC's website:

<https://www.osc.state.ny.us/files/local-government/audits/pdf/grand-island-2019-34.pdf>

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, 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. It is a procedure that is recommended by bond counsel, but it not an absolute requirement.

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 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, the power to issue and sell bonds and notes to the Town Supervisor, as the chief fiscal officer of the Town.

In general, the Local Finance Law contains similar provisions providing the Town with the 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 percent 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

Assessment <u>Roll</u>	Assessed <u>Valuation</u>	Equalization <u>Ratio</u>	Full <u>Valuation</u>
2018	\$1,711,960,144	93.00%	\$1,840,817,359
2019	1,734,122,578	88.00%	1,970,593,839
2020	1,763,034,465	85.00%	2,074,158,194
2021	2,218,005,217	100.00%	2,218,005,217
2022	2,240,466,511	90.00%	<u>2,489,407,234</u>
Total Five-Year Valuation			\$10,592,981,843
Average Five-Year Valuation			\$2,118,596,369
Debt Limit - 7% of Average Full Valuation			\$148,301,746

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

Statement of Debt Contracting Power

TABLE 8
Statutory Debt Limit and Net Indebtedness

(as of September 2, 2022)

Debt Contracting Limitation		\$148,301,746
Gross Direct Indebtedness		
Serial Bonds:		
Sewer	1,132,000	
Water	<u>53,000</u>	
Total Serial Bonds		1,185,000
BANs		<u>27,556,100</u>
Total Gross Direct Indebtedness		\$28,741,100
Exclusions and Deductions:		
Water Bonds	53,000	
Water BANs	5,212,365	
Appropriations for Non-Exempt Debt	<u>0</u>	
Total Exclusions and Deductions		<u>5,265,365</u>
Total Net Indebtedness		<u>\$23,475,735</u>
Net Debt-Contracting Margin		<u>\$124,826,011</u>
Percentage of Debt-Contracting Margin Exhausted		<u>15.83%</u>

Source: Town Officials

Remedies Upon Default

Under current law, provision is made for contract creditors (including the Noteholders) 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 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.

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.

TABLE 9
Outstanding Indebtedness

Debt Outstanding					
<u>December 31:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Bonds	\$3,320,000	\$2,840,000	\$2,425,000	\$2,010,000	\$1,580,000
Bond Anticipation Notes	<u>20,592,250</u>	<u>23,775,325</u>	<u>22,042,000</u>	<u>27,192,000</u>	<u>27,556,100</u>
Total Outstanding Debt	<u>\$23,912,250</u>	<u>\$26,615,325</u>	<u>\$24,467,000</u>	<u>\$29,202,000</u>	<u>\$29,136,100</u>

Short Term Indebtedness

Following the issuance of the Notes, the Town will have \$23,934,800 in bond anticipation notes outstanding, which will mature on October 6, 2023.

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

<u>Direct Debt</u>			
Gross Direct Debt			\$28,741,100
Exclusions & Deductions			<u>5,265,365</u>
Net Direct Debt			<u>\$23,475,735</u>
<u>Overlapping Debt</u>			
	Net Debt		Amount
<u>Issuer</u>	<u>Outstanding</u>	<u>Town Share</u>	<u>Applicable to Town</u>
Erie County	\$320,540,000 ⁽¹⁾	2.94%	\$9,423,876
Grand Island CSD	46,535,000 ⁽²⁾	100.00%	<u>46,535,000</u>
Net Overlapping Debt			<u>55,958,876</u>
Net Direct Debt			<u>\$23,475,735</u>
Total Net Direct & Overlapping Debt			<u>\$79,434,611</u>

(1) As of September 30, 2021

(2) As of December 22, 2021

Source: Data provided by District and County Officials.

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 Capita</u> ⁽¹⁾	<u>Debt to Full Value</u> ⁽²⁾
Net Direct Debt	\$23,475,735	\$1,097	0.94%
Net Direct & Overlapping Debt	\$79,434,611	\$3,714	3.19%

(1) The population of the Town is 21,389, according to the 2020 Census.
(2) The Town's full value of taxable real property for assessment roll for 2022 is \$2,489,407,234.

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, as of September 2, 2022:

TABLE 12
Bond Principal and Interest Maturity

<u>Fiscal Year</u>			<u>Total</u>
<u>Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2022	\$0	\$2,100	\$72,100
2023	380,000	44,669	424,669
2024	355,000	30,012	385,012
2025	295,000	15,938	310,938
2026	80,000	6,588	86,588
2027	<u>75,000</u>	<u>3,188</u>	<u>78,188</u>
Total:	<u>\$1,185,000</u>	<u>\$102,495</u>	<u>\$1,357,495</u>

ECONOMIC AND DEMOGRAPHIC DATA

Population

The following table presents population trends for the Town, County and State, based upon recent census data.

TABLE 13
Population Trend

	<u>2010</u>	<u>2020</u>	<u>Percentage Change</u>
Town	20,374	21,389	5.0%
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>
Thermo Fisher Scientific	Pharmaceuticals	500-999
Fresenius Kabi USA, LLC	Pharmaceuticals	500-999
Grand Island Central School District	School District	500-750
Radisson Hotels	Hotel	100-249
2140 Grand Island Blvd Assoc./Tops Markets LLC	Supermarket	100-249
Elderwood Health Care	Skilled Nursing Care Facility	100-249
Starline, USA, Inc.	Promotional Advertising	100-249
Anda Inc.	Wholesale Drugs/Sundries	50-99

Source: Invest Buffalo Niagara 2017

TABLE 15
Civilian Labor Force
(Thousands)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
County	452.4	451.6	452.5	445.1	435.6
State	9,838.2	9,842.3	9,880.2	9,575.0	9,441.5

Source: New York State Department of Labor.

Unemployment rates are not compiled for the Town but are available for the County and State. The following tables are not necessarily representative of the Town.

TABLE 16
Yearly Average Unemployment Rates

<u>Year</u>	<u>County</u>	<u>State</u>
2017	5.1%	4.6%
2018	4.4%	4.1%
2019	4.1%	3.8%
2020	9.1%	9.9%
2021	5.52%	6.9%

Source: New York State Department of Labor.

TABLE 17
Monthly Unemployment Rates

<u>Month</u>	<u>County</u>	<u>State</u>
August 2021	5.2%	6.7%
September	4.4%	5.7%
October	4.2%	5.3%
November	3.9%	4.9%
December	3.4%	4.5%
January 2022	4.3%	5.3%
February	4.5%	5.1%
March	4.2%	4.7%
April	3.5%	4.2%
May	3.4%	4.1%
June	3.5%	4.3%
July	4.0%	4.8%

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

Financial Institutions

There are four banks in the Town: M&T Bank, Northwest Savings Bank, Key Bank and Citizens Bank.

Communication

The Town is served by the major metropolitan area newspapers, radio and television stations. In addition, the Town has a local newspaper, the "Island Dispatch." Spectrum, a private corporation, provides cable service to the Town.

Utilities

Electricity and natural gas is supplied throughout the Town by National Grid Power Corporation and National Fuel Gas Distribution Corporation, respectively.

Transportation

Transportation facilities include an excellent network of highways, the New York State Thruway and its connecting bridges, 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.

Income

TABLE 18

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2010</u>	<u>2020</u>	<u>% Change</u>	<u>2010</u>	<u>2020</u>	<u>% Change</u>
Town	\$33,626	\$42,689	27.0%	\$77,595	\$90,386	16.5%
County	26,378	35,050	32.9%	63,404	59,464	(6.6%)
State	30,948	40,898	32.2%	67,405	71,117	5.0%

LITIGATION

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

APPENDIX B

**SUMMARY OF FINANCIAL
STATEMENTS AND BUDGETS**

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

	<u>General Fund</u>		<u>Special Revenue Funds</u>	
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
Assets:				
Unrestricted Cash	\$3,350,264	\$4,183,232	\$3,510,795	\$4,192,119
Restricted Cash	413,356	413,108	0	0
Investments	5,270,359	5,272,426	1,035,553	1,041,319
Accounts Receivable	185,328	2,091	1,197,881	899,207
Due from Other Funds	13,549	0	0	0
Due from Federal and State Governments	0	0	275,195	87,620
Due from Other Governments	653,750	451,152	0	0
Prepaid Expense	256,862	199,742	135,944	156,185
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$10,143,468</u>	<u>\$10,521,751</u>	<u>\$6,155,368</u>	<u>\$6,376,450</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	\$437,127	\$209,761	\$249,610	\$218,939
Accrued Liabilities	317,820	180,190	252,155	116,206
Other Liabilities	41	1,115,449	0	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$754,988</u>	<u>\$1,505,400</u>	<u>\$501,765</u>	<u>\$335,145</u>
Fund Balances:				
Nonspendable	\$256,862	\$199,742	\$135,944	\$156,185
Restricted	567,265	666,377	5,517,659	5,885,120
Assigned	3,289,916	3,507,694	0	-
Unassigned	5,274,437	4,642,538	0	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>9,388,480</u>	<u>9,016,351</u>	<u>5,653,603</u>	<u>6,041,305</u>
Total Liabilities and Fund Balance	<u>\$10,143,468</u>	<u>\$10,521,751</u>	<u>\$6,155,368</u>	<u>\$6,376,450</u>

* Special Revenue Funds include highway, water and sewer funds.

Sources: Annual Audited Financial Statements.

Summary itself is not audited.

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues					
Real Property Taxes	\$2,461,985	\$2,382,765	\$2,147,983	\$2,366,223	\$2,283,333
Non-Property Taxes	3,510,198	3,510,922	3,721,647	3,678,973	4,176,644
Departmental Income	111,309	209,041	190,223	112,731	139,179
Intergovernmental charges	0	0	11,250	0	0
Use of Money and Property	22,389	95,606	143,313	37,310	3,912
Licenses & Permits	151,415	147,392	209,213	165,903	238,415
Fines & Forfeitures	185,495	180,427	174,306	113,845	113,764
Sale of property and compensation for loss	0	0	171,297	155,180	345,643
Miscellaneous	420,841	450,152	424,476	366,847	282,457
Interfund revenues	0	0	130,660	175,680	167,600
State aid	784,105	850,123	1,640,345	991,193	1,078,239
Federal aid	0	0	0	1,449,085	0
Total Revenues	<u>\$7,647,737</u>	<u>\$7,826,428</u>	<u>\$8,964,713</u>	<u>\$9,612,970</u>	<u>\$8,829,186</u>
Expenditures and Other Uses					
General Government Support	\$2,341,064	\$2,603,362	\$3,851,803	\$3,157,399	\$3,609,678
Public Safety	656,298	614,690	756,453	795,296	793,671
Health	5,000	5,088	5,000	5,000	5,000
Transportation	263,028	341,282	342,965	2,027,474	347,120
Economic Assistance	319,960	348,891	424,286	410,886	405,569
Culture & Recreation	1,222,770	1,159,406	1,432,510	1,220,843	1,400,252
Home & Community Service	22,498	106,400	76,358	53,180	223,767
Employee Benefits	1,627,924	1,749,145	1,798,772	1,871,515	1,885,835
Debt Service	490,399	486,990	321,133	430,558	530,423
Total Expenditures	<u>6,948,941</u>	<u>7,415,254</u>	<u>9,009,280</u>	<u>9,972,151</u>	<u>9,201,315</u>
Excess (Deficiency) of Revenues over Expenditures	<u>698,796</u>	<u>411,174</u>	<u>(44,567)</u>	<u>(359,181)</u>	<u>(372,129)</u>
Other Uses					
Interfund Transfers	<u>(122,050)</u>	<u>(238,750)</u>	<u>(100,000)</u>	<u>0</u>	<u>0</u>
Total Other Uses	<u>(122,050)</u>	<u>(238,750)</u>	<u>(100,000)</u>	<u>(359,181)</u>	<u>(372,129)</u>
Net Change in Fund Balances	<u>\$576,746</u>	<u>\$172,424</u>	<u>(144,567)</u>	<u>(359,181)</u>	<u>(372,129)</u>
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>92,912</u>	<u>0</u>	<u>0</u>
Fund Balance - Beginning of Year, as restated	<u>9,050,146</u>	<u>9,626,892</u>	<u>9,892,228</u>	<u>9,747,661</u>	<u>9,388,480</u>
Fund Balance - End of Year	<u><u>\$9,626,892</u></u>	<u><u>\$9,799,316</u></u>	<u><u>\$9,747,661</u></u>	<u><u>\$9,388,480</u></u>	<u><u>\$9,016,351</u></u>

Sources:

Annual Audited Financial Statements for Fiscal Years Ending December 31, 2017-2021
Summary itself is not audited.

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues					
Real Property Taxes	\$4,522,272	\$4,735,791	\$5,138,944	\$5,287,075	\$5,283,123
Departmental Income	4,313,979	4,713,982	4,681,725	4,650,144	4,705,571
Intergovernmental Charges	277,627	285,947	295,251	305,583	315,503
Use of Money and Property	9,867	46,238	80,561	16,024	3,107
Sale of property and compensation for loss	0	0	61,062	59,563	51,426
Miscellaneous	128,713	205,375	131,742	118,637	117,976
Interfund revenues	0	0	11,910	12,002	12,095
State aid	153,294	165,750	185,393	190,286	271,554
Federal aid	0	0	0	5,873	0
Total Revenues	<u>9,405,752</u>	<u>10,153,083</u>	<u>10,586,588</u>	<u>10,645,187</u>	<u>10,760,355</u>
Expenditures and Other Uses					
Transportation	1,880,805	2,126,422	2,157,069	1,922,058	1,793,301
Home & Community Service	3,276,480	3,551,617	3,708,632	4,140,060	4,347,989
Employee Benefits	1,719,767	1,819,769	1,836,081	1,863,735	1,832,350
Debt Service	1,674,297	1,841,219	2,322,508	2,189,872	2,102,401
Total Expenditures	<u>8,551,349</u>	<u>9,339,027</u>	<u>10,024,290</u>	<u>10,115,725</u>	<u>10,076,041</u>
Excess of Revenues over Expenditures	<u>854,403</u>	<u>814,056</u>	<u>562,298</u>	<u>529,462</u>	<u>684,314</u>
Other Uses					
Interfund Transfers	(527,107)	(332,069)	(370,228)	(398,044)	(428,030)
Net Change in Fund Balances	<u>327,296</u>	<u>481,987</u>	<u>192,070</u>	<u>131,418</u>	<u>256,284</u>
Fund Balance - Beginning of Year, as restated	<u>4,573,792</u>	<u>4,901,088</u>	<u>5,461,533</u>	<u>5,653,603</u>	<u>5,785,021</u>
Fund Balance - End of Year	<u>\$4,901,088</u>	<u>\$5,383,075</u>	<u>\$5,653,603</u>	<u>\$5,785,021</u>	<u>\$6,041,305</u>

* Special Revenue Funds include Highway, Water and Sewer Districts

Sources:

Annual Audited Financial Statements for Fiscal Years Ending December 31, 2017-2021

Summary itself is not audited.

TOWN OF GRAND ISLAND, NEW YORK
Budget Summaries

Fiscal Year Ending December 31, 2022:

<u>Fund</u>	<u>Appropriations</u>	<u>Estimated Revenues</u>	<u>Budget Resource (Deficiency)</u>	<u>Net Tax Levy</u>
General	\$ 9,993,202	\$ 4,357,373	\$ 3,400,694	\$ 2,235,135
Fire Protection District	1,665,977	100	52,715	1,613,162
Highway	3,610,278	485,209	33,525	3,091,544
Debt Service	449,730	413,730	36,000	0
Consolidated Sewer District	4,413,879	2,258,000	614,141	1,541,738
Consolidated Water District	3,453,752	2,204,500	349,252	900,000
Lighting Districts	221,409	0	10,830	210,579
Garbage District	1,646,976	-	2,857	1,644,119
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 25,455,203</u>	<u>\$9,718,912</u>	<u>\$4,500,014</u>	<u>\$ 11,236,277</u>

Fiscal Year Ending December 31, 2021:

<u>Fund</u>	<u>Appropriations</u>	<u>Estimated Revenues</u>	<u>Budget Resource (Deficiency)</u>	<u>Net Tax Levy</u>
General	\$ 9,513,894	\$ 4,415,459	\$ 2,891,669	\$ 2,206,766
Fire Protection District	1,549,857	100	70,990	1,478,767
Highway	3,587,424	437,000	119,557	3,030,867
Debt Service	500,072	430,072	70,000	0
Consolidated Sewer District	4,313,380	2,264,000	649,471	1,399,909
Consolidated Water District	3,368,862	2,205,250	313,612	850,000
Lighting Districts	209,816	0	20,390	189,426
Garbage District	1,579,970	100	4,339	1,575,531
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 24,623,275</u>	<u>\$9,751,981</u>	<u>\$4,140,028</u>	<u>\$ 10,731,266</u>

Sources: Town Officials.

APPENDIX C

**INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021**

**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/P21587041-P21224867-P21647151.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. EFPR Group, 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

FORM OF DISCLOSURE UNDERTAKING

DISCLOSURE UNDERTAKING

This undertaking to provide notice of certain designated events (the “Disclosure Undertaking”) is executed and delivered by the Town of Grand Island, Erie County, New York (the “Issuer”) in connection with the issuance of its [\$23,934,800] Bond Anticipation Note, 2022 (such Note, including any interests therein, being collectively referred to herein as the “Security”). The Security has a stated maturity of 18 months or less. The Issuer hereby covenants and agrees as follows:

Section 1. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes (for the benefit of Security Holders) to provide (or cause to be provided either directly or through a dissemination agent) to EMMA (or any successor thereto) in an electronic format (as prescribed by the MSRB) in a timely manner (not in excess of ten business days after the occurrence of any such event) notice of any of the following events with respect to the Security:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Security, or other material events affecting the tax status of the Security;
- (7) Modifications to rights of Security Holders, if material;
- (8) Note or bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Security, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to paragraph (12): For the purposes of the event identified in paragraph (12) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under

the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer may choose to disseminate other information in addition to the information required as part of this Disclosure Undertaking. Such other information may be disseminated in any manner chosen by the Issuer. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated pursuant to this Disclosure Undertaking.

(c) The Issuer may choose to provide notice of the occurrence of certain other events, in addition to those listed in Section 1(a) above, if the Issuer determines that any such other event is material with respect to the Security; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Section 2. Definitions

“EMMA” means Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” means a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

“MSRB” means the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Undertaking.

“Purchaser” means the financial institution referred to in a certain Certificate of Determination that is being delivered by the Issuer in connection with the issuance of the Security.

“Rule 15c2-12” means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended through the date of this Disclosure Undertaking, including any official interpretations thereof.

“Security Holder” means any registered owner of the Security and any beneficial owner of the Security within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Section 3. Remedies. If the Issuer fails to comply with any provision of this Disclosure Undertaking, then any Security Holder may enforce, for the equal benefit and protection of all Security Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Disclosure Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Disclosure Undertaking; provided that the sole and exclusive remedy for breach of this Disclosure Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Disclosure Undertaking shall not constitute an event of default on the Security.

Section 4. Parties in Interest. This Disclosure Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Security Holders. No other person has any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any Security Holders, at any time while this Disclosure Undertaking is outstanding, the Issuer may enter into any amendments or changes to this Disclosure Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Security Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. (a) This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Security shall have been paid in full or the Security shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to EMMA. Such notice shall state whether the Security has been defeased to maturity or to redemption and the timing of such maturity or redemption.

(b) In addition, this Disclosure Undertaking, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Disclosure Undertaking, or such provision, as the case may be, do not or no longer apply to the Security, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Disclosure Undertaking shall constitute the written agreement or contract for the benefit of Security Holders, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, I have hereunto set my signature and affixed the seal of the
Issuer to this Disclosure Undertaking as of October 6, 2022.

TOWN OF GRAND ISLAND
ERIE COUNTY, NEW YORK

By: SPECIMEN
Town Supervisor

(SEAL)

ATTEST:

 SPECIMEN
Town Clerk