

FINAL OFFICIAL STATEMENT DATED NOVEMBER 24, 2009

RENEWAL ISSUES

BOND ANTICIPATION NOTES

In the opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, subject to continuing compliance by the Town of Newfane, Niagara County, New York (the "Town") with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is (A) excluded from gross income of the Owners thereof for federal income tax purposes under existing law, and (B) exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Moreover, interest on the Notes is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes.

The Notes will be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code. (See the caption "TAX EXEMPTION" herein for a discussion of certain federal taxes applicable to corporate owners of the Notes.)

TOWN OF NEWFANE NIAGARA COUNTY, NEW YORK (the "Town")

\$1,527,000 BOND ANTICIPATION NOTES, 2009 SERIES A (the "Series A Notes")

Dated: December 10, 2009
Interest Rate: 1.38%

Due: December 9, 2010
Not Reoffered

JPMORGAN CHASE BANK, N.A.

Prior Redemption: The Series A Notes are subject to redemption, in whole or in part, on any date on or after June 10, 2010, upon 14 days prior written notice to the registered owner(s) thereof.

\$1,623,000 BOND ANTICIPATION NOTES, 2009 SERIES B (the "Series B Notes")

Dated: December 10, 2009
Interest Rate: 1.34%

Due: December 9, 2010
Not Reoffered

JPMORGAN CHASE BANK, N.A.

Prior Redemption: The Series B Notes will NOT be subject to redemption, in whole or in part, prior to their maturity.

(Collectively, the "Notes")
(Designated/Bank Qualified)

Security and Sources of Payment: The Notes will constitute general obligations of the Town and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes, and all the taxable real property within the Town will be subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for such purpose.

Form and Denomination: The Notes will be issued registered in the name of the purchaser.

The Series A and Series B Notes will be registered in the name of a purchaser. Principal of and interest on the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by such purchaser. In such case, the Notes will be issued in registered form in denominations of \$5,000, or multiples thereof (except for one Note of an odd denomination in each Series), as may be determined by such purchaser.

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

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the respective legal opinions as to the validity of the Notes of Hodgson Russ LLP, Bond Counsel, of Buffalo New York, and certain other conditions. It is anticipated that the Notes will be available for delivery in New York, New York or at such other place as may be agreed with the purchaser on or about December 10, 2009.

THE REVISED COVER SUPPLEMENTS THE OFFICIAL STATEMENT OF THE TOWN DATED NOVEMBER 17, 2009 RELATING TO THE NOTES, BY INCLUDING CERTAIN INFORMATION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 (THE "RULE"). OTHER THAN AS SET FORTH ON THIS REVISED COVER PAGE, THERE HAVE BEEN NO REVISIONS TO SUCH OFFICIAL STATEMENT.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 17, 2009

RENEWAL ISSUES

BOND ANTICIPATION NOTES

In the opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, subject to continuing compliance by the Town of Newfane, Niagara County, New York (the "Town") with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is (A) excluded from gross income of the Owners thereof for federal income tax purposes under existing law, and (B) exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Moreover, interest on the Notes is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes.

The Notes will be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code. (See the caption "TAX EXEMPTION" herein for a discussion of certain federal taxes applicable to corporate owners of the Notes.)

TOWN OF NEWFANE NIAGARA COUNTY, NEW YORK (the "Town")

\$1,527,000 BOND ANTICIPATION NOTES, 2009 SERIES A (the "Series A Notes")

Dated: December 10, 2009

Due: December 9, 2010

Prior Redemption: The Series A Notes are subject to redemption, in whole or in part, on any date on or after June 10, 2010, upon 14 days prior written notice to the registered owner(s) thereof.

\$1,623,000 BOND ANTICIPATION NOTES, 2009 SERIES B (the "Series B Notes")

Dated: December 10, 2009

Due: December 9, 2010

Prior Redemption: The Series B Notes will NOT be subject to redemption, in whole or in part, prior to their maturity.

(Collectively, the "Notes")
(Designated/Bank Qualified)

Security and Sources of Payment: The Notes will constitute general obligations of the Town and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes, and all the taxable real property within the Town will be subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for such purpose.

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

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

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

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

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the respective legal opinions as to the validity of the Notes of Hodgson Russ LLP, Bond Counsel, of Buffalo New York, and certain other conditions. It is anticipated that the Notes will be available for delivery in New York, New York or at such other place as may be agreed with the purchaser on or about December 10, 2009.

THE TOWN DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE NOTES. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICES OF SALE WITH RESPECT TO EACH SERIES OF THE NOTES. IN ADDITION, THE TOWN WILL ENTER INTO SEPARATE UNDERTAKINGS TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS (AS DEFINED IN THE RULE) AS REQUIRED BY THE RULE (SEE "DISCLOSURE UNDERTAKINGS," HEREIN).

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NIAGARA COUNTY, NEW YORK**

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* * *

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No dealer, broker, salesman or other person has been authorized by the Town to give any information or to make any representations not 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 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 which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof.

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OFFICIAL STATEMENT

TOWN OF NEWFANE NIAGARA COUNTY, NEW YORK (the "Town")

\$1,527,000 BOND ANTICIPATION NOTES, 2009 SERIES A

and

\$1,623,000 BOND ANTICIPATION NOTES, 2009 SERIES B (Collectively, the "Notes")

This Official Statement presents certain information relating to the Town of Newfane, in the County of Niagara, in the State of New York (the "Town," "County," and "State," respectively) in connection with the sale of the Town's \$1,527,000 Bond Anticipation Notes, 2009 Series A (the "Series A Notes") and the Town's \$1,623,000 Bond Anticipation Notes, 2009 Series B (the "Series B Notes" and, collectively with the Series A Notes, the "Notes").

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

THE NOTES

Description of the Notes

The Notes will be general obligations of the Town, and will contain a pledge of the Town's faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Article VIII, Section 2; Local Finance Law, Section 100.00). The Notes are dated December 10, 2009 and will bear interest from that date until maturity on December 9, 2010 (or in the case of the Series A Notes until any earlier redemption) at the annual rate specified by the purchaser. (See "Optional Redemption" herein.)

The Notes will be issued either (i) in fully registered form in the name of the purchaser(s), in which case principal of and interest on the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder or (ii) in registered form in the name of Cede & Co. as nominee for DTC, in which case DTC will act as securities depository for the Notes. See "Book-Entry Only System" herein. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof (except for one Note of an odd denomination in each Series) as may be determined by the successful bidder. In the latter case, one fully-registered Note Certificate will be issued for all Notes bearing the same rate of interest and CUSIP number in such Series, each in the aggregate principal amount of such Series of Notes. Purchasers will not receive certificates representing their interest in the Notes. Principal and interest will be paid in lawful money of the United States of America (Federal Funds) by the Town directly to DTC for its nominee, Cede & Co.

The financial condition of the Town, as well as the market for the Notes, could be affected by a variety of factors, some of which are beyond the control of the Town, as stated on the cover page hereof. See "Noteholder Risks", herein.

Optional Redemption

The Series A Notes will be dated December 10, 2009 and will mature, on December 9, 2010, and are subject to redemption, in whole or in part, prior to maturity, on any date on or after June 10, 2010, upon 14 days prior written notice to the registered owner(s) thereof, with interest payable at maturity at the annual rate specified by the purchaser(s).

The Series B Notes will be dated December 10, 2009 and will mature on December 9, 2010, without right of redemption, in whole or in part, prior to maturity, with interest payable at maturity at the annual rate specified by the purchaser(s).

Book-Entry-Only System

If the Depository Trust Company, New York, NY, will act as securities depository for the Notes, the Notes will be issued as fully-registered notes registered in the name of Cede & Co. (DTC's designated nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note will be issued for each Series of the Notes, in the aggregate principal amount of such Series, and will be deposited with DTC.

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

Purchases Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Notes within a Series 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.

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town, on the 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 Notes 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 nor its nominee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company

Certificated Notes

At the option of the purchaser, the Notes may be registered in the name of the purchaser, in which case principal of and interest on the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. In such case, the Notes will be issued in registered form in denominations of \$5,000, or multiples thereof (except for one Note of an odd denomination in each Series), as may be determined by such successful bidder. The Series A Notes are subject to redemption, in whole or in part, prior to maturity, on any date on or after June 10, 2010, upon 14 days prior written notice to the registered owner(s) thereof. The Series B Notes are not subject to redemption, in whole or in part, prior to maturity.

Authorization and Purpose

The Notes are being issued pursuant to the Constitution and Laws of the State of New York, including among others, the Local Finance Law, Town Law and bond resolutions duly adopted by the Town Board. The proceeds of the Notes will be used by the Town to redeem and renew, in part, outstanding bond anticipation notes in the amount of \$1,564,300 for the reconstruction of the Town Hall and \$1,640,000 for sewer system improvements as described below:

Date Authorized	Purpose	Amount Authorized	Amount Outstanding	Amount to be Paid	Amount to be Borrowed
01-03-08	Reconstruction of the Town Hall	\$1,600,000	\$1,564,300	\$37,300	\$1,527,000
03-26-08	Consolidated Sewer District No. 1	2,140,000	1,640,000	17,000	1,623,000
		<u>\$3,740,000</u>	<u>\$3,204,300</u>	<u>\$54,300</u>	<u>\$3,150,000</u>

Source: Records of the Town

The Town has received two Letters of Conditions from the United States Department of Agriculture Rural Development (“USDA RD”) notifying the Town the Agency will purchase the Town’s long term bonds upon substantial completion of its projects.

The Letter of Conditions, dated July 17, 2008, issued for the Town Hall Project approved a Rural Housing Service (RHS) loan in the amount of \$1,564,300 and a grant not to exceed \$30,000. The term of the USDA RD loan will be for a period not to exceed 30 years at an interest rate not to exceed 4.50% interest.

The Sewer District No. 1 Project has received a USDA RD Letter of Conditions, dated March 20, 2008, approving a Rural Utilities Service (RUS) loan in the amount of \$1,640,000 and a grant not to exceed \$500,000. The term of the USDA RD loan will be for a period not to exceed 38 years at an interest rate not to exceed 4.375% interest.

The Town anticipates it will receive the USDA RD long term financing for the Town Hall Project during the summer of 2010 and the USDA RD long term closing on the Sewer District No. 1 Project will coincide with the maturity date of the Series B Notes.

For further information regarding bond authorizations of the Town for capital purposes and other matters relating thereto see "Indebtedness of the Town".

Security and Source of Payment

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

The Notes are general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest, the Town has the power and statutory authorization to levy *ad valorem* taxes on all taxable real property in the Town, without limitation as to rate or amount.

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the Town to levy taxes on real estate therefore.

Remedies Upon Default

Upon default in payment in full of the principal of or interest on the Notes, a holder of such defaulted Note has a contractual right to sue the Town for the amount then due thereon. Such holder may obtain a judgment against the Town with interest as provided by law from the date of default in such payment or the date of demand therefore, if later. Execution or attachment of Town property cannot be obtained to satisfy the judgment. The General Municipal Law of the State provides that if the Town fails to pay a final judgment for such principal and/or interest, it shall be the duty of the Town Board of the Town to assess, levy and cause to be collected at the same time and in like manner as other moneys for expenses are then next thereafter to be assessed, levied and collected, a sum of money sufficient to pay said judgment with interest thereon. Any moneys so collected shall, from time to time, be paid to the judgment creditors.

In addition, the State Constitution provides that if the Town fails to provide in its annual budget an amount sufficient to meet payment of principal of or interest on the Notes, the Town shall set aside from the first revenues thereafter received an amount necessary to pay such amounts which were required to be included in the Town's annual budget. In addition, the Town Supervisor may be required to set apart and apply such revenues to the payment of principal and interest on the Notes at the suit of any holder of the Notes. However, such right is subject to the discretionary power of the enforcing court and may be abridged by federal laws affecting creditors' rights or laws involving financial emergencies. (See "Special Provisions Affecting Remedies Upon Default.")

Special Provisions Affecting Remedies Upon Default

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Town upon any judgment or accrued claim against it shall not exceed nine per centum per annum. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of or interest on the Notes.

In accordance with the general rule with respect to municipalities, judgments against the Town may not be enforced by levy and execution against property owned by the Town.

The Federal Bankruptcy Code (the "Bankruptcy Code") allows public bodies such as the Town recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

Under the Bankruptcy Code, a petition may be filed in Federal bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Bankruptcy Code also requires the municipality to file a plan for the adjustment of its debts, which may modify or alter the rights of creditors and would authorize the Federal bankruptcy court to permit the municipality to issue certificates of indebtedness, which could have priority over existing creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite majority of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it. The Town has the legal capacity to file a petition under the Bankruptcy Code.

It might be asserted that under the Bankruptcy Code interest and principal payments made by the Town in respect of its indebtedness within ninety days of the filing of a bankruptcy petition with respect to the Town were voidable preferences. If these assertions were made and sustained by the bankruptcy court, the recipients of those preferential payments could be required to refund them, and their claims would then be treated as if the preferential payments had not been made.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of the City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such Town of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of the Local Finance Law enacted at the 1975 Extraordinary Session of the State Legislature, authorizing any county, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has ever been declared with respect to the Town.

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

THE TOWN

General Information

The Town, which was established in 1824, covers an area of approximately 70 square miles and is located in Niagara County near Lake Ontario. The small hamlets of Burt, Appleton and Olcott Beach and a portion of Wright's Corners are also located within the Town. The Town lies within an easy commuting distance of the larger metropolitan areas of Lockport, Niagara Falls and Buffalo.

The Town is relatively small rural community when compared to others in Niagara County. However, it is comparable to the other surrounding rural communities. The Town is comprised of residential structures, agricultural lands and several small businesses.

The Town provides and supports the following basic services: highway maintenance, recreation and senior programs, environmental services, sanitation and library services are provided by the Independent Newfane Library. Law enforcement services are provided by the Niagara County Sheriff's Department and the New York State Police.

Major highways serving the Town include New York State Routes 18, 78 and 104. Transportation services are also provided through the Niagara Falls and Greater Buffalo-Niagara Airports.

Electric service is provided by New York State Electric and Gas and Rochester Gas and Electric. Natural gas is provided by New York State Electric and Gas and National Fuel Gas.

Fire protection and ambulance services are provided by the Miller Hose Fire Department, Olcott Fire Company and Wright's Corners Fire Department. These not-for-profit volunteer fire departments are each governed by their own Executive Board. The Newfane Free Library is governed by its own Board of Directors. The local government does not appoint management of these entities nor does it approve their budgets, contract or hiring staff.

Banking facilities located in the Town include Bank of America and First Niagara Bank.

Major employers in the Niagara County area where many Town residents are employed include Delphi Thermal Systems, local school systems and government agencies.

Town Organization

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

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

Employees

The Town employs approximately 42 full-time, 1 part-time and 38 part-time summer workers. The Town has a Union contract with the employees of the Highway, Water and Waste Water Treatment Plant Departments that expires December 31, 2013.

DEMOGRAPHIC AND STATISTICAL INFORMATION

The following tables present certain comparative demographic and statistical information regarding the Town, the County, the State and the United States.

Population

<u>Year</u>	<u>Town</u>	<u>Niagara County</u>	<u>New York State</u>	<u>United States</u>
1990	8,996	220,756	17,990,455	249,632,692
2000	9,657	219,846	18,976,457	281,421,906

Source: US Census Bureau

Median Household Income

<u>Year</u>	<u>Town</u>	<u>Niagara County</u>	<u>New York State</u>	<u>United States</u>
1990	\$29,437	\$28,408	\$32,965	\$30,056
2000	41,438	38,136	43,393	41,994

Source: US Census Bureau

Per Capita Income

<u>Year</u>	<u>Town</u>	<u>Niagara County</u>	<u>New York State</u>	<u>United States</u>
1990	\$12,764	\$12,710	\$16,501	\$14,420
2000	18,311	19,219	23,389	21,587

Source: US Census Bureau

Unemployment Rate Statistics

Unemployment statistics are not available for the Town as such. The smallest area for which such statistics are available (which includes the Town) is the County of Niagara. The information set forth below with respect to such County is included for information purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the Town is necessarily representative of the County or vice versa.

<u>Annual Averages:</u>	<u>Niagara County</u>	<u>New York State</u>	<u>United States</u>
2004	6.2%	5.8%	5.5%
2005	5.6	5.0	5.1
2006	5.5	4.6	4.6
2007	5.4	4.5	4.6
2008	6.9	5.4	5.8

2009 Monthly Rates:

January	10.9%	7.6%	8.5%
February	11.4	8.4	8.9
March	10.8	8.1	9.0
April	9.9	7.5	8.6
May	9.3	7.9	9.1
June	9.9	8.6	9.7
July	9.4	8.6	9.7
August	9.0	8.8	9.6
September	8.8	8.8	9.5

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

Selected Listing of Larger Employers

<u>Name</u>	<u>Type</u>	<u>Estimated No. of Employees</u>
Inter-Community Memorial Hospital	Health Care	330
Newfane Central School	Education	290
Newfane Rehabilitation Center	Health Care	210
Tops Market	Grocery	144
Budweys Market	Grocery	144
Bucolo Cold Storage	Fruit Packing	50-55
Sun Orchards	Fruit Packing	52

Source: Town Officials

Building Permits

	Fiscal Year Ended December 31:				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Residential:					
One Family Units	23	15	10	11	10
Number of Permits	<u>23</u>	<u>15</u>	<u>10</u>	<u>11</u>	<u>10</u>
Estimated Value	<u>\$2,975,500</u>	<u>\$2,031,000</u>	<u>\$1,072,000</u>	<u>\$1,514,000</u>	<u>\$1,735,000</u>
Retail Business:					
Number of Permits	<u>6</u>	<u>16</u>	<u>9</u>	<u>4</u>	<u>6</u>
Estimated Value	<u>\$831,700</u>	<u>\$1,939,300</u>	<u>\$818,000</u>	<u>\$1,023,600</u>	<u>\$180,000</u>
Commercial/Industrial:					
Number of Permits	<u>5</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>6</u>
Estimated Value	<u>\$1,116,000</u>	<u>\$71,700</u>	<u>\$193,000</u>	<u>\$183,000</u>	<u>\$575,000</u>
Others:					
Number of Permits	<u>100</u>	<u>117</u>	<u>85</u>	<u>88</u>	<u>90</u>
Estimated Value	<u>\$1,018,725</u>	<u>\$1,211,000</u>	<u>\$1,098,500</u>	<u>\$1,135,000</u>	<u>\$1,059,300</u>
Yearly Total:					
Number of Permits	<u>134</u>	<u>151</u>	<u>108</u>	<u>107</u>	<u>112</u>
Estimated Value	<u><u>\$5,941,925</u></u>	<u><u>\$5,253,000</u></u>	<u><u>\$3,181,500</u></u>	<u><u>\$3,855,600</u></u>	<u><u>\$3,549,300</u></u>

Source: Town Officials

INDEBTEDNESS OF THE TOWN

Constitutional Requirements

The New York State Constitution limits the power of the Town to issue obligations and to otherwise contract indebtedness. Such constitutional limitations, in summary form and as generally applicable to the Town and the Notes include the following:

Purpose and Pledge. Subject to certain enumerated exceptions, 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 year 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; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Town has elected to issue indebtedness with substantially level or declining 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 of its serial bonds and notes and such required annual installments on its bonds.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Town to borrow and incur indebtedness by the enactment of the Local Finance Law 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 General Municipal Law of the State.

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.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

1. (a) Such obligations were authorized or an object or purpose for which the Town is not authorized to expend money or
- (b) If the provisions of the law which should be complied with as of the date of publication of the notice were not substantially complied with,

and an action, suit or proceeding contesting such validity is commenced within 20 days after the date of such publication of this notices; or

2. Such obligations were authorized in violation of the provisions of the Constitution of New York.

Except on rare occasions, the Town complies with this estoppel procedure, and has done so with respect to the bond resolutions under which the Notes are being issued. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first issuance of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein and "Status of Short-Term Indebtedness" herein.)

In general, the Local Finance Law contains provisions providing the Town with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget and capital notes. (See "Details of Short-Term Indebtedness Outstanding" herein).

Debt Limit

The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the 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 or appropriations for current debt service. The constitutional and statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll of the Town and dividing the same by the equalization rate, or 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.

Average full valuation is determined by taking the sum of the full valuations of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

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 interest and principal on all indebtedness.

The Town is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the Town so as to prevent abuses in taxation and assessments and in contracting indebtedness; however, as has been noted under "Security and Source of Payment," 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.

The following pages present certain details with respect to the indebtedness of the Town as of the date of the Official Statement.

Details of Short-Term Indebtedness Outstanding

As of the date of this Official Statement, the School Town has the following short-term indebtedness outstanding:

<u>Type</u>	<u>Maturity</u>	<u>Purpose</u>	<u>Amount</u>	
Bond Anticipation Note	12-10-09	Town Hall	\$1,564,300	*
Bond Anticipation Note	12-10-09	Sewer Project	1,640,000	**
		Total:	<u>\$3,204,300</u>	

Notes: * To be paid from the proceeds of the Series A Notes and \$37,300 cash on hand.

** To be paid from the proceeds of the Series B Notes and \$17,000 cash on hand.

Status of Outstanding Bond Issues

	1992	1995
Year of Issue:	1992	1995
Amount Issued	\$951,000	\$710,000
Last Maturity:	1/15/2012	6/1/2010
Interest Rate/Type:	6.00% - SB	Various - SB
Purpose:	Water and Sewer	Sewer Dist. 1,2,3
Balance Principal 12-31-08:	\$100,000	\$100,000

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Ending December 31:				
2009	\$25,000 *	\$5,250	\$50,000 *	\$3,750
2010	25,000	3,750	50,000	1,250
2011	25,000	2,250		
2012	25,000	750		
2013				
2014				
2015				
2016				
2017				
2018				
2019				
Totals:	<u>\$100,000</u>	<u>\$12,000</u>	<u>\$100,000</u>	<u>\$5,000</u>

Note: * Principal payments made prior to Official Statement dated November 17, 2009.

Status of Outstanding Bond Issues

Year of Issue:	2000A	2003
Amount Issued	\$1,605,724	\$501,128
Last Maturity:	6/15/2019	7/15/2023
Interest Rate/Type:	Various - EFC SB	0% - EFC
Purpose:	Sewer	Sewer
Balance Principal 12-31-08:	\$950,000	\$395,624

Fiscal Year					
<u>Ending December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2009	\$80,000 *	\$51,703	\$22,683 *	\$0	
2010	80,000	47,443	23,211	0	
2011	85,000	42,995	23,738	0	
2012	85,000	38,350	24,265	0	
2013	85,000	33,632	24,792	0	
2014	85,000	28,834	25,320	0	
2015	85,000	23,963	25,847	0	
2016	90,000	18,892	26,375	0	
2017	90,000	13,632	26,902	0	
2018	90,000	8,326	27,430	0	
2019	95,000	2,831	27,957	0	
2020			28,485	0	
2021			29,012	0	
2022			29,540	0	
2023			30,067	0	
Totals:	<u>\$950,000</u>	<u>\$310,599</u>	<u>\$395,624</u>	<u>\$0</u>	

Note: * Principal payments made prior to Official Statement dated November 17, 2009.

Total Annual Bond Principal and Interest Due

Fiscal Year			Total Debt	
<u>Ending December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Service</u>	<u>% Paid</u>
2009	\$177,683	\$60,703	\$238,386	11.50%
2010	178,211	52,443	230,654	23.03%
2011	133,738	45,245	178,983	31.68%
2012	134,265	39,100	173,365	40.37%
2013	109,792	33,632	143,424	47.47%
2014	110,320	28,834	139,154	54.61%
2015	110,847	23,963	134,810	61.78%
2016	116,375	18,892	135,267	69.31%
2017	116,902	13,632	130,534	76.87%
2018	117,430	8,326	125,756	84.47%
2019	122,957	2,831	125,788	92.42%
2020	28,485	0	28,485	94.27%
2021	29,012	0	29,012	96.14%
2022	29,540	0	29,540	98.05%
2023	30,067	0	30,067	100.00%
Totals:	<u>\$1,545,624</u>	<u>\$327,599</u>	<u>\$1,873,223</u>	

Source: Town Bond Records

Other Obligations

On July 1, 2008, the Town entered into a long-term capital lease for various vehicles and equipment. The lease totals \$961,873, of which \$211,873 represents imputed interest costs. The principal amount outstanding as of December 31, 2008 was \$750,000.

Trend of Outstanding Debt

	Fiscal Year Ending December 31:				
	2004	2005	2006	2007	2008
Bonds	\$2,667,082	\$2,639,509	\$2,299,408	\$1,949,307	\$1,545,624
Bond Anticipation Notes	206,400	206,400	206,400	158,200	3,204,300
Capital Lease	0	0	0	0	750,000
Total Debt Outstanding	<u>\$2,873,482</u>	<u>\$2,845,909</u>	<u>\$2,505,808</u>	<u>\$2,107,507</u>	<u>\$5,499,924</u>

Source: Annual Update Documents of the Town

Computation of Debt Limit and Calculation of Net Indebtedness

(As of November 17, 2009)

<u>Fiscal Year Ended December 31:</u>	<u>Assessed Valuation</u>	<u>State Equalization Rate ¹</u>	<u>Full Valuation</u>
2005	\$412,996,058	100.00%	\$412,996,058
2006	439,258,081	100.00%	439,258,081
2007	444,285,631	100.00%	444,285,631
2008	448,654,013	100.00%	448,654,013
2009	450,557,195	97.00%	464,491,954
Total	<u>\$2,195,750,978</u>		<u>\$2,209,685,737</u>
Five Year Average Full Valuation			\$441,937,147
Debt Limit: 7% of Average Full Valuation			\$30,935,600
Inclusions:			
Bonds			\$1,367,941
Bond Anticipation Notes			3,204,300
Total Inclusions			<u>\$4,572,241</u>
Exclusions:			
Budgeted Appropriations ²			\$54,300
Water Indebtedness ²			48,750
Sewer Indebtedness ³			50,000
Total Exclusions			<u>\$153,050</u>
Total Net Indebtedness ⁴			<u>\$4,419,191</u>
Net Debt-Contracting Margin			\$26,516,409

Notes: ¹ Equalization rates are established by the New York State Office of Real Property Services.

² Budgeted appropriations and water indebtedness are automatically excluded pursuant to provisions of the New York State Constitution and Section 136.00 of the Local Finance Law.

³ Excluded pursuant to Section 124.10 of the Local Finance Law by Orders of the State Comptroller dated March 8, 1994.

⁴ Represents 14.29% of the Debt Limit of the Town.

Authorized and Unissued Indebtedness

As of the date of this Official Statement the Town has no other authorized and unissued debt.

Capital Project Plans and Anticipated Future Borrowings

The Town is generally responsible for providing services as required by the citizens on a Town-wide basis. The Town maintains a road system necessitating road resurfacing and improvements and the acquisition of machinery and, from time to time, equipment. Additionally, although not a capital expense, such road system requires annual expenditures for snow removal as well as regular general operating maintenance expenses. In addition, the town owns, operates, maintains and improves recreation facilities.

The Town is currently in the construction phase of the new Town Hall/Community Center at an anticipated cost of \$1,600,000. Proceeds of the Series A Notes in the amount of \$1,527,000 will be used to finance a portion of the project.

Also, the Town is in the process of planning and constructing a \$2,400,000 sewer rehabilitation project which consists of improvements to the Waste Water Treatment Plant, Compost Facility and some replacement sewer lines in the Town. Proceeds of the Series B Notes in the amount of \$1,623,000 will be used to finance a portion of the project.

Other than the above mentioned projects no additional major capital projects are planned for the next few years.

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Applicable Total Indebtedness	Exclusions ¹	Applicable Net Indebtedness	Full Value of Town in Municipality	Total Full Value of Municipality	% Within Town	Estimated Applicable Overlapping Debt
County:								
Niagara	2008	\$51,118,214	\$30,313,000	\$20,805,214	\$464,491,954	\$8,900,626,879	5.22%	\$1,086,032
School Districts:								
Barker	2008	11,060,000	8,438,780	2,621,220	11,797,344	234,525,978	5.03%	131,847
Newfane	2008	22,795,000	18,942,645	3,852,355	436,363,058	445,075,362	98.04%	3,776,849
Wilson	2008	13,785,000	11,372,625	2,412,375	493,611	422,872,458	0.12%	2,894
Total Net Overlapping Debt:								\$4,997,622
Total Net Direct Debt:								4,419,191
Total Overlapping and Direct Debt:								<u>\$9,416,813</u>

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Official Statements.

Note: ¹ Exclusions consist of indebtedness deductible from gross indebtedness for debt limit purposes pursuant to constitutional and statutory provisions (including water and sewer debt and revenue anticipation notes)

Debt Ratios

The following table presents certain debt ratios relating to the Town's direct and overlapping indebtedness as of November 17, 2009:

	<u>Amount</u>	<u>Debt Per Capita¹</u>	<u>Debt Full Value²</u>
Net Direct Debt	\$4,419,191	\$457.62	0.95%
Total Direct & Applicable Total Overlapping Debt	9,416,813	975.13	2.03%

Notes: ¹ The 2000 population of the Town is 9,657 according to the US Census Bureau.

² The full valuation of real property located in the Town for the 2009 fiscal year is \$464,491,954.

FINANCES OF THE TOWN

Financial Statements and Accounting Procedures

The Town maintains its financial records in accordance with the Uniform System of Accounts for Towns prescribed by the State Comptroller. The Town annually prepared an Annual Financial Report which is on file at the Town Clerk's office and the offices of the New York State Comptroller. The financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Town has complied with the requirements of various state and federal statutes.

The Town does not retain the services of an independent certified public accountant firm to perform an independent audit report of Town finances.

In June, 1999, the Governmental Accounting Standards Board ("GASB") issued Statement 34, "Basic Financial Statements and Management's Discussions and Analysis for State and Local Governments". This Statement established new financial reporting requirements for state and local governments throughout the United States. Statement 34 required new information and restructured much of the information that governments had presented in the past. Comparability with reports issued in all prior years will be affected. GASB required the Town to implement this standard for the fiscal year ending December 31, 2003. The Town has not complied with the requirements of GASB Statement 34.

The Statements of Revenues, Expenditures (General) presented in Appendix A of this Official Statement are based on the 2004 through 2008 Annual Financial Reports of the Town filed with the office of the New York State Comptroller.

Fund Structure and Accounts

The Town utilizes fund accounting to record and report its various service activities. A fund represents both a legal and an accounting entity which segregates the transactions of specific programs in accordance with special regulations, restrictions or limitations.

There are three basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) proprietary funds that account for operations of a commercial nature; and, (3) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Town presently maintains the following governmental funds: General Fund, Highway Funds, Water Fund, Sewer Fund and Capital Projects Fund. Fiduciary funds consist of a Trust and Agency Fund. There are no proprietary funds. Account groups are maintained for fixed assets and long-term debt.

Basis of Accounting

The Town's governmental funds are accounted for on a modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual – that is, when they become "measurable" and "available" to finance expenditures to the current period. Revenues are susceptible to accrual include real property taxes, intergovernmental revenues (State and Federal aid) and operating transfers.

Expenditures are generally recognized under the modified accrual basis of accounting that is when the related fund liability is incurred. An exception to this general rule is un-matured interest on general long-term debt which is recognized when due.

Investment Policy

The primary objectives of the Town's investment policy are, in priority order, as follows:

- To conform to all applicable federal, state and other legal requirements.
- To adequately safeguard principal.
- To provide sufficient liquidity to meet all operating requirements.

- To obtain a reasonable rate of return on invested funds.

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 or 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 of the State of New York; (3) In Repurchase Agreements involving the purchase and sale of direct obligations of the United States; (4) certificates of Deposit issued by a bank or trust company authorized to do business in New York State; (5) Time Deposit Accounts in a bank or trust company authorized to do business in New York State; (6) in the case of moneys held in certain reserve funds established by the Town pursuant to law, in obligations of the Town.

All funds may be invested in: (1) 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; (2) 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, itself.

Only reserve funds may be invested in: (1) Obligations of the Town.

All other Town officials receiving money in their official capacity must turn over such funds to the Chief Fiscal Officer of the Town.

All of the foregoing 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 obligations 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 by Section 10 of the GML.

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

Budget Process

No later than September 30, the Budget Officer submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds except for the Capital Reserve.

After public hearings are conducted to obtain taxpayers comments, no later than November 7, the governing board adopts the budget.

All modification of the budget must be approved by the governing board. (However, the Town Supervisor is authorized to transfer certain budgeted amounts within departments.)

Budgetary controls are established for the Capital Projects Fund through resolutions authorizing individual projects which remain in effect for the life of the projects.

The fiscal year of the Town is January 1 to December 31.

Financial Operations

The Town Supervisor functions as the chief fiscal officer of the Town as provided by Section 2 of the Local Finance Law: in this role, the Supervisor is responsible for the Town’s accounting and financial reporting activities. In addition, the Town Supervisor has a bookkeeper who primarily prepares abstracts, does accounts receivable and payable and other

duties as per the Supervisor's direction. The Supervisor is the Town's budget officer and must therefore prepare the annual tentative budget for submission to the Town Board. Budgetary control during the year is the responsibility of the Supervisor.

Pursuant to Section 30 of the Local Finance Law, the Supervisor has been authorized to issue or renew certain specific types of notes. As required by law, the Supervisor must execute an authorizing certificate which then becomes a matter of public record.

The Town Board, as a whole, serves as the finance board of the Town and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and bonded debt.

Town finances are operated primarily through the General and Highway Funds. The General Fund receives most of its revenues from County sales tax and State aid. Real property taxes and a significant portion of the other Town revenues are credited to the Highway and Special Revenue Funds. Current operating expenditures are paid from these funds subject to available appropriations. The Town also has water, sewer and lighting districts, which are accounted for within separate funds. The primary source of income for these districts comes from special assessments levied against district properties at the same time real estate taxes are levied. Capital projects and equipment purchases are accounted for in the capital project funds. The Town observes a calendar year (January 1 through December 31) for operating and reporting purposes.

Revenues

The Town receives most of its revenues from sales taxes, special assessments and State aid. For the year ending December 31, 2008, sales taxes accounted for 54.72% of all general fund revenue. State aid made up 17.03% of general fund revenue in fiscal year 2008.

A summary of such revenues and other financing sources for the last five completed fiscal years ending December 31, 2008 and the budgets for the fiscal years ending 2009 and 2010 may be found in Appendix A – Financial Information.

Real Property Taxes

See "Real Property Tax Information", herein.

State Aid

The Town received approximately 17.03% of its total General Fund operating revenue from State aid in the fiscal year 2008. There is no assurance, however, that State appropriations for 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 and, in fact, the State has in the past reduced funding to municipalities and school districts in past years in order to balance its own budget.

The Town estimates State aid for 2009 will be \$209,000 including \$118,000 from mortgage tax and \$188,180 for 2010, including \$100,000 from mortgage tax.

The subprime mortgage crisis and various economic events growing out of it have created massive disruptions in the U.S. and global credit and securities markets, and the health of those markets has been impaired to the point where significant governmental intervention has been deemed necessary. These developments are projected to have significant adverse effects on the finances of New York State, on which the Town depends for State aid. The exact impact on the Town cannot be predicted, but it will in all likelihood be negative and could persist for a significant period of time.

Expenditures

The major categories of expenditure for the Town are General Government Support, Public Safety, Transportation, Home and Community Services, Employee Benefits and Debt Service. A summary of the expenditures for the five most recently completed fiscal years and the estimated expenditures for the 2009 and 2010 fiscal years may be found in Appendix A – Financial Information.

Employee Pension Benefits

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS"). (The System is referred to hereinafter as the "Retirement System" where appropriate.) The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. 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 System. The Retirement System is 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 gross annual salary, for the first ten years of service, toward the cost of retirement programs.

The following schedule reflects the Town's contribution to the ERS for the last five fiscal years and the amount budgeted for fiscal years 2009 and 2010:

<u>Fiscal Year Ending December 31:</u>	<u>ERS</u>
Budgeted 2010	\$100,062
Budgeted 2009	89,357
2008	138,115
2007	135,388
2006	124,988
2005	140,825
2004	6,919

Legislation enacted in 2003 changed the cycle of billing to better match budget cycles of the Town and other governmental employers. Under the previous method, the Town was unsure of how much it would be required to pay to the system until after its budget was implemented. The contribution for a given fiscal year is now based on the value of the pension fund on the prior April 1 instead of the following April 1, so the Town is now able to more accurately include the cost of the contribution into its budget. The Town is required to a minimum contribution of 4.50% of payroll every year, including years in which the investment performance of the fund would make a lower contribution possible.

On July 30, 2004, the Governor signed new retirement system legislation into law as Chapter 260 of the Laws of 2004 which moved the annual payment date for contributions from December 15th to February 1st, effective December 15, 2004. It increased, from five to ten years, the maximum amortization period of the portion of employer contributions that exceeded certain percentages of payroll for certain designated years. It also allowed employers to bond for their 2005-2006 and 2006-2007 fiscal year contributions in excess of 9.5% and 10.5% respectively. This amortization could be made with the Retirement System or the Town could issue a maximum of 10 year general obligation bonds, the interest on which would be set at prevailing bond market rates on the date of the sale and would be taxable for federal income tax purposes.

On September 3, 2009, New York State Comptroller Thomas DiNapoli announced that employer contribution rates for the Employee Retirement fund (ERS) for payments due February 1, 2010 will be 7.4% of eligible payroll and February 1, 2011 contributions will increase to 11.9% of payroll. DiNapoli noted the Fund posted a 26.3% negative return for the fiscal year ended March 31, 2009. DiNapoli warned of the need for the New York State Common Retirement Fund to address the long-term costs of the retirement system contributions local governments will have to make in the future.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the Town's employees is not subject to the direction of the Town. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board

raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Town which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

While the Town is aware of the potential negative impact on its budget and will take appropriate steps to budget accordingly for the increase, there can be no assurance that its financial position will not be negatively impacted.

Other Post-Employment Benefits

It should also be noted that the Town provides post-employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future.

GASB and OPEB. OPEB refers to “other post-employment benefits,” and refers to benefits other than pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Before GASB 45, OPEB costs were generally accounted for and managed.

Recently enacted accounting rule, 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 benefits and other non-pension benefits (“OPEC”), as it accounts for vested pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance.

GASB 45 requires municipalities and school districts to account for OPEB liabilities in the same manner as they already account for pension liabilities. It will require them to adopt the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB Statement No. 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution (“ARC”) will be determined for each municipality or school district. 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 or school district 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. The Town expects to be in compliance with the requirements of GASB 45 for the fiscal year ending December 31, 2009.

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and its compliance in meeting its ARC.

Actuarial valuation will be required every two years for OPEB plans with more than two hundred members, every three years if there are less than two hundred members.

Additional information about GASB 45 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

REAL PROPERTY TAX INFORMATION

Real Property Taxes

The Town derives a significant portion of its annual revenue through a direct real property tax. The following table presents the total tax levy tax rates and collection performance for each of the last five fiscal years and the 2009 fiscal year.

Tax Collection Record

	Fiscal Year Ended December 31:				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Town Taxes:</u>					
Special Districts	\$1,270,335	\$1,268,727	\$1,343,945	\$1,297,525	\$1,317,825
Water Districts	123,483	125,865	126,205	126,395	126,798
Sewer Districts	675,775	582,108	583,290	582,125	581,616
Total Town Tax Items:	<u>\$2,069,593</u>	<u>\$1,976,700</u>	<u>\$2,053,440</u>	<u>\$2,006,045</u>	<u>\$2,026,239</u>
Total Town and County	\$5,970,764	\$5,925,625	\$6,096,025	\$5,958,263	\$5,761,879
Total Taxes Collected by Town					
Prior to Return to County	<u>5,327,711</u>	<u>5,309,330</u>	<u>5,404,625</u>	<u>5,343,108</u>	<u>5,195,816</u>
Amount of Unpaid Taxes					
Returned to County	\$643,053	\$616,295	\$691,400	\$615,155	\$566,063
Percentage of Total Levy Collected					
by Town Prior to Return to County	89.23%	89.60%	88.66%	89.68%	90.18%

Source: Town Officials

Tax Collection Procedure

The Town Tax Collector is responsible for the collection of Town taxes. Taxes are due January 1, payable without penalty to and including January 31. Penalties thereafter are 1% if paid in the month of February and 2% if paid in the month of March.

The Town deducts the amount due for Town tax purposes prior to returning the balance collected to the County on August 1 and is thus assured of 100% collection of its levy each year. If, however, the amount collected is less than the amount due the Town, the County reimburses the Town for any uncollected taxes.

Assessed and Full Valuations

	Fiscal Year Ending December 31:				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assessed Valuations: ¹					
Townwide	\$412,996,058	\$439,258,081	\$444,285,631	\$448,654,013	\$450,557,195
NYS Equalization Rate:	100.00%	100.00%	100.00%	100.00%	97.00%
Full Valuations:					
Townwide	\$412,996,058	\$439,258,081	\$444,285,631	\$448,654,013	\$464,491,954
Tax Levy Townwide: ²	\$0	\$0	\$0	\$0	\$0
Tax Rate / \$1000 Assessed Value					
Townwide:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Source: Town Officials

Notes: ¹ The assessed valuations and equalization rates here were issued for apportioning tax levies and may not be the same as those required for debt limit purposes.

² The Town does not levy real property taxes for General Fund and Highway Fund activities.

Ten Largest Taxpayers

2009 Assessment Roll

<u>Name</u>	<u>Type</u>	<u>Estimated Full Valuation</u>
Niagara Mohawk Power Co.	Utility	\$8,890,777
Morgan Management LLC	Housing/Mobile Home Park	6,036,700
NYSEG	Utility	4,722,159
Buffalo Fields LLC	Grocery	4,575,500
Russell Farms	Agriculture/Fruit	3,560,400
Ridgeview Homes	Housing/Mobile Home Park	2,574,100
Newfane Rehabilitation	Nursing/Healthcare	2,521,900
Verizon New York, Inc.	Utility	1,774,499
1093 Group LLC	Pharmacy (Rite Aid)	1,875,900
Akzo Nobel Polymer Chemical	Plant	1,439,600
		<u>\$37,971,535</u> ¹

Note: ¹ Represents 8.17% of the 2009 Full Valuation of \$464,491,954 of the Town.

LITIGATION

In common with other local government and school districts, the Town from time to time receives notices of claim and is party to litigation. In the opinion of the Town, after consultation with its attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Town has not asserted a substantial and adequate defense, nor which, if determined against the Town, would have an adverse material effect on the financial condition of the Town, in view of the Town's ability to fund the same through use of appropriate funding mechanisms provided by the Local Finance Law.

NOTEHOLDER RISKS

There are various forms of risk associated with investing in the Notes. One such risk is that the Town will be unable to promptly pay interest and principal on the Notes as they become due (see "Remedies Upon Default", herein). If a Noteholder elects to sell his or her investment prior to its scheduled maturity date, market access or price risk may be incurred. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition, there may be other risk factors which a potential investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

There are a number of factors which could have a detrimental effect on the ability of the Town to continue to generate revenues, particularly its property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in certiorari proceedings could result in a large reduction in the assessed valuation of taxable real property in the Town. In addition, to the extent that the Town is dependent on State aid, there can be no assurance that such aid will be continued in the future (see "Finances of the Town", herein). Unforeseen developments could also result in substantial increases in Town expenditures, thus placing considerable strain on the Town's financial condition. The subprime mortgage crisis has created massive disruptions in the U.S. and global securities markets, and the health of those markets has been impaired to the point where significant governmental intervention has been deemed necessary. This is projected to have significant adverse effects on the finances of New York State, on which the Town depends for State aid. The exact impact on the Town cannot be predicted, but it will in all likelihood be negative, and could persist for a significant period of time. Unforeseen developments could also result in substantial increases in Town expenditures, thus placing considerable strain on the Town's financial condition.

The subprime mortgage crisis and various economic events growing out of it have created massive disruptions in the U.S. and global credit and securities markets, and the health of those markets has been impaired to the point where significant governmental intervention has been deemed necessary. These developments are projected to have significant adverse effects on the finances of New York State, on which the District depends for State aid. The exact impact on the District cannot be predicted, but it will in all likelihood be negative and could persist for a significant period of time.

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

If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond will decline, causing the bondholder to incur a capital loss upon the sale of such bond.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Notes and other debt issued by the Town. Any such future legislation would have an adverse effect on the market value of the Notes (See "Tax Exemption" herein).

TAX EXEMPTION

In the opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, under existing law, the interest on the 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 individual and corporate alternative minimum taxes imposed by the Internal Revenue Code of 1986, as amended (the "Code"). However, it should be noted that (1) the Town, by failing to comply with certain restrictions contained in the Code, may cause interest on the Notes to become subject to federal income taxation from the date of issuance of the Notes, and (2) interest on the Notes earned by foreign corporations doing business in the United States could be subject to the branch profits tax imposed by Section 884 of the Code. Interest on the 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).

In rendering the foregoing opinions, Hodgson Russ LLP noted that the exclusion of the interest on the Notes from gross income for federal income tax purposes is subject to, among other things, continuing compliance by the Town with the applicable requirements of Sections 141, 148 and 149 of the Code and the regulations promulgated thereunder (collectively, the "Tax Requirements").

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

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

The Town will enter into a covenant to comply with the Tax Requirement and refrain from taking any action which would cause the interest on the Notes to be includable in gross income for federal income tax purposes. Any violation of the Tax Requirements may cause the interest on the Notes to be included in gross income for federal income tax purposes

from the date of issuance of the Notes. Hodgson Russ LLP, Bond Counsel, expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

The interest on the Notes is subject to, among others, the following provisions contained in the Code:

- (1) Interest on the Notes is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed by the Code.
- (2) If the Notes are held by certain foreign corporations doing business in the United States, the interest on the Notes will be included in "effectively connected earnings and profits" for purposes of computing a branch profits tax of up to 30%.
- (3) A property casualty insurance company's deduction for the losses incurred will be reduced by 15% of the income received from tax-exempt obligations.
- (4) The United States Treasury Department has promulgated regulations which might have the effect of imposing a tax at ordinary income rates with respect to interest on the Notes owned by "S Corporations" in certain cases.
- (5) In addition, the Notes will constitute "qualified tax-exempt obligations" within the meaning of the Code, and if the Notes are held by a financial institution, a portion of the interest expense allocable to the Notes will be deductible for federal income tax purposes.

Under the Code, the benefits of the exclusion of the interest on the Notes from gross income for federal income tax purposes may be diminished by operation of certain provisions of the Code which affect recipients of Social Security and railroad retirement benefits.

Each purchaser of the Notes should consult his tax advisor regarding the impact of the foregoing and other provisions of the Code on his individual tax position.

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Absence of Litigation

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

Legal Matters

The legality of the authorization and issuance of the Notes will be covered by the legal opinion of Hodgson Russ LLP, Bond Counsel, of Buffalo, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) 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, are payable as to principal and interest from *ad valorem* taxes levied upon all the taxable real property within the Town, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Notes may be limited or otherwise affected by (a) any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies heretofore or hereafter enacted or (b) by the unavailability of equitable remedies or the application thereto of equitable principles, (ii) assuming that the Town complies with certain requirements of the Code, interest on the Notes (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and (iii) interest on the 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. Bond Counsel will express no opinion regarding other federal income tax consequences arising with respect to the Notes.

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed, without inquiry or other investigation, the genuineness of all signatures, the authenticity and completeness of all documents submitted to Bond Counsel as originals and the conformity with the original documents of all documents submitted to Bond Counsel as copies, (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Notes has extended solely 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 Notes as the same respectively become due and payable, and (iv) no opinion is expressed by Bond Counsel as to whether the Town, in connection with the sale of the 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 UNDERTAKINGS

This Official Statement is in a form “deemed final” by the Town for the purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). At the time of the delivery of each Series of the Notes, the Town will provide an executed copy of its “Undertaking to Provide Notice of Material 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 particular Series of 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 of the occurrence of any of the following events with respect to the Notes, if material:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions or events affecting the tax-exempt status of such Series of the Notes
- (g) modifications of rights to the holders of such Series of Notes
- (h) bond or note calls
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes; and
- (k) rating changes

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 a particular Series of the Notes; but the Town does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The Town's Undertakings 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 an Undertaking is an action to compel specific performance of the undertakings of the Town, and no person or entity, including a holder of the particular Notes, shall be entitled to recover monetary damages thereunder any

circumstances. Any failure by the Town to comply with an Undertaking will not constitute a default with respect to the particular Series of Notes involved.

The Town reserves the right to amend or modify either 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.

The Town is in compliance with all previous undertakings made pursuant to Rule 15c2-12.

RATING

The Town has not applied for a rating on the Notes.

FINANCIAL ADVISOR

Municipal Solutions, Inc. has assisted the Town as financial advisor in certain matters with respect to the sale and issuance of the Notes.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of the Town Clerk: 2896 Transit Road, Newfane, New York , telephone number 716-778-8822 or from the office of Municipal Solutions, Inc., 2528 State Route 21, Canandaigua, New York 14424, telephone number 585-394-4090, fax number 585-394-4092, and website at: <http://www.municipalsolution.com>.

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

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

So far as any statements made in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the Town's management's beliefs as well as assumptions made by, and information available to, the Town management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Town files with the repositories. When used in Town documents or oral presentations, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

Municipal Solutions, Inc. will place a copy of this Official Statement on its website: <http://www.municipalsolution.com>. Unless the Official Statement specifically indicated otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Municipal Solutions, Inc. 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 Municipal Solutions, Inc. assumes any liability or responsibility for errors or omissions on such website.

Further, Municipal Solutions, Inc., 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. Municipal Solutions, Inc. and the Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

TOWN OF NEWFANE

November 17, 2009

By: s/s Timothy Horanburg
Supervisor and Chief Fiscal Officer

Additional copies of the Notice of Sale and Official Statement may be obtained upon request from the Office of Municipal Solutions, Inc., 2528 State Route 21, Canandaigua, New York 14424, telephone (585) 394-4090.
Website: www.municipalsolution.com

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures and Fund Balances

General Fund - Town of Newfane

	Fiscal Year Ending December 31:				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues:					
Real Property Taxes/Other Tax Items	\$11,571	\$15,469	\$16,564	\$19,858	\$22,299
Non-Property Tax Items	899,455	975,047	1,038,494	818,783	992,411
Departmental Income	180,611	184,376	177,279	190,324	183,937
Intergovernmental Charges	0	0	29,700	0	2,648
Use of Money & Property	40,802	58,098	204,086	77,649	42,376
Licenses & Permits	7,431	7,165	6,909	6,529	7,851
Fines & Forfeitures	98,634	31,393	41,609	54,844	44,713
Sale of Property / Comp. for Loss	163	26	680	2,528	2,123
Miscellaneous	88,714	68,277	12,840	25,580	106,327
Interfund Transfers	0	78,538	0	16,245	100,000
State Aid	209,458	242,600	218,611	213,344	308,783
Proceeds of Obligations	0	150,000	0	0	0
Total Revenues	<u>\$1,536,839</u>	<u>\$1,810,989</u>	<u>\$1,746,772</u>	<u>\$1,425,684</u>	<u>\$1,813,468</u>
Expenditures:					
General Governmental Support	\$738,644	\$718,878	\$722,228	\$720,108	\$859,826
Public Safety	68,866	76,477	82,953	77,530	90,220
Health	10,060	9,067	9,981	12,807	11,186
Transportation	96,684	103,717	90,595	109,612	108,359
Economic Assistance & Opportunity	33,002	28,472	41,560	44,891	50,389
Culture & Recreation	171,036	186,259	340,146	326,709	248,604
Home & Community Services	28,685	53,263	65,817	83,651	78,692
Employee Benefits	155,536	204,174	225,538	233,411	334,069
Debt Service	0	125,190	54,419	53,992	53,391
Interfund Transfers	0	24,810	92,147	236,000	100,000
Total Expenditures	<u>\$1,302,513</u>	<u>\$1,530,307</u>	<u>\$1,725,384</u>	<u>\$1,898,711</u>	<u>\$1,934,736</u>
Excess (Deficit) Revenues					
Over Expenditures	\$234,326	\$280,682	\$21,388	(\$473,027)	(\$121,268)
Net Adjustments to Fund Balances	0	0	0	2	150,050
Fund Balances Beg. of Fiscal Year	<u>900,162</u>	<u>1,134,488</u>	<u>1,415,170</u>	<u>1,436,558</u>	<u>963,533</u>
Fund Balances End of Fiscal Year	<u>\$1,134,488</u>	<u>\$1,415,170</u>	<u>\$1,436,558</u>	<u>\$963,533</u>	<u>\$992,315</u>

Source: Annual Financial Reports of the Town

This table NOT audited

Statement of Revenues, Expenditures and Fund Balances
Sewer Fund - Town of Newfane

	Fiscal Year Ending December 31:				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues:					
Real Property Taxes / Other Tax Items	\$651,652	\$675,775	\$582,108	\$583,290	\$582,124
Departmental Income	405,343	546,899	620,363	488,372	599,663
Use of Money & Property	34,693	75,856	93,132	109,805	43,983
Sale of Property and Comp. for Loss	2,243	239	424	1,236	18,373
Interfund Revenues	0	712,193	0	0	0
State Aid	15,118	74,931	29,141	0	0
Interfund Transfers	27,693	0	0	0	100,000
Total Revenues	<u>\$1,136,742</u>	<u>\$2,085,893</u>	<u>\$1,325,168</u>	<u>\$1,182,703</u>	<u>\$1,344,143</u>
Expenditures:					
Home & Community Services	\$660,737	\$738,657	\$1,056,788	\$743,677	\$1,183,061
Employee Benefits	83,501	85,096	116,214	111,982	135,280
Debt Service	370,124	359,543	340,541	333,934	278,359
Interfund Transfers	151,431	0	0	505,000	423,912
Total Expenditures	<u>\$1,265,793</u>	<u>\$1,183,296</u>	<u>\$1,513,543</u>	<u>\$1,694,593</u>	<u>\$2,020,612</u>
Excess (Deficit) Revenues Over Expenditures	(\$129,051)	\$902,597	(\$188,375)	(\$511,890)	(\$676,469)
Net Adjustments to Fund Balances	0	0	0	0	218,455
Fund Balances Beg. of Fiscal Year	<u>1,616,620</u>	<u>1,487,569</u>	<u>2,390,166</u>	<u>2,201,791</u>	<u>1,689,901</u>
Fund Balances End of Fiscal Year	<u>\$1,487,569</u>	<u>\$2,390,166</u>	<u>\$2,201,791</u>	<u>\$1,689,901</u>	<u>\$1,231,887</u>

Source: Annual Financial Reports of the Town
This table NOT audited

Balance Sheet
General Fund - Town of Newfane
For Fiscal Year Ending December 31, 2008

Assets:	
Cash	\$833,754
Other Receivables	15,080
State and Federal Aid Receivables	0
Due from Other Governments	146,170
Prepaid Expenses	10,166
Restricted Assets	<u>39,606</u>
Total Assets	<u><u>\$1,044,776</u></u>
Liabilities:	
Accounts Payable	\$31,213
Accrued Liabilities	12,265
Due to Other Governments	<u>8,983</u>
Total Liabilities	<u>\$52,461</u>
Fund Balance:	
Special Reserves	\$39,606
Unreserved Fund Balance - Appropriated	430,269
Unreserved Fund Balance - Unappropriated	<u>522,440</u>
Total Fund Balance	<u>\$992,315</u>
Total Liabilities & Fund Balance	<u><u>\$1,044,776</u></u>

Source: Annual Financial Reports of the Town

This table NOT audited

Balance Sheet
Sewer Fund - Town of Newfane
For Fiscal Year Ending December 31, 2008

Assets:	
Cash	\$1,292,141
Other Receivables	139,763
Due from Other Funds	37,796
Due from Other Governments	85,368
Prepaid Expenses	<u>6,129</u>
Total Assets	<u><u>\$1,561,197</u></u>
Liabilities:	
Accounts Payable	\$24,684
Accrued Liabilities	299,882
Due to Other Governments	<u>4,744</u>
Total Liabilities	<u>\$329,310</u>
Fund Balance:	
Unreserved Fund Balance - Appropriated	\$804,086
Unreserved Fund Balance - Unappropriated	<u>427,801</u>
Total Fund Balance	<u>\$1,231,887</u>
Total Liabilities & Fund Balance	<u><u>\$1,561,197</u></u>

Source: Annual Financial Reports of the Town
This table NOT audited

Budget Summary
General Fund - Town of Newfane

	Fiscal Year Ending December 31:	
	<u>2009</u>	<u>2010</u> ¹
Revenues:		
Real Property Taxes	\$0	\$0
Other Tax Items	22,299	12,790
Non-Property Tax Items	934,387	1,087,405
Departmental Income	177,171	191,575
Intergovernmental Services	14,267	0
Use of Money & Property	33,850	22,000
Licenses and Permits	4,525	4,600
Fines and Forfeitures	47,000	47,000
Miscellaneous Items	70	0
State Aid	209,000	188,180
Federal Aid	0	0
Use of Fund Balance	430,269	226,682
Total Revenues	<u>\$1,872,838</u>	<u>\$1,780,232</u>
Expenditures:		
General Support	\$826,470	\$827,829
Public Safety	84,376	87,912
Health	18,679	19,346
Transportation	133,610	107,039
Economic Assistance & Opportunity	58,568	48,299
Culture and Recreation	259,670	233,347
Home and Community Services	70,258	41,320
Employee Benefits	320,888	309,603
Debt Service	80,319	105,537
Interfund Transfers	20,000	0
Total Expenditures	<u>\$1,872,838</u>	<u>\$1,780,232</u>

Source: 2009 Adopted Budget of the Town

Note: ¹ Figures are from the Town's Preliminary 2010 Budget

This table NOT audited

Budget Summary
Sewer Fund - Town of Newfane

	Fiscal Year Ending December 31:	
	2009	2010 ¹
Revenues:		
Real Property Taxes	\$581,616	\$609,078
Departmental Income	617,000	611,649
Use of Money & Property	51,580	9,200
Sale of Property and Comp. for Loss	1,000	0
Use of Fund Balance	804,086	36,382
Total Revenues	\$2,055,282	\$1,266,309
Expenditures:		
Home and Community Services	\$1,225,701	\$864,700
Employee Benefits	151,757	135,413
Debt Service	272,824	266,196
Interfund Transfers	405,000	0
Total Expenditures	\$2,055,282	\$1,266,309

Source: 2009 Adopted Budget of the Town

Note: ¹ Figures are from the Town's Preliminary 2010 Budget

This table NOT audited