

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 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 Village as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

**VILLAGE OF KENMORE
ERIE COUNTY, NEW YORK****\$12,196,420
BOND ANTICIPATION NOTES, 2025
(the "Notes")****Date of Issue: May 15, 2025****Maturity Date: May 15, 2026**

The Notes will be general obligations of the Village, and will contain a pledge of the faith and credit of the Village 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 Village, without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York [the "Tax Levy Limitation Law"]; see "TAX INFORMATION-Tax Levy Limitation Law," herein).

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

If the Notes will be issued through DTC, to the extent so issued, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Notes. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof, except for one Note of an odd denomination, as may be determined by the 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 Village 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 or trust company 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 Note of an odd denomination, as may be determined by the successful bidder(s).

The Notes are dated May 15, 2025 and bear interest from that date until May 15, 2026, the maturity date, at the annual rate as specified by the purchaser of the Notes. The Notes are not subject to redemption prior to maturity.

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

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the final approving opinions of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery on or about May 15, 2025.

THE VILLAGE 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 VILLAGE WILL COVENANT IN SEPARATE UNDERTAKINGS FOR THE NOTES TO PROVIDE CERTAIN CONTINUING DISCLOSURE PURSUANT TO THE RULE. SEE "DISCLOSURE UNDERTAKINGS" HEREIN.

DATED: April 22, 2025

**VILLAGE OF KENMORE
ERIE COUNTY, NEW YORK**

**Patrick Mang
Mayor**

VILLAGE BOARD OF TRUSTEES

Paul P. CatalanoTrustee
Brittany Jones.....Trustee
Donna GeneskyTrustee
Christopher Ring.....Trustee

Kathleen P. Johnson, Esq.....Village Clerk/Treasurer

AUDITORS

**Drescher & Malecki LLP
Buffalo, 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
(716) 662-3910**

No dealer, broker, salesman or other person has been authorized by the Village 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 Village 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 Village since the date hereof.

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**OFFICIAL STATEMENT
RELATING TO THE ISSUANCE OF**

**VILLAGE OF KENMORE
ERIE COUNTY, NEW YORK**

**\$12,196,420
BOND ANTICIPATION NOTES, 2025
(the “Notes”)**

This Official Statement, which includes the cover page and appendices hereto, presents certain information relating to the Village of Kenmore, Erie County, New York (the “Village,” “County” and “State,” respectively) in connection with the sale of the Village’s \$12,196,420 Bond Anticipation Notes, 2025 (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 Village 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 Village 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 Village management’s beliefs as well as assumptions made by, and information currently available to, the Village’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 Village, 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 Village's overall economic situation and outlook (and all of the specific Village-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 are dated May 15, 2025 and will bear interest from that date until May 15, 2026, the maturity date, at the annual rate as specified by the purchaser of the Notes. The Notes are not subject to redemption prior to maturity.

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 Note of an odd denomination, as may be determined by the 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 Village 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 Note of an odd denomination, as may be determined by the successful bidder(s), as may be determined by such successful bidder.

Authority for and Purposes of the Notes

The Notes are issued pursuant to the Constitution and Laws of the State, including among others, the Village Law and the Local Finance Law, and pursuant to various bond resolutions that were duly adopted by the Village Board of Trustees (the “Board”) on their date as set forth below:

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount Outstanding</u>	<u>Paydown</u>	<u>The BANs</u>
Acquisition of Maintenance Equipment	11/02/2021	\$368,445	\$18,000	\$350,445
Construction of Improvements to Various Curbs	11/02/2021	600,875	50,000	550,875
	11/02/2021; 5/16/2023;		310,000	
Constructions of Improvements to Police Department Building	12/19/2023	11,000,000		10,690,000
Acquisition of Fire-Fighting Vehicles and Apparatus	11/02/2021	567,840	21,000	546,840
Acquisition of Equipment – Fire Department Radios	11/02/2021	<u>64,260</u>	<u>6,000</u>	<u>58,260</u>
TOTALS		<u>\$12,601,420</u>	<u>\$405,000</u>	<u>\$12,196,420</u>

Proceeds of the Note in the amount of \$12,196,420, along with available funds of the Village in the amount of \$405,000, will be used to redeem and renew, in part, an outstanding bond anticipation note that was issued on May 16, 2024.

Optional Redemption

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

Nature of Obligation

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

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

Under the Constitution of the State, the Village 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 Village 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 Village’s budget for fiscal year 2012-13. The Tax Levy Limitation Law does make certain allowances for the exclusion of tax levy increases associated with capital expenses by school districts. See “TAX INFORMATION-Tax Levy Limitation Law,” herein. Also, certain special protective procedures and remedies available to holders of school district debt remain in place and are not affected by the Tax Levy Limitation Law. See “VILLAGE 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, 2019, 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.

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 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 (1) to limit an issuer’s pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer’s 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 IN BOOK-ENTRY-ONLY FORM, THE FOLLOWING PROVISIONS SHALL APPLY.

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 each Note issued in book-entry form bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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 the 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 affect 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. Redemption notices shall be sent to DTC. If less than all of the securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village, 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 Village, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

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

THE VILLAGE 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 VILLAGE 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 VILLAGE 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.

Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving reasonable notice to the Village and discharging its responsibilities with respect thereto under applicable law, or the Village may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Notes will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof, except for one necessary odd denomination for the Notes. Principal of the Notes when due will be payable upon presentation at the principal corporate trust office of a bank or trust company located and authorized to do business and act as a fiscal agent in the State of New York to be named by the Village.

COVID-19

The spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and spread globally, including to the United States was declared a pandemic by the World Health Organization. The outbreak of the disease affected travel, commerce and financial markets globally. Efforts to contain the spread of COVID-19 have reduced the spread of the virus and the restrictions put in place following the initial outbreak have been largely rescinded. The federal coronavirus public health emergency expired in May 2023. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State government to address it may negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's and District's operations and financial condition may not be known for some time. Any resurgence of COVID-19 could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District continues to monitor the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

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

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

thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Village 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 Village'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.

The Trump administration has discussed imposing tariffs on a variety of different nations across the globe. The effects of such tariffs are not known at this time.

Inflation Reduction Act of 2022

On August 16, 2022, former 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 Village 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 Village is presently anticipated although no assurance can be given that there will not be a delay in payment thereof. In some recent years, the Village 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.

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 Village, 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 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 opinions, 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 Village 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 that will be executed and delivered by the Village in connection with the issuance of the Notes and the tax certificate and nonarbitrage certificate that will be executed and delivered by the Village 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 Village 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 Village shall furnish certificates of the Village 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 Village wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Village or adversely affect the power of the Village to levy, collect and enforce the

collection of taxes or other revenues for the payment of its Notes, which has not been disclosed in this Official Statement.

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Notes will be subject to the final approving opinions of Bond Counsel. Such opinions will be available at the time of delivery of the Notes and will be to the effect that the Notes are valid and legally binding general obligations of the Village for which the Village has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Village is subject to the levy of *ad valorem* real property taxes to pay the Notes and interest thereon without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of the State). Such opinions 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 Village 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 Village Clerk/Treasurer 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 Village 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 Village Clerk/Treasurer evidencing payment for the Notes; (iii) a certificate signed by the Village Clerk/Treasurer 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 Village nor the title of the signers to their respective offices is being contested, (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; and (iv) a tax certificate (for the Notes) or a tax certificate and nonarbitrage certificate (for the Notes) executed by the Village Clerk/Treasurer, 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 Village will enter into separate Disclosure Undertakings for the Notes at closing, the forms of which are attached hereto as "APPENDIX D" and. 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.

CONTINUING DISCLOSURE COMPLIANCE PROCEDURES

The Village 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.

Historical Continuing Disclosure Compliance

The Village's annual financial information and operating data and audited financial statements for the fiscal year ending May 31, 2019, May 31, 2021 and May 31, 2022 were not filed timely. The audited financial statements and annual financial information and operating data for fiscal years ending May 31, 2019 was filed on EMMA May 1, 2020, along with a failure-to-file notice. The audited financial statements and annual financial information and operating data for fiscal years ending May 31, 2021 and May 31, 2022 were filed on EMMA March 6, 2023 along with a failure-to-file notice.

RATING

Moody's has assigned a rating of 'Aa3' to the Village's outstanding bonded indebtedness of the Village and a "MIG-1" Rating on the Notes.

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

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC has acted as Municipal Advisor to the Village 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 Village 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 Village Clerk/Treasurer, Kathleen P. Johnson, Esq., (716) 873-5700, or from the Village'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 Village 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 Village management's beliefs as well as assumptions made by, and information currently available to, the Village'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 Village files with the repositories. When used in Village 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 Village, expresses no opinions as to the accuracy or completeness of information in any document prepared by or on behalf of the Village 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 Village 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 Village nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website.

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

**VILLAGE OF KENMORE
ERIE COUNTY, NEW YORK**

By: /s/ Kathleen P. Johnson
Kathleen P. Johnson, Esq.
Village Clerk/Treasurer

DATED: April 22, 2025

APPENDIX A

THE VILLAGE

General Information

The Village, with a land area of approximately 1.4 square miles, is located in the northwestern portion of the County, adjacent to the northern boundary of the City of Buffalo and entirely within the Town of Tonawanda. Pursuant to the 2023 U.S. Census the Village had a population of 14,916.

The Village is primarily residential in character with some light industry. There are shopping and commercial centers located within the Village and throughout the surrounding township. The municipal building, located in the center of the Village's business district, houses the principal offices for Village and Town governments. Residents are employed in various professions, businesses and industries located in nearby cities and the Niagara Frontier region.

The Government

The Village was incorporated in 1899 by the State as a separate political entity vested with independent taxing and debt authority. The Village has one independently governed school district, the Kenmore-Town of Tonawanda UFSD, which relies on its own taxing power granted by the State to raise revenues for school district purposes. The Village, Town and school district each use the assessment roll established by the Town as the basis for taxation of property.

Governmental operations of the Village are subject to the provisions of the State Constitution and various laws of the State affecting a village including the Village Law, General Municipal Law and the Local Finance Law. Real property assessment and tax collection procedures are determined by the Real Property Tax Law.

Governance of the Village is by a five-member board (the "Board") consisting of a mayor and four trustees. Each is elected at large and serves a four-year term. Terms are staggered as elections are held every other year, in odd numbered years.

The Board serves as a legislative, appropriating, governing and policy determining body of the Village. The Mayor is the chief executive officer and oversees the proper administration of all Village affairs. The Mayor appoints all non-elective offices of the Village, subject to Board approval.

The Village Clerk/Treasurer is appointed by the Mayor and the Board and coordinates the day to day activities of the Village. As Treasurer and chief fiscal officer the Clerk/Treasurer's duties include borrowing and investing funds, monitoring the budget and preparing the annual financial report. The responsibilities as Clerk include attending Board meetings, preparing agendas and resolutions and maintaining all Village records. All Village taxes are received by the Town's Clerk/Tax Receiver and remitted to the Village as collected.

Village Services

The Village is responsible for providing most government services to its residents. The following basic services are provided: street and sidewalk maintenance, street lighting, snow removal, tree maintenance, trash, recycling and refuse collection, police and fire protection, safety inspection, youth programs and water and sewer facilities. The Village Board exercises no oversight over school operations, which are governed by a separately elected board. Other services performed at the Village level include zoning, administration, and planning and architectural review.

Employees

The Village employs approximately 78 full-time and 59 part-time employees, of which some are represented by the organizations listed below.

<u>Number of Employees</u>	<u>Union</u>	<u>Contract Expiration Date</u>
4	Kenmore Salaried Employee Association	5/31/2029
4	Kenmore Professional Firefighter's Association	5/31/2028
22	Kenmore Police Benevolent Association	5/31/2026
5	Kenmore Crossing Guards Association	5/31/2026
35	Kenmore Dept. of Public Works Benevolent Association	5/31/2027

Source: Village Officials

Employee Pension Benefits

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System (the "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.) The Retirement Systems are a cost-sharing multiple public employer retirement system. The obligations 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. All benefits generally vest after five years of credited service, except for members hired after January 1, 2010 whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement Systems 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. All members hired on or after July 27, 1976 through and including December 31, 2009, must contribute three percent of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement Systems, at such time contributions become voluntary. Members hired after January 1, 2010 must contribute three percent of their gross annual salary toward the costs of retirement programs for the duration of their employment.

Pension reform enacted by New York State changed the billing cycle for employer contributions to the Retirement Systems to match budget cycles of the Village. Under the previous method, the Village was not provided with the required payment until after its budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year are based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Village is notified of and can include the actual cost of the employer contribution in its budget. The Law also requires a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible.

The pension payment date for all local governments is February 1. The New York State Retirement System (the "State Retirement System") has advised the Village that municipalities can elect to make employer contribution payments in the December prior to the scheduled payment date in February, 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 Village prepaid its employer contributions each December in 2004 through 2015, inclusive.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and PFRS employees hired after April 1, 2012. The Tier VI legislation provides, among other things, for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from three years to five years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

According to OSC, the 2025-26 estimated average employer contribution rate for ERS will increase from 15.2% to 16.5% of payroll. The estimated average employer contribution rate for PFRS will be increased from 31.2% to 33.7% of payroll.

The following schedule reflects the Village's contribution to ERS and PFRS for the last three fiscal years and the amount budgeted for the prior and current fiscal year:

<u>Fiscal Year</u> <u>Ending May 31:</u>	<u>ERS</u> <u>Contribution</u>	<u>PFRS</u> <u>Contribution</u>
2025 Budget	\$603,229	\$1,076,224
2024	467,416	734,732
2023	389,630	708,615
2022	550,780	773,678

Source: Audited Financial Statements

Due to significant capital market declines in the wake of the 2008-2009 recession, the Retirement System's portfolio experienced negative investment performance and severe downward trends in market earnings. As a result, the employer contribution rates for the State's Retirement System in 2011 and subsequent years have been higher than the minimum contribution rate established by Chapter 49. To mitigate such increases in the employer contribution rate, legislation was enacted that permits local governments and schools districts to amortize a portion of their required Retirement Systems pension contribution payments. The new legislation also requires that those local governments and school districts choosing to amortize their Retirement Systems pension contribution payments to reserve funds for future payment increases that are a result of fluctuations in pension plan performance.

In Spring 2013, the State and ERS approved a Stable Contribution Option ("SCO"), which modified its existing SCO adopted in 2010 discussed above, that gives municipalities the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs"). The plan allows municipalities to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts as described below. For ERS, the 2013-14 SCO rate was 12%. The Village has not opted to participate in the SCO plan.

On September 2, 2014, the State Comptroller announced for Fiscal Year 2015-16, the average contribution rate for ERS will decrease by 1.9% of payroll, from 20.1% to 18.2%, and the average contribution rate for PFRS will decrease by 2.9% of payroll, from 27.6% to 24.7%. Projections of required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of their employees among the six retirement tiers. The employer contribution rates announced will apply to each employer's salary base during the period of April 1, 2015 through March 31, 2016. Payments based on those rates are due by February 1, 2016, but may be prepaid by December 15, 2015.

Other Post-Employment Benefits

Plan Description – In addition to pension benefits, the Village pays for a portion of eligible retirees' health insurance, depending on the type of health plan provided. Eligibility for postemployment benefits is based on age, years of service, accumulated sick leave and depends upon associated group or union.

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or "earned"), discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability ("AAL") under GASB Statement No. 45.

A summary of the Village's actuarial valuation report is made part of the Village's financial statements, attached herein in Appendix C.

The table below presents the changes to the total OPEB liability during the fiscal year, by source:

	Total OPEB <u>Liability</u>
Balance at May 31, 2023	\$14,760,967
Changes for the year:	
Service Cost	176,054
Interest	582,695
Changes of assumptions	333,266
Differences between expected & actual experience	791,703
Benefit payments	<u>(584,917)</u>
Net changes	<u>1,298,801</u>
Balance at May 31, 2024	<u>\$16,0529,768</u>

Source: Audited Financial Statements

FINANCIAL FACTORS

Independent Audit

The annual financial statements of the Village are audited by independent certified public accountants. The Village 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 Structures and Accounts

The accounting practices of the Village conform to those prescribed by generally accepted accounting principles and by the State Department of Audit and Control "Uniform System of Accounts."

Revenues are recorded when measurable and available to pay liabilities of the current period. Revenues susceptible to accrual include property taxes, state and federal aid, sales tax and 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 Village 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 account for approximately 67% of total general fund revenues, while non-property taxes have been approximately 16% and State aid accounts for approximately 7%.

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

TABLE 1
Property Taxes

<u>Fiscal Year</u> <u>Ended 5/31</u>	<u>Total</u> <u>Revenues</u>	<u>Real Property</u> <u>Taxes</u>	<u>Real Property Taxes</u> <u>to Revenues</u>
2020	\$14,122,159	\$9,934,803	70.35%
2021	14,267,445	10,124,311	70.96%
2022	15,253,514	10,251,930	67.21%
2023	16,067,256	10,486,126	65.26%
2024	16,178,036	10,913,406	67.46%
2025 <i>Budgeted</i>	15,838,925	\$11,990,625	75.70%

Source: Audited Financial Statements and the 2025 Budget Summary.

Non-Property Taxes. Section 1210 of the New York Tax Law currently authorizes the County to levy a sales and compensatory use tax of up to 4.75% in addition to the 4.0% tax levied by the State. Such sales tax collections are administered by the State Tax Commissioner and the proceeds are paid to the County quarterly.

The following table sets forth the total general fund and non-property tax revenues for the last five fiscal years and the budgeted amounts for the current fiscal year.

TABLE 2
Non-Property Taxes

<u>Fiscal Year</u> <u>Ended 5/31</u>	<u>Total</u> <u>Revenues</u>	<u>Non Property</u> <u>Taxes</u>	<u>Non-Property Taxes</u> <u>to Revenues</u>
2019	\$13,987,853	\$2,198,620	15.72%
2020	14,122,159	2,288,345	16.20%
2022	15,253,514	2,503,347	16.41%
2023	16,067,256	2,530,545	15.75%
2024	16,178,036	2,519,119	15.57%
2025 <i>Budgeted</i>	15,838,925	2,144,000	13.54%

Source: Audited Financial Statements and the 2025 Budget Summary.

State Aid. The Village also receives a portion of its revenues in the form of State aid (per capita, mortgage tax and consolidated highway aid). State aid has averaged approximately 6.94% of the total general fund revenues of the Village over the past five fiscal years, 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 an adverse effect upon the Village, possibly requiring either a counterbalancing increase in revenues from other sources to the extent available, a curtailment of expenditures, or some combination of the two.

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

TABLE 3
State Aid

<u>Fiscal Year</u> <u>Ended 5/31</u>	<u>Total</u> <u>Revenues</u>	<u>State Aid</u>	<u>State Aid</u> <u>to Revenues</u>
2020	\$14,122,159	\$873,980	6.19%
2021	14,267,445	982,271	6.88%
2022	15,253,514	1,486,136	9.74%
2023	16,067,256	1,121,080	6.98%
2024	16,178,036	1,048,149	6.48%
2025 <i>Budgeted</i>	15,838,925	866,350	5.47%

Source: Audited Financial Statements and the 2025 Budget Summary.

Current Financial Operations

For the fiscal year ended May 31, 2024, audited results of the Village show the General Fund has a fund balance of \$15,671,401, an increase of \$650,490 over the prior fiscal year. The Water and Sewer Funds have a combined fund balance of \$4,449,411, a decrease of \$421,488 over the prior fiscal year.

Budget Process

The Village operates on a fiscal year beginning June 1 and ending May 31. At a time specified by the Board, prior to February 1, department heads provide the Mayor and Clerk/Treasurer with estimates of their department expenses for the ensuing year. During February, meetings are held by the Mayor with Board, the Clerk/Treasurer and department heads who explain their budget requests. On or before March 20, the Mayor prepares and recommends a tentative budget to the Board. A public hearing is held prior to April 15 to receive taxpayer comments. Following the hearing, budget amendments are received and a final budget is adopted no later than May 1.

Thereafter all modifications of the budget must be approved by the Board; however, the Clerk/Treasurer is authorized to transfer certain budgeted amounts within departments.

Investment Policy/Permitted Investments

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the "GML"), the Village is generally permitted to deposit monies 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 Village may also temporarily invest monies 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, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the Village; (5) certificates of participation issued by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a public benefit corporation of the State which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of monies held in certain reserve funds established by the Village pursuant to law, in obligations of the Village.

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

TAX INFORMATION

Real Property Tax Collection Procedures

Taxes are due when levied in a single payment on June 1 and payable without penalty until July 2. Penalties are imposed at an annual rate of 5% during the first month and an additional 1% each month thereafter. On or about November 1, the tax roll is returned to the County and taxes plus penalties are payable to the County. The Village

retains the first monies collected on the Village tax bill and uncollected taxes are turned over to the County for enforcement. The balance due to the Village is paid in full by the County to the Village prior to March 31. As far as the Village is concerned there are no uncollected taxes as payment in full of all Village taxes is guaranteed by the County.

Real Property Tax Rates, Levies and Assessments

The Village receives approximately 67% of its total operating revenue from real property taxes. The following table shows the trend during the last four years and the current fiscal year for real property assessments and Village tax rates per \$1,000 of assessed value.

TABLE 4
Tax Rates, Levies and Assessments

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Village Tax Levy					
Assessed Valuation	\$352,082,415	\$324,677,174	\$323,526,148	\$323,321,533	\$322,573,083
Equalization Rates	33.00%	33.00%	29.00%	24.00%	23.00%
Full Valuation	985,098,227	983,870,224	1,115,607,407	1,347,173,054	1,402,491,665
Tax Rates per \$1,000 Assessed					
Homestead	32.98	33.66	34.40	36.20	38.17
Non-Homestead	50.73	51.36	51.41	51.48	64.96

Source: Tax Receiver

Largest Assessed Values for 2024

The following table presents the total 2024 assessed valuations of the Village’s largest property owners.

TABLE 5
Assessed Valuations

<u>Property Owner</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation⁽¹⁾</u>
PSLT-ALS Properties IV LLC	Apartments	\$2,524,500	0.78%
Hunt & Associates 2021 LLC	Apartments and Office Buildings	1,589,200	0.49%
National Fuel Gas	Utility	1,532,967	0.48%
Niagara Mohawk Power Corp	Utility	1,491,411	0.46%
Delaware Ave Kenmore SRE LLC	Commercial Building	1,010,700	0.31%
570 Dab 67 LLC	Retail and Office Buildings	950,000	0.29%
Acquisitions Holdings LLC 16 Chapel	Apartments	732,000	0.23%
Paddock Chevrolet Inc	Car Dealership	653,405	0.20%
Iskalo 2780 Delaware LLC	Commercial Building	635,850	0.20%
Kenton Colvin LLC	Apartments	530,000	0.16%
		<u>\$11,650,033</u>	<u>3.61%</u>

⁽¹⁾ The total assessed valuation of the Village used for the 2024 fiscal year is \$322,573,083.

Source: Village Officials

The State Comptroller’s Fiscal Stress Monitoring System

The New York State Comptroller has reported that certain state 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 Village as “No Designation” (see <https://www1.osc.state.ny.us/localgov/fiscalmonitoring/fsms.cfm>).

New York State Comptroller’s Audit

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

On June 14, 2013, OSC, Division of Local Government and School Accountability, released an audit of the Village to review the wastewater service agreement and internal controls over the Village’s IT operations for the period January 1, 2011 to January 18, 2013. The audit found that Village officials had not made a substantive effort to use available resources to properly understand the wastewater treatment processes and costs, and that the Board had not established policies for remote access to the Village’s network to ensure that computerized data is properly safeguarded. The OSC audit recommended that the Village monitor invoices and periodically request wastewater lab reports to ensure wastewater costs are being calculated in an equitable manner and develop and adopt policies and procedures governing outside users’ remote access rights to the Village’s computer system.

The link to the most recent OSC report is as follows:
<http://www.osc.state.ny.us/localgov/audits/villages/2013/kenmore.htm>.

The OSC has not conducted any other audits of the Village in the past five years.

Tax Limit

The State Constitution does not limit the amount that may be raised by the Village-wide tax levy on real property in any fiscal year. The Village is not subject to constitutional real property taxing limitations. See, however, the discussion under the sub-heading “Tax Levy Limit Law,” below.

Tax Levy Limit Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limit Law”). The Tax Levy Limit 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 June 25, 2015, Chapter 20 of the 2015 Laws of New York (“Chapter 20”) amended the Tax Levy Limit Law to extend its expiration from June 15, 2016 to June 15, 2020. Chapter 20 also affects the calculation of a municipality’s tax base growth factor, as outlined before.

The Tax Levy Limit 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 Limit 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 Limit Law as originally enacted only allowed adjustment for development of taxable land, Chapter 20 now allows the Commissioner of Taxation and Finance to adjust the calculation based on the development on tax exempt land.

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 Limit 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 Limit 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 Limit 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 Limit Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limit 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 Limit 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.

VILLAGE INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the Village (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 Village and the Notes.

Purpose and Pledge. The Village 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 Village may contract indebtedness only for a Village 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; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Village determines to issue debt amortizing on the basis of substantially level or declining annual debt service. The Village 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 Village is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers. As has been noted under "*Nature of Obligations*," the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Village to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Village's power to increase its annual tax levy, unless the Village complies with certain procedural requirements to permit the Village to levy certain year-to-year increases in real property taxes. See "*Tax Levy Limit Law*" herein.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Village 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 Village Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Village 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 Board. Certain of such resolutions may be subject to permissive referendum or may be

submitted to the Village voters at the discretion of the Board, the latter to be approved by at least a three-fifths vote of the members of the 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 Village has complied with such procedure with respect to the bond resolutions authorizing the issuance of the Notes.

Each bond resolution usually 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 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. (See "Payment and Maturity" under "Constitutional Requirements" herein).

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

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

Debt Limit. The Village has the power to contract indebtedness for any Village purpose so long as the principal amount thereof shall not exceed seven per centum of the most recent five-year average full valuation of taxable real estate of the Village 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 Board 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 Village as of April 22, 2025.

TABLE 6
Constitutional Debt Limit

<u>Roll Year</u>	<u>Assessed Valuation</u>	<u>Equalization Rate</u>	<u>Full Valuation</u>
2020	\$352,082,415	33.00%	\$985,098,227
2021	324,677,174	33.00%	983,870,224
2022	323,526,148	29.00%	1,115,607,407
2023	323,321,533	24.00%	1,347,173,054
2024	322,573,083	23.00%	<u>1,402,491,665</u>
Total Five-Year Valuation			\$5,834,240,577
Average Five-Year Valuation			\$1,166,848,116
Debt Limit - 7% of Average Full Valuation			\$81,679,368

Statement of Debt Contracting Power

TABLE 7
Statutory Debt Limit and Net Indebtedness

(As of April 22, 2025)

Average Full Valuation of Taxable Real Property	\$1,166,848,116
Debt Limit (7% of Average Full Valuation)	\$81,679,368
Inclusions:	
Outstanding Serial Bonds	\$17,460,000
Outstanding Bond Anticipation Notes	<u>12,601,420</u>
Gross Indebtedness	\$30,061,420
Exclusions and Deductions:	
Water Bonds	0
Water Bond Anticipation Notes	0
Appropriations	<u>0</u>
Gross Exclusions and Deductions:	0
Total Net Indebtedness	\$30,061,420
Net Debt-Contracting Margin	<u>\$51,617,948</u>
Percentage of Debt-Contracting Margin Exhausted	<u>36.80%</u>

Remedies Upon Default

Under current law, provision is made for contract creditors (including the Bondholders) of the Village 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.

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for such indebtedness."

In recent times, certain events and legislation affecting remedies on default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, 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 Village indebtedness is past due. The Village has never defaulted in the payment of the principal of and interest on any indebtedness.

Bond Anticipation Notes

Following the issuance of the Notes, the Village will have \$12,196,420 Bond Anticipation Notes maturing on May 15, 2026.

Authorized but Unissued

On August 6, 2024 the bond resolution duly adopted by the Village Board, authorizing the issuance of \$915,000 serial bonds for the acquisition of maintenance equipment. This Village has not borrowed against this authorization.

Direct and Overlapping Indebtedness

The real property taxpayers of the Village 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 Village'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 Village and the approximate magnitude of the burden on taxable property in the Village of the debt instruments issued and outstanding by such other political units. Authorized but unissued debt has not been included.

TABLE 8
Statement of Direct and Overlapping Indebtedness
(As of April 22, 2025)

Direct Debt

Gross Direct Debt	\$30,061,420
Exclusions and Deductions	<u>0</u>
Net Direct Debt	\$30,061,420

Overlapping Debt

<u>Issuer</u>	<u>As of</u>	<u>Net Debt Outstanding</u>	<u>Village Share</u>	<u>Amount Applicable to Village</u>
Erie County	07/31/2024	\$268,267,674	1.01%	\$2,709,504
Kenmore-Town of Tonawanda UFSD	12/12/2024	108,102,360	14.23%	15,382,966
Town of Tonawanda	07/31/2024	93,047,880	13.19%	<u>12,273,015</u>
Net Overlapping Debt				\$30,365,485
Net Direct Debt				<u>\$30,061,420</u>
Total Net Direct and Overlapping Debt				<u>\$60,426,905</u>

Source: Date provided by the District, Town and County Officials.

Debt Ratios

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

TABLE 9
Debt Ratios

	<u>Amount</u>	<u>Debt per Capita</u> ⁽¹⁾	<u>Debt to Full Value</u> ⁽²⁾
Net Direct Debt	\$30,061,420	\$2,015	2.14%
Net Direct and Overlapping Debt	\$60,426,905	\$4,051	4.31%

(1) The population of the Village is 14,916 according to the 2023 Census.

(2) The Village's full value of taxable real property used to levy taxes in 2024 is \$1,402,491,665.

Debt Service Schedule

The following table sets forth all principal and interest payments required on the Village's outstanding bonded indebtedness as of April 22, 2025.

TABLE 10
Bond Principal and Interest Maturity

FYE:	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
5/31:			
2025	\$0	\$108,750	\$108,750
2026	1,285,000	517,763	1,802,763
2027	1,300,000	465,094	1,765,094
2028	1,215,000	416,775	1,631,775
2029	1,245,000	372,556	1,617,556
2030	1,270,000	329,678	1,599,678
2031	1,295,000	288,313	1,583,313
2032	1,275,000	252,606	1,527,606
2033	1,275,000	221,888	1,496,888
2034	1,305,000	189,375	1,494,375
2035	1,290,000	156,647	1,446,647
2036	1,225,000	124,594	1,349,594
2037	650,000	98,694	748,694
2038	660,000	78,309	738,309
2039	660,000	57,556	717,556
2040	595,000	37,688	632,688
2041	570,000	19,313	589,313
2042	<u>345,000</u>	<u>5,175</u>	<u>350,175</u>
	<u>\$17,460,000</u>	<u>\$3,740,774</u>	<u>\$21,200,774</u>

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 11
Outstanding Indebtedness
(As of May 31)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$16,580,000	\$23,310,000	\$22,215,000	\$18,500,000	\$19,030,000
Bond Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,901,420</u>	<u>12,601,420</u>
Total Outstanding Debt	<u>\$16,580,000</u>	<u>\$23,310,000</u>	<u>\$22,215,000</u>	<u>\$26,401,420</u>	<u>\$31,631,420</u>

ECONOMIC AND DEMOGRAPHIC DATA

Population

The following table presents population trends based upon recent census data.

TABLE 12
Population Trend

<u>Year</u>	<u>Village</u>	<u>Town</u>	<u>County</u>	<u>State</u>
1980	18,474	91,269	1,015,472	17,557,288
1990	17,180	82,222	968,532	17,990,455
2000	16,426	78,155	950,265	18,976,457
2010	15,423	73,567	919,040	19,378,102
2020	15,205	72,636	954,236	20,201,249

Source: U.S. Census Bureau

Employment and Unemployment

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

TABLE 14
Civilian Labor Force
(Thousands)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
County	405.78	416.7	426.9	432.7	458.7
State	8,628.0	8,857.0	9,178.6	9,307.0	9,695.0

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

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

TABLE 15
Yearly Average Unemployment Rates

<u>Year</u>	<u>County</u>	<u>State</u>
2020	9.2%	9.8%
2021	5.5%	7.1%
2022	3.7%	4.3%
2023	3.8%	4.2%
2024	3.8%	4.3%

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

TABLE 16
Monthly Unemployment Rates

<u>Month</u>	<u>County</u>	<u>State</u>
March 2024	4.2%	4.2%
April	3.5%	3.9%
May	3.5%	4.2%
June	3.7%	4.3%
July	4.2%	4.9%
August	4.1%	4.9%
September	3.3%	4.0%
October	3.4%	4.1%
November	3.5%	4.2%
December	3.8%	4.2%
January	3.5%	4.6%
February	4.8%	4.3%

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

Note: Unemployment has drastically increased since mid-March due to the COVID-19 global pandemic. See "COVID-19 herein.

TABLE 17
Largest Employers

<u>Employer</u>	<u>Number of Employees</u>
General Motors	2,981
Kenmore-Town of Tonawanda UFSD	1,282
Linde	1,000
Town of Tonawanda	501
John Danforth Co.	225
NOCO	293
Livingston International	150
Ronco Communications	49

Source: Business First Book of Lists 2021

Financial Institutions

Key Bank, M&T Bank, and Radius Credit Union have branches located within the Village.

Communication

The Village is served by the major metropolitan area newspapers, radio and television stations. In addition, the Village has two local newspapers, the "Kenmore Record-Advertiser" and the "Ken-Ton Bee." Both Spectrum and Verizon provide cable television/phone and internet service to the Village. The Village is one of only a few municipalities in Western New York which has a choice of cable provider. In addition, Verizon upgraded its system in Kenmore to include FIOS.

Utilities

Electricity and natural gas is supplied throughout the Village by National Grid Power Corporation and National Fuel Gas, respectively. Water and sewer services are provided by the Village which is responsible for the construction, maintenance and financing of facilities necessary to provide such services.

Transportation

The Village is served by all major forms of transportation. Highway facilities include NYS Route 384 (north/south), i.e., Delaware Avenue, from downtown Buffalo through the Village's central business district, Colvin Boulevard, Elmwood Avenue and Military Road. Rail freight is available via Conrail. Commercial air transportation is available at the Buffalo-Niagara International Airport located within 20 minutes of the Village. The Youngman Expressway (Interstate 290) within two miles of the Village provides immediate access to and from the area. Niagara Frontier Metro Bus System services the Village as well.

LITIGATION

The Village is subject to a number of lawsuits in the ordinary conduct of its affairs. The Village Attorney does not believe, however, that adverse decisions in such suits, either individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Village.

END OF APPENDIX A

APPENDIX B

**SUMMARY OF FINANCIAL
STATEMENTS AND BUDGETS**

VILLAGE OF KENMORE, NEW YORK
Comparative Balance Sheets
As of May 31:

	<u>General Fund</u>		<u>Water and Sewer Fund</u>	
	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>
Assets:				
Cash	\$12,767,610	\$14,512,549	\$3,746,562	\$3,205,055
Restricted Cash & Cash Equivalents	709,612	143,859	0	0
Restricted Investments	1,330,625	1,411,930	0	0
Receivables	76,456	63,115	1,342,725	1,010,942
Intergovernmental Receivables	527,561	515,848	0	0
Due from other funds	1,169,774	1,472,432	0	492,270
Prepaid Items	0	0	0	0
Total Assets	<u>\$16,581,638</u>	<u>\$18,119,733</u>	<u>\$5,089,287</u>	<u>\$4,708,267</u>
Liabilities:				
Accounts Payable	\$278,690	\$307,648	\$155,201	\$199,681
Accrued Liabilities	387,647	475,884	10,736	13,221
Due to Other Funds	0	1,296,797	36,871	36,871
Intergovernmental payments	0	0	0	0
Due To Retirement Systems	184,778	224,144	15,580	9,083
Other Liabilities	709,612	143,859	0	0
Unearned Revenues	0	0	0	0
Total Liabilities	<u>1,560,727</u>	<u>2,448,332</u>	<u>218,388</u>	<u>258,856</u>
Fund Balances				
Nonspendable Fund Balance	\$0	\$0	\$0	\$0
Restricted	1,330,625	1,411,930	0	0
Assigned Appropriated Fund Balance	8,314,997	8,364,941	4,870,899	4,449,411
Unassigned Unappropriated Fund Balance	<u>5,375,289</u>	<u>5,894,530</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>15,020,911</u>	<u>15,671,401</u>	<u>4,870,899</u>	<u>4,449,411</u>
Total Liabilities and Fund Equity	<u>\$16,581,638</u>	<u>\$18,119,733</u>	<u>\$5,089,287</u>	<u>\$4,708,267</u>

Sources: Annual Audited Financial Reports

VILLAGE OF KENMORE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
GENERAL FUND
Fiscal Years Ended May 31:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues					
Real Property Taxes	\$9,934,803	\$10,124,311	\$10,251,930	\$10,486,126	\$10,913,406
Non-Property Taxes	2,288,345	2,249,015	2,503,347	2,530,545	2,519,119
Departmental Income	47,653	45,768	43,377	33,556	59,350
Intergovernmental Income	337,614	327,297	349,034	357,388	377,871
Interfund Revenue	29,359	49,262	62,385	28,348	19,545
Use of Money and Property	63,607	1,865	1,831	82,026	173,617
Licenses & Permits	177,702	192,757	189,456	198,805	176,981
Fines & Forfeitures	326,529	252,118	337,270	360,218	273,981
Sales of Property and Comp for Loss	21,200	15,457	13,580	28,030	25,670
Miscellaneous	21,367	27,324	15,168	10,238	14,542
State Aid	873,980	982,271	1,486,136	1,121,080	1,048,149
Federal Aid	0	0	0	830,896	575,805
Total Revenues	<u>14,122,159</u>	<u>14,267,445</u>	<u>15,253,514</u>	<u>16,067,256</u>	<u>16,178,036</u>
Expenditures and Other Uses					
General Government Support	\$1,841,275	\$1,829,003	\$2,133,918	\$2,034,122	\$2,210,620
Public Safety	4,188,723	3,441,267	4,232,908	4,070,520	4,066,798
Health	0	5,493	0	0	0
Transportation	1,325,101	1,680,539	1,976,114	1,628,472	1,813,967
Economic Assistance and Opportunity	6,571	6,448	4,960	9,399	19,813
Culture & Recreation	162,987	134,952	180,532	172,291	233,709
Home & Community Services	1,276,190	1,534,458	1,231,221	1,548,130	1,360,611
Employee Benefits	3,438,502	3,327,077	3,632,232	3,535,451	3,754,475
Debt Service	0	0	6,081	130,322	131,819
Total Expenditures	<u>12,239,349</u>	<u>11,959,237</u>	<u>13,397,966</u>	<u>13,128,707</u>	<u>13,591,812</u>
Excess (Deficiency) of					
Revenues over Expenditures	1,882,810	2,308,208	1,855,548	2,938,549	2,586,224
Other Uses					
Lease Issued	\$0	\$0	\$170,265	\$28,666	\$0
Transfers in	0	0	0	319	0
Transfers out	(647,981)	(3,619,728)	(1,315,288)	(1,793,709)	(1,935,734)
Total Expenditures and Other Uses	<u>(647,981)</u>	<u>(3,619,728)</u>	<u>(1,145,023)</u>	<u>(1,764,724)</u>	<u>(1,935,734)</u>
Fund Balance - Beginning of Year	<u>11,792,369</u>	<u>14,448,081</u>	<u>13,136,561</u>	<u>13,847,086</u>	<u>15,020,911</u>
Fund Balance - End of Year	<u>\$ 13,027,198</u>	<u>\$ 13,136,561</u>	<u>\$ 13,847,086</u>	<u>\$ 15,020,911</u>	<u>\$ 15,671,401</u>

Sources: Annual Audited Financial Reports

VILLAGE OF KENMORE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
WATER AND SEWER FUNDS
Fiscal Year Ended May 31:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues					
Real Property Taxes					
Departmental Income	\$4,219,844	\$4,035,377	\$4,328,696	\$4,409,484	\$4,244,698
Use of Money and Property	23,606	26,131	26,049	59,328	60,166
Miscellaneous	0	0	0	0	0
Total Revenues	<u>4,243,450</u>	<u>4,061,508</u>	<u>4,354,745</u>	<u>4,468,812</u>	<u>4,304,864</u>
Expenditures and Other Uses					
General Government	35,000	35,000	35,000	35,000	35,000
Home & Community Service	2,105,062	2,428,965	2,520,738	2,627,072	2,797,151
Employee Benefits	339,875	347,154	349,993	351,160	247,399
Debt Service	0	0	0	0	0
Total Expenditures	<u>2,479,937</u>	<u>2,811,119</u>	<u>2,905,731</u>	<u>3,013,232</u>	<u>3,079,550</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	1,763,513	1,250,389	1,449,014	1,455,580	1,225,314
Other Uses					
Transfers In	0	0	0	0	0
Transfers Out	(984,376)	(984,376)	(984,376)	(1,329,440)	(1,318,373)
	<u>(984,376)</u>	<u>(984,376)</u>	<u>(984,376)</u>	<u>(1,329,440)</u>	<u>(1,318,373)</u>
Net changes in fund balances	779,137	266,013	464,638	126,140	(93,059)
Fund Balance - Beginning of Year	<u>3,626,227</u>	<u>4,288,097</u>	<u>4,470,028</u>	<u>4,744,759</u>	<u>4,542,470</u>
Fund Balance - End of Year	<u>\$ 4,405,364</u>	<u>\$ 4,554,110</u>	<u>\$ 4,934,666</u>	<u>\$ 4,870,899</u>	<u>\$ 4,449,411</u>

Sources: Annual Audited Financial Reports

VILLAGE OF KENMORE, NEW YORK
Budget Summary
GENERAL FUND
Fiscal Years Ended May 31:

	<u>2024-25</u>	<u>2025-26</u>
Revenues		
Real Property Taxes	\$11,896,625	\$12,491,222
Real Property Tax Items	94,000	106,300
Non-Property Taxes	2,144,000	2,170,000
Departmental Income	13,200	13,200
Transportation	22,000	22,000
Home and Community Services	150	150
Intergovernmental Charges	353,000	378,000
Use of Money and Property	60,000	70,000
Licenses & Permits	143,600	143,600
Fines & Forfeitures	225,000	225,000
Sales of Property and Comp for Loss	11,000	11,000
Miscellaneous	10,000	10,000
Interfund Revenue	0	0
State Aid	866,350	866,350
Total Revenues	<u>15,838,925</u>	<u>16,506,822</u>
Operating Transfers	1,600,000	1,889,000
Total Revenues and Other Sources	<u>\$17,438,925</u>	<u>\$18,395,822</u>
Expenditures and Other Uses		
General Government Support	\$2,987,260	\$3,050,361
Public Safety	4,372,358	4,553,166
Transportation	2,058,471	2,090,306
Economic Assistance and Opportunity	28,000	33,000
Culture & Recreation	293,743	298,491
Home & Community Services	1,639,818	1,806,306
Employee Benefits	4,525,395	4,904,895
Total Expenditures	<u>15,905,045</u>	<u>16,736,525</u>
Interfund Transfer	1,533,880	1,659,297
Total Appropriations and Other Uses	<u>\$17,438,925</u>	<u>\$18,395,822</u>

APPENDIX C

**INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
MAY 31, 2024**

**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/P21900802-P21453699-P21901843.pdf>

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

*** Such Financial Statements and opinion are intended to be representative only as
of the date thereof. Drescher & Malecki LLP has not been requested by the Village
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 Village of Kenmore, Erie County, New York (the “Issuer”) in connection with the issuance of its \$12,196,420 Bond Anticipation Note(s), 2025 or interests therein (such Note(s), 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) Bond (or Note) 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.

