

**SERIAL BONDS  
BOND ANTICIPATION NOTES**

**Ratings: See "Rating" herein**

*In the opinion of Bond Counsel, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the Town with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), and the accuracy of certain representations made by the Town, interest on the Bonds and Notes is excluded from gross income of the owners thereof for Federal income tax purposes, and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals and corporations. However, such interest is included in "adjusted current earnings" for purposes of calculating the Federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that under existing statutes interest on the Bonds and Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Bonds and Notes. See "TAX MATTERS" herein.*

*The Bonds and Notes will NOT be designated by the Town as "qualified tax-exempt obligations" pursuant to Section 265 of the Code.*

**TOWN OF WEST SENECA  
ERIE COUNTY, NEW YORK**

**\$10,990,669**

**VARIOUS PURPOSES SERIAL BONDS, 2015**

**(the "Bonds")**

**Purchased by**

**Janney Montgomery Scott, LLC**

**Dated Date: Date of Delivery**

**Maturity Dates: July 15, 2016-2028**

**(as shown on the inside cover)**

**\$43,180,000**

**BOND ANTICIPATION NOTES, 2015**

**(the "Notes")**

**\$20,000,000 @ 2.00%**

**\$23,180,000 @ 2.00%**

**[Reoffered @ 0.440%]**

**[Reoffered @ 0.445%]**

**CUSIP #955771QY9**

**Date of Issue: Date of Delivery**

**Maturity Date: July 28, 2016**

The Bonds and the Notes are general obligations of the Town of West Seneca (the "Town"), in the County of Erie (the "County") in the State of New York (the "State") and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds and the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011 of the State (the "Tax Levy Limitation Law"). (See "*REAL PROPERTY TAXES - Tax Levy Limitation Law*" herein.)

The Notes will not be subject to optional redemption prior to maturity. Certain maturities of the Bonds will be subject to optional redemption prior to maturity, see "*Optional Redemption for the Bonds and the Notes*" herein.

The Bonds will be issued in book-entry form and when issued will be registered in the name of Cede & Co., as a nominee of The Depository Trust Company, Jersey City, New Jersey ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination maturing in 2016. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds.

The Bonds will be dated the date of delivery and will mature on the dates and in the amounts, will bear interest at the rates and will have the yields or public offering prices shown on the inside cover of this Official Statement. Interest on the Bonds will be payable on the dates as shown on the inside cover of this Official Statement, calculated on a 30-day month and 360-day year basis. Principal and interest will be paid by the Town to the Securities Depository, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

The Notes will be issued in registered book-entry form and will be delivered to DTC, which will act as Securities Depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. Two note certificates will be issued in the respective aggregate principal amounts awarded to each purchaser. Principal of and interest on said Notes will be paid in Federal Funds by the Paying Agent to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. See "Book-Entry-Only System" herein.

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

The Bonds and the Notes are offered when, as and if issued by the Town subject to the receipt of the respective final approving opinions of Harris Beach PLLC, Buffalo, New York, Bond Counsel, and certain other conditions. Capital Markets Advisors, LLC has served as Financial Advisor to the Town in connection with the issuance of the Bonds and Notes. It is expected that delivery of the Bonds and Notes will be made on the Date of Delivery, which is expected to be July 29, 2015.

**FOR A DESCRIPTION OF THE TOWN'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AND NOTES AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING," HEREIN.**

Dated: July 15, 2015

The Bonds will mature on July 15 in each year as set forth below. Interest on the Bonds will be payable on July 15, 2016 and semi-annually hereafter on January 15 and July 15 in each year until maturity. Certain maturities of the Bonds will be subject to optional redemption prior to maturity, see “*Optional Redemption for the Bonds and the Notes*” herein.

<u>Maturity</u>	<u>Amount</u>	<u>Interest</u>		<u>CUSIP*</u>	<u>Maturity</u>	<u>Amount</u>	<u>Interest</u>		<u>CUSIP*</u>
		<u>Rate</u>	<u>Yield</u>				<u>Rate</u>	<u>Yield</u>	
2016	\$ 960,669	3.000%	0.420%	955771QK9	2023	\$ 1,155,000	5.000%	2.150%	955771QS2
2017	870,000	4.000%	0.670%	955771QL7	2024	895,000	5.000%	2.300%	955771QT0
2018	905,000	5.000%	1.000%	955771QM5	2025**	945,000	5.000%	2.420%	955771QU7
2019	950,000	5.000%	1.170%	955771QN3	2026**	590,000	3.000%	2.750%	955771QV5
2020	990,000	5.000%	1.400%	955771QP8	2027**	400,000	3.000%	2.870%	955771QW3
2021	1,040,000	5.000%	1.670%	955771QQ6	2028**	195,000	3.000%	3.000%	955771QX1
2022	1,095,000	5.000%	2.000%	955771QR4					

\* CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or uses of these CUSIP numbers and no representation is made to their correctness on the Bonds or as indicated above.

\*\* Certain principal maturities of the Bonds are subject to optional redemption prior to maturity, see “*Optional Redemption for the Bonds and the Notes*” herein.

**TOWN OF WEST SENECA  
ERIE COUNTY, NEW YORK**

**Sheila M. Meegan  
Supervisor**

**TOWN BOARD**

William P. Hanley, Jr. .... Council Member  
Eugene P. Hart ..... Council Member

---

Jacqueline A. Felser ..... Town Clerk  
John Fenz, Esq. ....Attorney for the Town  
Drescher & Malecki, LLP. .... Director of Finance

---

**AUDITORS**

**R.A. MERCER & CO., P.C.  
Cheektowaga, New York**

---

**BOND COUNSEL**

**Harris Beach PLLC  
Buffalo, New York**

---

**FINANCIAL 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 Town to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the Town. 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 Bonds and the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources that are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof.

## **TABLE OF CONTENTS**

<p>THE BONDS ..... 1</p> <p style="padding-left: 20px;">Description ..... 1</p> <p style="padding-left: 20px;">Authorization for the Bonds ..... 2</p> <p style="padding-left: 20px;">Purpose of the Bonds ..... 2</p> <p>THE NOTES ..... 3</p> <p style="padding-left: 20px;">Description ..... 3</p> <p style="padding-left: 20px;">Authorization for the Notes ..... 3</p> <p style="padding-left: 20px;">Purpose of the Notes ..... 3</p> <p>THE BONDS AND THE NOTES ..... 4</p> <p style="padding-left: 20px;">Nature of the Obligations ..... 4</p> <p style="padding-left: 20px;">Optional Redemption for the Bonds and the Notes .. 4</p> <p style="padding-left: 20px;">Selection of Bonds to be Redeemed ..... 4</p> <p style="padding-left: 20px;">Notice of Redemption ..... 5</p> <p style="padding-left: 20px;">Book-Entry-Only System ..... 5</p>	<p>Certificated Bonds and Notes ..... 7</p> <p>MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE ..... 7</p> <p>TAX MATTERS ..... 7</p> <p>LEGAL MATTERS ..... 9</p> <p>DISCLOSURE UNDERTAKING ..... 9</p> <p style="padding-left: 20px;">Disclosure Undertaking for the Bonds ..... 9</p> <p style="padding-left: 20px;">Disclosure Undertaking for the Notes ..... 11</p> <p style="padding-left: 20px;">Prior Disclosure History ..... 12</p> <p>RATING ..... 12</p> <p>FINANCIAL ADVISOR ..... 12</p> <p>ADDITIONAL INFORMATION ..... 12</p>
--	---

### **APPENDIX A**

<p>THE TOWN ..... A-1</p> <p style="padding-left: 20px;">General Information ..... A-1</p> <p style="padding-left: 20px;">The Government ..... A-1</p> <p style="padding-left: 20px;">Town Services ..... A-1</p> <p style="padding-left: 20px;">Employees ..... A-2</p> <p style="padding-left: 20px;">Employee Pension Benefits ..... A-2</p> <p style="padding-left: 20px;">Other Post-Employment Benefits ..... A-3</p> <p style="padding-left: 20px;">Funded Status and Funding Progress ..... A-4</p> <p>FINANCIAL FACTORS ..... A-5</p> <p style="padding-left: 20px;">Independent Audit ..... A-5</p> <p style="padding-left: 20px;">Fund Structure and Accounts ..... A-5</p> <p style="padding-left: 20px;">Revenues ..... A-5</p> <p style="padding-left: 20px;">Other Revenues ..... A-6</p> <p style="padding-left: 20px;">Budget Process ..... A-7</p> <p style="padding-left: 20px;">Investment Policy ..... A-7</p> <p style="padding-left: 20px;">The State Comptroller’s Fiscal Stress Monitoring System ..... A-8</p> <p>REAL PROPERTY TAXES ..... A-8</p> <p style="padding-left: 20px;">Real Property Tax Collection Procedures and History ..... A-8</p>	<p>Ten Largest Assessed Values for the 2014 Fiscal Year ..... A-9</p> <p>Tax Levy Limitation Law ..... A-9</p> <p>TOWN INDEBTEDNESS ..... A-12</p> <p style="padding-left: 20px;">Constitutional Requirements ..... A-12</p> <p style="padding-left: 20px;">Statutory Procedure ..... A-12</p> <p style="padding-left: 20px;">Constitutional Debt Limit ..... A-13</p> <p style="padding-left: 20px;">Statement of Debt Contracting Power ..... A-14</p> <p style="padding-left: 20px;">Remedies Upon Default ..... A-14</p> <p style="padding-left: 20px;">Other Indebtedness ..... A-14</p> <p style="padding-left: 20px;">Authorized but Unissued Indebtedness ..... A-15</p> <p style="padding-left: 20px;">Trend of Outstanding Indebtedness ..... A-15</p> <p style="padding-left: 20px;">Direct and Overlapping Indebtedness ..... A-15</p> <p style="padding-left: 20px;">Debt Ratios ..... A-15</p> <p style="padding-left: 20px;">Debt Service Schedule ..... A-16</p> <p>ECONOMIC AND DEMOGRAPHIC DATA ..... A-16</p> <p style="padding-left: 20px;">Population ..... A-16</p> <p style="padding-left: 20px;">Employment and Unemployment ..... A-17</p> <p style="padding-left: 20px;">Financial Institutions ..... A-18</p> <p>LITIGATION ..... A-18</p>
--	---

APPENDIX B – Financial Statement and Budget Summaries

APPENDIX C – Independent Auditors’ Report for the Year Ended December 31, 2014

**TOWN OF WEST SENECA  
ERIE COUNTY, NEW YORK**

relating to

**\$10,990,669**

**VARIOUS PURPOSES SERIAL BONDS, 2015**

**\$43,180,000**

**BOND ANTICIPATION NOTES, 2015**

This Official Statement, which includes the cover page and appendices hereto, presents certain information relating to the Town of West Seneca, in the County of Erie, in the State of New York (the "Town", "County" and "State," respectively) in connection with the sale of \$10,990,669 Various Purposes Serial Bonds, 2015 (the "Bonds") and \$43,180,000 Bond Anticipation Notes, 2015 (the "Notes").

The factors affecting the Town's financial condition and the Bonds and Notes are described throughout this Official Statement and many of these factors, including economic and demographic factors, are complex and may influence the Town's tax base, revenues, and expenditures. This Official Statement should be read in its entirety.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Bonds and the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and the Notes and such proceedings.

**THE BONDS**

***Description***

The Bonds will be dated the date of delivery, which is expected to be July 29, 2015 and will bear interest from such date at the annual rate or rates as specified by the purchaser, payable on July 15, 2016 and semi-annually hereafter on January 15 and July 15 in each year until maturity. The Bonds will mature in each of the years and will bear interest at the rates as shown on the inside cover page hereof.

The Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, Jersey City, New Jersey ("DTC"). DTC will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination. Purchasers will not receive certificates representing their interest in the Bonds. Principal and interest will be paid by the Town to the Securities Depository, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein under "*THE BONDS – Book-Entry-Only System.*"

Certain maturities of the Bonds will be subject to redemption prior to maturity, see "*Optional Redemption for the Bonds and the Notes*" herein.

The record date for the Bonds will be the close of business on the last business day of the month preceding each interest payment date.

The Town will act as Paying Agent for the Bonds. Paying Agent fees, if any, will be paid by the successful purchaser. The Town contact information is as follows: Sheila M. Meegan, Supervisor and Paying Agent, 1250 Union Road, West Seneca, New York, 14224, 716-997-7200, Email: smeegan@twyny.org.

***Authorization for the Bonds***

The Bonds are issued pursuant to the Constitution and Laws of the State, including among others, the Town Law and the Local Finance Law, and various bond resolutions duly adopted by the Town Board as described below.

***Purpose of the Bonds***

The proceeds received from the sale of the Bonds, together with \$1,748,821 current funds, will be applied to redeem a \$13,732,446 portion of the Town’s bond anticipation notes maturing on July 30, 2015 which were originally issued to finance capital improvements of the Town pursuant to the bond resolutions adopted by the Town Board as detailed below:

<u>Purpose</u>	<u>Authorization Date</u>	<u>Amount Outstanding</u>	<u>Original Issue Date</u>	<u>Principal Paydown <sup>(1)</sup></u>	<u>The Bonds</u>
French Road Reconstruction.....	9/20/2010	\$ 1,218,950	12/21/2010	183,950	1,035,000
Town Facility Backflow Preventer.....	10/4/2010	58,443	12/21/2010	31,909	26,534
Ludwig Avenue Reconstruction.....	9/20/2010	300,562	12/21/2010	45,562	255,000
Collins Ave Reconstruction.....	9/20/2010	1,285,741	12/21/2010	195,741	1,090,000
Graham Avenue & Burch Avenue Reconstruction.....	9/20/2010	492,590	12/21/2010	72,590	420,000
Seneca Street, Center Road, & Kelsey Drive.....	9/20/2010	83,489	12/21/2010	18,489	65,000
Union Road & North America.....	9/20/2010	66,791	10/21/2010	6,791	60,000
Gang Mower.....	9/20/2010	66,791	12/21/2010	55,551	11,240
Grass Tractors.....	9/20/2010	23,378	12/21/2010	23,378	0
Ball Diamond Groomer.....	9/20/2010	12,524	12/21/2010	12,524	0
Paint Sprayers.....	9/20/2010	5,844	12/21/2010	5,844	0
Log Loader Truck.....	9/20/2010	121,060	12/21/2010	102,325	18,735
Leafers.....	9/20/2010	37,570	12/21/2010	31,013	6,557
Cube Van Truck.....	9/20/2010	33,397	12/21/2010	33,397	0
Chipper.....	9/20/2010	30,891	12/21/2010	26,207	4,684
Resurface Tennis Courts and Basketball Courts at Firemen's Park.....	9/20/2010	125,234	12/21/2010	52,315	72,919
Ice Rink Renovations.....	9/20/2010	41,745	12/21/2010	6,745	35,000
Elmsford Drive Improvements.....	5/23/2011	1,072,336	10/19/2011	157,336	915,000
Columbia Parkway and Belgia Place Improvements.....	5/23/2011	982,664	10/19/2011	142,664	840,000
Reconstruction of Dover Dr. & Greenmeadow Dr. ....	3/12/2012	1,990,312	8/2/2012	410,312	1,580,000
Rehabilitation of Highway Department Garage.....	5/7/2012	904,687	8/2/2012	409,687	495,000
Reconstruction of Greenbranch Rd., Larkwood Rd., Cardinal Ln., & Woodmar Ter. ....	4/1/2013	2,277,447	8/1/2013	297,447	1,980,000
Garbage Trucks, Totes and Equipment.....	9/16/2013	<u>2,500,000</u>	1/23/2014	<u>420,000</u>	<u>2,080,000</u>
		<u>\$ 13,732,446</u>		<u>\$ 2,741,777</u>	<u>\$ 10,990,669</u>

(1) Inclusive of premium received in connection with the issuance of the bonds.

<u>Purpose</u>	<u>Authorization Date</u>	<u>Amount Outstanding</u>	<u>Original Issue Date</u>	<u>Principal Paydown</u>	<u>New Money</u>	<u>The Notes</u>
Sanitary and Sewer Facilities for Sewer Districts 5,13, & 20.....	4/30/2012	\$ 19,775,000	8/2/2012	\$ 355,000	\$ 10,000,000	\$29,420,000
Burchfield, Metz, and General Town Rec Improvements.....	4/1/2013	284,681	8/1/2013	24,681	0	260,000
Addition to Police Headquarters at Town Hall Stephenson Ave., N America Dr./Commerce Pkwy.....	4/1/2013	1,897,872	8/1/2013	97,872	0	1,800,000
2015 Water Improvements.....	4/7/2014	3,000,000	7/30/2014	0	0	3,000,000
Road Reconstruction and Repaving Improvements.....	5/11/2015	0	7/29/2015	0	7,600,000	7,600,000
	6/15/2015	<u>0</u>	7/29/2015	<u>0</u>	<u>1,100,000</u>	<u>1,100,000</u>
		<u>\$ 24,957,553</u>		<u>\$ 477,553</u>	<u>\$ 18,700,000</u>	<u>\$ 43,180,000</u>

### THE NOTES

#### *Description*

The Notes will be dated their date of delivery and bear interest from that date until July 28, 2016, the maturity date, at the annual rate or rates as specified by the purchaser(s) of the Notes. The Notes will not be subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered book-entry form, and will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. Two note certificates will be issued in the respective aggregate principal amounts awarded to each purchaser. Principal of and interest on said Notes will be paid in Federal Funds by the Town to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. See "Book-Entry-Only System" herein.

The Town will act as Paying Agent for the Notes. The Town's contact information is as follows: Sheila M. Meegan, Supervisor and Paying Agent, 1250 Union Road, West Seneca, New York, 14224, 716-997-7200, Email: smeegan@twsnny.org.

#### *Authorization of the Notes*

The Notes are authorized pursuant to the Constitution and Laws of the State, including among others, the Town Law and the Local Finance Law, and various bond resolutions duly adopted by the Town Board.

#### *Purpose of the Notes*

The proceeds received from the sale of the Notes, together with \$477,553 current funds, will be applied to redeem a \$24,957,353 portion of the Town's bond anticipation notes maturing on July 30, 2015 and to provide \$18,700,000 of new money to finance capital improvements of the Town pursuant to the bond resolutions adopted by the Town Board as detailed below:

## **THE BONDS AND THE NOTES**

### ***Nature of the Obligations***

Each Bond and Note when duly issued and paid for will constitute a contract between the Town and the holder thereof.

The Bonds and the Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain statutory limitations imposed by the Tax Levy Limitation Law. (See “REAL PROPERTY TAXES - Tax Levy Limitation Law” herein).

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and the Notes, and the State is specifically precluded from restricting the power of the Town to levy taxes on real estate therefor. The State Constitution requires the Town to provide by appropriation for the payment of interest on all obligations which will become due during the fiscal year. In addition, the State Constitution requires the Town to provide in each year by appropriation for the payment of all installments of principal of the Bonds and Notes which will become due and payable in such year.

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

### ***Optional Redemption for the Bonds and the Notes***

The Bonds maturing in the years 2016 to 2024, inclusive, are not subject to redemption prior to maturity.

The Bonds maturing on or after July 15, 2025 will be subject to redemption prior to maturity, at the option of the Town, on any date on or after July 15, 2024, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

### ***Selection of Bonds to be Redeemed***

So long as DTC or a successor securities depository is the sole registered owner of the Bonds, the Town will cause notice of redemption to be given only to DTC as registered owner. The selection of the book-entry interests within each Bond maturity to be redeemed will be done in accordance with DTC procedures. See “*THE BONDS AND THE NOTES – Book-Entry-Only System*” herein regarding DTC’s practice of determining by lot the amount of the interest of each Direct Participant for partial bond redemptions.

If the Bonds are not registered in book-entry form, any redemption of less than all of a maturity of the Bonds shall be allocated (in the amounts of \$5,000 or any whole multiple) among the registered owners of such maturity of the Bonds then outstanding as nearly as practicable in proportion to the principal amounts of such maturity of the Bonds owned by each registered owner. This will be calculated based on the following formula:

$$\frac{(\text{principal to be redeemed}) \times (\text{principal amount owned by owner})}{(\text{principal amount outstanding})}$$

### ***Notice of Redemption***

Notice of redemption shall be given by mailing such notice to the registered holders of Bonds to be redeemed at their respective addresses as shown upon the registration books of the Town as Paying Agent at least 30 days prior to the date set for any such redemption. If notice of redemption shall have been given as aforesaid, the Bonds so



called for redemption shall become due and payable at the applicable redemption price on the redemption date designated in such notice, and interest on such Bonds shall cease to accrue from and after such redemption date.

### ***Book-Entry-Only System***

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds and the Notes, payment of principal and interest, and other payments on the Bonds and the Notes to DTC Participants or Beneficial Owners defined below, confirmation and transfer of beneficial ownership interests in the Bonds and the Notes and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Town. Accordingly, the Town does not make any representations concerning these matters.

The Depository Trust Company (“DTC”), Jersey City, New Jersey, will act as securities depository for the Bonds and the Notes. The Bonds and Notes will be issued as fully-registered bonds and 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 bond certificate will be issued for each maturity of the Bonds, and will be deposited with DTC. Two fully-registered note certificates will be issued in the respective aggregate principal amounts awarded to each purchaser, 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Bonds and Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and Notes on DTC’s records. The ownership interest of each actual purchaser of each bond and 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 Bonds and 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 Bonds and the Notes, except in the event that use of the book-entry system for the Bonds and the Notes is discontinued.

To facilitate subsequent transfers, all Bonds and 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 Bonds and 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 Bonds and the Notes; DTC’s records reflect only the identity of the Direct

Participants to whose accounts such Bonds and 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 Bonds and the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds and the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds and 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 County, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds and the Notes at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, bond and note certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond and 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 Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

*Source: The Depository Trust Company*

### ***Certificated Bonds and Notes***

DTC may discontinue providing its services with respect to the Bonds and the Notes at any time by giving reasonable notice to the Town and discharging its responsibilities with respect thereto under applicable law, or the Town may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds and Notes will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds and the Notes when due will be payable upon presentation at the principal corporate trust office of a bank or trust company located and authorized to do business and act as a fiscal agent in the state of New York to be named by the Town. Interest on the Bonds will remain payable on July 15, 2016 and semiannually thereafter on January 15 and July 15 in each year to maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last day of the calendar month preceding each such interest

payment date. Bonds and Notes may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for the Bonds and the Notes of the same if any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond and Note Determinations Certificate executed by the Town Supervisor authorizing the sale of the Bonds and the Notes and fixing the details thereof and in accordance with the local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of the Bonds between the fifteenth day of the calendar month preceding an interest payment date and such interest payment date.

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

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

The Town is dependent in part on financial assistance from the State in the form of State aid. In some recent years, including the current fiscal year, the Town's receipt of State aid was delayed as a result of the State's delay in adopting its budget and appropriating State aid to municipalities and school districts. If the State should experience difficulty in borrowing funds in anticipation of the receipt of the State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in this year or future years, the Town may be affected by a delay until sufficient State taxes have been received by the State to make State aid payments to the Town.

Should the Town fail to receive monies expected from the State in the amounts expected on a timely basis, the Town is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid. In addition, the Town may borrow to finance revenue shortfalls arising from, among other things, mid-year reductions in State aid.

### **TAX MATTERS**

In the opinion of Bond Counsel, based on existing statutes, regulations, administrative rulings and court decisions and assuming continuing compliance by the Town with certain covenants, and the accuracy of certain representations, interest on the Bonds and Notes is excluded from gross income of the owners thereof for Federal income tax purposes.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Bonds and the Notes in order that interest on the Bonds and Notes will be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Bonds and Notes, as applicable, and in certain circumstances, payment of amounts in respect of such proceeds to the United States. Failure to comply with the requirement of the Code may cause interest on the Bonds and Notes to be includable in gross income for purposes of federal income tax, possibly from the date of issuance of the Bonds and Notes. In the Arbitrage and Use of Proceeds Certificate of the Town to be executed in connection with the issuance of the Bonds and Notes, the Town will covenant to comply with certain procedures and it has made certain representations and certifications, designed to assure satisfaction of the requirements of the Code in respect to the Bonds and Notes, as applicable. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

Bond Counsel is of the further opinion that interest on the Bonds and Notes is not an “item of tax preference” for purposes of Federal alternative minimum tax on individuals and corporations; interest on the Bonds and Notes is, however, included in "adjusted current earnings" for purposes of calculating the Federal alternative minimum tax imposed on certain corporations. Corporate purchasers of the Bonds and the Notes should consult their tax advisors concerning the computation of any alternative minimum tax.

Prospective purchasers of the Bonds and Notes should be aware that ownership of the Bonds and Notes, and the accrual or receipt of interest thereon, 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 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 of their ownership of the Bonds and Notes and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

The Bonds and the Notes will NOT be designated as “qualified tax exempt obligations” within the meaning of, and pursuant of Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, interest on the Bonds and Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, (including The City of New York).

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the respective dates of issuance and delivery of the Bonds and Notes may affect the tax status of interest on the Bonds and Notes.

No assurance can be given that any future legislation, including amendments to the Code or the State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Bonds and Notes to be subject to federal or State income taxation, or otherwise prevent Bondholders and Noteholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Bonds and Notes for audit examination, or the course or result of any Internal Revenue Service examination of the Bonds and Notes or of obligations which present similar tax issues, will not affect the market price or marketability of the Bonds and Notes. For example, President Obama has released various legislative proposals that would limit the extent of the exclusion from gross income of interest on obligations of states and political subdivisions under Section 103 of the Code (including the Bonds and the Notes) for taxpayers whose income exceeds certain threshold levels. No prediction is made as to whether any such proposals will be enacted. Prospective purchasers of the Bonds and Notes should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

**ALL PROSPECTIVE PURCHASERS OF THE BONDS AND NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE BONDS AND NOTES.**

### **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds and the Notes will be subject to the final approving opinions of Harris Beach PLLC, Buffalo, New York. Such legal opinions will state that in the 13 opinion of Bond Counsel (i) the Bonds and the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Town, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest

thereon, subject to the statutory limits of Chapter 97 of the Laws of 2011 of the State of New York (See "*REAL PROPERTY TAXES - Tax Levy Limitation Law*" herein); provided, however, that the enforceability (but not the validity) of such Bonds and Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights.

Such legal opinions will also state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the accuracy of the signatures appearing upon such public records, documents and proceedings and such certifications; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Bonds and the Notes, as applicable, has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Town together with other legally available sources of revenue, if any, will be sufficient to enable the Town to pay the principal of and interest on the Bonds and the Notes as the same become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the Town, would materially affect the ability of the Town to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the Town, in connection with the sale of such Bonds and Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

## **DISCLOSURE UNDERTAKING**

### ***Disclosure Undertaking for the Bonds***

At the time of the delivery of the Bonds, the Town will provide an executed copy of its "Undertaking to Provide Continuing Disclosure" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the Town for the benefit of holders of and owners of beneficial interests in the Bonds, to provide, or cause to be provided to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking:

- (1) On or prior to the 270th day following the end of each fiscal year, commencing with the fiscal year ending December 31, 2015 (i) certain annual financial information, in a form generally consistent with the information contained or cross-referenced in this Official Statement under the headings "LITIGATION" and in Appendix A under the headings: "THE TOWN", "FINANCIAL FACTORS", "TAX INFORMATION", "TOWN INDEBTEDNESS" and "ECONOMIC AND DEMOGRAPHIC DATA"; and in Appendix B, and (ii) the audited financial statement (prepared in accordance with generally accepted accounting principles in effect at the time of audit), if any, of the Town for each fiscal year, unless such audited financial statement, if any, shall not then be available in which case the unaudited financial statement shall be provided and an audited financial statement shall be provided within 60 days after it becomes available and in no event later than 360 days after the end of each fiscal year;
- (2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:
  - (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal

Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Town; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town]; (xiii) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

With respect to the Undertaking, the Town does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

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

- (3) in a timely manner not in excess of ten (10) business days, notice of a failure to provide the annual financial information by the date specified.

The Town's Undertaking shall remain in full force and effect until such time as the principal of, redemption premium, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Rule which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Town, and no person or entity, including a Holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Town to comply with the Undertaking will not constitute a default with respect to the Bonds.

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

#### ***Disclosure Undertaking for the Notes***

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

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Town; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town]; (xiii) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

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

### ***Prior Disclosure History***

The Town filed late certain annual financial information and operating data for the fiscal years ending December 31, 2010, 2011, and 2013 on October 19, 2011, July 31, 2012, and August 13, 2014, respectively. For the town's fiscal years ending December 31, 2010 and 2013, the Town filed late its audited financial statements on October 19, 2011 and November 3, 2014. The late filing notification was filed on EMMA on July 13, 2015.

Additionally, certain municipal bond insurance companies have had a variety of ratings changes over the past five years. The Town filed event notices for these changes on EMMA on July 8, 2014.

Other than the foregoing, the Town is in compliance in all material respects with all previous undertakings made pursuant to rule 15c2-12 for the past five years.

## **RATING**

Moody's Investors Services ("Moody's") has assigned a rating of 'Aa3' to the District's long-term indebtedness, including the Bonds, and a rating of 'MIG 1' on the Notes.

Such ratings reflect only the view of such organization, and an explanation of the significance of such rating 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 rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of such bonds or the availability of a secondary market for those bonds and notes.

## **FINANCIAL ADVISOR**

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

In preparing the Official Statement, the Financial 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 Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Financial Advisor is not a public accounting firm and has not been engaged by the Town to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Financial 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 Bonds and the Notes.

## **ADDITIONAL INFORMATION**

Additional information may be obtained from the Town's Financial Advisor, Capital Markets Advisors, LLC, (716) 662-3910. The Paying Agent contact for the Town is Sheila M. Meegan, Supervisor and Paying Agent, 1250 Union Road, West Seneca, New York, 14224, 716-997-7200, Email: smeegan@twsny.org. The Town Contact is also the paying agent for the Bonds and the Notes.

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

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

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at [www.capmark.org](http://www.capmark.org). Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Town nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the Town disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

Harris Beach PLLC expresses no opinion as to the accuracy or completeness of any documents prepared by or on behalf of the Town for use in connection with the offer or sale of the Bonds and the Notes, including this Official



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

**TOWN OF WEST SENECA  
ERIE COUNTY, NEW YORK**

By: /s/ Sheila M. Meegan  
Sheila M. Meegan  
Town Supervisor

DATED: July 15, 2015

**APPENDIX A**

**THE TOWN**

## **THE TOWN**

### ***General Information***

The Town, incorporated in 1851, consists of approximately 21 square miles located on the South side of the City of Buffalo. The Town is situated in the center of the Western New York region with convenient access to the Niagara Falls, Ontario area, which serves as a gate-way to several Canadian communities including St. Catherines, Hamilton and Toronto. The Town is suburban-residential in nature, with some light manufacturing and commercial development; residents find employment within the Town as well as in the City of Buffalo and in the surrounding area. The population is 44,711 according to the 2010 U.S. Census.

The Town encompasses a wide assortment of parks, playgrounds, an ice rink, recreation center, swimming pools, a public library and a senior citizen center. There are several organized sports leagues, a youth theater program and the Charles E. Burchfield Nature and Art Center. The Town is the location of the \$7.2 million state of the art Southtowns Family YMCA, which opened in 2003.

Transportation to and from the Town is provided by the New York State Thruway, the Aurora Expressway (U.S. 400) and U.S. Route 20. Bus service is provided by the Niagara Frontier Transportation Authority (Metro) on a regular, commuter basis. Air transportation is available at the Buffalo Niagara International Airport. Rail transportation is provided by Conrail and Amtrak

Police protection is provided by the Town, Erie County Sheriff's Department and the New York State Police. The Town has six independent volunteer fire districts.

The following banks have one or more offices within the Town: Bank of America, KeyBank, Citizens Bank, Northwest Savings Bank, Evans National Bank and M&T Bank.

### ***The Government***

There are three independently governed school districts, West Seneca Central, Orchard Park Central and Cheektowaga-Sloan UFSD, located in whole or in part within the Town, which rely on their own taxing powers granted by the State to raise revenues. The school districts use the Town's assessment roll as a basis for taxation of property located within the Town.

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

The legislative power of the Town is vested in the Town Board, which consists of three members, including the Supervisor, who is the chief fiscal officer of the Town, elected for a term of four years. The two other members of the Town board are elected to four-year terms, which terms are staggered such that one or two councilmember's are elected every two years. In 2015 (for terms beginning in 2016), one councilmember will be elected to a four-year term and the other elected to a two year term. All the Town Board members are elected at large and there is no limitation to the number of terms each may serve.

### ***Town Services***

Electricity and natural gas are supplied throughout the Town by New York State Electric and Gas Corporation, National Grid and National Fuel Gas Distribution Corporation.

The Erie County Water Authority supplies water for the Town and is responsible for the maintenance of the necessary facilities. The Authority charges the cost for the water service, including maintenance costs, against the property or property owners served. The Town has a number of special assessment water districts that are responsible for the financing and construction of the water transmission lines within their respective boundaries.

***Employees***

The Town employs approximately 209 full time and 167 part time employees, many of whom are represented by the bargaining units listed below. Town employees are represented by several labor organizations, which include:

<u>Bargaining Unit</u>	<u># of Members</u>	<u>Contract Expiration</u>
Civil Service Employees Association, Inc. Blue Collar Unit	100	12/31/15
Civil Service Employees Association, Inc. White Collar Unit	34	12/31/15
West Seneca Police Benevolent Association, Inc.	67	12/31/15

*Source: Town Officials*

***Employee Pension Benefits***

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"). (Both systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 must contribute 3% of their gross annual salary toward the costs of retirement programs. The 3% contribution is waived when the employee completes ten (10) years of service.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides, among other things, for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

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

On May 14, 2003, the Governor signed a pension reform bill into law as Chapter 49 of the Law of 2003 ("Chapter 49"). Chapter 49 changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Town. Under the previous method, the Town was not provided with the required payment until after its budget was implemented. Under the reforms implemented by Chapter 49, the employer contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Town is notified of and can include the actual cost of the employer contribution in its budget. Chapter 49 also required 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.

During its 2004 Session the New York State Legislature enacted further pension relief in the form of Chapter 260 of the Laws of 2004 (“Chapter 260”). Chapter 260 changed the pension payment date for all local governments from December 15 to February 1 and permits the legislative body of a municipality to establish a retirement contribution reserve fund for the purpose of financing retirement contributions in the future.

The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discounted amount. The Town has elected to make such payments in December of each year.

The following schedule reflects the Town's contribution to ERS and PFRS for the last three audited fiscal years, the prior year unaudited contributions and the current fiscal year budgeted contributions:

<b>Fiscal Year</b>	<b>ERS</b>	<b>PFRS</b>
<b><u>Ending December 31:</u></b>	<b><u>Contribution</u></b>	<b><u>Contribution</u></b>
2015 <i>Budgeted</i>	\$1,623,000	\$1,650,000
2014	1,779,337	1,654,760
2013	1,821,554	1,758,772
2012	1,706,329	1,537,861
2011	1,732,525	1,175,744

Due to significant capital market declines in the recent past, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, New York State Comptroller Thomas DiNapoli has announced that the employer contribution rate for the State's Retirement System in 2011 and subsequent years will be higher than the minimum contribution rate established by Chapter 49. To mitigate the expected increases in the employer contribution rate, legislation has been enacted that would permit local governments and schools districts to amortize a portion of their required ERS pension contribution payments with the State Retirement System. The new legislation also requires that those local governments and school districts choosing to amortize their ERS pension contribution payments with the State Retirement System to reserve funds for future payment increases that are a result of fluctuations in pension plan performance.

The State announced average contribution rates for the Employee Retirement System (ERS) are 18.9%, 0.9%, and 20.1% in 2013, 2014, and 2015 respectively. The average contribution rates for the Police and Fire Retirement System (PFRS) are 25.8%, 28.9%, and 27.6% in 2013, 2014, and 2015 respectively.

As part of the 2013-14 State budget a pension smoothing option was introduced that would let municipalities amortize over seven years some of the upcoming pension cost spikes precipitated by the 2008 financial crash and high pension costs in general for teachers across the state. The plan, which was approved in Governor Cuomo's 2013-14 budget would let municipalities next year contribute 14.13% of employee costs toward pensions rather than the 16.25% currently required, which is up from the current 11.8% rate. The Town has not opted into the pension smoothing plan.

### ***Other Post-Employment Benefits***

GASB Statement No. 45 (“GASB 45”) of the Governmental Accounting Standards Board (“GASB”), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 45 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a

liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 45 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

Under GASB 45, based on actuarial valuation, an annual required contribution (“ARC”) will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liabilities actually be funded, only that the Town account for its unfunded accrued liability and compliance in meeting its ARC. Actuarial valuation will be required every 2 years for the Town.

Although GASB 45 encouraged earlier adoption, implementation was required by the Town for the fiscal year commencing January 1, 2008. The Town was in compliance with the requirements of GASB 45. The following table shows the components of the Town’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation:

	Year ended <u>12/31/2013</u>	Year ended <u>12/31/2014</u>
Annual Required Contribution (ARC)	\$4,111,700	\$4,588,682
Interest on net OPEB Obligation	536,640	645,182
Adjustment to annual ARC	<u>(430,084)</u>	<u>(517,074)</u>
Annual OPEB costs (expense)	4,218,256	4,716,790
Net OPEB contributions made during the fiscal year	<u>(2,047,407)</u>	<u>(1,619,982)</u>
Net OPEB obligation for the current fiscal year	2,170,849	3,096,808
Net OPEB obligation at beginning of year	<u>10,732,799</u>	<u>12,903,648</u>
Net OPEB obligation of end of year	<u>\$12,903,648</u>	<u>\$16,000,456</u>

The plan was unfunded as of December 31, 2013, and the actuarial accrued liability for benefits for governmental activities was \$65,745,874.

***Funded Status and Funding Progress***

As of the December 31, 2013 actuarial valuation date, the following represents the schedule of funding progress:

<u>Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability ("AAL")</u>	<u>Unfunded AAL ("UAAL")</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Ratio of UAAL to Budget Covered Payroll</u>
2014	12/31/14	\$87,845,969	\$87,845,969	0%	\$17,130,806	512.80%
2013	12/31/13	65,745,874	65,745,874	0%	15,221,284	431.93%
2012	12/31/12	62,483,764	62,483,764	0%	13,804,257	452.64%

The following table provides the schedule of the Town's contributions:

FYE 12/31	Annual Required <u>Contribution</u>	Contributions <u>Made</u>	% of Annual OPEB <u>Contributed</u>
2014	\$4,588,682	\$1,619,982	35.0%
2013	4,111,700	2,047,407	49.8%
2012	4,002,900	1,491,243	37.3%

## **FINANCIAL FACTORS**

### ***Independent Audit***

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

### ***Fund Structure and Accounts***

The accounting practices of the Town conform to those prescribed by generally accepted accounting principles and by the New York State Department of Audit and Control "Uniform System of Accounts for Towns".

Revenues are recorded when measurable and available to pay liabilities of the current period. Revenues susceptible to accrual include real property taxes, state and federal aid, sales tax and certain user fees such as water and sewer charges.

Expenditures are recorded when the fund liability is incurred. Exceptions to this rule are (1) prepaid and most inventory-type items which are generally recognized at the time of disbursement; (2) unmatured interest on general long-term debt which is recognized when due; and (3) compensated absences, such as vacation and sick leave which vests or accumulates, which is charged as an expenditure when paid.

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

### ***Revenues***

The Town derives a major portion of its general fund revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B, herein). Real property taxes and other property tax items accounted for 51.1% of total general fund revenues for the fiscal year ended December 31, 2014, while sales taxes accounted for 27.9% and State aid accounted for 4.9%.

***Real Property Tax.*** The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years and the budgeted amounts for the 2015 fiscal year.

**TABLE 1**  
**Property Taxes**  
(General Fund)

<b><u>Fiscal Year</u></b>	<b><u>Total Revenues</u></b>	<b><u>Real Property Taxes</u></b>	<b><u>Real Property Taxes to Revenues</u></b>
2010	\$23,187,658	\$12,478,344	53.8%
2011	23,576,983	12,367,356	52.5%
2012	23,630,205	12,114,418	51.3%
2013	24,431,752	12,463,991	51.0%
2014	24,211,149	12,382,505	51.1%
2015 Budget	24,026,526	12,401,342	51.6%

*Source: Town's audited financial statements and Adopted 2015 Budget.*

**Sales Tax.** Section 1210 of the New York Tax Law authorizes the County to levy a sales and compensatory use tax of up to 3% in addition to the 4% tax levied by the State. The County levies the maximum 3% tax permitted. Pursuant to State enabling legislation, the County imposes an additional sales and compensating use tax of 1.75%. Of this total, 1% has been imposed since March 1, 1985 while 0.25% became effective July 1, 2005 and 0.50% became effective January 15, 2006. Such sales tax collections in New York are administered by the State Tax Commissioner and the proceeds are paid to the County quarterly.

The following table sets forth general fund revenues on sales tax receipts during the last five audited fiscal years and the budgeted amounts for the 2015 fiscal year.

**TABLE 2**  
**Sales Taxes**  
(General Fund)

<b><u>Fiscal Year</u></b>	<b><u>Total Revenues</u></b>	<b><u>Sales Taxes</u></b>	<b><u>Sales Taxes to Revenues</u></b>
2010	\$23,187,658	\$5,731,967	24.7%
2011	23,576,983	6,119,430	26.0%
2012	23,630,205	6,367,769	26.9%
2013	24,431,752	6,542,766	26.8%
2014	24,211,149	6,753,541	27.9%
2015 Budget	24,026,526	6,036,000	25.1%

*Source: Town's audited financial statements and Adopted 2015 Budget.*

**State Aid.** The Town also receives a portion of its revenues in the form of State aid. For the fiscal year ended December 31, 2014, State aid represented approximately 4.9% of the total general fund revenues of the Town. However, there is no assurance that the State appropriation for State aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

The following table sets forth total general fund revenues and State aid during the last five audited fiscal years and the budgeted amounts for the 2015 fiscal year.



**TABLE 3**  
**State Aid**  
(General Fund)

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2010	\$23,187,658	\$1,350,803	5.8%
2011	23,576,983	1,171,690	5.0%
2012	23,630,205	1,593,725	6.7%
2013	24,431,752	1,389,998	5.7%
2014	24,211,149	1,196,906	4.9%
2015 Budget	24,026,526	1,108,552	4.6%

Source: Town's audited financial statements and Adopted 2015 Budget.

### ***Budget Process***

The Supervisor, with the assistance of the Town Finance Director, acting as Budget Officer, prepares a "tentative" budget annually and presents same to the full Town Board by October 5th. The full Town Board then reviews and may amend the budget and adopt the "preliminary" budget. Upon adoption of this "preliminary" budget a public hearing is called. Following this hearing final revisions are made by the full Town Board and the final budget is then adopted. The budget is not subject to a referendum and there is no legal limit upon the tax rate or amount required to support the budget.

### ***Investment Policy/Permitted Investments***

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

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

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

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

## ***The State Comptroller's Fiscal Stress Monitoring System***

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

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

The most current applicable report of the State Comptroller designates the Town as "No Designation" (see [http://www.osc.state.ny.us/localgov/fiscalmonitoring/pdf/municipalities\\_summary\\_list2013.pdf](http://www.osc.state.ny.us/localgov/fiscalmonitoring/pdf/municipalities_summary_list2013.pdf)).

The financial affairs of the Town are subject to periodic compliance reviews by OSC to ascertain whether the Town has complied with the requirements of various State and federal statutes. The last audit conducted by OSC was released on September 2010. The purpose of the audit was to evaluate the Town's internal controls over certain financial activity for the period January 1, 2006 to January 21, 2010. The complete report can be obtained from OSC's website.

## **REAL PROPERTY TAXES**

### ***Real Property Tax Collection Procedures***

The Town Clerk collects the County and School District taxes as well as the General Town and Special District levies. Under the Erie County Tax Act, under which the Town collects taxes, any uncollected items are deducted from the amount returned to the County and the County assumes the responsibility for obtaining payment. Therefore, before the tax rolls are returned to the County at the end of the tax collection period the Town Tax Collector pays in full all tax levies due to the Town.

Tax payments are due January 1<sup>st</sup> and payable without penalty through February 16<sup>th</sup>. Penalties are imposed as follows: 1.5% from February 17<sup>th</sup> through March 1<sup>st</sup>, 3% from March 2<sup>nd</sup> through 15<sup>th</sup>, 4.5% from March 16<sup>th</sup> through March 31<sup>st</sup>, 6% from April 1<sup>st</sup> through 15<sup>th</sup>, 7.5% from April 16<sup>th</sup> through 30<sup>th</sup>, and an additional 1.5% each month thereafter. After August 31, when the rolls are turned over to the County, all taxes are payable to the County with an additional penalty to date of payment.

**TABLE 4**  
**Tax Levy and Collection Record**

<u>Fiscal Year</u> <u>December 31</u>	<u>Total Tax</u> <u>Warrant</u>	<u>Uncollected</u>	
		<u>Amount</u>	<u>Percentage</u>
2010	\$30,189,606	\$1,648,265	5.4%
2011	31,129,287	1,586,436	5.1%
2012	31,117,380	1,760,622	5.7%
2013	32,198,380	2,094,131	6.5%
2014	32,169,231	1,878,877	5.8%
2015	33,358,969	N/A	N/A

Source: Receiver of Taxes

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

**Table 5**  
**Assessed and Full Valuation**

<u>Roll Year</u> <u>Tax Year</u>	<u>2010</u> <u>2011</u>	<u>2011</u> <u>2012</u>	<u>2012</u> <u>2013</u>	<u>2013</u> <u>2014</u>	<u>2014</u> <u>2015</u>
Taxable Assessed Valuation	\$1,151,852,312	\$1,163,618,154	\$1,169,750,244	\$1,176,440,412	\$1,182,088,288
State Equalization Rate	45.00%	45.00%	45.00%	44.50%	42.90%
Full Valuation	\$2,559,671,804	\$2,585,818,120	\$2,599,444,987	\$2,643,686,319	\$2,755,450,555

Source: Town Assessor

***Ten of the Largest Assessed Values for the 2014 Fiscal Year***

The following table presents the total 2014 assessed valuations of the Town's largest property owners used for the 2015 tax levy.

**TABLE 6**  
**Assessed Valuations**

<u>Property Owner</u>	<u>Nature of Business</u>	<u>Assessed</u> <u>Valuations</u>	<u>Total</u> <u>Assessed Valuation</u> <sup>(1)</sup>
National Fuel Gas	Utility	\$18,320,825	1.55%
New York State Electric & Gas	Utility	13,011,634	1.10%
National Grid	Utility	9,467,924	0.80%
Verizon	Utility	8,797,827	0.74%
Southgate Plaza	Shopping Plaza	8,411,510	0.71%
Benderson Development	Shopping Plaza	7,767,200	0.66%
S & R Co of West Seneca	Shopping Plaza	7,025,200	0.59%
Slade Potter Group	Hotels	6,772,900	0.57%
R & P Oak Hill	Storage Facility	6,695,271	0.57%
Windrose of West Seneca	Medical Complex	<u>6,000,000</u>	<u>0.51%</u>
		<u>\$92,270,291</u>	<u>7.81%</u>

(1) Represents 7.81% of the Town's 2014 Assessed Valuation of \$1,182,088,288.

Source: Town Assessor.

***Tax Levy Limitation Law***

On June 24, 2011, Chapter 97 of the Laws of 2011 which created Section 3-c of the General Municipal Law 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, and

the counties comprising New York). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

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. It expires on June 16, 2016 unless extended. 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. 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 its fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such 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 Law (June 24, 2011).

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

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

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

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

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

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

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

Therefore, while the Tax Levy Limitation Law may constrict an issuer’s power to levy real property taxes for the payment of debt service on debt contracted after the effective date of the Tax Levy Limitation Law, it is clear that no statute is able (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 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.

### ***Real Property Tax Rebate***

Chapter 59 of the Laws of 2014 (“Chapter 59”), a newly adopted State budget bill includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction’s compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved “government efficiency plan” which demonstrates “three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies”.

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the District are uncertain at this time.

## **TOWN INDEBTEDNESS**

### ***Constitutional Requirements***

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

***Purpose and Pledge.*** The Town shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The Town may contract indebtedness only for a Town purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

***Payment and Maturity.*** Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal years periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose (as determined by statute) or, in the alternative, the weighted average period of probable usefulness of the several purposes for which it is contracted, unless the Town determines to issue debt amortizing on the basis of substantially level or declining annual debt service. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

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

### ***Statutory Procedure***

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

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

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

Each bond resolution authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds 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").

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

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

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

There is no constitutional limitation on the amount that may be raised by the Town by tax on real estate in any fiscal year to pay principal and interest on all indebtedness.

***Constitutional Debt Limit***

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

**TABLE 7**  
**Constitutional Debt Limit**

<u>Tax</u> <u>Year</u>	<u>Assessed</u> <u>Valuation</u>	<u>Equalization</u> <u>Ratio</u>	<u>Full</u> <u>Valuation</u>
2012	\$1,151,852,312	45.00%	\$ 2,559,671,804
2012	1,163,618,154	45.00%	2,585,818,120
2013	1,169,750,244	45.00%	2,599,444,987
2014	1,176,440,412	44.50%	2,643,686,319
2015	1,182,088,288	42.90%	<u>2,755,450,555</u>
Total Five-Year Valuation			\$13,144,071,785
Average Five-Year Valuation			\$ 2,628,814,357
Debt Limit – 7% of Average Full Valuation			\$ 184,017,205

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

**TABLE 8**  
**Statutory Debt Limit and Net Indebtedness**  
(As of June 29, 2015)

Debt Contracting Limitation	\$184,017,205
Gross Direct Indebtedness	
BANs	38,690,000
Serial Bonds	<u>8,170,000</u>
Total Gross Direct Indebtedness	46,860,000
Exclusions and Deductions	
Water Bonds	<u>360,176</u>
Total Exclusions	<u>360,176</u>
Total Net Indebtedness	<u>\$ 46,499,824</u>
Net Debt-Contracting Margin	<u>\$137,517,381</u>
Percentage of Debt-Contracting Margin Exhausted	<u>25.26%</u>

*Source: Town Officials*

***Remedies Upon Default***

Under current law, provision is made for contract creditors (including the Noteholders) of the Town to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of current funds or the proceeds of a tax levy.

Remedies for enforcement of payment are not expressly included in the Town's contract with holders of its notes, although any permanent repeal by statute or constitutional amendment of a noteholders remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

The State has consented that any municipality in the State may file a petition with any United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debts including judicial control over identifiable and unidentifiable creditors.

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

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

***Other Indebtedness***

The Town has bond anticipation notes outstanding in the amount of \$38,690,000 which mature on July 30, 2015.



***Authorized but Unissued Indebtedness***

Following the issuance of the Bonds and the Notes, the Town will have \$850,000 of authorized but unissued indebtedness for the reconstruction of Dover Drive and Greenmeadow Drive. The Town does not expect to issue additional debt for these projects.

***Trend of Outstanding Indebtedness***

The following table provides information relating to the capital indebtedness outstanding at year end for each of the five prior fiscal years.

**TABLE 9**  
**Outstanding Indebtedness**

<b><u>Debt Outstanding</u></b> <b><u>December 31:</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
Bonds	\$16,075,000	\$13,885,000	\$12,240,000	\$10,530,000	\$ 8,920,000
Bond Anticipation Notes	<u>4,797,000</u>	<u>7,097,000</u>	<u>15,030,000</u>	<u>26,165,000</u>	<u>38,690,000</u>
Total Outstanding Debt	<u>\$20,872,000</u>	<u>\$20,982,000</u>	<u>\$27,270,000</u>	<u>\$36,695,000</u>	<u>\$47,610,000</u>

Source: Town Officials

***Direct and Overlapping Indebtedness***

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

**TABLE 10**  
**Statement of Direct and Overlapping Indebtedness**

<b><u>Direct Debt</u></b>				
Gross Direct Debt				\$46,860,000
Exclusions & Deductions				<u>360,176</u>
Net Direct Debt				<u>\$46,499,824</u>
<b><u>Overlapping Debt</u></b>				
<b><u>Issuer</u></b>	<b><u>As of:</u></b>	<b><u>Net Debt</u></b> <b><u>Outstanding</u></b>	<b><u>Town Share</u></b>	<b><u>Amount Applicable</u></b> <b><u>to Town</u></b>
Erie County	09/30/14	\$456,694,999	5.14%	\$23,474,123
West Seneca CSD	11/04/13	46,585,000	77.84%	36,261,764
Orchard Park CSD	05/12/15	34,000,000	6.69%	2,274,600
Cheektowaga-Sloan UFSD	03/11/15	17,840,000	5.79%	<u>1,032,936</u>
Net Overlapping Debt				63,043,423
Net Direct Debt				<u>46,499,824</u>
Total Net Direct & Overlapping Debt				<u>\$109,543,247</u>

Source: Data provided by District and County Officials.

***Debt Ratios***

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

**TABLE 11**  
**Debt Ratios**

	<u>Amount</u>	<u>Debt Per Capita</u> <sup>(1)</sup>	<u>Debt to Full Value</u> <sup>(2)</sup>
Net Direct Debt	\$ 46,499,824	\$1,040	1.68%
Net Direct & Overlapping Debt	\$109,543,247	\$2,450	3.97%

(1) The population of the Town is 44,711, according to the 2010 US Census Estimate.

(2) The Town's full value of taxable real property for assessment roll 2014 is \$2,755,450,555.

***Debt Service Schedule***

The following table sets forth all principal and interest payments required on the Town's outstanding bonded indebtedness as of June 29, 2015.

**TABLE 12**  
**Bond Principal and Interest Maturity**

<u>FYE</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2015	\$615,000	\$128,469	\$743,469
2016	1,380,000	231,158	1,611,158
2017	1,080,000	199,033	1,279,033
2018	1,090,000	169,463	1,259,463
2019	935,000	139,713	1,074,713
2020	960,000	111,043	1,071,043
2021	740,000	83,763	823,763
2022	325,000	54,800	379,800
2023	335,000	41,800	376,800
2024	350,000	28,400	378,400
2025	360,000	14,400	374,400
	<u>\$8,170,000</u>	<u>\$1,202,039</u>	<u>\$9,372,039</u>

**ECONOMIC AND DEMOGRAPHIC DATA**

***Population***

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

**TABLE 13**  
**Population Trend**

	<u>2000</u>	<u>2010</u>	<u>Percentage</u> <u>Change (2000-2010)</u>
Town	45,920	44,711	(2.7%)
County	950,265	919,040	(3.2%)
State	18,976,457	19,378,102	2.1%

Source: U.S. Census Bureau

## ***Employment and Unemployment***

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

**TABLE 14**  
**10 Largest Employers**

<u>Name</u>	<u>Type</u>	<u>Approx. No. of Employees</u>
West Seneca Central School District	Education	1,179
Erie One BOCES	Education	1,076
West Seneca Development Center	State School	495
Wegmans	Supermarket	400
Multisorb Technologies	Manufacturing	360
Time Warner	Communications	285
Certo Brothers Distributing Co.	Manufacturing	250
Lifetime Health Services	Healthcare	225
Seneca Health Care Center	Healthcare	225
US Foodservice	Manufacturing	200

*Source: Erie County Library*

**TABLE 15**  
**Civilian Labor Force**  
(Thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Town	23.8	23.5	23.6	23.5	23.0
County	465.7	459.1	461.6	458.5	448.2
State	9,595.4	9,517.8	9,615.0	9,631.8	9,569.1

*Source: New York State Department of Labor, Bureau of Labor Statistics.*

**TABLE 16**  
**Yearly Average Unemployment Rates**

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2010	7.4%	8.3%	8.6%
2011	7.1%	7.9%	8.2%
2012	7.3%	8.2%	8.5%
2013	6.7%	7.4%	7.7%
2014	5.6%	6.1%	6.3%

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

**TABLE 17**  
**Monthly Unemployment Rates**

<u>Month</u>	<u>Town</u>	<u>County</u>	<u>State</u>
June 2014	5.4%	5.9%	6.2%
July	5.6%	6.2%	6.5%
August	5.4%	6.0%	6.1%
September	5.3%	5.7%	5.8%
October	4.9%	5.3%	5.7%
November	5.2%	5.5%	5.7%
December	5.1%	5.5%	5.6%
January 2015	6.2%	6.5%	6.5%
February	6.0%	6.1%	6.4%
March	5.4%	5.6%	5.8%
April	5.0%	5.3%	5.5%
May	4.9%	5.2%	5.3%

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

***Income***

**TABLE 18**  
**Per Capita Income**

	<u>2000</u>	<u>2010</u>
Town	\$20,529	\$24,840
% of State	87.8%	(28.7%)
% of US	95.1%	(6.7%)

Source: U.S. Census Bureau

**TABLE 19**  
**Median Family Income**

	<u>2000</u>	<u>2010</u>
Town	\$54,179	\$55,979
% of State	104.8%	(20.8%)
% of US	108.3%	2.5%

Source: U.S. Census Bureau

**LITIGATION**

The Town of West Seneca, although subject to a number of lawsuits in the ordinary course of its affairs, with the exception of the below listed matter, does not have any one suit pending individually or in the aggregate which may be likely to have a material adverse effect on the financial condition of the Town.

In the matter of Edwards v. Town of West Seneca, the Plaintiff commenced a personal injury action against the Town for gunshot wounds he sustained after a passenger in his vehicle opened fire against Town police officers and the officers returned fire. The discovery portion of the matter is concluding and trial was scheduled to take place in November of 2015 but due to procedural reasons it will likely not occur at that time. It is not possible for the Town to ascertain damages if an adverse verdict is reached; however, the Town has significant insurance coverage and continues to vigorously defend this case.

**END OF APPENDIX A**

**APPENDIX B**  
**FINANCIALS**

**TOWN OF WEST SENECA, NEW YORK**  
**Comparative Balance Sheets**  
**Fiscal Years Ended December 31:**

	<u>General Fund</u>		<u>Special Revenue Fund*</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
<b>Assets:</b>				
Cash	\$4,819,661	\$4,853,690	\$8,515,496	\$7,455,822
Accounts Receivable	772,468	344,059	0	51,454
Prepaid Items	887,846	870,805	226,765	207,249
Due from Other Governments	2,428,618	2,388,081	440,449	252,660
Due from Other Funds	<u>34,040</u>	<u>120,949</u>	<u>28,188</u>	<u>475,000</u>
Total Assets	<u>8,942,633</u>	<u>8,577,584</u>	<u>9,210,898</u>	<u>8,442,185</u>
<b>Liabilities and Fund Equity:</b>				
Liabilities:				
Accounts Payable	591,630	738,606	2,193,177	2,405,268
Accrued Liabilities	588,286	589,563	278,176	196,301
Due to Other Funds	43,927	1,379,286	27,513	86,359
Unearned revenue	<u>45,397</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>1,269,240</u>	<u>2,707,455</u>	<u>2,498,866</u>	<u>2,687,928</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue - State Aid	<u>51,920</u>	<u>20,061</u>	<u>0</u>	<u>0</u>
Fund Equity:				
Nonspendable	1,556,139	1,154,952	226,765	207,249
Restricted	144,587	144,587	1,335,413	1,104,425
Assigned	1,836,497	2,006,214	5,149,854	4,442,583
Unassigned	<u>4,084,250</u>	<u>2,544,315</u>	<u>0</u>	<u>0</u>
	7,621,473	5,850,068		5,754,257
<b>Total Liabilities &amp; Fund Balance:</b>	<u>\$8,942,633</u>	<u>\$8,577,584</u>	<u>\$9,210,898</u>	<u>\$14,196,442</u>

\* Consists of Highway and Sewer Revenues  
Sources: Annual Audited Financial Reports.  
Summary itself is not Audited

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Revenues</b>					
Real Property Taxes and Tax Items	\$12,478,344	\$12,367,356	\$12,114,418	\$12,463,991	\$12,382,505
Non-Property Taxes	5,731,967	6,119,430	6,367,769	6,542,766	6,753,541
Departmental Income	844,091	879,335	666,336	823,787	780,829
Use of Money and Property	87,999	155,130	71,378	73,354	70,233
Sale of Property & Comp. for Loss	16,135	26,460	45,306	95,618	41,617
Licenses & Permits	0	0	0	236,966	274,757
Fines & Forfeitures	759,980	808,191	697,065	707,633	751,571
Miscellaneous	972	25,882	8,676	100,863	46,637
Interfund Revenues	1,878,901	1,994,314	2,022,610	1,934,205	1,905,282
State aid	1,350,803	1,171,690	1,593,725	1,389,998	1,196,906
Federal aid	38,466	29,195	42,922	62,571	7,271
<b>Total Revenues</b>	<u>23,187,658</u>	<u>23,576,983</u>	<u>23,630,205</u>	<u>24,431,752</u>	<u>24,211,149</u>
<b>Expenditures and Other Uses</b>					
General Government Support	3,088,733	2,783,905	3,142,636	2,760,948	2,954,530
Public Safety	7,558,553	7,417,324	7,758,477	8,291,461	8,456,777
Health	5,723	5,723	5,801	5,723	5,723
Transportation	630,992	619,139	660,257	557,217	644,933
Economic Assistance	2,100	2,100	2,175	1,800	2,100
Culture & Recreation	2,222,913	2,110,142	2,229,517	2,205,116	2,570,316
Home & Community Service	2,249,594	2,286,674	2,705,734	2,444,868	2,630,272
Employee Benefits	5,509,500	5,701,177	6,546,355	6,689,067	7,126,275
Debt Service	1,043,252	995,896	564,259	580,683	913,202
<b>Total Expenditures</b>	<u>22,311,360</u>	<u>21,922,080</u>	<u>23,615,211</u>	<u>23,536,883</u>	<u>25,304,128</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>876,298</u>	<u>1,654,903</u>	<u>14,994</u>	<u>894,869</u>	<u>(1,092,979)</u>
<b>Other Uses</b>					
Interfund Transfers Out	<u>(49,402)</u>	<u>(15,000)</u>	<u>(37,125)</u>	<u>(82,331)</u>	<u>(678,426)</u>
<b>Total Other Uses</b>	<u>(49,402)</u>	<u>(15,000)</u>	<u>(37,125)</u>	<u>(82,331)</u>	<u>(678,426)</u>
<b>Net Change in Fund Balance</b>	826,896	1,639,903	(22,131)	812,538	(1,771,405)
<b>Fund Balance - Beginning of Year</b>	<u>4,364,266</u>	<u>5,191,162</u>	<u>6,831,065</u>	<u>6,808,934</u>	<u>7,621,472</u>
<b>Fund Balance - End of Year</b>	<u>\$5,191,162</u>	<u>\$6,831,065</u>	<u>\$6,808,934</u>	<u>\$7,621,472</u>	<u>\$5,850,067</u>

Sources: Annual Audited Financial Reports.  
Summary itself is not Audited

**TOWN OF WEST SENECA, NEW YORK**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**SPECIAL REVENUE FUNDS (HIGHWAY AND SEWER)**  
**Fiscal Years Ended December 31:**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Revenues</b>					
Real Property Taxes	\$14,384,039	\$15,240,094	\$15,411,369	\$16,187,365	\$16,152,495
Departmental Income	71,658	48,400	49,771	69,274	68,900
Intergovernmental Charges	570,733	565,475	690,904	314,170	564,488
Use of Money and Property	40,085	38,190	23,948	15,224	5,338
Sale of Property & Compensation for Loss	0	0	0	0	42,220
Miscellaneous	8,997	2,756	4,753	7,819	21,708
State aid	187,159	189,913	157,959	234,418	233,856
Interdistrict Revenues	1,675,604	1,726,789	1,912,821	1,719,345	0
Interfund Revenues	1,609,037	1,591,970	1,532,560	1,224,905	3,030,104
<b>Total Revenues</b>	<u>\$18,547,312</u>	<u>\$19,403,587</u>	<u>\$19,784,085</u>	<u>\$19,772,520</u>	<u>\$20,119,109</u>
<b>Expenditures and Other Uses</b>					
Transportation	5,724,995	5,839,096	6,299,699	6,476,709	6,978,661
Home & Community Service	9,015,553	9,865,484	10,077,013	8,720,267	8,658,980
Employee Benefits	2,201,636	2,583,654	2,675,446	3,047,812	3,031,176
Debt Service	1,416,963	1,557,835	1,455,489	2,432,959	2,111,493
<b>Total Expenditures</b>	<u>18,359,147</u>	<u>19,846,069</u>	<u>20,507,647</u>	<u>20,677,747</u>	<u>20,780,310</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>188,165</u>	<u>(442,482)</u>	<u>(723,562)</u>	<u>(905,227)</u>	<u>(661,201)</u>
<b>Other Uses</b>					
Interfund Transfers In	0	0	0	0	475,000
Interfund Transfers Out	<u>(187,132)</u>	<u>0</u>	<u>(229,875)</u>	<u>(482,669)</u>	<u>(771,574)</u>
<b>Total Other Uses</b>	<u>(187,132)</u>	<u>0</u>	<u>(229,875)</u>	<u>(482,669)</u>	<u>(296,574)</u>
<b>Net Change in Fund Balance</b>	1,033	(442,482)	(953,437)	(1,387,896)	(957,775)
<b>Fund Balance - Beginning of Year</b>	<u>9,494,814</u>	<u>9,495,847</u>	<u>9,053,365</u>	<u>8,099,928</u>	<u>6,712,032</u>
<b>Fund Balance - End of Year</b>	<u>\$9,495,847</u>	<u>\$9,053,365</u>	<u>\$8,099,928</u>	<u>\$6,712,032</u>	<u>\$5,754,257</u>

Sources: Annual Audited Financial Reports.  
Summary itself is not Audited



**TOWN OF WEST SENECA, NEW YORK**  
**General Fund Budget Summaries**

**Fiscal Year Ending December 31, 2014:**

**Revenues**

Real Property Taxes	\$12,017,565
Non-Property Taxes	6,566,000
Departmental Income	1,066,000
Use of Money and Property	80,000
Fines and Forfeitures	725,000
Sales of Assests and Minor Sales	16,000
State aid	1,098,552
Interfund Items	1,883,839
<b>Subtotal Revenues</b>	<b><u>23,452,956</u></b>

Appropriated Fund Balance	450,000
<b>Total Revenues</b>	<b><u>\$23,902,956</u></b>

**Expenditures and Other Uses**

General Government Support	\$2,644,172
Public Safety	8,167,754
Health	5,723
Transportation	523,518
Economic Assistance and Opportunity	2,100
Culture and Recreation	2,190,086
Home and Community Services	2,258,000
Employee Benefits	7,232,042
Debt Service	879,561
<b>Total Expenditures</b>	<b><u>\$23,902,956</u></b>

**Fiscal Year Ending December 31, 2015:**

**Revenues**

Real Property Taxes	\$12,401,342
Non-Property Taxes	6,036,000
Departmental Income	1,827,590
Use of Money and Property	80,000
Fines and Forfeitures	725,000
Sales of Assests and Minor Sales	16,000
State aid	1,108,552
Interfund Items	1,832,042
<b>Subtotal Revenues</b>	<b><u>24,026,526</u></b>

Appropriated Fund Balance	900,000
<b>Total Revenues</b>	<b><u>\$24,926,526</u></b>

**Expenditures and Other Uses**

General Government Support	\$2,813,457
Public Safety	8,524,180
Health	5,723
Transportation	553,018
Economic Assistance and Opportunity	2,500
Culture and Recreation	2,179,341
Home and Community Services	2,364,888
Employee Benefits	7,331,246
Debt Service	1,152,173
<b>Total Expenditures</b>	<b><u>\$24,926,526</u></b>

**APPENDIX C**

**ANNUAL REPORT**

**APPENDIX C**

**INDEPENDENT AUDITORS' REPORT  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2014**

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

**<http://emma.msrb.org/EA726371-EA569700-EA965663.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. R.A. MERCER & CO., P.C. has not been requested by the  
Town to further review and/or update such Financial Statements or opinion in  
connection with the preparation and dissemination of this Official Statement.**