

TOWN OF ORANGETOWN, NEW YORK

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2017

TOWN OF ORANGETOWN, NEW YORK

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2017

Prepared by

Jeffrey W. Bencik
Director of Finance

Town of Orangetown, New York

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Fiscal Year Ended December 31, 2017
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<p>STATISTICAL SECTION (Unaudited)</p>

This part of the Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information reveals about the Town's overall financial health.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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INTRODUCTORY SECTION

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**TOWN OF ORANGETOWN,
NEW YORK
PRINCIPAL OFFICIALS
2017**

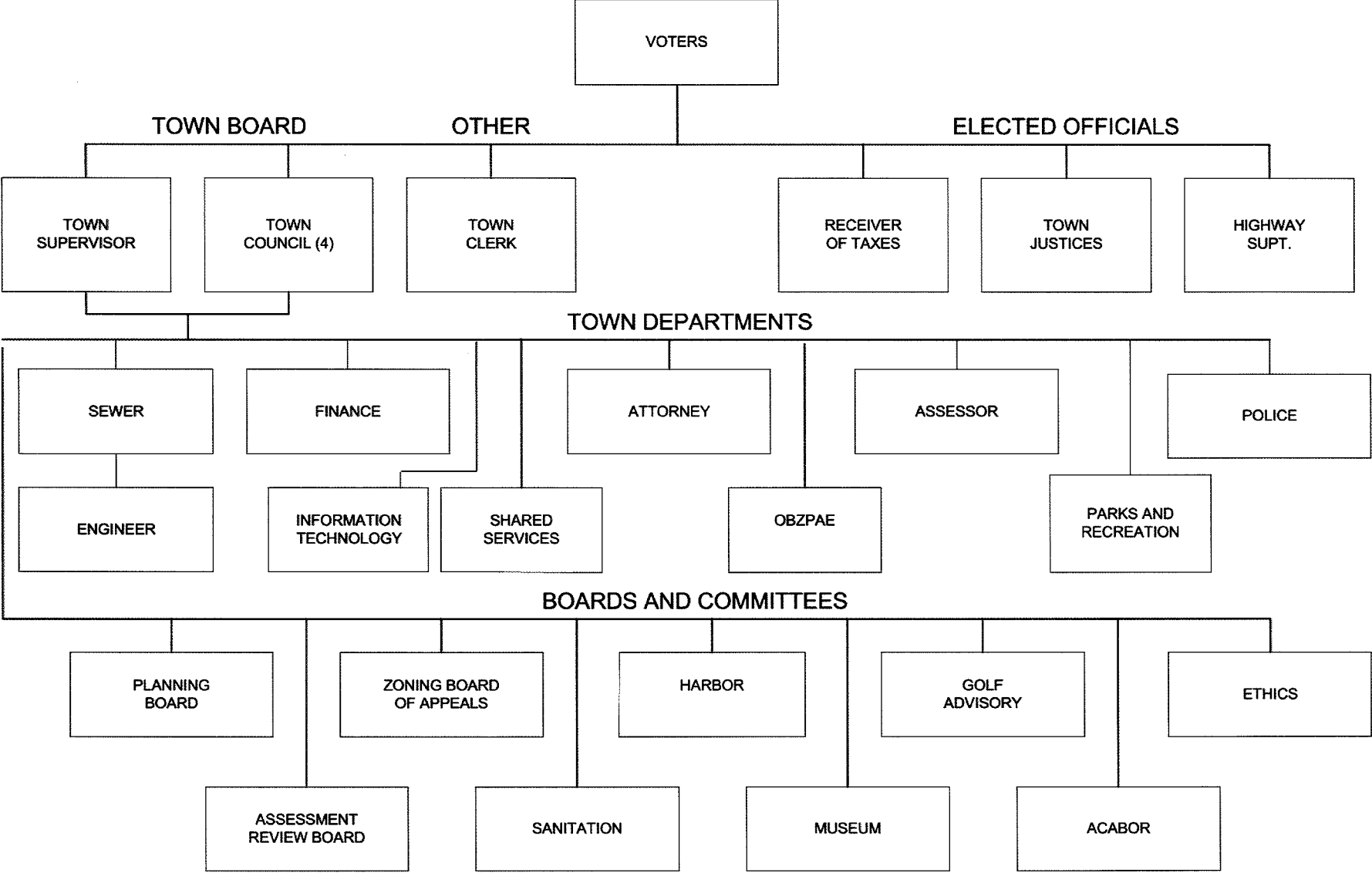
SUPERVISOR: Andrew Y. Stewart

TOWN BOARD: Gerald Bottari
Thomas Diviny
Paul Valentine
Denis Troy

TOWN CLERK: Charlotte Madigan

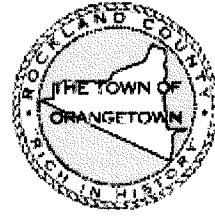
DIRECTOR OF FINANCE: Jeffrey W. Bencik

STRUCTURE OF ORANGETOWN GOVERNMENT



TOWN OF ORANGETOWN
FINANCE OFFICE

26 ORANGEBURG ROAD • ORANGEBURG, NY • 10962
PHONE: 845-359-5100 • FAX: 845-359-2623



June 21, 2018

To the Honorable Town Supervisor, Town Board,
And Citizens of the Town of Orangetown

The Comprehensive Annual Financial Report ("CAFR") for the Town of Orangetown, New York ("Town") for the fiscal year ended December 31, 2017 is herewith submitted. The New York State Comptroller's Office requires the Town to submit an annual report of the financial records and transactions presented in conformity with generally accepted accounting principles ("GAAP"). The Town has elected to have these statements audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This CAFR is issued pursuant to this requirement and Town Board policy.

This report consists of management's responsibilities concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed to both protect the Town's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by PKF O'Connor Davies, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town for the year ended December 31, 2017 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by

management. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements, for the year ended December 31, 2017, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. The financial section also includes a narrative introduction, overview and analysis of the December 31, 2017 financial statements to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditor.

Profile of the Town

The Town was originally settled by the Dutch in the 1680s and became one of the original towns in New York, established by the State Constitution in 1788. The Town has an area of 25 square miles and is located in the southeast corner of Rockland County, with the Hudson River on the eastern boundary, and Bergen County, New Jersey on the Town's southern boundary.

The Town's 2016 Census population was 50,479, up 4.1% from the 2007 Census population of 48,489.

The Town's finances are conducted in accordance with State laws including General Town, General Municipal Law, and Local Finance Law as well as the Town Code first adopted in 1964. The Town includes four incorporated villages located along the Hudson River: Nyack, South Nyack, Grandview, and Piermont. The villages provide their own land use and some highway services. South Nyack, Grandview and Piermont have their own police departments while Nyack is served by the Orangetown Police Department. Town tax rates within villages vary with the services provided by the Town.

The Town Board is comprised of a Town Supervisor elected for a two-year term and four council members also elected Town-wide, for four-year terms. Town-wide elections are held every two years. The Town also has an elected Town Clerk, Receiver of Taxes (abolished in 2018 by public referendum), Highway Superintendent and two elected Town Justices.

The Town workforce consists of 245 full-time positions and 35 part-time positions with the largest number of employees in the police, highway, sewer and parks departments. There are 83 sworn police officer positions. The Town maintains 147 miles of Town roads and 200 miles of sewer lines. The sewer system also consists of 48 pumping stations and a sewer plant with a capacity of 12.75 million gallons per day. The Town has two golf courses; one 27-hole golf course ("Blue Hill"), and a nine-hole course ("Broadacres").

The Town has one fire protection district ("Blauvelt") and six independent fire districts that are located at least partly within the Town. The Town also collects taxes for four school districts, five library districts, two ambulance districts, one paramedic district, and six water districts.

The Town has an independent Housing Authority that was established in 1989 for the construction and operation of the Cortwood Village Senior Complex. The Orangetown Housing Authority is a discretely presented component unit and is reflected in the Town's financial statements as such.

The annual budget process acts as the primary means of decision-making and financial control for the Town. The Town adheres to the budget schedule set by New York State Town Law, although general practice has been for the Town to start and finish its budget process earlier than is legally mandated.

The usual practice is for the Finance Director to send out standard forms to department heads that require them to provide line item detail for their budget requests for expenditures and estimated department revenue. Department requests are submitted by late August, following the format set by the New York State Comptroller's chart of accounts. Departments are encouraged to submit electronically using the Town's financial software. Written back-up materials are also provided in a standardized format to facilitate internal and Town Board reviews. In early September, the Town Board holds workshop meetings to discuss the departmental requests. The Supervisor and Finance Director submit the tentative budget on or before September 30th, the legally required date. The Town Board makes changes to the tentative budget that becomes the preliminary budget. A public hearing is legally required to take place by the Tuesday after Election Day; however it has been recent practice to hold the hearing prior to Election Day and if possible pass or reject the budget prior to Election Day. The budget must be approved by November 20. If no agreement is possible, the last version of the preliminary budget takes effect.

After the fiscal year begins, the Town Board may transfer monies within funds. The Board can also increase budget levels if there are unanticipated revenues such as grants, or by appropriating available fund balance. Beginning in April of each year, the Finance Director provides a monthly statement of revenues and expenditures and itemizes significant trends and variations from the approved budget.

Factors Affecting Financial Condition

Like all communities, the Town is affected by the national, State, and regional economy, all of which were in significant decline by the fall of 2008. Since 2005, the unemployment rate in Orangeburg has ranged from 3.2% in December 2006 to 7.5% in September 2009. The unemployment rate for Orangeburg was 4.4% in December 2017. After a protracted period of higher than normal unemployment

rates, the local economic improvements have resulted in a significant improvement in employment to the current level of 4.4%.

The acquisition of Wyeth pharmaceuticals, the Town's largest employer and 10% of its tax base, by Pfizer in 2009 has been a cause of major job losses and concern. By the end of 2017, total employment at the Orangetown facility had dropped to ~1000 from 2,850 in 2009. The manufacturing portion of the facility is being phased out, leaving the site as a regional research facility. From discussions with Pfizer, it appears that the employment level will likely remain stable for the near term. Wyeth Pharmaceuticals has also filed a property tax certiorari suit, justified in part because of empty facilities. In response, the Nanuet School District and the Town have agreed to reduce Wyeth's property taxes by 45% to reflect the downsizing.

In 2015, Pfizer announced the sale of the property to IRG Corp., with a lease back option for the portion that Pfizer continues to use (23 acres). The sale of the property has led to a payment in lieu of taxes agreement ("PILOT") that should stabilize the income generated from the site. While the income generated from the property has stabilized, the conversion from a tax ratable as Pfizer to a PILOT payable with IRG Corp., has served to reduce the assessed value of Non-Homestead properties. The impact of this is a shift in the Homestead/Non-Homestead ratio.

The economy appears to have bottomed in 2013 and has started to rebound as demonstrated by the continued improvement in employment, housing, and sales tax revenues. Unemployment remained at low levels in 2017 at 4.4%, which is near record lows of 3.2%. After an improvement in housing sales in 2013, the housing market softened in 2014, but then rebounded again in 2015. Town mortgage tax revenues increased from \$1.4 million in 2012 to \$1.7 million in 2013, but then receded to \$1.2 million in 2014 and then bounced to a recent high of \$1.8 million in 2015, \$1.6 million in 2016 and \$1.98 million in 2017. Historically low interest rates continued to support the housing recovery; however, recent interest rate hikes by the Federal Reserve Bank may lead to a slowdown in real estate sales. Finally, consumers are also increasing their spending as demonstrated by sales tax revenues that increased from \$1.46 million in 2012 to \$1.74 million in 2015. Sales tax revenues remained at high levels in 2016 and 2017, posting final figures of \$1.79 million.

The Town's purchase of 348 acres at Rockland Psychiatric Center ("RPC") from the State of New York in January of 2003 remains the most significant factor that could mitigate the Pfizer losses. Under a covenant to the purchase agreement, 216 acres of the 348 acres must be reserved for parks/recreation.

In the Fall of 2017, the Town announced the sale of 61 acres of the former RPC site to Chase bank for \$7.5 million. This is particularly encouraging as it allowed the Town to eliminate the debt incurred when purchasing the property and also

provide additional monies for fund balance. Chase bank plans to build a 260K sq. ft. state of the art data center on the property. This will convert the property from an expenditure to the Town to an income generating property.

The Town is working to build on its advantages as a suburban community within the New York metropolitan area. The Town is 18 miles north of the George Washington Bridge and Manhattan, is connected to Westchester County by the Tappan Zee Bridge, and is immediately north of Bergen County, New Jersey. As such, the Town is within commuting distance of most of the Fortune 500 companies in the New York metropolitan area.

Construction has begun on a 160 unit active adult housing complex to be located on a site overlooking Lake Tappan, and near the Blue Hill Golf Course. Because of the economy, plans have shifted from homes to apartments. Importantly, in early 2015, the Town received payments of \$1.25 million from the developer that was agreed to prior to building.

Development has been completed on the Orangeburg Commons, a largely retail development near the Palisades Interstate Parkway that includes a Marriott hotel along with a Stop 'N Shop grocery store. A second phase that will include a day care center has been approved and is expected to begin construction in 2018.

Perhaps most importantly, Bloomberg built a state of the art data center. Bloomberg and the Town have entered into a PILOT agreement, which resulted in Bloomberg paying approximately \$65,000 in PILOT fees in 2017. This amount will increase over time to \$100,000 per year by 2025. In today's dollars, the assessed value of the facility would be almost \$6 million.

Importantly, the Town is ideally located for data center construction due to its ready access to secure electricity supply, but also redundant fiber and cable connectivity. This combined with the close proximity to New York City, provides a perfect geographic location for siting data centers. In addition to the aforementioned Bloomberg Data Center, the Town has additional data centers for Verizon and 1547 Corp and finally, the sale to Chase bank to build a 260K sq. ft. data center at the former Rockland Psychiatric Center. This project is 2.5 times as large as the Bloomberg data center. This project has a high level of support as there is little to no impact on Town services or the school system. Chase bank has begun construction in 2017. Developers have called about other sites for data center construction; however, they are in earlier stages of development.

Long Term Financial Planning

Pfizer's decisions to cut its local work force in half and seek a 45% property tax reduction are significant blows to the Town's economy and property tax base. However, the recent sale of the property to IRG Corp. likely indicates that

the worst is over and as the site is redeveloped, new ratables will start to add to the tax base.

On the expenditure side, the New York State Comptroller's Office has indicated that the long-term costs of the State pension plan, in which the Town contributes its share, will likely level off or decline after several years of double digit increases. The Town finally saw evidence of this in the pension contributions made in 2015-2017 and expects this trend to continue. This should help to keep costs under control.

While the long-term impact of health care reform on costs is uncertain, the New York State Department of Civil Service has recently indicated that local governments should expect an increase in health insurance costs of close to 9.7% in 2018.

The Town entered into a contract with the Orangetown Police Benevolent Association in February 2018, with a term to the end of 2022. This agreement provided for increases in salaries of 2.5% each year, with no concessions from employees to contribute to health care costs. Importantly, there were other concessions that serve to reduce the overall cost to the Town.

The Town entered into an agreement with the Orangetown Civil Service Employment Association (CSEA) in November 2017, which runs for the term of 2017 to 2020. The agreement calls for annual increases of 2.25%, 2.0%, 2.0%, and 2.0% in 2017 to 2020, respectively. More importantly, new employees (hired after 2013) are required to contribute 17% to the healthcare costs.

Relevant Financial Policies

As a result of the Town's economic challenges, the Town Supervisor and Board continue to look for ways to reduce costs. Towards that end, where possible, positions are being reduced through attrition. In 2018, the Town Board authorized a retirement incentive to increase the amount of retirements. The benefits for the Town would be lower salaries, new employees would contribute to healthcare costs, new employees would contribute to the pension plan, and new employees would have lower amounts of sick and vacation time. Therefore, as this trend continues, the Town should see significant benefits on its expenditure levels. The Town has an Aa2 bond rating from Moody's which is partly attributed to the Town's "conservative expenditure control." The Town plans to continue this approach.

Importantly, the Town hired private contractors to manage both of its golf courses, Broadacres starting in 2014, and Blue Hill starting in 2016. The net result was an annual savings of almost \$1 million per year. This has resulted in the courses being an annual drain of approximately \$700K per year to a positive

~\$200K. Because of this action, the golf courses are now starting to repay over 10 years of advances from the General Fund.

Awards

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This is the eleventh straight year the Town has achieved this award. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

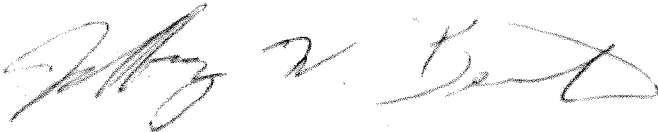
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements

I would like to thank Robert Daniele, Nick DeSantis, Brian Kenneally, and the members of the PKF O'Connor Davies, LLP audit team for their professionalism. I would also like to sincerely thank the Finance Office employees Janice Ganley, Natalie Schutter and Stephanie Tassello for their diligence and on-going efforts to improve Orangetown government.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Jeffrey W. Bencik', written in a cursive style.

Jeffrey W. Bencik
Finance Director

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Orangetown
New York**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

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**FINANCIAL
SECTION**

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Independent Auditors' Report

**The Honorable Supervisor and Town Board
of the Town of Orangetown, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Orangetown, New York ("Town") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Orangetown Housing Authority (a component unit) for the year ended December 31, 2017. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for such component unit, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Town Outside Villages, Sewer and Highway funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit for the year ending December 31, 2017 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements, the schedule of expenditures of federal awards as required by the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and the introductory and statistical sections for the year ending December 31, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ending December 31, 2017 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ending December 31, 2017.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable for financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States, the basic financial statements of the Town as of and for the year ended December 31, 2016 (not presented herein), and have issued our report thereon dated June 22, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information. The combining and

individual fund financial statements and schedules for the year ended December 31, 2016 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2016 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2016 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2016.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2017 and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2018 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

June 20, 2018

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Town of Orangetown, New York

Management's Discussion and Analysis (MD&A) December 31, 2017

Introduction

On behalf of Town Supervisor and the staff of the Orangetown Finance Office, I am submitting this Management's Discussion and Analysis ("MD&A") as required by the Governmental Accounting Standards Board. The MD&A gives the Town of Orangetown, New York's ("Town") Finance Director an opportunity to summarize the Town's financial activity for the fiscal year ended December 31, 2017. This MD&A should be read in conjunction with the basic financial statements that immediately follow this section to enhance understanding of the Town's financial performance.

Financial Highlights for Fiscal Year 2017

The key information that readers of this report need to draw from it is as follows:

- The Town has net position that totals \$10.5 million, excluding the Orangetown Housing Authority, a component unit of the Town. Of this amount, \$12.0 million represents governmental activities net position and negative (\$1.5) million is business-type activities net position for the Town's two golf courses. The governmental activities net position declined by \$4.1 million versus 2016. The business-type activities net position improved by \$476,000 as privatization of the golf course significantly improved the operations.
- In addition to the impact of the Town's OPEB obligations, the government-wide financial statements for the year ended December 31, 2017 are also significantly impacted by the provisions of GASB Statement No. 68. This pronouncement established accounting and financial reporting requirements associated with the Town's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS"). Under these standards, cost-sharing employers are required to report in their government-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At December 31, 2017, the Town reported in its Statement of Net Position a liability of \$11,765,367 for its proportionate share of the ERS and PFRS net pension liabilities. More detailed information about the Town's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in the notes to financial statements.
- The Town's major governmental funds ended 2017 with total fund balance of \$21.7 million, exclusive of the Capital Projects Fund. Of this amount \$1.5 million was classified as nonspendable representing prepaid expenditures or payments made in advance. An additional \$6.1 million was restricted while assigned fund balance was \$6.8 million (primarily because of special revenue funds), and \$7.3 million was unassigned fund balance in the General Fund.

- The Town's Enterprise Funds or business-type activities, the Blue Hill Golf Course and the Broadacres Golf Course funds had total negative net position of (\$1.5) million. Historically, both the Blue Hill and Broadacres Golf Course funds have been running deficits in recent years. Importantly, the Town Board privatized both golf courses and the combined enterprises resulted in a break-even results in 2016. This improvement continued in 2017, resulting in a combined operating profit of \$160K.
- The Town's total outstanding debt consisting of general obligation bonds, energy performance contract debt and loans payable as of December 31, 2017 was \$72.1 million consisting of bonds (\$63.8 million), energy performance contract (\$1.2 million) and loans payable to the New York State Environmental Facilities Corporation ("NYSEFC") (\$1.5 million). This is a year over year reduction in total indebtedness of \$4.7 million. The business type activities (Golf courses) reduced its loan by \$250,000 as it actively pays back its loan from the General Fund.

Using This Annual Report

This annual report consists of a series of financial statements that are shown in detail in the sections that follow this MD&A. The statement of net position and the statement of activities provide information about the activities of the Town as a whole, and in time, information for a longer-term view of the Town's finances. Fund financial statements show how the various operating funds began and ended 2017 and the level of resources available for future years. A Fiduciary Fund is also shown; consisting of an Agency Fund. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Additional statements and schedules can be found immediately following the notes to the financial statements. These include statements for the non-major governmental funds and schedules of budgets to actual comparisons.

Reporting on the Town as a Whole

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with an overview of the Town's finances, in a manner similar to a private-sector business. The two statements that best summarize the Town's finances as a whole are the Statement of Net Position and the Statement of Activities. These two statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting. All of the Town's revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. Increases or decreases in net position indicate whether the financial position of the Town is improving or deteriorating. In both statements, the activities of the Town are divided into three types:

- Governmental activities - Most of the Town's basic services are shown here including police, highway, sewer, parks, land use, and support agencies. Property taxes, state aid, and charges for services are the primary sources of revenue for these activities.
- Business-type activities - The Town's two golf courses, Blue Hill and Broadacres are intended to be completely self-sufficient. Golf permits, greens fees, cart rental and facility rental are the primary revenue sources.

- Component unit - The Orangetown Housing Authority is a separate legal entity from the Town, but the Town ultimately is financially accountable for the Authority.

Reporting the Town's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the Town's various funds. Some funds are required to be established by State law. The Town's two kinds of funds - governmental and proprietary - use different bases of accounting.

- Governmental funds - Most of the basic services provided by the Town are financed and accounted for through governmental funds. Governmental funds' financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.
- Proprietary funds - These funds are used to show activities that operate similar to private business enterprises. Because these funds charge fees for services provided, they are known as proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's self-insurance program.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements are located following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to financial statements. These include the required supplementary information schedules for the Town's OPEB obligations and net pension liabilities, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

The Town as Trustee

Reporting the Town's Fiduciary Responsibilities

All of the Town's fiduciary activities are reported in a separate Statement of Assets and Liabilities - Fiduciary Fund. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations.

The Town as a Whole

The Town's combined net position at the end of 2017 was \$10.5 million. Of this amount, \$12.0 million was the net position of governmental activities and a negative (\$1.5) million was the net position of the business-type activities - Blue Hill and Broadacres golf course funds.

Total assets and deferred outflows of resources were \$179.9 million at the end of 2017, with capital assets, net of depreciation accounting for \$137.1 million of this amount. This latter amount includes infrastructure of \$84.5 million. It is important to recognize that much of the Town's infrastructure was acquired from developers as the Town assumed responsibility for maintenance of roads, sidewalks and sewer lines that were built in new subdivisions. An additional \$21.7 million is land, which is not depreciated. The values of the capital assets are based on historical costs. The Town uses these capital assets to provide services to residents, and therefore these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt. Current assets total \$29.3 million and consist primarily of \$24.6 million in cash and equivalents, \$0.01 million in restricted investments, \$2.9 million in receivables and \$1.7 million in prepaid expenses. Deferred outflows of resources amount to \$13.5 million and account for deferred losses on refunding bonds and the Town's pension obligations.

Total liabilities and deferred inflows of resources are \$169.4 million with capital construction and other bonds outstanding at \$63.8 million, \$1.2 million outstanding for an energy performance contract and \$1.5 million outstanding for a loan payable to NYSEFC. Other long-term liabilities of the Town include compensated absences (\$3.6 million), loans payable from the two golf course funds to the General Fund (\$5.6 million), pension obligations (\$11.8 million), and (\$68.5 million) for other post employment benefit obligations payable that are funded over a number of years.

Net Position
December 31, 2017
(In millions of dollars)

	Governmental Activities		Business Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current Assets	\$ 28.075	\$ 23.709	\$ 1.213	\$ 1.235	\$ 29.288	\$ 24.944
Capital Assets, Net	129.545	131.002	7.553	7.665	137.098	138.667
Total Assets	157.620	154.711	8.766	8.900	166.386	163.611
Deferred Outflows of Resources	13.351	22.318	0.120	0.128	13.471	22.446
Current Liabilities	5.325	3.659	0.983	1.180	6.308	4.839
Long Term Liabilities	151.596	154.719	9.409	9.830	161.005	164.549
Total Liabilities	156.921	158.378	10.392	11.010	167.313	169.388
Deferred Inflows of Resources	2.044	2.567	-	-	2.044	2.567
Net investment in						
Capital Assets	67.679	68.052	4.533	4.446	72.212	72.498
Restricted	6.586	3.833	-	-	6.586	3.833
Unrestricted	(62.258)	(55.801)	(6.038)	(6.428)	(68.296)	(62.229)
Total Net Position	\$ 12.007	\$ 16.084	\$ (1.505)	\$ (1.982)	\$ 10.502	\$ 14.102

When liabilities are subtracted from assets and deferred outflows of resources, the resulting net position is \$10.5 million, consisting of \$72.2 million net investment in capital assets, \$6.6 million in restricted funds, and a negative (\$68.3) million in unrestricted funds. The latter includes capital projects for which long term debt has not been issued, cumulative deficits of the Town's two golf courses and OPEB and Pension liabilities. The restricted assets include \$2.1 million in monies restricted for debt service as well as \$1.4 million restricted for capital projects.

Statement of Activities

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes are reported as soon as the change occurs, regardless of the timing of the related cash flows. The Town activities are all shown on an accrual basis rather than the modified approach that is traditional in governmental financial statements.

Total revenues for the Town were \$78.1 million. Real property taxes (including sewer unit charges included on property tax bills) made up \$51.9 million of this amount or ~70%. Other tax items consisting of payments in lieu of taxes and interest and penalties on real property taxes consisted of \$2.1 million, non-property taxes derived \$2.6 million and consisted of franchise fees and non-property tax distribution from the County. Charges for services were \$9.7 million or 13%, primarily from the Blue Hill and Broadacres golf courses; and recreation, building inspection and sewer charges for industrial users and non-Town users. Operating grants and contributions were \$1.6 million or 2% and capital grants and contributions amounted to \$0.9 million or 1.2%. Unrestricted State aid totaled \$2.2 million or 2.9%, although nearly all of that was from sales and mortgage tax revenue that was generated in the Town and County. The Town also generated on \$6.8 million gain on the sale of land.

Program expenses totaled \$81.7 million, with governmental activities accounting for \$78.6 million of that amount. General government support expenses inclusive of the cost of funding the golf courses

was \$12.2 million. Public safety expenses, mainly police expenses, totaled \$30.6 million or 37.5% of Town spending. Home and community services were \$14.0 million or 17%. Sewer service costs account for the majority of the latter amount. Transportation spending, primarily by the Highway Department was \$14.7 million, or 18% of the total.

**Change in Net Position
Fiscal Year Ended December 31, 2017
(In millions of dollars)**

	Governmental Activities		Business Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$ 6.554	\$ 6.008	\$ 3.182	\$ 3.208	\$ 9.736	\$ 9.216
Operating Grants and Contributions	1.630	1.448	-	-	1.630	1.448
Capital Grants and Contributions	0.900	1.639	-	-	0.900	1.639
General Revenues						
Real Property Taxes	51.936	50.724	-	-	51.936	50.724
Other Tax Items	2.117	0.327	-	-	2.117	0.327
Non-Property Taxes	2.603	2.675	-	-	2.603	2.675
Unrestricted Use of Money and Property	0.002	0.003	0.001	0.001	0.003	0.004
Sale of Property and Compensation for Loss	0.004	0.010	-	-	0.004	0.010
Unrestricted State Aid	2.249	1.865	-	-	2.249	1.865
Miscellaneous	0.132	0.065	-	-	0.132	0.065
Sale of Real Property	6.819	0.042	-	-	6.819	0.042
Total Revenues	74.946	64.806	3.183	3.209	78.129	68.015
Program Expenses						
General Government Support	12.194	10.030	-	-	12.194	10.030
Public Safety	30.637	30.690	-	-	30.637	30.690
Health	0.440	0.440	-	-	0.440	0.440
Transportation	14.715	14.558	-	-	14.715	14.558
Economic Opportunity and Development	0.185	0.185	-	-	0.185	0.185
Culture and Recreation	4.971	4.378	-	-	4.971	4.378
Home and Community Services	14.027	13.523	-	-	14.027	13.523
Interest	1.442	1.516	-	-	1.442	1.516
Golf Courses	-	-	3.119	3.314	3.119	3.314
Total Expenses	78.611	75.320	3.119	3.314	81.730	78.634
Increase (Decrease) in Net Position before Transfers	(3.665)	(10.514)	0.064	(0.105)	(3.601)	(10.619)
Transfers	(0.413)	(0.295)	0.413	0.295	-	-
Change in Net Position	(4.078)	(10.809)	0.477	0.190	(3.601)	(10.619)
NET POSITION						
Beginning	16.084	26.893	(1.982)	(2.172)	14.102	24.721
Ending	<u>\$ 12.006</u>	<u>\$ 16.084</u>	<u>\$ (1.505)</u>	<u>\$ (1.982)</u>	<u>\$ 10.501</u>	<u>\$ 14.102</u>

The resulting change in total net position in 2017 was a \$3.6 million decrease. "Governmental Activities" was responsible for \$4.1 million of the decrease in net position, while the two golf courses partially offset this loss with a \$0.477 million improvement in net position. This improvement is almost entirely due to the privatization of the golf courses and the reduction in liability associated with future OPEB costs.

In the past, net position has declined for two reasons, the first is the failure to fund, or reduce through successful contract negotiations, the spiraling cost of other post-employment benefits, which in Orangetown consist of lifetime health insurance with no retiree contribution. The recession has prevented the Town from considering funding other post-employment benefits, even if there was a State approved mechanism for doing so, which there is not. Labor negotiations, particularly with the Police who have binding arbitration, seem unlikely to cause increases in health insurance contributions for retirees or current employees. Importantly, the Town has successfully negotiated a contribution requirement of 17% for CSEA employees hired on or after January 1, 2013. As existing employees retire and are replaced by new employees, this will help to offset the increasing costs of healthcare.

Historically, the second reason for the decline in net position was the losses at the Town's two golf courses. This problem is obviously smaller and more manageable. In 2014, the Town privatized management at the Town owned Broadacres Golf Course with good success. Additionally, starting in January 2016, the Town has also privatized management at the Blue Hill Golf Course and expects a significant reduction in losses. In fact, the golf courses were operationally breakeven in 2016 which allowed a \$200k loan repayment to the General Fund. The improvement continued in 2017, as the golf courses generated an operating profit of approximately \$160,000 and included a \$250,000 repayment of the loan to the General Fund.

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund Highlights

The New York State Comptroller's Office requires that local governments use fund accounting, which is consistent with the Governmental Accounting Standards Board, and that only the minimum number of funds required by law and operating requirements should be maintained.

The major operating funds of the Town are the General Fund, Town Outside Villages Fund, Sewer Fund, the combined Highway Funds, Debt Service Fund and the Capital Projects Fund. The Town Outside Villages, combined Highway and Sewer funds are kept separate from the General Fund because of State Highway Law and because services are not rendered on a Town wide basis. Three villages have separate police departments from the Town and not all residents are connected to the Town's sewer system. Residents not receiving Town services pay lower rates of Town taxes.

The tables on the following pages show the Town's governmental funds including revenues, expenditures and changes in fund balances.

- Total revenues for selected governmental funds were \$68.2 million. Expenditures were \$69.6 million. Higher than anticipated revenues were more than offset by higher expenditures resulting in a \$1.4 million drain on fund balance. The higher than anticipated expenditures

were due almost entirely to the settling of both the PBA and CSEA contracts that were expired and the retro-pay associated with that.

- Of the total \$21.0 million fund balance of the selected governmental funds, \$1.5 million is nonspendable and \$5.9 million is restricted. The assigned and unassigned portions of fund balance are \$6.4 million and \$7.3 million, respectively. Of the \$6.4 million in assigned fund balance, \$1.4 million was budgeted to balance the 2018 operating budget.

**Selected Governmental Operating Funds in 2017
Revenues, Expenditures and changes in Fund Balance
With Comparative Totals for 2016
(in millions of dollars)**

	2017						2016
	General	Town Outside Villages	Sewer	Highway	Debt Service	Total	Totals
Revenues							
Property Taxes and Unit Charges	\$ 3.173	\$ 25.397	\$ 6.718	\$ 9.437	\$ 5.328	\$ 50.053	\$ 48.693
Other Revenues	11.985	3.000	2.055	1.047	0.019	18.106	15.564
Total Revenues	15.158	28.397	8.773	10.484	5.347	68.159	64.257
Expenditures	15.268	29.090	8.910	10.425	5.853	69.546	63.942
Revenues Net of Expenditures	(0.110)	(0.693)	(0.137)	0.059	(0.506)	(1.387)	0.315
Sale of Real Property	7.500	-	-	-	-	7.500	0.042
Transfers In	-	-	-	-	-	-	0.276
Transfers Out	(0.129)	-	-	(0.131)	(0.353)	(0.613)	(0.663)
Net Changes in Fund Balances	7.261	(0.693)	(0.137)	(0.072)	(0.859)	5.501	(0.030)
Beginning Fund Balances	4.720	3.823	2.036	1.932	2.987	15.498	15.529
Ending Fund Balances	\$ 11.981	\$ 3.130	\$ 1.899	\$ 1.860	\$ 2.128	\$ 20.999	\$ 15.499
Fund Balance By Type							
Nonspendable	0.309	0.842	0.154	0.181	-	1.486	1.493
Restricted	3.629	0.115	-	-	2.129	5.873	2.331
Assigned	0.787	2.173	1.744	1.679	-	6.383	7.291
Unassigned	7.257	-	-	-	-	7.257	4.384
Total Fund Balance	\$ 11.982	\$ 3.130	\$ 1.898	\$ 1.860	\$ 2.129	\$ 20.999	\$ 15.499

General Fund

The Town's General Fund consists of revenues and expenditures for Town-wide services including parks and recreation, and general government support. Examples of the latter are the Town Board, the Justice Court, Elections, Assessment, Building Maintenance and Finance. Revenues consist of property taxes, mortgage tax revenue (classified as State aid), fees for park activities, fines (largely speeding tickets) and inter-fund revenues for other funds' share of general government support.

- Total General Fund revenues were \$15.2 million in 2017 and expenditures totaled \$15.3 million.
- The Town's General Fund ended 2017 with a net increase in Fund Balance of \$7.3 million, and an ending Fund Balance of \$12.0 million. Revenues were approximately \$200,000 less than the final budget with film revenue declines accounting for most of it. State Aid, also improved by \$483,000 higher than anticipated due to higher mortgage tax revenues. Finally, Federal Aid was lower than expected by (\$148,000). Expenditures were \$178,000 less than the final budget with most General Fund departments below the original budget. The largest

benefit was from lower than anticipated employee benefits as the Town realized savings from a higher than usual amount of retirements, which were not immediately replaced. The Town continued its on-going policy of downsizing personnel costs through attrition.

- Overall fund balance increased from a beginning level of \$4.7 million to an ending level of \$12.0 million. The ending unassigned fund balance is \$7.3 million. The biggest change in fund balance was due to the sale of 61 acres of town owned property to JP Morgan Chase for a sales price of \$7.5 million (\$7.1 million net of expenditures). In 2018, the Town defeased \$3.6 million in debt owed on the property and will have a net increase in fund balance of \$3.5 million from the sale. Following the defeasement, the Town has paid off the entire debt on the Rockland Psychiatric Center ("RPC") purchase and any other future sales will directly increase fund balance.

Town Outside Villages Fund

The Town Outside Villages ("TOV") Fund is actually two sub-funds that provide services outside village boundaries, and, therefore, village residents are not taxed to fund these services. Police services are provided by the Town outside of village boundaries, with the exception of Nyack which receives Town of Orangetown police protection. All villages in the Town maintain their own building permit and inspection services. As a result, no village residents pay property taxes for these services, though permit revenues fund a significant part of building service costs. Property taxes typically make up about 90% of the revenues for the TOV Funds, while building permits and departmental revenues make up about 5% of the total.

- Building permit and planning board revenues increased from \$1.2 million in 2014 to \$1.6 million in 2015, \$1.9 million in 2016, and \$2.1 million in 2017 due to increased activity. Police revenues have been mostly stable at \$259K in 2014 to \$225K in 2015, \$212K in 2016, and \$279K in 2017. The net impact was an overall increase in departmental income from \$1.4 million in 2014 to \$1.8 million in 2015, \$2.1 million in 2016, and \$2.4 million in 2017.
- Employee benefit costs for the TOV funds were \$9.6 million in 2017, versus \$9.0 million in 2016, representing 33% of fund spending. This is the largest of any of the major governmental funds and is due primarily to police fringe benefit costs that are equal to roughly 60% of payroll costs.

Sewer Fund

The Town's sanitary sewer system is composed of over two hundred miles of sewer pipe, forty-eight pumping stations, and a treatment plant that has a capacity of 12.75 million gallons of sewage per day. In addition to serving most Town residents, the system also serves neighboring areas outside the Town, in Upper Nyack, parts of Chestnut Ridge (both in Rockland County), and the Borough of Rockleigh in Bergen County, New Jersey.

Beginning in 2008, the Town property owners that are connected to the sewer system paid a new sewer unit charge for operations and maintenance costs. Each single family home or single apartment is considered a unit. Businesses are multiple units based on what type of business they are. For example, banks have a small amount of units while restaurants would have much larger units based on seating capacity. In 2017 the unit charge was \$226.98 per unit. The unit charge raised \$6.3 million and accounted for approximately 72% of total revenues.

Neighboring jurisdictions are charged an amount based on sewerage flow. In addition, major industrial and institutional users pay special monitoring and flow charges in addition to property taxes. Revenues other than real property tax revenues and unit charges amounted to \$2.0 million in 2017 or 23% of total revenues.

- The collection and treatment of waste water is a 24 hour a day function. Both public and employee safety require adequate staffing, while increasing State credential requirements have limited the number of qualified staff for key functions.
- Fund balance decreased from a beginning level of \$2.0 million to an ending level of \$1.9 million, of which \$1.7 million is assigned. The majority of the decrease was due to higher costs for sewer treatment and disposal.

Combined Highway Fund

The Combined Highway Fund provides Town-Wide and Part-Town Highway services as set by New York State Highway law. Town-wide services consist of snow removal, brush and weed control, highway equipment and machinery costs. Part-Town Highway services include road maintenance, with road re-surfacing as a major component. Part-Town Highway services are similar to TOV above; villages perform their own road maintenance and are not charged property taxes for that part of the budget.

Property taxes accounted for 90% of Highway Fund revenues in 2017. Other revenues are mainly grants from the State for road maintenance and highway equipment and reimbursements from the State and County for plowing State and County roads during snowstorms.

- While the Highway Department budgets are fairly consistent from year to year, actual spending varies based on the price of fuel and the amount of snow. Snow removal expenditures in 2017 were \$1.2 million, a \$0.3 million increase from 2016. Brush and Weed expenditures were down \$200K in 2017 for a total expenditures of \$1.4 million.
- The Town's Highway Department is constantly seeking to make its activities more environmentally friendly. The Department creates its own salt brine which is less damaging than the use of rock salt. The Department is also looking to compressed natural gas (CNG) fueled vehicles in the near future.
- The combined fund balance in the Highway Fund declined slightly from \$1.93 million in 2016 to \$1.86 million in 2017. This was better than anticipated as the budget stipulated a \$0.8 million use of fund balance. The better than anticipated results were due to much lower expenditures than budgeted for.

Debt Service Fund

The primary source of revenue for the Debt Service Fund is the property tax which at \$5.3 million was equal to 99% of 2017 revenues. Other revenues in 2017 were only \$18K.

- Historically, debt service costs have increased significantly as a result of a \$50 million sewer project that reconstructed the Town's sewer system, as well as the development of playing fields on land acquired from the State. However, this trend is moderating as over the last three years the total debt levels have remained relatively stable. Debt service expenditures were \$2.1 million in 2008, \$3.8 million in 2009, \$4.0 million in 2010, \$4.6 million in 2011, \$5.0 million

in 2012, \$5.3 million in 2013, \$5.1 million in 2014, \$5.7 million in 2015, \$5.7 million in 2016, and \$5.8 million in 2017.

- Fund balance in the debt service fund decreased from \$3.0 million to \$2.1 million, which was in line with expectations as the budgeted fund balance use was \$0.8 million.

Capital Assets and Debt Administration

Capital Assets

The Town's capital assets had values, net of accumulated depreciation, of \$137.1 million at the end of 2017. This was a decrease of \$1.6 million over 2016.

The following table shows the components of the capital assets for governmental and business-type activities.

Capital Assets
December 31, 2017
(In millions of dollars, net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 16.265	\$ 16.945	\$ 5.454	\$ 5.454	\$ 21.719	\$ 22.399
Land Improvements	6.051	6.516	-	-	6.051	6.516
Buildings and Improvements	6.530	6.794	0.307	0.329	6.837	7.123
Golf Course Facility	-	-	1.713	1.837	1.713	1.837
Machinery and Equipment	8.060	8.191	0.080	0.045	8.140	8.236
Infrastructure	84.486	84.223	-	-	84.486	84.223
Construction-In-Progress	8.154	8.333	-	-	8.154	8.333
Total Capital Assets	\$ 129.546	\$ 131.002	\$ 7.553	\$ 7.665	\$ 137.099	\$ 138.667

Additional information on the Town's capital assets can be found in Note 3B in the notes to the financial statements.

Long Term and Short Term Debt

The Town's long-term debt (general obligation bonds) at the end of 2017 was \$63.8 million versus \$68.1 million in 2016, of which \$60.7 million was for governmental activities, and \$3.1 million was for the Town's enterprise funds consisting of the Blue Hill and Broadacres Golf Course funds, both business type activities. The Town did not have any bond anticipation notes (BANs) outstanding at the end of 2017.

Total outstanding debt, as noted in the chart following this discussion, decreased from \$76.8 million in 2016 to \$72.1 million in 2017 due to the principal payments more than offsetting the new debt offered. The breakdown for the \$4.6 million reduction in debt are: \$4.3 million reduction in General Obligation bonds, \$150K reduction in Energy Performance Contract, and a \$250K reduction in the loan to the Golf Courses.

In July 2016 Moody's Investors' Service reaffirmed the Town's underlying Aa2 rating for outstanding debts.

Outstanding Debt
General Obligations Bonds, Energy Performance Contract and Loans Payable
(in millions of dollars)

	Governmental		Business Type		Total	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$ 60.728	\$ 64.818	\$ 3.077	\$ 3.279	\$ 63.805	\$ 68.097
Unamortized Premium on Bonds	0.217	0.249	0.640	0.683		
Energy Performance Contract	1.195	1.347	-	-	1.195	1.347
Loans Payable	1.484	1.500	5.602	5.852	7.086	7.352
Total Outstanding Debt	\$ 63.624	\$ 67.915	\$ 9.319	\$ 9.814	\$ 72.086	\$ 76.796

Additional information on the Town's long-term debt can be found in Note 3E, in the notes to the financial statements.

Economic Factors

Resources and Challenges

Orangetown is a suburban community located 20 miles north of Manhattan and the George Washington Bridge and is connected to Westchester County by the Tappan Zee Bridge. The Town is immediately north of Bergen County, New Jersey. As a result, the Town is within easy commuting distance of most of the Fortune 500 headquarters located in the New York metropolitan area.

Orangetown is starting to see the impact from an improvement in the general economy. This is reflected in higher building permits, sales tax, and mortgage tax figures. Additionally, after years of declining assessed value (peaked in 2007 at \$11.6B) and bottomed in 2016 at \$9.1B, the Town saw an increase in 2017 to \$9.7B. The Town finances weathered 2017 because of conservative budget practices, reduced capital outlays, and lowering overall headcount through attrition from retirements. Additionally, the decision to privatize both golf courses has turned a perpetual loss into a positive, a net swing of nearly \$1 million per year.

Pfizer Down-Sizing

While the economy slowly recovers, a continuing threat to the Town's financial wellbeing is the decision by Pfizer to down-size operations and challenge its property taxes. When Pfizer acquired Wyeth pharmaceuticals ("Wyeth") in 2011, Wyeth had been the Town and Rockland County's largest private employer and largest taxpayer. Wyeth's property was nearly 10% of the Town taxable assessed value and now represents around 5% of assessed valuation (prior to the sale to IRG).

Initially, Pfizer indicated that layoffs would be limited to 400 of the Pearl River (Orangetown) facility's 3,000 employees who worked in pharmaceutical production and that research operations be unaffected. Since then Pfizer has decided to move some research operations to Ireland and eliminate an additional 1,200 jobs. At the current time, Pfizer has around 1,000 employees at the Pearl River facility.

Pfizer subsequently indicated to the Town and Nanuet School District that in order to preserve remaining jobs, the Pfizer facility's property taxes needed to be dramatically reduced. A settlement was approved by the Town Board and Nanuet School Board in 2012. The Pfizer settlement will remain in effect through 2017. Importantly, Pfizer has indicated that it plans to keep around 1,000 employees in the facilities for at least the next 10 years. As such, the vast majority of the decline in tax revenues from Pfizer has already occurred.

Pfizer Sale to IRG

In 2015, Pfizer announced the sale of over 200 acres of its main campus to IRG. Pfizer will maintain 23 acres for its operations and also 300 acres of undeveloped land. IRG is a large real estate development company and has plans to rapidly transform the site with a multi-use development plan. Over time, this should add to the non-Homestead tax ratables. Importantly, IRG plans to repurpose existing buildings rather than tear them down.

Future Economic Development

The long-term future of Rockland County in general and Orangetown in particular depends on its ability to continue to attract commuters and new headquarters facilities. Education, transportation, housing and the re-development of lands purchased from the State in 2002 are key ingredients to the future economy of Orangetown. The Town also has benefited from the State's Empire Zone economic development incentives.

The Pearl River, South Orangetown, Nanuet, and Nyack School Districts have test scores at or above the County average. The Town is also home to the County's three four-year colleges: Dominican College, Nyack College, and Saint Thomas Aquinas College. The Town also hosts satellite campuses for graduate programs for Iona College, Long Island University, and New York University.

Transportation also is critical. The State of New York is far along in its construction of a new bridge to replace the Tappan Zee Bridge, which has Orangetown at its western end. This should benefit the Town through increased employment and sales tax revenues for the next several years as the bridge is constructed.

Bloomberg has completed a state of the art data center. Bloomberg and the Town have entered into a payment in-lieu of taxes ("PILOT") agreement which required Bloomberg to pay approximately \$60,000 in PILOT fees beginning in 2014. This amount will increase over time to over \$100K per year in 2025. In today's dollars, the assessed value of the facility would be almost \$6 million.

Finally, mortgage fees and local real estate sales and prices have started to increase in the last couple of years. Therefore, we expect that instead of a major decline in non-homestead assessments that were seen in 2011-2012, it is likely that assessments will start to improve, which should help alleviate some pressure on the tax base.

Surplus Lands at the Rockland Psychiatric Center ("RPC")

In January 2003, the Town purchased 350 acres of surplus RPC land from New York State, including the existing Broadacres Golf Course. The Town completed a \$6.5 million recreation project on previously vacant lands at the site.

In February, 2017 JPMorgan Chase announced that it has agreed to purchase 61 acres at RPC for an announced price of \$7.5 million. In addition, JPMorgan Chase will be responsible for the environmental remediation of the abandoned buildings. This is a significant benefit to the Town as once it is completed it will add directly to fund balance. Additionally, there is a PILOT agreement in place, that will add significant revenues to the Town's finances as well. Importantly, discussions are ongoing to sell additional parcels of land at the former psychiatric center.

Next Year's Budgets and Tax Rates

The 2018 budget was the seventh year in which the Town needed to comply with the property tax cap that was approved by the New York State Legislature in 2011. The Town Board chose not to override the tax cap for 2018. By minimizing capital outlays for new vehicles, not replacing retiring personnel, cutting special district funding and general cost containment, the Town was able to remain under the 2% tax levy cap. The tax rate was kept under 2% in large part due to the decision to appropriate \$1.4 million in fund balance as a means for reducing property taxes for Town services.

For 2019, the Town Board has indicated that it will again attempt to stay within the tax cap. This will be a particularly difficult challenge if health insurance and pension costs continue to rise dramatically and if the economic growth does not quicken.

Contacting the Town's Financial Management

This report is intended to provide a broad overview of the Town's finances to its citizens and other stakeholders. If you desire additional information or have suggestions for improving this report, please contact:

Jeffrey W. Bencik
Orangetown Finance Director
Town Hall
26 Orangeburg Road
Orangeburg, New York 10962
Or e-mail jbencik@orangetown.com

**BASIC FINANCIAL
STATEMENTS**

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Town of Orangetown, New York

Statement of Net Position
December 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Orangetown Housing Authority
ASSETS				
Cash and equivalents	\$ 23,441,738	\$ 1,138,282	\$ 24,580,020	\$ 169,138
Restricted investments	91,740	-	91,740	3,476,800
Receivables				
Accounts	652,248	74,983	727,231	27,861
State and Federal aid	1,538,279	-	1,538,279	-
Due from other governments	637,538	-	637,538	-
Loans, net	-	-	-	-
Prepaid expenses	1,713,674	-	1,713,674	56,141
Capital assets				
Not being depreciated	24,418,098	5,453,825	29,871,923	1,969,055
Being depreciated, net	105,126,969	2,099,494	107,226,463	2,363,787
Total Assets	<u>157,620,284</u>	<u>8,766,584</u>	<u>166,386,868</u>	<u>8,062,782</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>13,351,020</u>	<u>120,426</u>	<u>13,471,446</u>	<u>-</u>
LIABILITIES				
Accounts payable	2,670,096	63,549	2,733,645	19,471
Accrued liabilities	1,112,136	-	1,112,136	-
Accrued interest payable	610,198	40,650	650,848	52,047
Due to other governments	713,353	61,293	774,646	-
Unearned revenues	-	36,664	36,664	7,684
Loan payable	1,000,000	-	1,000,000	-
Deposits	-	-	-	119,800
Internal balances	(780,696)	780,696	-	-
Non-current liabilities				
Due within one year	5,283,088	408,258	5,691,346	345,000
Due in more than one year	146,312,666	9,000,791	155,313,457	6,280,599
Total Liabilities	<u>156,920,841</u>	<u>10,391,901</u>	<u>167,312,742</u>	<u>6,824,601</u>
DEFERRED INFLOWS OF RESOURCES	<u>2,043,915</u>	<u>-</u>	<u>2,043,915</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	67,679,319	4,533,101	72,212,420	1,069,043
Restricted for				
Law enforcement	160,422	-	160,422	-
Debt service	5,712,839	-	5,712,839	-
Special Revenue Funds				
Special Districts	153,137	-	153,137	-
Pearl River Parking	248,893	-	248,893	-
Special Purpose	310,270	-	310,270	-
Unrestricted	(62,258,332)	(6,037,992)	(68,296,324)	169,138
Total Net Position	<u>\$ 12,006,548</u>	<u>\$ (1,504,891)</u>	<u>\$ 10,501,657</u>	<u>\$ 1,238,181</u>

The notes to the financial statements are an integral part of this statement.

Town of Orangetown, New York

Statement of Activities
Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 12,193,574	\$ 793,588	\$ 250,000	\$ -
Public safety	30,636,957	2,585,543	370,906	-
Health	439,833	-	-	-
Transportation	14,715,392	227,083	834,899	731,888
Economic opportunity and development	185,378	-	-	-
Culture and recreation	4,971,068	571,582	130,798	-
Home and community services	14,026,660	2,376,429	43,554	150,002
Interest	1,442,123	-	-	18,599
Total Governmental Activities	<u>78,610,985</u>	<u>6,554,225</u>	<u>1,630,157</u>	<u>900,489</u>
Business-type activities				
Blue Hill Golf Course	2,347,093	2,524,360	-	-
Broad Acres Golf Course	771,992	657,774	-	-
Total Business-type Activities	<u>3,119,085</u>	<u>3,182,134</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 81,730,070</u>	<u>\$ 9,736,359</u>	<u>\$ 1,630,157</u>	<u>\$ 900,489</u>
Component unit				
Orangetown Housing Authority	<u>\$ 789,630</u>	<u>\$ 976,623</u>	<u>\$ 474</u>	<u>\$ -</u>
General revenues				
Real property taxes				
Other tax items				
Payments in lieu of taxes				
Interest and penalties on real property taxes				
Non-property taxes				
Franchise fees				
Non-property tax distribution from County				
Unrestricted use of money and property				
Sale of property and compensation for loss				
Unrestricted State aid				
Miscellaneous				
Gain on sale of land				
Transfers				
Total General Revenues				
Change in Net Position				
NET POSITION				
Beginning, as reported				
Prior period Adjustment				
Beginning, as restated				
Ending				

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Housing Authority
\$ (11,149,986)	\$ -	\$ (11,149,986)	\$ -
(27,680,508)	-	(27,680,508)	-
(439,833)	-	(439,833)	-
(12,921,522)	-	(12,921,522)	-
(185,378)	-	(185,378)	-
(4,268,688)	-	(4,268,688)	-
(11,456,675)	-	(11,456,675)	-
(1,423,524)	-	(1,423,524)	-
(69,526,114)	-	(69,526,114)	-
-	177,267	177,267	-
-	(114,218)	(114,218)	-
-	63,049	63,049	-
(69,526,114)	63,049	(69,463,065)	-
-	-	-	187,467
51,936,277	-	51,936,277	-
1,970,056	-	1,970,056	-
147,006	-	147,006	-
807,538	-	807,538	-
1,795,597	-	1,795,597	-
2,441	524	2,965	32,358
3,635	-	3,635	-
2,248,932	-	2,248,932	-
131,542	-	131,542	-
6,819,396	-	6,819,396	-
(413,309)	413,309	-	-
65,449,111	413,833	65,862,944	32,358
(4,077,003)	476,882	(3,600,121)	219,825
16,083,551	(1,981,773)	14,101,778	756,861
-	-	-	261,495
16,083,551	(1,981,773)	14,101,778	1,018,356
\$ 12,006,548	\$ (1,504,891)	\$ 10,501,657	\$ 1,238,181

Town of Orangetown, New York

Balance Sheet
Governmental Funds
December 31, 2017

	General	Town Outside Villages	Sewer
ASSETS			
Cash and equivalents	\$ 10,883,604	\$ 4,167,999	\$ 3,221,573
Restricted Investments	-	-	-
Receivables			
Accounts	344,056	158,267	119,779
State and Federal aid	-	-	81,388
Due from other governments	512,368	100,032	-
Due from other funds	3,090,244	40,674	-
Loans, net of allowance of \$5,602,007	-	-	-
	3,946,668	298,973	201,167
Prepaid expenditures	308,717	842,094	154,817
Total Assets	<u>\$ 15,138,989</u>	<u>\$ 5,309,066</u>	<u>\$ 3,577,557</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 729,427	\$ 637,155	\$ 690,712
Accrued liabilities	6,734	1,052,660	17,478
Due to other governments	702,356	-	-
Due to other funds	1,718,783	488,477	970,462
Loan payable	-	-	-
Total Liabilities	<u>3,157,300</u>	<u>2,178,292</u>	<u>1,678,652</u>
Fund balances			
Nonspendable	308,717	842,094	154,817
Restricted	3,629,326	115,193	-
Committed	-	-	-
Assigned	786,717	2,173,487	1,744,088
Unassigned	7,256,929	-	-
Total Fund Balances	<u>11,981,689</u>	<u>3,130,774</u>	<u>1,898,905</u>
Total Liabilities and Fund Balances	<u>\$ 15,138,989</u>	<u>\$ 5,309,066</u>	<u>\$ 3,577,557</u>

The notes to the financial statements are an integral part of this statement.

Highway	Debt Service	Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ 2,438,641	\$ 803,438	\$ 1,017,525	\$ 812,314	\$ 23,345,094
-	-	91,740	-	91,740
29,851	-	-	295	652,248
224,709	-	1,232,182	-	1,538,279
25,138	-	-	-	637,538
37,520	1,381,421	540,174	103	5,090,136
-	-	-	-	-
317,218	1,381,421	1,772,356	398	7,918,201
181,253	-	-	-	1,486,881
<u>\$ 2,937,112</u>	<u>\$ 2,184,859</u>	<u>\$ 2,881,621</u>	<u>\$ 812,712</u>	<u>\$ 32,841,916</u>
\$ 392,527	\$ -	\$ 105,071	\$ 89,415	\$ 2,644,307
35,264	-	-	-	1,112,136
-	-	-	10,997	713,353
649,559	56,117	349,394	-	4,232,792
-	-	1,000,000	-	1,000,000
1,077,350	56,117	1,454,465	100,412	9,702,588
181,253	-	-	-	1,486,881
-	2,128,742	1,360,267	310,270	7,543,798
-	-	66,889	-	66,889
1,678,509	-	-	402,030	6,784,831
-	-	-	-	7,256,929
1,859,762	2,128,742	1,427,156	712,300	23,139,328
<u>\$ 2,937,112</u>	<u>\$ 2,184,859</u>	<u>\$ 2,881,621</u>	<u>\$ 812,712</u>	<u>\$ 32,841,916</u>

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Town of Orangetown, New York

Reconciliation of Governmental Funds Balance Sheet to the Government - Wide Statement of Net Position December 31, 2017

Fund Balances - Total Governmental Funds	\$ 23,139,328
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	129,545,067
Governmental funds report the effects of premiums, discounts and similar items when debt is first issued and assets or liabilities related to net pension assets (liabilities), whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on refunding bonds	102,880
Deferred amounts on pension liabilities	11,204,225
	11,307,105
Net position of the internal service funds is included with governmental activities.	(1,986,553)
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(610,198)
Bonds payable	(60,945,383)
Energy performance contract payable	(1,194,512)
Loans payable	(1,484,000)
Compensated absences	(3,601,463)
Net pension liability	(11,765,367)
Retirement incentives and other pension obligations payable	(2,538,036)
Other post employment benefit obligations payable	(67,859,440)
	(149,998,399)
Net Position of Governmental Activities	\$ 12,006,548

The notes to the financial statements are an integral part of this statement.

Town of Orangetown, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year Ended December 31, 2017

	General	Town Outside Villages	Sewer	Highway
REVENUES				
Real property taxes	\$ 3,173,431	\$ 25,397,270	\$ 6,717,810	\$ 9,436,632
Other tax items	2,009,154	107,908	-	-
Non-property taxes	2,603,135	-	-	-
Departmental income	782,694	2,352,223	853,005	-
Intergovernmental charges	-	116,976	1,160,348	130,003
Use of money and property	199,825	65,921	20,990	26,942
Licenses and permits	110,703	-	-	-
Fines and forfeitures	496,948	-	-	-
Sale of property and compensation for loss	-	3,635	-	206,220
Interfund revenues	3,217,162	-	-	82,288
State aid	2,173,222	136,032	-	479,166
Federal aid	127,000	-	-	-
Miscellaneous	264,282	217,228	20,709	122,514
Total Revenues	15,157,556	28,397,193	8,772,862	10,483,765
EXPENDITURES				
Current				
General government support	7,532,916	1,716,742	893,091	1,132,383
Public safety	283,973	16,068,829	-	-
Health	39,833	-	-	-
Transportation	450,532	612,886	-	6,446,699
Economic opportunity and development	185,378	-	-	-
Culture and recreation	2,912,767	-	-	-
Home and community services	139,860	1,101,017	5,685,918	-
Employee benefits	3,722,224	9,590,134	2,330,683	2,845,931
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	15,267,483	29,089,608	8,909,692	10,425,013
Excess (Deficiency) of Revenues Over Expenditures	(109,927)	(692,415)	(136,830)	58,752
OTHER FINANCING SOURCES (USES)				
Sale of real property	7,500,000	-	-	-
Transfers in	-	-	-	-
Transfers out	(128,621)	-	-	(130,936)
Total Other Financing Sources (Uses)	7,371,379	-	-	(130,936)
Net Change in Fund Balances	7,261,452	(692,415)	(136,830)	(72,184)
FUND BALANCES				
Beginning of Year	4,720,237	3,823,189	2,035,735	1,931,946
End of Year	\$ 11,981,689	\$ 3,130,774	\$ 1,898,905	\$ 1,859,762

The notes to the financial statements are an integral part of this statement.

Debt Service	Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ 5,328,386	\$ -	\$ 1,882,748	\$ 51,936,277
-	-	-	2,117,062
-	-	-	2,603,135
-	-	97,080	4,085,002
-	-	-	1,407,327
18,599	-	2,270	334,547
-	-	-	110,703
-	-	-	496,948
-	-	-	209,855
-	-	-	3,299,450
-	407,926	-	3,196,346
-	323,962	-	450,962
-	150,002	130,440	905,175
<u>5,346,985</u>	<u>881,890</u>	<u>2,112,538</u>	<u>71,152,789</u>
101,349	-	-	11,376,481
-	-	638,617	16,991,419
-	-	400,000	439,833
-	-	98,655	7,608,772
-	-	-	185,378
-	-	9,219	2,921,986
-	-	888,481	7,815,276
-	-	-	18,488,972
4,258,833	-	-	4,258,833
1,492,633	-	-	1,492,633
-	4,133,257	-	4,133,257
<u>5,852,815</u>	<u>4,133,257</u>	<u>2,034,972</u>	<u>75,712,840</u>
<u>(505,830)</u>	<u>(3,251,367)</u>	<u>77,566</u>	<u>(4,560,051)</u>
-	-	-	7,500,000
-	199,150	-	199,150
<u>(352,902)</u>	<u>-</u>	<u>-</u>	<u>(612,459)</u>
<u>(352,902)</u>	<u>199,150</u>	<u>-</u>	<u>7,086,691</u>
(858,732)	(3,052,217)	77,566	2,526,640
<u>2,987,474</u>	<u>4,479,373</u>	<u>634,734</u>	<u>20,612,688</u>
<u>\$ 2,128,742</u>	<u>\$ 1,427,156</u>	<u>\$ 712,300</u>	<u>\$ 23,139,328</u>

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Town of Orangetown, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2017

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	\$ 2,526,640
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	4,596,180
Basis of land sold	(680,604)
Depreciation expense	(5,372,524)
	<u>(1,456,948)</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Principal paid on loans	16,000
Principal paid on bonds	4,090,024
Principal paid on energy performance contract	152,809
Amortization of issuance premium and loss on refunding	12,350
	<u>4,271,183</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	38,160
Compensated absences	(31,228)
Retirement incentives and other pension obligations	382,766
Pension obligations	(1,466,201)
Other post employment benefit obligations	(8,305,713)
	<u>(9,382,216)</u>
Internal service funds are used by management to charge the cost of risk activities to individual funds. The net revenue or expenses of the internal service funds are reported within governmental activities.	
	<u>(35,662)</u>
Change in Net Position of Governmental Activities	\$ <u>(4,077,003)</u>

The notes to the financial statements are an integral part of this statement.

Town of Orangetown, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General, Town Outside Villages, Sewer and Highway Funds
Year Ended December 31, 2017

	General				Town Outside Villages			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Real property taxes	\$ 3,160,679	\$ 3,160,679	\$ 3,173,431	\$ 12,752	\$ 25,393,087	\$ 25,393,087	\$ 25,397,270	\$ 4,183
Other tax items	2,001,591	2,001,591	2,009,154	7,563	87,000	87,000	107,908	20,908
Non-property taxes	2,475,000	2,475,000	2,603,135	128,135	-	-	-	-
Departmental income	999,150	999,150	782,694	(216,456)	1,695,000	1,695,000	2,352,223	657,223
Intergovernmental charges	-	-	-	-	111,000	111,000	116,976	5,976
Use of money and property	186,200	186,200	199,825	13,625	19,500	19,500	65,921	46,421
Licenses and permits	241,050	241,050	110,703	(130,347)	-	-	-	-
Fines and forfeitures	375,000	375,000	496,948	121,948	-	-	-	-
Sale of property and compensation for loss	-	-	-	-	-	-	3,635	3,635
Interfund revenues	3,217,162	3,217,162	3,217,162	-	-	-	-	-
State aid	1,690,000	1,690,000	2,173,222	483,222	94,710	200,710	136,032	(64,678)
Federal aid	150,000	275,000	127,000	(148,000)	-	-	-	-
Miscellaneous	737,797	737,797	264,282	(473,515)	19,000	19,000	217,228	198,228
Total Revenues	15,233,629	15,358,629	15,157,556	(201,073)	27,419,297	27,525,297	28,397,193	871,896
EXPENDITURES								
Current								
General government support	6,913,542	7,616,133	7,532,916	83,217	1,528,037	1,539,459	1,716,742	(177,283)
Public safety	205,080	291,383	283,973	7,410	14,888,271	15,407,533	16,068,829	(661,296)
Health	35,183	39,833	39,833	-	-	-	-	-
Transportation	504,290	475,439	450,532	24,907	550,000	612,886	612,886	-
Economic opportunity and development	188,500	188,500	185,378	3,122	-	-	-	-
Culture and recreation	2,940,277	2,970,840	2,912,767	58,073	-	-	-	-
Home and community services	157,429	141,273	139,860	1,413	1,138,344	1,101,018	1,101,017	1
Employee benefits	4,216,114	3,722,224	3,722,224	-	10,080,278	9,730,796	9,590,134	140,662
Total Expenditures	15,160,415	15,445,625	15,267,483	178,142	28,184,930	28,391,692	29,089,608	(697,916)
Excess (Deficiency) of Rev- enues Over Expenditures	73,214	(86,996)	(109,927)	(22,931)	(765,633)	(866,395)	(692,415)	173,980
OTHER FINANCING SOURCES (USES)								
Sale of real property	-	-	7,500,000	7,500,000	-	-	-	-
Transfers out	(121,081)	(128,621)	(128,621)	-	-	-	-	-
Total Other Financing Sources (Uses)	(121,081)	(128,621)	7,371,379	7,500,000	-	-	-	-
Net Change in Fund Balances	(47,867)	(215,617)	7,261,452	7,477,069	(765,633)	(866,395)	(692,415)	173,980
FUND BALANCES								
Beginning of Year	47,867	215,617	4,720,237	4,504,620	765,633	866,395	3,823,189	2,956,794
End of Year	\$ -	\$ -	\$ 11,981,689	\$ 11,981,689	\$ -	\$ -	\$ 3,130,774	\$ 3,130,774

The notes to the financial statements are an integral part of this statement.

Sewer				Highway			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 6,709,410	\$ 6,709,410	\$ 6,717,810	\$ 8,400	\$ 9,435,459	\$ 9,435,459	\$ 9,436,632	\$ 1,173
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
800,000	800,000	853,005	53,005	-	-	-	-
1,000,000	1,000,000	1,160,348	160,348	215,000	215,000	130,003	(84,997)
3,500	3,500	20,990	17,490	5,500	5,500	26,942	21,442
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	12,000	12,000	206,220	194,220
-	-	-	-	-	-	82,288	82,288
-	-	-	-	535,000	535,000	479,166	(55,834)
-	-	-	-	-	-	-	-
-	-	20,709	20,709	173,000	173,000	122,514	(50,486)
8,512,910	8,512,910	8,772,862	259,952	10,375,959	10,375,959	10,483,765	107,806
875,550	898,784	893,091	5,693	1,121,419	1,134,180	1,132,383	1,797
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	7,184,409	7,111,968	6,446,699	665,269
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,822,457	6,099,528	5,685,918	413,610	-	-	-	-
2,441,516	2,351,211	2,330,683	20,528	3,178,445	3,107,189	2,845,931	261,258
9,139,523	9,349,523	8,909,692	439,831	11,484,273	11,353,337	10,425,013	928,324
(626,613)	(836,613)	(136,830)	699,783	(1,108,314)	(977,378)	58,752	1,036,130
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(130,936)	(130,936)
-	-	-	-	-	-	(130,936)	(130,936)
(626,613)	(836,613)	(136,830)	699,783	(1,108,314)	(977,378)	(72,184)	905,194
626,613	836,613	2,035,735	1,199,122	1,108,314	977,378	1,931,946	954,568
\$ -	\$ -	\$ 1,898,905	\$ 1,898,905	\$ -	\$ -	\$ 1,859,762	\$ 1,859,762

Town of Orangetown, New York

Statement of Net Position
 Proprietary Funds
 December 31, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Blue Hill Golf Course	Broadacres Golf Course	Totals	
ASSETS				
Current assets				
Cash and equivalents	\$ 1,068,235	\$ 70,047	\$ 1,138,282	\$ 96,644
Receivables				
Accounts	74,983	-	74,983	-
Due from other funds	1,054,822	63,993	1,118,815	9,809
	1,129,805	63,993	1,193,798	9,809
Prepaid expenses	-	-	-	226,793
Total Current Assets	2,198,040	134,040	2,332,080	333,246
Noncurrent assets				
Capital assets				
Land	3,071,006	2,382,819	5,453,825	-
Buildings and improvements	835,062	352,216	1,187,278	-
Improvements other than buildings	6,390,378	334,721	6,725,099	-
Machinery and equipment	1,762,455	237,767	2,000,222	-
	12,058,901	3,307,523	15,366,424	-
Less - Accumulated depreciation	(7,301,730)	(511,375)	(7,813,105)	-
Total Noncurrent Assets	4,757,171	2,796,148	7,553,319	-
Total Assets	6,955,211	2,930,188	9,885,399	333,246
DEFERRED OUTFLOWS OF RESOURCES	-	120,426	120,426	-
LIABILITIES				
Current liabilities				
Accounts payable	59,004	4,545	63,549	25,789
Accrued interest payable	7,423	33,227	40,650	-
Due to other governments	589	60,704	61,293	-
Due to other funds	1,755,582	143,929	1,899,511	86,457
Unearned revenues	36,664	-	36,664	-
Current maturities of bonds payable	85,196	123,062	208,258	-
Current maturities of loans payable	200,000	-	200,000	-
Current portion of claims payable	-	-	-	221,000
Total Current Liabilities	2,144,458	365,467	2,509,925	333,246
Noncurrent liabilities				
Bonds payable, less current maturities	764,330	2,168,056	2,932,386	-
Loans payable, less current maturities	2,834,934	2,567,073	5,402,007	-
Claims payable, less current portion	-	-	-	1,986,553
Other post employment benefit obligations payable	654,975	11,423	666,398	-
Total Noncurrent Liabilities	4,254,239	4,746,552	9,000,791	1,986,553
Total Liabilities	6,398,697	5,112,019	11,510,716	2,319,799
NET POSITION				
Net investment in capital assets	3,907,645	625,456	4,533,101	-
Unrestricted	(3,351,131)	(2,686,861)	(6,037,992)	(1,986,553)
Total Net Position	\$ 556,514	\$ (2,061,405)	\$ (1,504,891)	\$ (1,986,553)

The notes to the financial statements are an integral part of this statement.

Town of Orangetown, New York

Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds
Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Blue Hill Golf Course	Broadacres Golf Course	Totals	
OPERATING REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ 2,457,414
Insurance recoveries	-	-	-	303,047
Greens fees	1,778,480	475,101	2,253,581	-
Cart rental	556,389	104,973	661,362	-
Facility rental	24,000	-	24,000	-
Permit cards	138,284	2,700	140,984	-
Other income	27,207	75,000	102,207	-
Total Operating Revenues	2,524,360	657,774	3,182,134	2,760,461
OPERATING EXPENSES				
Personal services	112,590	5,322	117,912	-
Rental of equipment	83,592	30,212	113,804	-
Repairs and maintenance	8,458	54	8,512	-
Utilities	5,358	17,602	22,960	-
Insurance	-	-	-	1,234,991
Contractual and other	1,728,568	600,779	2,329,347	59,372
Employee benefits	155,783	26,897	182,680	1,372,698
Judgments and claims	-	-	-	129,209
Depreciation	226,044	20,912	246,956	-
Total Operating Expenses	2,320,393	701,778	3,022,171	2,796,270
Income (Loss) from Operations	203,967	(44,004)	159,963	(35,809)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	524	-	524	147
Interest expense	(26,700)	(70,214)	(96,914)	-
Total Non-Operating Revenues (Expenses)	(26,176)	(70,214)	(96,390)	147
Income (Loss) Before Transfers	177,791	(114,218)	63,573	(35,662)
Transfers in	103,193	310,116	413,309	-
Change in Net Position	280,984	195,898	476,882	(35,662)
NET POSITION				
Beginning of Year	275,530	(2,257,303)	(1,981,773)	(1,950,891)
End of Year	\$ 556,514	\$ (2,061,405)	\$ (1,504,891)	\$ (1,986,553)

The notes to the financial statements are an integral part of this statement.

Town of Orangetown, New York

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Blue Hill Golf Course	Broadacres Golf Course	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from charges for services	\$ 2,530,634	\$ 660,821	\$ 3,191,455	\$ -
Cash received from interfund services provided	-	-	-	3,333,068
Cash received from insurance recoveries	-	-	-	303,047
Cash payments to vendors	(2,020,287)	(646,050)	(2,666,337)	-
Cash payments to insurance carriers and claimants	-	-	-	(3,571,933)
Cash payments to employees	(237,704)	(26,897)	(264,601)	-
Net Cash from Operating Activities	272,643	(12,126)	260,517	64,182
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Repayment of loans from other funds	(250,000)	-	(250,000)	-
Transfers in	103,193	310,116	413,309	-
Net Cash from Non-Capital Financing Activities	(146,807)	310,116	163,309	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on bonds	(82,416)	(120,060)	(202,476)	-
Interest paid on indebtedness	(27,417)	(68,975)	(96,392)	-
Acquisition and construction of capital assets	(5,551)	(129,857)	(135,408)	-
Net Cash from Capital and Related Financing Activities	(115,384)	(318,892)	(434,276)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	524	-	524	147
Net Change in Cash and Equivalents	10,976	(20,902)	(9,926)	64,329
CASH AND EQUIVALENTS				
Beginning of Year	1,057,259	90,949	1,148,208	32,315
End of Year	\$ 1,068,235	\$ 70,047	\$ 1,138,282	\$ 96,644
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES				
Income (loss) from operations	\$ 203,967	\$ (44,004)	\$ 159,963	\$ (35,809)
Adjustments to reconcile income (loss) from operations to net cash from operating activities				
Depreciation	226,044	20,912	246,956	-
Changes in assets and liabilities				
Accounts receivable	2,026	3,047	5,073	-
Due from other funds	(8,808)	-	(8,808)	882,807
Prepaid expenses	6,699	-	6,699	(14,944)
Accounts payable	(3,470)	(66,852)	(70,322)	(389,890)
Due to other governments	158	60,641	60,799	-
Due to other funds	(188,890)	8,808	(180,082)	(549,230)
Unearned revenues	4,248	-	4,248	-
Claims payable	-	-	-	171,248
Other post employment benefit obligations payable	30,669	5,322	35,991	-
Net Cash from Operating Activities	\$ 272,643	\$ (12,126)	\$ 260,517	\$ 64,182
Non-Cash Non Operating, Capital and Related Financing Activities				
Amortization of bond premium	\$ 9,029	\$ (4,267)	\$ 4,762	\$ -
Amortization of deferred loss on bond	-	8,027	8,027	-

The notes to the financial statements are an integral part of this statement.

Town of Orangetown, New York

Statement of Assets and Liabilities

Fiduciary Fund

December 31, 2017

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 833,557
Accounts receivable	<u>226,510</u>
 Total Assets	 <u><u>\$ 1,060,067</u></u>
 LIABILITIES	
Deposits	<u><u>\$ 1,060,067</u></u>

The notes to the financial statements are an integral part of this statement.

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Note 1 - Summary of Significant Accounting Policies

The Town of Orangetown, New York ("Town") was established in 1788 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as both the chief executive and chief financial officer. The Town provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the Town, b) organizations for which the Town is financially accountable and c) other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following individual component unit is included in the Town's reporting entity because of its operational or financial relationship with the Town.

The Orangetown Housing Authority ("Housing Authority") was organized in 1989 as a municipal housing authority created and established for the Town under the Public Housing Law of the State of New York for the purpose of providing decent, safe and sanitary housing for persons of low income and other related purposes. The five members of the Housing Authority's Board are appointed by the Town Board. Consequently, the Town is able to impose its will on the Housing Authority. Bonds issued by the Housing Authority are guaranteed by the Town. As such, the Housing Authority may impose a financial burden on the Town. Since the Housing Authority does not provide services entirely or almost entirely to the Town, the financial statements of the Housing Authority have been reflected as a discretely presented component unit.

Complete financial statements of the component unit can be obtained at the address indicated below:

Orangetown Housing Authority
c/o ARCO Management
113 Bon Aire Circle
Suffern, New York 10901

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole and its component unit. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position presents the financial position of the Town and its component unit at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Enterprise Funds and the Internal Service Funds are charges to customers for services. Operating expenses for the Enterprise Funds and the Internal Service Funds include the cost of services, administrative expenses, depreciation costs and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Town's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Town's major governmental funds.

General Fund - The General Fund constitutes the primary fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue funds of the Town are as follows:

Town Outside Villages Fund - The Town Outside Villages Fund is used to account for transactions which by statute affect only those areas outside the boundaries of the villages located within the Town. The major revenues of this fund are real property taxes and departmental income.

Sewer Fund - The Sewer Fund is used to account for the operation and maintenance of the Town's sewer facilities. The major revenues of this fund are real property taxes, departmental income and intergovernmental charges.

Highway Fund - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenue of this fund is real property taxes.

Debt Service Fund - The Debt Service Fund is provided to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest and certain fiscal agent fees and for financial resources that are being accumulated for principal and interest maturing in future years.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned for capital outlay, including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Town also reports the following non-major governmental funds:

Special Revenue Funds:

Special Districts Fund - The Special Districts Fund is provided to account for the operation and maintenance of the Town's water, fire protection and ambulance districts.

Pearl River Parking Fund - The Pearl River Parking Fund is used to account for the operation and maintenance of parking meters and parking lots in certain areas of the Town.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Town in accordance with the terms of a trust agreement.

- b. Proprietary Funds - Proprietary funds include enterprise and internal service funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. Internal service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The operations of the Blue Hill Golf Course and the Broadacres Golf Course are recorded as major enterprise funds. The Town has established its Workers' Compensation Benefits and Risk Retention funds as internal service funds.
- c. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the Town in an agency capacity on behalf of others. The Agency Fund is also used to account for employee payroll tax withholdings or deposits that are payable to other jurisdictions or individuals.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements and the proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Fees and other similar revenues are not susceptible to accrual because generally they are not measureable until received in cash. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liability, certain claims, retirement incentives and other pension obligations and other post employment benefit obligations payable are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Component Unit

Component units are presented on the basis of accounting that most accurately reflects their activities. The Housing Authority is accounted for on the accrual basis of accounting.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The Town's deposits and investment policies are governed by State statutes. The Town has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Town is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Town follows the provisions of GASB Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized

Note 1 - Summary of Significant Accounting Policies (Continued)

into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Town does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2017.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town's investment policy limits the amount on deposit at each of its banking institutions.

Restricted Investments - Restricted investments of the Capital Projects Fund consist of bond proceeds held by a State agency. These funds are to be used for the Town's Capital Projects Fund sewer reconstruction projects. The component unit's restricted investments include rent security deposits required from tenants according to the terms of the lease agreements. In addition, certain proceeds from the Housing Authority revenue bonds, as well as certain other resources, are set aside pursuant to the terms of the bond indenture.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, highway, sewer, special district and debt service taxes which are due January 1st and payable without penalty until January 31st. The Town retains the total amount of town, highway, sewer, special district and debt service taxes from the total collection and returns the balance plus the uncollected items to the County, which assumes collection responsibility. The Town also acts in a fiduciary capacity for the collection of school districts taxes. These taxes are collected in September and remitted to the school districts as collected. Any unpaid taxes are transferred to the County, which guarantees the balance of the levy to the school districts.

Note 1 - Summary of Significant Accounting Policies (Continued)

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2017, balances of interfund amounts receivable or payable have been recorded in the fund financial statements. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as internal balances.

Loans Receivable/Payable - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are categorized as loans receivable/payable since the amounts may be outstanding for extended periods of time. The loan receivable of \$5,602,007 in the General Fund is offset with an allowance for uncollectible inter-fund loans and represents advances to Blue Hill and Broadacres Golf Course funds of \$3,034,934 and \$2,567,073, respectively.

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the Town. Purchases of inventoriable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent years budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Town chose to include all such items regardless of their acquisition date or amount. The Town was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized by using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Note 1 - Summary of Significant Accounting Policies (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the primary government, as well as the component unit, are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Land improvements	20-45
Buildings and improvements	35-60
Improvements other than buildings	20
Infrastructure	7-50
Machinery and equipment	5-25

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In government-wide financial statements, unearned revenue consists of grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those whose asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Town has reported unearned revenues of \$36,664 for golf fees received in advance in the Blue Hill Golf Course Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Town has reported deferred outflows of resources of \$102,880 and \$120,426 for deferred losses on refunding bonds in the government-wide and proprietary fund Statements of Net Position. These amounts result from the difference in the carrying value of the refunded debt and its reacquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt.

The Town also reports deferred outflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the Town's pension plans in Note 3E.

Note 1 - Summary of Significant Accounting Policies (Continued)

Long-Term Liabilities - In the government-wide and proprietary fund financial statements, long-term debt and other long-term liabilities are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expended as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as General, Capital Projects or Debt Service funds expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide and proprietary fund financial statements as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Pension Liability (Asset) - The net pension liability (asset) represents the Town's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date".

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, law enforcement, debt service and special revenue funds. The balance is classified as unrestricted.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables, advances) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as

Note 1 - Summary of Significant Accounting Policies (Continued)

provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Town Board is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Town Board removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Town Supervisor for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts except for negative balances that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, Town Outside Villages, Sewer, Highway and certain non-major funds. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 20, 2018.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The Town generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) Between the 5th and 10th of October, the Town Board shall prepare and approve a preliminary budget. The preliminary budget includes the estimated revenues and expenditures for the ensuing fiscal year.
- b) Immediately after the preliminary budget has been prepared and approved, the Town Board shall file the original copy with the Town Clerk where it shall be available for inspection by the public. In addition, the Town Board shall adopt a resolution specifying the time and place of a public hearing, which shall be held on or before December 10th.
- c) At the public hearing, taxpayers may comment on the preliminary budget.
- d) Within five days after the hearing, the Town Board shall adopt the preliminary budget as originally compiled or it may, by a majority vote, diminish or reject certain items contained therein as prescribed by law.
- e) Formal budgetary integration is employed during the year as a management control device for General, Town Outside Villages, Sewer, Highway, Debt Service and certain non-major funds.
- f) Budgets for General, Town Outside Villages, Sewer, Highway, Debt Service and the Pearl River Parking funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the Special Districts, Special Purpose or Proprietary funds.
- g) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- h) Appropriations in the General, Town Outside Villages, Sewer, Highway, Debt Service and the Pearl River Parking funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted or as amended by the Town Board.

B. Property Tax Limitation

The Town is not limited as to the maximum amount of real property taxes which may be raised. However, on June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Town in a particular year. The original legislation that established the Tax levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. Fund Deficits

The following funds have unrestricted deficits at December 31, 2017:

Internal Service Funds	
Workers' Compensation Benefits	\$ 1,628,528
Risk Retention	358,025
Enterprise Funds	
Blue Hill Golf Course	\$ 3,351,131
Broadacres Golf Course	2,686,861

In addition the South Orangetown Ambulance Sub-Fund within the Special Districts Fund reflects a deficit of \$340.

These deficits will be addressed in the ensuing years.

D. Excess of Actual Expenditures Over Budget

The following categories of expenditures exceeded their budgetary provisions by the amounts indicated:

Town Outside Village Fund - Police	
General Government Support	
Unallocated insurance	\$ 178,448
Metropolitan commuter transportation	
mobility tax	335
Public Safety	
Police	664,692
Employee Benefits	
State retirement - Police	77,639
Workers' compensation benefits	919
Unemployment benefits	1,519
Debt Service Fund	
Interest	
Serial bonds	6,659
Transfers out	60,674

In addition, the entire Town Outside Villages Fund – Police exceeded its budgetary provision by \$697,919.

E. Prior Period Adjustments - Component Unit

During the year ended December 31, 2016 it was determined that the recorded interest expense of the prior years was over reported. The correction has no effect on the results of the current year's activities; however, the cumulative effect increased net assets by \$261,495. Net assets as of January 1, 2017 have been adjusted accordingly.

Town of Orangetown, New York

Notes to Financial Statements (Continued)
 December 31, 2017

Note 3 - Detailed Notes on All Funds**A. Due From/To Other Funds**

The balances reflected as due from/to other funds at December 31, 2017 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 3,090,244	\$ 1,718,783
Town Outside Villages	40,674	488,477
Sewer	-	970,462
Highway	37,520	649,559
Debt Service	1,381,421	56,117
Capital Projects	540,174	349,394
Non-Major Government Funds	103	-
Blue Hill Golf Course	1,054,822	1,755,582
Broadacres Golf Course	63,993	143,929
Internal Service Funds	9,809	86,457
	<u>\$ 6,218,760</u>	<u>\$ 6,218,760</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

The above interfund balances are the result of temporary circumstances where one fund is due amounts based on funds being temporarily advanced to provide cash flow.

B. Capital Assets

Changes in the Town's capital assets are as follows:

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2017</u>
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$ 16,945,317	\$ -	\$ 680,604	\$ 16,264,713
Construction-in-progress	8,332,630	2,783,912	2,963,157	8,153,385
Total Capital Assets, not being depreciated	<u>\$ 25,277,947</u>	<u>\$ 2,783,912</u>	<u>\$ 3,643,761</u>	<u>\$ 24,418,098</u>

Town of Orangetown, New York

Notes to Financial Statements (Continued) December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Capital Assets, being depreciated:				
Land improvements	\$ 11,634,198	\$ 38,120	\$ -	\$ 11,672,318
Buildings and improvements	12,783,699	6,875	-	12,790,574
Infrastructure	164,808,813	3,358,713	-	168,167,526
Machinery and equipment	25,785,669	1,371,717	564,512	26,592,874
Total Capital Assets, being depreciated	215,012,379	4,775,425	564,512	219,223,292
Less Accumulated Depreciation for:				
Land improvements	5,118,088	503,550	-	5,621,638
Buildings and improvements	5,990,016	270,493	-	6,260,509
Infrastructure	80,585,690	3,095,584	-	83,681,274
Machinery and equipment	17,594,517	1,502,897	564,512	18,532,902
Total Accumulated Depreciation	109,288,311	5,372,524	564,512	114,096,323
Total Capital Assets, being depreciated, net	\$ 105,724,068	\$ (597,099)	\$ -	\$ 105,126,969
Governmental Activities Capital Assets, net	\$ 131,002,015	\$ 2,186,813	\$ 3,643,761	\$ 129,545,067

	Balance January 1, 2017	Additions	Balance December 31, 2017
Business-type Activities			
Capital Assets, not being depreciated - Land	\$ 5,453,825	\$ -	\$ 5,453,825
Capital Assets, being depreciated:			
Buildings and improvements	\$ 1,187,278	\$ -	\$ 1,187,278
Improvements other than buildings	6,644,548	80,551	6,725,099
Machinery and equipment	1,945,365	54,857	2,000,222
Total Capital Assets, being depreciated	9,777,191	135,408	9,912,599
Less Accumulated Depreciation for:			
Buildings and improvements	858,402	21,886	880,288
Improvements other than buildings	4,807,606	204,878	5,012,484
Machinery and equipment	1,900,141	20,192	1,920,333
Total Accumulated Depreciation	7,566,149	246,956	7,813,105
Total Capital Assets, being depreciated, net	\$ 2,211,042	\$ (111,548)	\$ 2,099,494
Business-type Activities Capital Assets, net	\$ 7,664,867	\$ (111,548)	\$ 7,553,319

Town of Orangetown, New York

Notes to Financial Statements (Continued)
 December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Depreciation expense was charged to the Town's functions and programs as follows:

Governmental Activities:	
General Government Support	\$ 180,204
Public Safety	256,678
Transportation	2,177,181
Culture and Recreation	678,063
Home and Community Services	<u>2,080,398</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 5,372,524</u>
 Business-type Activities:	
Blue Hill Golf Course	\$ 225,821
Broadacres Golf Course	<u>21,135</u>
 Total Depreciation Expense - Business-type Activities	 <u>\$ 246,956</u>

Capital Assets - Component Unit

Changes in the Housing Authority's capital assets are as follows:

	Balance January 1, 2017	Additions	Balance December 31, 2017
Capital Assets, not being depreciated - Land	<u>\$ 1,969,055</u>	<u>\$ -</u>	<u>\$ 1,969,055</u>
Capital Assets, being depreciated:			
Buildings and improvements	\$ 6,926,723	\$ 8,956	\$ 6,935,679
Machinery and equipment	<u>415,731</u>	<u>13,102</u>	<u>428,833</u>
Total Capital Assets, being depreciated	<u>7,342,454</u>	<u>22,058</u>	<u>7,364,512</u>
Less Accumulated Depreciation for:			
Buildings and improvements	4,441,019	195,606	4,636,625
Machinery and equipment	<u>332,184</u>	<u>31,916</u>	<u>364,100</u>
Total Accumulated Depreciation	<u>4,773,203</u>	<u>227,522</u>	<u>5,000,725</u>
Total Capital Assets, being depreciated, net	<u>\$ 2,569,251</u>	<u>\$ (205,464)</u>	<u>\$ 2,363,787</u>
Housing Authority Capital Assets, net	<u>\$ 4,538,306</u>	<u>\$ (205,464)</u>	<u>\$ 4,332,842</u>

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

C. Accrued Liabilities

Accrued liabilities at December 31, 2017 were as follows:

	Fund				
	General	Town Outside Villages	Sewer	Highway	Total
Payroll and Employee Benefits	\$ 6,734	\$ 1,052,660	\$ 17,478	\$ 35,264	\$ 1,112,136

D. Loans Payable

The Town, in 2017, received a loan from the New York State Environmental Facilities Corporation in the amount of \$1,000,000, to finance improvements to its clean water systems. The loan has a stated interest rate of 1.14% and matures September 2020. The balance due at December 31, 2017 was \$1,000,000.

E. Long-Term Indebtedness

The following table summarizes changes in the primary governments and component unit's long-term indebtedness for the year ended December 31, 2017:

	Balance at January 1, 2017	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2017	Due Within One Year
Governmental Activities					
Bonds Payable:					
Capital Construction	\$ 64,388,386	\$ -	\$ 3,955,024	\$ 60,433,362	\$ 4,001,743
Other	430,000	-	135,000	295,000	145,000
	64,818,386	-	4,090,024	60,728,362	4,146,743
Plus -					
Unamortized premium on bonds	249,345	-	32,324	217,021	-
	65,067,731	-	4,122,348	60,945,383	4,146,743
Energy Performance Contract Payable	1,347,321	-	152,809	1,194,512	160,345
Loans Payable - EFC	1,500,000	-	16,000	1,484,000	-
	67,915,052	-	4,291,157	63,623,895	4,307,088
Other Noncurrent Liabilities:					
Compensated Absences	3,570,235	388,228	357,000	3,601,463	360,000
Net Pension Liability	18,723,072	-	6,957,705	11,765,367	-
Claims Payable	2,036,305	1,501,907	1,330,659	2,207,553	221,000
Retirement Incentives and Other Pension Obligations	2,920,802	-	382,766	2,538,036	395,000
Other Post Employment Benefit Obligations Payable	59,553,727	11,332,963	3,027,250	67,859,440	-
Total Other Noncurrent Liabilities	86,804,141	13,223,098	12,055,380	87,971,859	976,000
Governmental Activities Long-Term Liabilities	\$ 154,719,193	\$ 13,223,098	\$ 16,346,537	\$ 151,595,754	\$ 5,283,088

Town of Orangetown, New York

Notes to Financial Statements (Continued) December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

	Balance at January 1, 2017	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2017	Due Within One Year
Business-Type Activities					
Bonds Payable - Capital Construction	\$ 3,279,116	\$ -	\$ 202,476	\$ 3,076,640	\$ 208,258
Plus - Unamortized premium on bonds	68,271	-	4,267	64,004	-
	<u>3,347,387</u>	<u>-</u>	<u>206,743</u>	<u>3,140,644</u>	<u>208,258</u>
Other Noncurrent Liabilities					
Loans Payable - Other Funds	5,852,007	-	250,000	5,602,007	200,000
Other Post Employment Benefit Obligations Payable	630,407	75,838	39,847	666,398	-
Total Other Noncurrent Liabilities	<u>6,482,414</u>	<u>75,838</u>	<u>289,847</u>	<u>6,268,405</u>	<u>200,000</u>
Business-Type Activities Long-Term Liabilities	<u>\$ 9,829,801</u>	<u>\$ 75,838</u>	<u>\$ 496,590</u>	<u>\$ 9,409,049</u>	<u>\$ 408,258</u>
Housing Authority - Component Unit					
Revenue Bonds Payable	\$ 5,753,828	\$ 6,960,000	\$ 5,943,828	\$ 6,770,000	\$ 345,000
Unamortized discount	-	150,418	6,017	144,401	-
	<u>\$ 5,753,828</u>	<u>\$ 6,809,582</u>	<u>\$ 5,937,811</u>	<u>\$ 6,625,599</u>	<u>\$ 345,000</u>

Each governmental funds' liability for compensated absences, net pension liability, claims payable, retirement incentives and other pension obligations and other post employment benefit obligations payable is liquidated primarily by the General, Town Outside Villages, Sewer, Highway and Enterprise funds. The Town's indebtedness for bonds, energy performance contract debt and loans payable is satisfied by the Debt Service Fund.

Bonds Payable

Bonds payable at December 31, 2017 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2017
Sewer Improvements	2001	\$ 1,025,000	November, 2021	2.6560 - 3.4200 %	\$ 430,000
Sewer Reconstruction	2002	5,775,000	May, 2024	5.8513 - 6.1813	2,310,000
Public Improvements	2008	45,480,718	April, 2038	4.2700	34,710,000
Public Improvements	2008	1,942,500	January, 2032	4.5000	69,948
Broadacres Golf Course	2008	2,917,500	January, 2032	4.5000	105,053
Tax Certiorari Refunds	2009	1,255,000	December, 2019	3.0000	295,000
Public Improvements	2010	8,695,000	September, 2026	3.0000	5,384,895
Blue Hill Golf Course	2010	1,300,000	September, 2026	3.0000	805,104
Public Improvements	2011	3,369,194	November, 2040	2.1060 - 4.7460	2,810,000
Public Improvements	2012	1,605,800	May, 2042	0.8790 - 4.0980	1,380,000
Public Improvements	2013	3,830,000	July, 2023	3.0000	2,170,000
Refunding Bonds	2013	1,605,000	July, 2019	2.0000	650,000
Blue Hill Golf Course	2014	62,000	February, 2024	2.0000 - 2.2500	44,422
Public Improvements	2014	5,179,000	February, 2024	2.0000 - 2.2500	3,710,579
Refunding Bonds	2015	1,424,931	January, 2032	2.0000 - 4.0000	1,412,940
Various Purposes	2015	2,700,000	January, 2030	2.0000 - 4.0000	2,540,000
Refunding Bonds - Broadacres Golf Course	2015	2,140,070	January, 2032	2.0000 - 4.0000	2,122,061
Various Purposes	2016	3,107,500	January, 2029	2.0000 - 4.0000	2,855,000
					<u>\$ 63,805,002</u>

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$1,430,129 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$26,700 and \$70,214 was recorded in the fund financial statements in the Enterprise Funds - Blue Hill Golf Course and Broadacres Golf Course, respectively, and the government-wide financial statements for business-type activities and interest expense of \$1,379,619 was recorded in the government-wide financial statement for governmental activities.

Energy Performance Contract Payable

The Town, during 2009, entered into a \$2,100,000 contractual agreement to install energy saving equipment and/or to upgrade existing facilities to enhance performance. The agreement provides for quarterly payments of \$53,828, including interest at 4.84% through June 2024. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. Interest expenditures/expense of \$62,504 were recorded in the fund financial statements in the Debt Service Fund and in the government-wide financial statement for governmental activities. The balance due at December 31, 2017 was \$1,194,512.

Loans Payable - EFC

The Town received a loan from the New York State Environmental Facilities Corporation ("NYSEFC") in the amount of \$1,500,000 in 2016, to finance improvements to its sewer infrastructure and infiltration systems. The interest free loan has a scheduled maturity of September 24, 2020. The amount of the Town's principal payments will be calculated by the EFC Corporation using a factor of 2.00% multiplied by the amount drawn on the Recipient Notes through the period ending one year prior to the date the principal payment is due from the recipient. The balance due at December 31, 2017 was \$1,484,000.

Loans Payable - Other Funds

The Blue Hill and Broadacres Golf Course enterprise funds have incurred deficits over the years. These deficits have been funded by cash from the General Fund. Since repayment is not expected for approximately thirty years, the amounts have been reclassified as loans receivable in the General Fund with the amount being offset with an allowance for uncollectable inter-fund loans. The corresponding loans payable reflected in the enterprise funds; Blue Hill and Broadacres Golf Course funds of \$3,034,934 and \$2,567,073, respectively, are interest free with a minimum payment of \$200,000 annually.

Payments to Maturity

The annual requirements to amortize all bonded and energy performance contract debt outstanding of the primary government as of December 31, 2017, including interest payments of \$22,984,282 are as follows:

Town of Orangetown, New York

Notes to Financial Statements (Continued) December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Year Ended December 31,	Bonds						Totals	
	Governmental Activities		Business-type Activities		Energy Performance Contract			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 4,146,743	\$ 2,245,237	\$ 208,258	\$ 88,820	\$ 160,345	\$ 54,968	\$ 4,515,346	\$ 2,389,025
2019	4,257,962	2,105,188	217,038	81,751	168,253	47,060	4,643,253	2,233,999
2020	3,872,831	1,960,451	222,169	74,593	176,551	38,763	4,271,551	2,073,807
2021	3,967,111	1,823,925	227,890	67,958	185,258	30,056	4,380,259	1,921,939
2022	3,949,331	1,686,162	230,669	62,533	194,394	20,919	4,374,394	1,769,614
2023-2027	16,009,804	6,474,610	1,130,196	216,678	309,711	13,256	17,449,711	6,704,544
2028-2032	11,224,580	3,954,069	840,420	65,268	-	-	12,065,000	4,019,337
2033-2037	10,485,000	1,754,340	-	-	-	-	10,485,000	1,754,340
2038-2042	2,815,000	117,677	-	-	-	-	2,815,000	117,677
	\$ 60,728,362	\$ 22,121,659	\$ 3,076,640	\$ 657,601	\$ 1,194,512	\$ 205,022	\$ 64,999,514	\$ 22,984,282

The above general obligation bonds and energy performance contract debt are direct obligations of the Town for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Town.

Prior Year Defeasance of Debt

In prior years, the Town defeased certain bonds by placing the proceeds of new bonds or certain defined revenues in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At December 31, 2017, \$655,000 of bonds outstanding are considered defeased.

Component Unit Debt - Revenue Bonds Payable

Long-term indebtedness of the Housing Authority at December 31, 2017 consisted of the following:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at December 31, 2017
Revenue Bonds	2017	\$ 6,960,000	2042	2.0 to 4.0 %	<u>\$ 6,770,000</u>

Capital Appreciation Term Bonds, in the amount of \$1,875,027 dated on the date of their initial delivery, will mature on the dates and in the principal amounts and will bear interest (payable at maturity or upon earlier redemption) at the yield of 6.60% as set forth in the Official Statement. This bond was subject to an extraordinary option redemption prior to maturity and was paid in full on March 29, 2017.

The \$6,960,000 Senior Housing Facility Revenue Bonds, Series 2017, dated February 22, 2017 will have principal payments ranging from \$125,000 to \$485,000 with a due date of October 1, 2017 and April 1 thereafter. Interest will be due October 1, 2017 and April 1 and October 1 of each year thereafter until maturity. Interest rates range from 2% to 4%. Payment of the interest on the Bonds, according to the terms thereof and of the Resolution are guaranteed by the Town of Orangetown pursuant to a resolution of the Town Board adopted December 13, 2016.

Note 3 - Detailed Notes on All Funds (Continued)

The annual requirements to amortize the bonded debt outstanding of the Housing Authority as of December 31, 2017, including accreted interest is as follows:

Year Ended	Principal	Interest	Total
2018	\$ 345,000	\$ 482,419	\$ 827,419
2019	350,000	487,083	837,083
2020	355,000	490,698	845,698
2021	380,000	497,604	877,604
2022	390,000	508,904	898,904
2023-2027	2,120,000	623,855	2,743,855
2028-2032	1,395,000	278,412	1,673,412
2033-2037	670,000	139,126	809,126
2038-2042	765,000	48,688	813,688
	<u>\$ 6,770,000</u>	<u>\$ 3,556,789</u>	<u>\$ 10,326,789</u>

Compensated Absences

The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. Vacation time earned by CSEA employees is paid out at separation. CSEA employees can also receive payment for any unused sick leave credits in excess of the hourly equivalent of 165 days up to 30 days. Vacation and sick time may be accumulated by Police Department employees. The value of this accumulated time is payable upon separation of service. The value of all compensated absences has been reflected in the government-wide financial statements.

Pension Plans

New York State and Local Retirement System

The Town participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be

Note 3 - Detailed Notes on All Funds (Continued)

found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2017 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I 41J	21.7 %
	2 75I 41J	19.7
	3 A14 41J	16.0
	4 A15 41J	16.0
	5 A15 41J	13.1
	6 A15 41J2	9.3
PFRS	1 384E 341J	30.3 %
	2 384E 341J	25.5
	6 375I 341J	9.0
	6 384E 341J	15.6
	6 384	11.4

At December 31, 2017, the Town reported a liability of \$5,095,752 for its proportionate share of the net pension liability of ERS and a liability of \$6,669,615 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At March 31, 2017, the Town's proportion was 0.0542319% for ERS and 0.3217914% for PFRS which was a decrease of 0.00249% for ERS and a decrease of 0.0030899% for PFRS from its proportions measured as of March 31, 2016.

For the year ended December 31, 2017, the Town recognized pension expense in the government-wide financial statements of \$3,088,548 for ERS and \$4,073,962 for PFRS. Pension expenditures of \$2,532,917 for ERS and \$2,988,175 for PFRS were recorded in the fund financial statements and were charged to the following funds:

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General	\$ 810,288	\$ -
Town Outside Villages - Police	181,456	2,988,175
Town Outside Villages - Other	144,148	-
Sewer	626,105	-
Highway - Townwide	314,583	-
Highway - Part-Town	424,710	-
Blue Hill	31,627	-
	<u>\$ 2,532,917</u>	<u>\$ 2,988,175</u>

At December 31, 2017, the Town reported deferred outflows of resources related to pensions from the following sources:

	<u>ERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 127,695	\$ 773,819	\$ 874,939	\$ 1,152,362
Changes of assumptions	1,740,895	-	3,285,839	-
Net difference between projected and actual earnings on pension plan investments	1,017,828	-	996,097	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	582,765	106,245	502,475	11,489
Town contributions subsequent to the measurement date	<u>1,870,733</u>	<u>-</u>	<u>2,248,874</u>	<u>-</u>
	<u>\$ 5,339,916</u>	<u>\$ 880,064</u>	<u>\$ 7,908,224</u>	<u>\$ 1,163,851</u>

The \$1,870,733 and \$2,248,874 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Town's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

<u>Year Ended March 31,</u>	<u>ERS</u>	<u>PFRS</u>
2018	\$ 1,134,108	\$ 1,454,099
2019	1,134,108	1,454,099
2020	966,540	1,379,754
2021	(645,637)	15,776
2022	-	191,771

Note 3 - Detailed Notes on All Funds (Continued)

The total pension liability for the March 31, 2017 measurement date was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liabilities to March 31, 2017. Significant actuarial assumptions used in the April 1, 2016 valuation were as follows:

Inflation	2.5%
Salary scale	3.8% in ERS, 4.5% in PFRS indexed by service
Investment rate of return	7.0% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.3% annually

Annuitant mortality rates are based on the April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2015 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.75
Real Estate	10	5.80
Absolute Return Strategies	2	4.00
Opportunistic Portfolio	3	5.89
Real Assets	3	5.54
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.50
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5%.

Note 3 - Detailed Notes on All Funds (Continued)

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Town's proportionate share of the ERS net pension liability (asset)	<u>\$ 16,274,821</u>	<u>\$ 5,095,752</u>	<u>\$ (4,356,130)</u>
Town's proportionate share of the PFRS net pension liability (asset)	<u>\$ 18,907,973</u>	<u>\$ 6,669,615</u>	<u>\$ (3,595,370)</u>

The components of the collective net pension liability as of the March 31, 2017 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 177,400,586,000	\$ 31,670,483,000	\$ 209,071,069,000
Fiduciary net position	<u>168,004,363,000</u>	<u>29,597,831,000</u>	<u>197,602,194,000</u>
Employers' net pension liability	<u>\$ 9,396,223,000</u>	<u>\$ 2,072,652,000</u>	<u>\$ 11,468,875,000</u>
Fiduciary net position as a percentage of total pension liability	<u>94.7%</u>	<u>93.5%</u>	<u>94.5%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2017 represent the employer contribution for the period of April 1, 2017 through December 31, 2017 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the nine months ended December 31, 2017 were \$1,870,733 and \$2,248,874, respectively.

Voluntary Defined Contribution Plan

The Town can offer a defined contribution plan to all employees. The employee's elective deferral limit is at their discretion; up to an annual contribution amount determined within IRC Section 457(b). The Town does not contribute towards this plan.

Note 3 - Detailed Notes on All Funds (Continued)**Claims Payable**

The Internal Service Funds reflect workers' compensation and general liability claim liabilities. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported (IBNR's). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities is as follows:

	2017		2016	
	Workers' Compensation	General Liability	Workers' Compensation	General Liability
Balance - Beginning of Year	\$ 1,684,239	\$ 352,066	\$ 1,677,742	\$ 319,972
Provision for Claims and Claims Adjustment Expenses	1,372,698	129,209	2,709,436	77,948
Claims and Claims Adjustment Expenses Paid	(1,247,409)	(83,250)	(2,702,939)	(45,854)
Balance - End of Year	<u>\$ 1,809,528</u>	<u>\$ 398,025</u>	<u>\$ 1,684,239</u>	<u>\$ 352,066</u>
Due Within One Year	<u>\$ 181,000</u>	<u>\$ 40,000</u>	<u>\$ 168,000</u>	<u>\$ 35,000</u>

Retirement Incentives and Other Pension Obligations

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS and PFRS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The Town, during 2012, elected to amortize the maximum allowable ERS and PFRS contributions which aggregated \$975,957 and \$715,714, respectively. During 2013, the Town has elected to amortize the maximum allowable PFRS contributions, which aggregated \$1,094,061. During 2014, the Town has elected to amortize the maximum allowable ERS contributions, which aggregated \$1,083,009. During 2016, the Town has elected to amortize the maximum allowable PFRS contributions, which aggregated \$148,654. The current year cost inclusive of interest and balance due are noted in the table below.

Note 3 - Detailed Notes on All Funds (Continued)

	Original Amount Amortized	Current Year Principal Payments	Balance Due	Due Within One Year
2016 PFRS	\$ 148,654	\$ 13,373	\$ 135,281	\$ 13,684
2014 ERS	1,083,009	100,212	791,460	103,368
2013 PFRS	1,094,061	103,095	703,067	106,879
2012 ERS	975,957	95,818	523,974	98,693
2012 PFRS	715,714	70,268	384,254	72,376
	<u>\$ 4,017,395</u>	<u>\$ 382,766</u>	<u>\$ 2,538,036</u>	<u>\$ 395,000</u>

The current year expenditures, including interest were charged to the funds identified below:

Fund	ERS	PFRS
General	\$ 77,846	\$ -
Town Outside Villages - Police	-	234,378
Town Outside Villages - Other	34,057	-
Sewer	60,817	-
Highway - Townwide	70,547	-
	<u>\$ 243,267</u>	<u>\$ 234,378</u>

Other Post Employment Benefit Obligations

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. Substantially all of the Town's employees may become eligible for those benefits if they reach normal retirement age while working for the Town. The cost of retiree health care benefits is recognized as an expenditure as claims are paid within the governmental funds.

The Town's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The Town is required to accrue on the government-wide and proprietary fund financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the expected rate of return on the Town's general assets. Funding for the Plan has been established on a pay-as-you-go basis. The assumed rates of increase in post retirement benefits are as follows:

<u>Year Ended December 31,</u>	<u>Pre-65 Medical</u>	<u>Post-65 Medical</u>	<u>Prescription Drug</u>
2018	7.25 %	6.25 %	10.50 %
2019	7.00	6.00	10.25
2020	6.75	5.75	10.25
2021	6.50	5.50	10.00
2022+	6.31	5.47	9.22

The amortization basis is the level dollar method with an open amortization approach with 20 years remaining in the amortization period. The actuarial assumptions included in 4.0% investment rate of return and a 2.25% inflation rate. The Town currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the projected unit credit method. A separate postemployment benefit plan report is not available.

The number of participants as of December 31, 2017 was as follows:

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Active Employees	240	-	240
Retired Employees	195	2	197
	<u>435</u>	<u>2</u>	<u>437</u>

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

	Governmental Funds	Enterprise Funds	Total
Amortization Component:			
Actuarial Accrued Liability as of January 1, 2017	\$ 127,368,331	\$ 1,109,178	\$ 128,477,509
Assets at Market Value	-	-	-
Unfunded Actuarial Accrued Liability ("UAAL")	\$ 127,368,331	\$ 1,109,178	\$ 128,477,509
Funded Ratio	0.00%	0.00%	0.00%
Covered Payroll (Active plan members)	\$ 29,447,480	\$ 81,643	\$ 29,529,123
UAAL as a Percentage of Covered Payroll	432.53%	1358.57%	435.09%
Annual Required Contribution	\$ 12,394,811	\$ 102,361	\$ 12,497,172
Interest on Net OPEB Obligation	2,382,149	25,216	2,407,365
Adjustments to Annual Required Contribution	(3,443,997)	(51,739)	(3,495,736)
Annual OPEB Cost	11,332,963	75,838	11,408,801
Contributions Made	(3,027,250)	(39,847)	(3,067,097)
Increase in Net OPEB Obligation	8,305,713	35,991	8,341,704
Net OPEB Obligation - Beginning of Year	59,553,727	630,407	60,184,134
Net OPEB Obligation - End of Year	\$ 67,859,440	\$ 666,398	\$ 68,525,838

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and the two preceding years is as follows:

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 11,408,801	26.88 %	\$ 68,525,838
2016	10,971,540	23.90	60,184,134
2015	11,614,385	27.94	51,932,025

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

F. Significant Commitments - Encumbrances

As discussed in Note 2A, Budgetary Data, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At December 31, 2017, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

<u>Fund</u>	<u>Amount</u>
General	\$ 86,717
Town Outside Villages	127,987
Sewer	527,416
Highway	196,732
Pearl River Parking	<u>5,478</u>
Total	<u>\$ 944,330</u>

G. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers below have been reflected as transfers.

<u>Transfers Out</u>	<u>Capital Projects Fund</u>	<u>Blue Hill Golf Course Fund</u>	<u>Broadacres Golf Course Fund</u>	<u>Total</u>
General Fund	\$ 7,540	\$ -	\$ 121,081	\$ 128,621
Highway Fund	130,936	-	-	130,936
Debt Service Fund	<u>60,674</u>	<u>103,193</u>	<u>189,035</u>	<u>352,902</u>
	<u>\$ 199,150</u>	<u>\$ 103,193</u>	<u>\$ 310,116</u>	<u>\$ 612,459</u>

Transfers are used to move amounts earmarked in the Debt Service Fund for bond principal and interest for the Blue Hill Golf Course and Broadacres Golf Course funds. Transfers are also used to move amounts earmarked in the operating funds to fulfill commitments for the Capital Projects Fund.

H. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Law Enforcement - the component of net position that has been established pursuant to State authorization for unexpended forfeitures of seized crime properties restricted to use for law enforcement purposes.

Restricted for Debt Service - the component of net position that reports the difference between certain assets and liabilities with constraints placed on their use by Local Finance Law.

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Special Revenue Funds - the component of net position that represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Town of Orangetown, New York

Notes to Financial Statements (Continued) December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2017								2016							
	General Fund	Town Outside Villages Fund	Sewer Fund	Highway Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Town Outside Villages Fund	Sewer Fund	Highway Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable -																
Prepaid expenditures	\$ 308,717	\$ 842,094	\$ 154,817	\$ 181,253	\$ -	\$ -	\$ -	\$ 1,486,881	\$ 287,767	\$ 842,450	\$ 167,329	\$ 195,901	\$ -	\$ -	\$ -	\$ 1,493,447
Restricted:																
Capital projects	-	-	-	-	-	1,360,267	-	1,360,267	-	-	-	-	-	4,412,484	-	4,412,484
Law enforcement	45,229	115,193	-	-	-	-	-	160,422	204	143,190	-	-	-	-	-	143,394
Debt service	3,584,097	-	-	-	2,128,742	-	-	5,712,839	-	-	-	-	2,187,474	-	-	2,187,474
Parklands	-	-	-	-	-	-	310,270	310,270	-	-	-	-	-	-	188,691	188,691
Total Restricted	3,629,326	115,193	-	-	2,128,742	1,360,267	310,270	7,543,798	204	143,190	-	-	2,187,474	4,412,484	188,691	6,932,043
Committed -																
Capital improvements	-	-	-	-	-	66,889	-	66,889	-	-	-	-	-	66,889	-	66,889
Assigned:																
Purchases on order:																
General government support	37,443	-	-	-	-	-	-	37,443	16,458	-	-	-	-	-	-	16,458
Public safety	-	179,395	-	-	-	-	-	179,395	6,500	65,311 [^]	-	-	-	-	-	71,811
Transportation	-	-	-	196,732	-	-	5,478	202,210	-	-	308,314 [^]	-	-	-	14,968	323,282
Culture and recreation	49,274	-	-	-	-	-	-	49,274	24,909	-	-	-	-	-	-	24,909
Home and community services	-	-	527,416	-	-	-	-	527,416	-	322	426,613 [^]	-	-	-	-	426,935
Subsequent year's expenditures	86,717	179,395	527,416	196,732	-	-	5,478	995,738	47,867	65,633	426,613	308,314	-	-	14,968	863,395
Major Funds	700,000	500,000	200,000	-	-	-	-	1,400,000	-	700,000	200,000	800,000	800,000	-	-	2,500,000
Special Districts	-	1,494,092	1,016,672	1,481,777	-	-	-	3,992,541	-	2,071,916	1,241,793	627,731	-	-	-	3,941,440
Pearl River Parking	-	-	-	-	-	-	153,137	153,137	-	-	-	-	-	-	195,632	195,632
	-	-	-	-	-	-	243,415	243,415	-	-	-	-	-	-	235,443	235,443
Total Assigned	786,717	2,173,487	1,744,088	1,678,509	-	-	402,030	6,784,831	47,867	2,837,549	1,868,406	1,736,045	800,000	-	446,043	7,735,910
Unassigned	7,256,929	-	-	-	-	-	-	7,256,929	4,384,399	-	-	-	-	-	-	4,384,399
Total Fund Balances	\$ 11,981,689	\$ 3,130,774	\$ 1,898,905	\$ 1,859,762	\$ 2,128,742	\$ 1,427,156	\$ 712,300	\$ 23,139,328	\$ 4,720,237	\$ 3,823,189	\$ 2,035,735	\$ 1,931,946	\$ 2,987,474	\$ 4,479,373	\$ 634,734	\$ 20,612,688

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements, which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been established to account for payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Parklands have been established pursuant to Section 277 of Town Law. This amount represents funds received by the Town in lieu of parklands as a condition precedent to the approval of a parcel by the Planning Board. The amount is classified as restricted to indicate that the funds may only be used for recreation purposes.

Capital Improvements represents funds that the Town will use for various sidewalk and drainage improvements or earnings on the investment of capital project funds financed from other governmental funds. The amount is classified as committed to indicate that it required Board approval to establish and will also require Board approval to utilize.

Purchases on order are assigned and represent the Town's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transactions.

Subsequent year's expenditures represent that at December 31, 2017, the Town Board has assigned the above amounts to be appropriated from the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town and its officers and employees are defendants in a number of pending lawsuits. These lawsuits include claims for personal injury, property damage, and alleged employment and/or civil rights violations. The other major types of lawsuits against the Town are tax certiorari proceedings.

In most of the personal injury, employment, and civil rights cases that are pending against the Town, the issue of liability, in the Town's opinion (and/or that of outside counsel who handle the majority of the claims), is questionable, and the Town is taking a strong defense position. There are currently numerous pending claims against the Town. However, even if such claims were to be decided against the Town, the Town does not believe that the consequence, individually or in the aggregate, would be such as to have a material adverse effect on the Town's financial condition or its ability to pay the principal of, or interest on, any of its bonds or notes when they become due, taking into consideration that the Town currently carries liability insurance coverage up to \$10 million, which covers all liability and defense costs after a self-insured payment of the first \$75,000.

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The Town is also a defendant in numerous tax certiorari proceedings, the results of which generally require tax refunds on the part of the Town. Refunds of this nature are normally not made directly by the Town but rather by the County of Rockland, with the refunds being added to the County tax warrant by the Town in the subsequent year. The amount of these possible refunds cannot be determined at the present time.

B. Risk Management

The Town's policies for general liability, law enforcement and auto liability have a self-insured retention level of \$75,000 per claim. Insurance coverage for these policies has been secured for losses in excess of the self-insured retention up to \$10 million per claim. In addition, there is a \$100,000 self-insured retention for property, contractors, equipment and auto physical damage per claim. Property insurance coverage has been secured for losses in excess of the self-insured retention up to \$104.6 million per claim. The Town's workers' compensation policy has a self-insured retention level of up to \$275,000 per claim. Insurance coverage has been secured for losses in excess of the self-insured retention. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. The governmental funds are charged premiums by the respective Internal Service Fund. Accrued liabilities in the Internal Service funds include provisions for claims reported and claims incurred but not reported. In addition, the Town purchases conventional health insurance from various providers.

C. Contingencies

The Town participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Uniform Guidance. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

Note 5 - Tax Abatements

The Town has real property tax abatement agreements with various entities.

Generally these agreements provide for a 100 percent abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT).

Copies of the agreements may be obtained from Jeffrey Bencik, Finance Director, 26 West Orangeburg Road, Orangeburg, NY 10962, jbencik@orangetown.com. Information relevant to disclosure of these agreements for the fiscal year ended December 31, 2017 is as follows:

Start Date	Agreement	Taxable Assessed Value	Town Tax Rate	Town Tax Value	Town PILOT Received	Town Taxes Abated
2011	One Olympic Dr LLC	\$ 2,161,300	\$ 0.02169473	\$ 46,889	\$ 35,232	\$ 11,657
2011	Icco II LLC	975,000	0.02169473	21,152	14,516	6,636
2014	Medlantis LLC	2,070,800	0.02169473	44,925	22,188	22,737
2014	155 Corporate Dr LLC	5,800,000	0.02169473	125,829	57,829	68,000
		<u>\$ 11,007,100</u>		<u>\$ 238,796</u>	<u>\$ 129,765</u>	<u>\$ 109,031</u>

Town of Orangetown, New York

Notes to Financial Statements (Concluded)
December 31, 2017

Note 6 - Subsequent Events

The Town, in January 2018, issued \$3,565,000 in serial bonds to defease previously issued serial bonds of \$3,505,000. A payment to escrow was made for \$3,584,097. The bond matures annually through 2032 with interest at rates ranging from 2% to 4%, depending on maturity.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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Town of Orangetown, New York

Required Supplementary Information - Schedule of Funding Progress Other Post Employment Benefits Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
January 1, 2017	\$ -	\$ 128,477,509	\$ 128,477,509	- %	\$ 29,529,123	435.09 %
January 1, 2016 (2)	-	131,673,118	131,673,118	-	28,424,114	463.24
January 1, 2015 (1)	-	145,610,446	145,610,446	-	29,493,807	493.70

(1) The following assumptions were modified with respect to the January 1, 2015 valuation date:

The annual rate of increase in health care costs was revised as of January 1, 2015 to better reflect future expectations, including updating long-term rates based on the Society of Actuaries Getzen model. A review of published national trend survey data in relation to the retiree health plan offerings was the basis for this change. The revised assumption resulted in an increase in liabilities.

Rates of turnover and retirement were determined based on the April 1, 2010 to March 31, 2015 experience study released by the actuaries for the New York State Employees' Retirement System and the New York State Police and Fire Retirement System. Revised tables have been utilized as of January 1, 2015 to better reflect recent experience. The revised assumption resulted in an increase in liabilities.

The mortality assumption has been revised as of January 1, 2015 to the sex-distinct RP-2014 Mortality tables for employees and healthy annuitants, adjusted backward to 2006 with Scale MP-2014, and then adjusted for mortality improvements with the Scale MP-2015 mortality improvement scale on a generational basis in order to reflect the continued improvement in mortality rates. The revised assumption resulted in a decrease in liabilities.

The election coverage percentage 1) for PFRS retirees at age 65 was revised from 10% to 0%, 2) for PFRS surviving spouses from 100% to 0% and 3) for ERS surviving spouses from 100% to 50% as of January 1, 2015 to better reflect actual experience. A review of the valuation data from January 1, 2009 to January 1, 2015 was the basis for the change. The revised assumption resulted in a decrease in liabilities.

(2) The following assumptions were modified with respect to the January 1, 2016 valuation date:

The annual rate of increase in health care costs was revised to better reflect future expectations. A review of published national trend survey data in relation to the retiree health plan offerings and an update to the Getzen model released in September 2016 was the basis for this change. The revised assumption resulted in an increase in liabilities.

The mortality assumption has been revised as of December 31, 2016 to the sex-distinct RP-2014 Mortality tables for employees and healthy annuitants, adjusted backward to 2006 with Scale MP-2014, and then adjusted for mortality improvements with the Scale MP-2016 mortality improvement scale on a generational basis. The revised assumption resulted in a minimal decrease in liabilities.

As of January 1, 2016, the methodology for calculating claims cost for the NYSHIP Empire Plan was updated to conform to recently revised Actuarial Standards of Practice (ASOP) 6, "Measuring Retiree Group Benefits Obligations and Determining Group Benefits Program Periodic Costs or Actuarially Determined Contributions." Specifically ASOP 6 no longer permits unadjusted premiums to be used as an estimate for retiree claims costs. The revised ASOP 6 requires that the costs of the plan be age-specific and no longer allows the use of adjusted premiums as the underlying claims cost (with limited exceptions). This revised method resulted in a decrease in liabilities.

See independent auditors' report.

Town of Orangetown, New York

Required Supplementary Information - Schedule of the Town's Proportionate Share of the Net Pension Liability New York State and Local Employees' Retirement System Last Ten Fiscal Years (1)

	2017	2016 (2)	2015
Town's proportion of the net pension liability	<u>0.0542319%</u>	<u>0.0567219%</u>	<u>0.0582857%</u>
Town's proportionate share of the net pension liability	<u>\$ 5,095,752</u>	<u>\$ 9,104,028</u>	<u>\$ 1,969,035</u>
Town's covered payroll	<u>\$ 16,097,394</u>	<u>\$ 15,599,291</u>	<u>\$ 15,388,795</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>31.66%</u>	<u>58.36%</u>	<u>12.80%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31st measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

Town of Orangetown, New York

Required Supplementary Information - Schedule of Contributions New York State and Local Employees' Retirement System Last Ten Fiscal Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,436,208	\$ 2,800,542	\$ 3,042,889
Contributions in relation to the contractually required contribution	<u>(2,436,208)</u>	<u>(2,800,542)</u>	<u>(3,042,889)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 15,584,866</u>	<u>\$ 15,517,885</u>	<u>\$ 15,965,844</u>
Contributions as a percentage of covered payroll	<u>15.63%</u>	<u>18.05%</u>	<u>19.06%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Town of Orangetown, New York

Required Supplementary Information - Schedule of the
Town's Proportionate Share of the Net Pension Liability
New York State and Local Police and Fire Retirement System
Last Ten Fiscal Years (1)

	2017	2016 (2)	2015
Town's proportion of the net pension liability	<u>0.3217914%</u>	<u>0.3248813%</u>	<u>0.3140009%</u>
Town's proportionate share of the net pension liability	<u>\$ 6,669,615</u>	<u>\$ 9,619,044</u>	<u>\$ 864,317</u>
Town's covered payroll	<u>\$ 12,072,705</u>	<u>\$ 11,802,903</u>	<u>\$ 11,494,150</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>55.25%</u>	<u>81.50%</u>	<u>7.52%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.50%</u>	<u>90.20%</u>	<u>99.00%</u>

Note - The amounts presented for each fiscal year were determined as of March 31st measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

Town of Orangetown, New York

Required Supplementary Information - Schedule of Contributions New York State and Local Police and Fire Retirement System Last Ten Fiscal Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,885,605	\$ 2,787,324	\$ 3,003,908
Contributions in relation to the contractually required contribution	<u>(2,885,605)</u>	<u>(2,787,324)</u>	<u>(3,003,908)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 11,514,055</u>	<u>\$ 11,720,338</u>	<u>\$ 11,920,178</u>
Contributions as a percentage of covered payroll	<u>25.06%</u>	<u>23.78%</u>	<u>25.20%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

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MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

- The General Fund constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

SPECIAL REVENUE FUNDS

- **Town Outside Villages Fund** - The Town Outside Villages Fund is used to account for transactions which by statute affect only those areas outside the boundaries of the villages located within the Town.
- **Sewer Fund** - The Sewer Fund is provided to account for the operation and maintenance of the Town's sewer facilities.
- **Highway Fund** - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York.

DEBT SERVICE FUND

- The Debt Service Fund is provided to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest and for financial resources that are being accumulated for principal and interest maturing in future years.

CAPITAL PROJECTS FUND

- The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned for capital outlay, including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds.

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Town of Orangetown, New York

General Fund
Comparative Balance Sheet
December 31,

	2017	2016
ASSETS		
Cash and equivalents	\$ 10,883,604	\$ 3,646,895
Receivables		
Accounts	344,056	532,287
Due from other governments	512,368	493,962
Due from other funds	3,090,244	2,630,575
Loans, net of allowance of \$5,602,007 in 2017 and \$5,852,007 in 2016	-	-
	3,946,668	3,656,824
Prepaid expenditures	308,717	287,767
Total Assets	\$ 15,138,989	\$ 7,591,486
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 729,427	\$ 522,926
Accrued liabilities	6,734	6,350
Due to other governments	702,356	393,230
Due to other funds	1,718,783	1,948,743
Total Liabilities	3,157,300	2,871,249
Fund balance		
Nonspendable	308,717	287,767
Restricted	3,629,326	204
Assigned	786,717	47,867
Unassigned	7,256,929	4,384,399
Total Fund Balance	11,981,689	4,720,237
Total Liabilities and Fund Balance	\$ 15,138,989	\$ 7,591,486

See independent auditors' report.

Town of Orangetown, New York

General Fund

Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended December 31,

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 3,160,679	\$ 3,160,679	\$ 3,173,431	\$ 12,752
Other tax items	2,001,591	2,001,591	2,009,154	7,563
Non-property taxes	2,475,000	2,475,000	2,603,135	128,135
Departmental income	999,150	999,150	782,694	(216,456)
Use of money and property	186,200	186,200	199,825	13,625
Licenses and permits	241,050	241,050	110,703	(130,347)
Fines and forfeitures	375,000	375,000	496,948	121,948
Interfund revenues	3,217,162	3,217,162	3,217,162	-
State aid	1,690,000	1,690,000	2,173,222	483,222
Federal aid	150,000	275,000	127,000	(148,000)
Miscellaneous	737,797	737,797	264,282	(473,515)
Total Revenues	15,233,629	15,358,629	15,157,556	(201,073)
EXPENDITURES				
Current				
General government support	6,913,542	7,616,133	7,532,916	83,217
Public safety	205,080	291,383	283,973	7,410
Health	35,183	39,833	39,833	-
Transportation	504,290	475,439	450,532	24,907
Economic opportunity and development	188,500	188,500	185,378	3,122
Culture and recreation	2,940,277	2,970,840	2,912,767	58,073
Home and community services	157,429	141,273	139,860	1,413
Employee benefits	4,216,114	3,722,224	3,722,224	-
Total Expenditures	15,160,415	15,445,625	15,267,483	178,142
Excess (Deficiency) of Revenues Over Expenditures	73,214	(86,996)	(109,927)	(22,931)
OTHER FINANCING SOURCES (USES)				
Sale of real property	-	-	7,500,000	7,500,000
Transfers in	-	-	-	-
Transfers out	(121,081)	(128,621)	(128,621)	-
Total Other Financing Sources (Uses)	(121,081)	(128,621)	7,371,379	7,500,000
Net Change in Fund Balance	(47,867)	(215,617)	7,261,452	7,477,069
FUND BALANCE				
Beginning of Year	47,867	215,617	4,720,237	4,504,620
End of Year	\$ -	\$ -	\$ 11,981,689	\$ 11,981,689

See independent auditors' report.

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 3,040,690	\$ 3,040,690	\$ 3,051,018	\$ 10,328
40,000	40,000	34,949	(5,051)
2,400,000	2,400,000	2,675,319	275,319
823,200	823,200	748,688	(74,512)
181,200	181,200	172,863	(8,337)
219,050	219,050	243,539	24,489
375,000	375,000	385,764	10,764
3,172,846	3,172,846	3,150,355	(22,491)
1,690,000	1,690,000	1,789,224	99,224
-	-	123,000	123,000
10,000	10,000	264,729	254,729
11,951,986	11,951,986	12,639,448	687,462
5,007,180	5,229,882	5,165,962	63,920
196,120	347,702	339,570	8,132
33,500	39,833	39,833	-
525,828	526,211	482,088	44,123
185,729	185,729	185,288	441
2,456,234	2,558,789	2,382,005	176,784
152,429	163,950	129,706	34,244
3,915,014	3,419,938	3,386,015	33,923
12,472,034	12,472,034	12,110,467	361,567
(520,048)	(520,048)	528,981	1,049,029
-	-	42,362	42,362
473,882	473,882	-	(473,882)
-	-	-	-
473,882	473,882	42,362	(431,520)
(46,166)	(46,166)	571,343	617,509
46,166	46,166	4,148,894	4,102,728
\$ -	\$ -	\$ 4,720,237	\$ 4,720,237

Town of Orangetown, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended December 31, 2017

(With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
REAL PROPERTY TAXES	<u>\$ 3,160,679</u>	<u>\$ 3,160,679</u>	<u>\$ 3,173,431</u>	<u>\$ 12,752</u>	<u>\$ 3,051,018</u>
OTHER TAX ITEMS					
Payments in lieu of taxes	1,966,591	1,966,591	1,970,056	3,465	-
Interest and penalties on real property taxes	35,000	35,000	39,098	4,098	34,949
	<u>2,001,591</u>	<u>2,001,591</u>	<u>2,009,154</u>	<u>7,563</u>	<u>34,949</u>
NON-PROPERTY TAXES					
Franchise fees	725,000	725,000	807,538	82,538	880,461
Non-property tax distribution from County	1,750,000	1,750,000	1,795,597	45,597	1,794,858
	<u>2,475,000</u>	<u>2,475,000</u>	<u>2,603,135</u>	<u>128,135</u>	<u>2,675,319</u>
DEPARTMENTAL INCOME					
Town Clerk fees	17,000	17,000	16,788	(212)	16,016
Engineering fees	3,000	3,000	4,189	1,189	12,789
Tax Collector fees	400,000	400,000	190,115	(209,885)	167,129
Parks and recreation charges	579,000	579,000	571,582	(7,418)	552,704
Public safety fees	150	150	20	(130)	50
	<u>999,150</u>	<u>999,150</u>	<u>782,694</u>	<u>(216,456)</u>	<u>748,688</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	1,200	1,200	2,441	1,241	2,743
Rental of real property	185,000	185,000	197,384	12,384	170,120
	<u>186,200</u>	<u>186,200</u>	<u>199,825</u>	<u>13,625</u>	<u>172,863</u>
LICENSES AND PERMITS					
Bingo licenses	2,050	2,050	2,717	667	1,589
Dog licenses	5,000	5,000	4,476	(524)	4,725
Permits	225,000	225,000	96,210	(128,790)	230,050
Sanitation licenses	9,000	9,000	7,300	(1,700)	7,175
	<u>241,050</u>	<u>241,050</u>	<u>110,703</u>	<u>(130,347)</u>	<u>243,539</u>

FINES AND FORFEITURES

Fines and forfeited bail

<u>375,000</u>	<u>375,000</u>	<u>496,948</u>	<u>121,948</u>	<u>385,764</u>
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INTERFUND REVENUES

<u>3,217,162</u>	<u>3,217,162</u>	<u>3,217,162</u>	<u>-</u>	<u>3,150,355</u>
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STATE AID

Per capita

<u>190,000</u>	<u>190,000</u>	<u>190,000</u>	<u>-</u>	<u>190,000</u>
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Mortgage tax

<u>1,500,000</u>	<u>1,500,000</u>	<u>1,983,222</u>	<u>483,222</u>	<u>1,599,224</u>
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<u>1,690,000</u>	<u>1,690,000</u>	<u>2,173,222</u>	<u>483,222</u>	<u>1,789,224</u>
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FEDERAL AID

Substance abuse education

<u>150,000</u>	<u>275,000</u>	<u>127,000</u>	<u>(148,000)</u>	<u>123,000</u>
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MISCELLANEOUS

Other - Enterprise Fund - Blue Hill Golf Course

<u>707,797</u>	<u>707,797</u>	<u>250,000</u>	<u>(457,797)</u>	<u>200,000</u>
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Other

<u>30,000</u>	<u>30,000</u>	<u>14,282</u>	<u>(15,718)</u>	<u>64,729</u>
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<u>737,797</u>	<u>737,797</u>	<u>264,282</u>	<u>(473,515)</u>	<u>264,729</u>
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TOTAL REVENUES

<u>15,233,629</u>	<u>15,358,629</u>	<u>15,157,556</u>	<u>(201,073)</u>	<u>12,639,448</u>
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OTHER FINANCING SOURCES

Sale of real property

<u>-</u>	<u>-</u>	<u>7,500,000</u>	<u>7,500,000</u>	<u>42,362</u>
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**TOTAL REVENUES AND OTHER
FINANCING SOURCES**

<u>\$ 15,233,629</u>	<u>\$ 15,358,629</u>	<u>\$ 22,657,556</u>	<u>\$ 7,298,927</u>	<u>\$ 12,681,810</u>
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See independent auditors' report.

Town of Orangetown, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2017

(With Comparative Actuals for 2016)

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 116,700	\$ 116,701	\$ 115,210	\$ 1,491	\$ 93,420
Town Justice	490,500	473,667	465,547	8,120	461,841
Supervisor	284,323	295,932	287,987	7,945	262,875
Finance	481,995	494,208	488,195	6,013	451,760
Independent audit	61,000	61,000	59,900	1,100	59,400
Receiver of Taxes	148,375	172,157	169,889	2,268	155,165
Assessor	500,833	595,053	584,000	11,053	520,929
Board of Assessment Review	8,000	8,000	6,525	1,475	7,428
Town Clerk	452,361	464,616	451,774	12,842	460,078
Town Attorney	702,636	728,689	715,402	13,287	666,700
Engineer	483,434	425,099	423,990	1,109	418,839
Buildings	547,244	622,423	614,927	7,496	555,638
Bond issuance costs	-	2,000	2,000	-	40,298
Central data processing	388,360	337,165	331,927	5,238	245,795
Election chargebacks - County	180,000	200,001	200,001	-	191,116
Judgments and claims	1,459,945	1,459,945	1,459,703	242	-
Costs of disposition of property	-	390,780	390,780	-	-
Special items					
Unallocated insurance	191,100	191,100	191,100	-	147,000
Shared services	395,736	555,639	553,601	2,038	408,456
Municipal association dues	21,000	21,958	20,458	1,500	19,224
	<u>6,913,542</u>	<u>7,616,133</u>	<u>7,532,916</u>	<u>83,217</u>	<u>5,165,962</u>
PUBLIC SAFETY					
Traffic control	126,670	107,689	102,768	4,921	114,588
Control of animals	78,410	78,997	76,508	2,489	75,855
Substance abuse education	-	104,697	104,697	-	149,127
	<u>205,080</u>	<u>291,383</u>	<u>283,973</u>	<u>7,410</u>	<u>339,570</u>

HEALTH

Substance Abuse Council	35,183	39,833	39,833	-	39,833
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TRANSPORTATION

Superintendent of Highways	359,755	362,416	345,692	16,724	327,652
Highway garage	104,535	113,023	104,840	8,183	100,433
Sidewalks	40,000	-	-	-	54,003
	504,290	475,439	450,532	24,907	482,088

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Veterans' services	10,000	10,000	10,000	-	10,000
Senior citizens programs	178,500	178,500	175,378	3,122	175,288
	188,500	188,500	185,378	3,122	185,288

CULTURE AND RECREATION

Recreation administration	421,489	439,332	421,671	17,661	394,139
Parks	1,093,732	986,015	967,560	18,455	836,825
Youth recreation	819,400	680,581	676,532	4,049	737,571
Special recreation facilities	124,500	110,110	100,423	9,687	129,731
Community based programs	2,400	2,400	457	1,943	1,145
Town Museum	140,656	133,606	129,216	4,390	114,606
Celebrations	34,600	87,831	87,628	203	40,293
Community College Chargebacks	240,000	465,145	465,145	-	79,230
Adult recreation	63,500	65,820	64,135	1,685	48,465
	2,940,277	2,970,840	2,912,767	58,073	2,382,005

HOME AND COMMUNITY SERVICES

Sanitation	77,429	77,429	76,016	1,413	78,950
Contract with vendors - Orangetown Housing Authority	80,000	63,844	63,844	-	50,756
	157,429	141,273	139,860	1,413	129,706

(Continued)

Town of Orangetown, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended December 31, 2017

(With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 836,312	\$ 888,134	\$ 888,134	\$ -	\$ 874,281
Social security	511,056	454,716	454,716	-	426,230
Hospitalization and dental insurance	2,378,090	1,885,889	1,885,889	-	1,692,629
Workers' compensation benefits	485,156	485,156	485,156	-	389,899
Unemployment benefits	5,500	8,329	8,329	-	2,976
	<u>4,216,114</u>	<u>3,722,224</u>	<u>3,722,224</u>	<u>-</u>	<u>3,386,015</u>
∞ TOTAL EXPENDITURES	<u>15,160,415</u>	<u>15,445,625</u>	<u>15,267,483</u>	<u>178,142</u>	<u>12,110,467</u>
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	-	7,540	7,540	-	-
Enterprise Fund					
Broadacres Golf Course	121,081	121,081	121,081	-	-
	<u>121,081</u>	<u>128,621</u>	<u>128,621</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 15,281,496</u>	<u>\$ 15,574,246</u>	<u>\$ 15,396,104</u>	<u>\$ 178,142</u>	<u>\$ 12,110,467</u>

See independent auditors' report.

Town of Orangetown, New York

Town Outside Villages Fund
Comparative Balance Sheet
December 31,

	2017	2016
ASSETS		
Cash and equivalents	\$ 4,167,999	\$ 3,908,639
Receivables		
Accounts	158,267	41,411
Due from other governments	100,032	54,208
Due from other funds	40,674	8,953
	298,973	104,572
Prepaid expenditures	842,094	842,450
Total Assets	<u>\$ 5,309,066</u>	<u>\$ 4,855,661</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 637,155	\$ 566,623
Accrued liabilities	1,052,660	195,180
Due to other funds	488,477	270,669
Total Liabilities	2,178,292	1,032,472
Fund balance		
Nonspendable	842,094	842,450
Restricted	115,193	143,190
Assigned	2,173,487	2,837,549
Total Fund Balance	3,130,774	3,823,189
Total Liabilities and Fund Balance	<u>\$ 5,309,066</u>	<u>\$ 4,855,661</u>

See independent auditors' report.

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Town of Orangetown, New York

Town Outside Villages Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Sub-Funds
Year Ended December 31, 2017
(With Comparative Totals for 2016)

			Totals	
	Police	Other	2017	2016
REVENUES				
Real property taxes	\$ 23,367,958	\$ 2,029,312	\$ 25,397,270	\$ 25,205,746
Other tax items	86,325	21,583	107,908	292,372
Departmental income	279,335	2,072,888	2,352,223	2,098,911
Intergovernmental charges	10,666	106,310	116,976	122,857
Use of money and property	56,692	9,229	65,921	32,699
Sale of property and compensation for loss	3,635	-	3,635	5,275
State aid	60,322	75,710	136,032	95,707
Federal aid	-	-	-	-
Miscellaneous	99,968	117,260	217,228	96,137
Total Revenues	23,964,901	4,432,292	28,397,193	27,949,704
EXPENDITURES				
Current				
General government support	1,517,210	199,532	1,716,742	1,489,040
Public safety	14,899,032	1,169,797	16,068,829	14,866,604
Transportation	-	612,886	612,886	610,207
Home and community services	-	1,101,017	1,101,017	1,073,295
Employee benefits	8,867,999	722,135	9,590,134	8,982,049
Total Expenditures	25,284,241	3,805,367	29,089,608	27,021,195
Excess (Deficiency) of Revenues Over Expenditures	(1,319,340)	626,925	(692,415)	928,509
FUND BALANCES				
Beginning of Year	2,295,098	1,528,091	3,823,189	2,894,680
End of Year	\$ 975,758	\$ 2,155,016	\$ 3,130,774	\$ 3,823,189

See independent auditors' report.

Town of Orangetown, New York

Town Outside Villages Fund - Police
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended December 31,

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 23,364,011	\$ 23,364,011	\$ 23,367,958	\$ 3,947
Other tax items	70,000	70,000	86,325	16,325
Departmental income	175,000	175,000	279,335	104,335
Intergovernmental charges	11,000	11,000	10,666	(334)
Use of money and property	17,000	17,000	56,692	39,692
Sale of property and compensation for loss	-	-	3,635	3,635
State aid	19,000	125,000	60,322	(64,678)
Miscellaneous	19,000	19,000	99,968	80,968
Total Revenues	23,675,011	23,781,011	23,964,901	183,890
EXPENDITURES				
Current				
General government support	1,329,928	1,339,927	1,517,210	(177,283)
Public safety	13,813,433	14,237,734	14,899,032	(661,298)
Employee benefits	9,296,961	9,008,661	8,867,999	140,662
Total Expenditures	24,440,322	24,586,322	25,284,241	(697,919)
Excess (Deficiency) of Revenues Over Expenditures	(765,311)	(805,311)	(1,319,340)	(514,029)
FUND BALANCE				
Beginning of Year	765,311	805,311	2,295,098	1,489,787
End of Year	\$ -	\$ -	\$ 975,758	\$ 975,758

See independent auditors' report.

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 23,212,635	\$ 23,212,635	\$ 23,212,639	\$ 4
135,000	135,000	233,898	98,898
200,000	200,000	233,617	33,617
11,000	11,000	13,185	2,185
17,000	17,000	28,121	11,121
-	-	5,275	5,275
-	-	19,997	19,997
-	-	96,137	96,137
23,575,635	23,575,635	23,842,869	267,234
1,285,456	1,296,667	1,296,667	-
13,949,872	13,949,872	13,852,834	97,038
8,686,352	8,675,141	8,312,704	362,437
23,921,680	23,921,680	23,462,205	459,475
(346,045)	(346,045)	380,664	726,709
346,045	346,045	1,914,434	1,568,389
\$ -	\$ -	\$ 2,295,098	\$ 2,295,098

Town of Orangetown, New York

Town Outside Villages Fund - Police
Schedule of Revenues Compared to Budget
Year Ended December 31, 2017
(With Comparative Actuals for 2016)

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
REAL PROPERTY TAXES	\$ 23,364,011	\$ 23,364,011	\$ 23,367,958	\$ 3,947	\$ 23,212,639
OTHER TAX ITEMS					
Payments in lieu of taxes	-	-	-	-	155,115
Interest and penalties on real property taxes	70,000	70,000	86,325	16,325	78,783
	70,000	70,000	86,325	16,325	233,898
DEPARTMENTAL INCOME					
Police fees	175,000	175,000	279,335	104,335	233,617
INTERGOVERNMENTAL CHARGES					
Gasoline for other governments	11,000	11,000	10,666	(334)	13,185
USE OF MONEY AND PROPERTY					
Earnings on investments	17,000	17,000	56,692	39,692	28,121
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Sale of equipment	-	-	3,635	3,635	5,275
STATE AID					
D.W.I. Program	10,000	10,000	19,242	9,242	17,130
Disaster assistance	-	-	30,500	30,500	-
Other	9,000	115,000	10,580	(104,420)	2,867
	19,000	125,000	60,322	(64,678)	19,997

MISCELLANEOUS

Gifts and donations

County grant - narcotics

9,000	9,000	21,335	12,335	9,670
<u>10,000</u>	<u>10,000</u>	<u>78,633</u>	<u>68,633</u>	<u>86,467</u>
<u>19,000</u>	<u>19,000</u>	<u>99,968</u>	<u>80,968</u>	<u>96,137</u>
<u>\$ 23,675,011</u>	<u>\$ 23,781,011</u>	<u>\$ 23,964,901</u>	<u>\$ 183,890</u>	<u>\$ 23,842,869</u>

TOTAL REVENUES

See independent auditors' report.

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Town of Orangetown, New York

Town Outside Villages Fund - Police
Schedule of Expenditures Compared to Budget
Year Ended December 31, 2017
(With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
GENERAL GOVERNMENT SUPPORT					
Independent audit	\$ 25,000	\$ 25,000	\$ 23,500	\$ 1,500	\$ 23,500
Unallocated insurance	170,624	170,623	349,071	(178,448)	131,250
Metropolitan commuter transportation mobility tax	33,552	43,552	43,887	(335)	43,473
Reimbursement to General Fund for services	1,100,752	1,100,752	1,100,752	-	1,098,444
	<u>1,329,928</u>	<u>1,339,927</u>	<u>1,517,210</u>	<u>(177,283)</u>	<u>1,296,667</u>
PUBLIC SAFETY					
Police	13,804,283	14,228,584	14,893,276	(664,692)	13,844,416
Auxiliary police	9,150	9,150	5,756	3,394	8,418
	<u>13,813,433</u>	<u>14,237,734</u>	<u>14,899,032</u>	<u>(661,298)</u>	<u>13,852,834</u>
EMPLOYEE BENEFITS					
State retirement - Police	3,144,914	3,144,914	3,222,553	(77,639)	2,961,633
State retirement - Other	181,456	181,456	181,456	-	186,325
Social security	993,720	993,720	832,617	161,103	790,694
Life insurance	65,000	65,000	44,157	20,843	45,191
Hospitalization and dental insurance	4,305,277	4,016,977	3,978,164	38,793	3,611,323
Workers' compensation benefits	601,594	601,594	602,513	(919)	716,294
Unemployment benefits	5,000	5,000	6,519	(1,519)	1,244
	<u>9,296,961</u>	<u>9,008,661</u>	<u>8,867,999</u>	<u>140,662</u>	<u>8,312,704</u>
TOTAL EXPENDITURES	<u>\$ 24,440,322</u>	<u>\$ 24,586,322</u>	<u>\$ 25,284,241</u>	<u>\$ (697,919)</u>	<u>\$ 23,462,205</u>

See independent auditors' report.

Town of Orangetown, New York

Town Outside Villages Fund - Other
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended December 31,

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,029,076	\$ 2,029,076	\$ 2,029,312	\$ 236
Other tax items	17,000	17,000	21,583	4,583
Departmental income	1,520,000	1,520,000	2,072,888	552,888
Intergovernmental charges	100,000	100,000	106,310	6,310
Use of money and property	2,500	2,500	9,229	6,729
State aid	75,710	75,710	75,710	-
Miscellaneous	-	-	117,260	117,260
Total Revenues	3,744,286	3,744,286	4,432,292	688,006
EXPENDITURES				
Current				
General government support	198,109	199,532	199,532	-
Public safety	1,074,838	1,169,799	1,169,797	2
Transportation	550,000	612,886	612,886	-
Home and community services	1,138,344	1,101,018	1,101,017	1
Employee benefits	783,317	722,135	722,135	-
Total Expenditures	3,744,608	3,805,370	3,805,367	3
Excess (Deficiency) of Revenues Over Expenditures	(322)	(61,084)	626,925	688,009
FUND BALANCE				
Beginning of Year	322	61,084	1,528,091	1,467,007
End of Year	\$ -	\$ -	\$ 2,155,016	\$ 2,155,016

See independent auditors' report.

2016

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,993,107	\$ 1,993,107	\$ 1,993,107	\$ -
33,000	33,000	58,474	25,474
1,496,500	1,496,500	1,865,294	368,794
90,000	90,000	109,672	19,672
2,500	2,500	4,578	2,078
75,000	75,000	75,710	710
-	-	-	-
3,690,107	3,690,107	4,106,835	416,728
190,836	192,373	192,373	-
1,067,204	1,067,204	1,013,770	53,434
550,000	610,207	610,207	-
1,128,305	1,128,306	1,073,295	55,011
754,084	692,339	669,345	22,994
3,690,429	3,690,429	3,558,990	131,439
(322)	(322)	547,845	548,167
322	322	980,246	979,924
\$ -	\$ -	\$ 1,528,091	\$ 1,528,091

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Town of Orangetown, New York

Town Outside Villages Fund - Other
Schedule of Revenues Compared to Budget
Year Ended December 31, 2017
(With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
REAL PROPERTY TAXES	<u>\$ 2,029,076</u>	<u>\$ 2,029,076</u>	<u>\$ 2,029,312</u>	<u>\$ 236</u>	<u>\$ 1,993,107</u>
OTHER TAX ITEMS					
Payments in lieu of taxes	-	-	-	-	38,778
Interest and penalties on real property taxes	17,000	17,000	21,583	4,583	19,696
	<u>17,000</u>	<u>17,000</u>	<u>21,583</u>	<u>4,583</u>	<u>58,474</u>
DEPARTMENTAL INCOME					
Building permit fees	1,410,000	1,410,000	1,826,788	416,788	1,711,013
Zoning fees	35,000	35,000	29,300	(5,700)	34,925
Planning Board fees	75,000	75,000	216,800	141,800	119,356
	<u>1,520,000</u>	<u>1,520,000</u>	<u>2,072,888</u>	<u>552,888</u>	<u>1,865,294</u>
INTERGOVERNMENTAL CHARGES					
Recycling services for other governments	100,000	100,000	106,310	6,310	109,672
USE OF MONEY AND PROPERTY					
Earnings on investments	2,500	2,500	9,229	6,729	4,578
STATE AID					
Per capita	75,710	75,710	75,710	-	75,710
MISCELLANEOUS					
Other	-	-	117,260	117,260	-
TOTAL REVENUES	<u>\$ 3,744,286</u>	<u>\$ 3,744,286</u>	<u>\$ 4,432,292</u>	<u>\$ 688,006</u>	<u>\$ 4,106,835</u>

See independent auditors' report.

Town of Orangetown, New York

Town Outside Villages Fund - Other
Schedule of Expenditures Compared to Budget
Year Ended December 31, 2017
(With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
GENERAL GOVERNMENT SUPPORT					
Independent audit	\$ 3,000	\$ 2,500	\$ 2,500	\$ -	\$ 2,500
Unallocated insurance	27,300	27,300	27,300	-	21,000
Metropolitan commuter transportation mobility tax	3,329	5,252	5,252	-	4,738
Reimbursement to General Fund for services	164,480	164,480	164,480	-	164,135
	198,109	199,532	199,532	-	192,373
PUBLIC SAFETY					
Safety inspection	1,074,838	1,169,799	1,169,797	2	1,013,770
TRANSPORTATION					
Street lighting	550,000	612,886	612,886	-	610,207
HOME AND COMMUNITY SERVICES					
Zoning board of appeals	146,678	145,178	145,178	-	137,247
Historic area board of review	12,129	12,131	12,130	1	12,130
Planning board	185,328	184,983	184,983	-	173,922
Architectural and community board of review	24,484	24,483	24,483	-	24,159
Refuse and garbage	759,725	730,303	730,303	-	724,422
Shade trees	10,000	3,940	3,940	-	1,415
	1,138,344	1,101,018	1,101,017	1	1,073,295

EMPLOYEE BENEFITS

State retirement	169,799	178,205	178,205	-	178,721
Social security	131,739	118,168	118,168	-	106,185
Hospitalization and dental insurance	462,373	406,356	406,356	-	370,064
Workers' compensation benefits	19,406	19,406	19,406	-	14,375
	<u>783,317</u>	<u>722,135</u>	<u>722,135</u>	<u>-</u>	<u>669,345</u>
TOTAL EXPENDITURES	<u><u>\$ 3,744,608</u></u>	<u><u>\$ 3,805,370</u></u>	<u><u>\$ 3,805,367</u></u>	<u><u>\$ 3</u></u>	<u><u>\$ 3,558,990</u></u>

See independent auditors' report.

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Town of Orangetown, New York

Sewer Fund
Comparative Balance Sheet
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$ 3,221,573	\$ 2,900,769
Receivables		
Accounts	119,779	181,245
State and Federal aid	<u>81,388</u>	<u>297,704</u>
	<u>201,167</u>	<u>478,949</u>
Prepaid expenditures	<u>154,817</u>	<u>167,329</u>
Total Assets	<u><u>\$ 3,577,557</u></u>	<u><u>\$ 3,547,047</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 690,712	\$ 494,163
Accrued liabilities	17,478	14,029
Due to other funds	<u>970,462</u>	<u>1,003,120</u>
Total Liabilities	<u>1,678,652</u>	<u>1,511,312</u>
Fund Balance		
Nonspendable	154,817	167,329
Assigned	<u>1,744,088</u>	<u>1,868,406</u>
Total Fund Balance	<u>1,898,905</u>	<u>2,035,735</u>
Total Liabilities and Fund Balance	<u><u>\$ 3,577,557</u></u>	<u><u>\$ 3,547,047</u></u>

See independent auditors' report.

Town of Orangetown, New York

Sewer Fund

**Comparative Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Years Ended December 31,**

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 6,709,410	\$ 6,709,410	\$ 6,717,810	\$ 8,400
Departmental income	800,000	800,000	853,005	53,005
Intergovernmental charges	1,000,000	1,000,000	1,160,348	160,348
Use of money and property	3,500	3,500	20,990	17,490
Sale of property and compensation for loss	-	-	-	-
State aid	-	-	-	-
Miscellaneous	-	-	20,709	20,709
Total Revenues	8,512,910	8,512,910	8,772,862	259,952
EXPENDITURES				
Current				
General government support				
Independent audit	11,000	11,000	9,000	2,000
Unallocated insurance	95,550	118,784	118,784	-
Reimbursement to the General Fund for services	769,000	769,000	765,307	3,693
	875,550	898,784	893,091	5,693
Home and community services				
Sewer administration	832,253	657,648	636,756	20,892
Sewage collection and industrial pre-treatment	1,660,395	1,968,295	1,935,772	32,523
Sewage treatment and disposal	3,329,809	3,473,585	3,113,390	360,195
	5,822,457	6,099,528	5,685,918	413,610
Employee benefits				
State retirement	657,460	686,922	686,922	-
Social security	329,347	274,347	255,923	18,424
Hospitalization and dental insurance	1,221,834	1,154,600	1,152,496	2,104
Workers' compensation benefits	232,875	235,342	235,342	-
	2,441,516	2,351,211	2,330,683	20,528
Total Expenditures	9,139,523	9,349,523	8,909,692	439,831
Deficiency of Revenues Over Expenditures	(626,613)	(836,613)	(136,830)	699,783
FUND BALANCE				
Beginning of Year	626,613	836,613	2,035,735	1,199,122
End of Year	\$ -	\$ -	\$ 1,898,905	\$ 1,898,905

See independent auditors' report.

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 6,419,965	\$ 6,419,965	\$ 6,422,156	\$ 2,191
870,000	870,000	1,125,205	255,205
1,095,000	1,095,000	772,018	(322,982)
3,500	3,500	8,442	4,942
-	-	4,775	4,775
-	-	250,000	250,000
-	-	24,110	24,110
8,388,465	8,388,465	8,606,706	218,241
9,000	9,000	9,000	-
73,500	73,500	73,500	-
725,397	725,397	722,121	3,276
807,897	807,897	804,621	3,276
1,047,772	932,632	776,772	155,860
1,628,391	1,680,429	1,680,429	-
2,769,322	2,868,496	2,868,496	-
5,445,485	5,481,557	5,325,697	155,860
618,521	697,334	697,334	-
313,664	313,664	249,793	63,871
1,170,963	1,056,078	1,056,078	-
172,500	650,361	650,361	-
2,275,648	2,717,437	2,653,566	63,871
8,529,030	9,006,891	8,783,884	223,007
(140,565)	(618,426)	(177,178)	441,248
140,565	618,426	2,212,913	1,594,487
\$ -	\$ -	\$ 2,035,735	\$ 2,035,735

Town of Orangetown, New York

Highway Fund
Comparative Balance Sheet
December 31,

	2017	2016
ASSETS		
Cash and equivalents	\$ 2,438,641	\$ 2,920,672
Receivables		
Accounts	29,851	75,890
State and Federal aid	224,709	279,461
Due from other governments	25,138	-
Due from other funds	37,520	24,066
	317,218	379,417
Prepaid expenditures	181,253	195,901
Total Assets	\$ 2,937,112	\$ 3,495,990
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 392,527	\$ 309,397
Accrued liabilities	35,264	2,491
Due to other funds	649,559	1,252,156
Total Liabilities	1,077,350	1,564,044
Fund balance		
Nonspendable	181,253	195,901
Assigned	1,678,509	1,736,045
Total Fund Balance	1,859,762	1,931,946
Total Liabilities and Fund Balance	\$ 2,937,112	\$ 3,495,990

See independent auditors' report.

Town of Orangetown, New York

Highway Fund

Combining Schedule of Revenues, Expenditures and Changes

in Fund Balances - Sub-Funds

Year Ended December 31, 2017

(With Comparative Totals for 2016)

			Totals	
	Part-Town	Town-Wide	2017	2016
REVENUES				
Real property taxes	\$ 5,199,773	\$ 4,236,859	\$ 9,436,632	\$ 8,803,218
Intergovernmental charges	7,422	122,581	130,003	74,308
Use of money and property	14,818	12,124	26,942	10,122
Sale of property and compensation for loss	-	206,220	206,220	57,567
Interfund revenues	-	82,288	82,288	18,884
State aid	321,111	158,055	479,166	396,409
Miscellaneous	114,774	7,740	122,514	180,025
Total Revenues	5,657,898	4,825,867	10,483,765	9,540,533
EXPENDITURES				
Current				
General government support	621,650	510,733	1,132,383	1,094,481
Transportation	3,416,957	3,029,742	6,446,699	6,410,188
Employee benefits	1,397,855	1,448,076	2,845,931	2,848,604
Total Expenditures	5,436,462	4,988,551	10,425,013	10,353,273
Excess (Deficiency) of Revenues Over Expenditures	221,436	(162,684)	58,752	(812,740)
OTHER FINANCING USES				
Transfers out	-	(130,936)	(130,936)	(368,044)
Net Change in Fund Balances	221,436	(293,620)	(72,184)	(1,180,784)
FUND BALANCES				
Beginning of Year	439,543	1,492,403	1,931,946	3,112,730
End of Year	\$ 660,979	\$ 1,198,783	\$ 1,859,762	\$ 1,931,946

See independent auditors' report.

Town of Orangetown, New York

Highway Fund - Part-Town
Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended December 31,

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 5,198,600	\$ 5,198,600	\$ 5,199,773	\$ 1,173
Intergovernmental charges	15,000	15,000	7,422	(7,578)
Use of money and property	3,000	3,000	14,818	11,818
State aid	335,000	335,000	321,111	(13,889)
Miscellaneous	165,000	165,000	114,774	(50,226)
Total Revenues	5,716,600	5,716,600	5,657,898	(58,702)
EXPENDITURES				
Current				
General government support				
Unallocated insurance	77,946	74,373	74,373	-
Metropolitan commuter transportation mobility tax	-	10,967	9,170	1,797
Reimbursement to General Fund for services	538,107	538,107	538,107	-
	616,053	623,447	621,650	1,797
Transportation				
General repairs	3,364,007	3,200,201	3,075,970	124,231
Permanent improvements	335,000	588,318	340,987	247,331
	3,699,007	3,788,519	3,416,957	371,562
Employee benefits				
State retirement	405,456	424,711	424,710	1
Social security	249,850	249,850	199,498	50,352
Hospitalization and dental insurance	884,888	761,939	650,421	111,518
Workers' compensation benefits	116,438	123,226	123,226	-
	1,656,632	1,559,726	1,397,855	161,871
Total Expenditures	5,971,692	5,971,692	5,436,462	535,230
Excess (Deficiency) of Revenues Over Expenditures	(255,092)	(255,092)	221,436	476,528
FUND BALANCE				
Beginning of Year	255,092	255,092	439,543	184,451
End of Year	\$ -	\$ -	\$ 660,979	\$ 660,979

See independent auditors' report.

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,846,524	\$ 4,846,524	\$ 4,846,524	\$ -
17,500	17,500	8,870	(8,630)
3,000	3,000	5,567	2,567
474,807	474,807	181,012	(293,795)
197,000	197,000	172,605	(24,395)
5,538,831	5,538,831	5,214,578	(324,253)
54,600	54,600	54,600	-
6,699	9,562	9,562	-
537,201	537,201	537,201	-
598,500	601,363	601,363	-
3,164,872	3,244,702	3,242,412	2,290
274,532	269,725	207,553	62,172
3,439,404	3,514,427	3,449,965	64,462
387,565	421,500	421,500	-
237,952	206,916	206,916	-
843,382	762,597	762,597	-
86,250	143,031	143,031	-
1,555,149	1,534,044	1,534,044	-
5,593,053	5,649,834	5,585,372	64,462
(54,222)	(111,003)	(370,794)	(259,791)
54,222	111,003	810,337	699,334
\$ -	\$ -	\$ 439,543	\$ 439,543

Town of Orangetown, New York

Highway Fund - Town-Wide
Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended December 31,

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 4,236,859	\$ 4,236,859	\$ 4,236,859	\$ -
Intergovernmental charges	200,000	200,000	122,581	(77,419)
Use of money and property	2,500	2,500	12,124	9,624
Sale of property and compensation for loss	12,000	12,000	206,220	194,220
Interfund revenues	-	-	82,288	82,288
State aid	200,000	200,000	158,055	(41,945)
Miscellaneous	8,000	8,000	7,740	(260)
Total Revenues	4,659,359	4,659,359	4,825,867	166,508
EXPENDITURES				
Current				
General government support				
Unallocated insurance	65,097	63,453	63,453	-
Metropolitan commuter transportation mobility tax	-	7,011	7,011	-
Reimbursement to General Fund for services	440,269	440,269	440,269	-
	505,366	510,733	510,733	-
Transportation				
General repairs	4,501	4,499	3,300	1,199
Machinery	625,000	678,222	448,332	229,890
Brush and weeds	1,729,087	1,409,472	1,391,400	18,072
Snow removal	1,126,814	1,231,256	1,186,710	44,546
	3,485,402	3,323,449	3,029,742	293,707
Employee benefits				
State retirement	364,268	385,130	385,130	-
Social security	238,493	238,493	157,752	80,741
Unemployment benefits	20,000	20,000	6,174	13,826
Hospitalization and dental insurance	782,614	780,614	775,794	4,820
Workers' compensation benefits	116,438	123,226	123,226	-
	1,521,813	1,547,463	1,448,076	99,387
Total Expenditures	5,512,581	5,381,645	4,988,551	393,094
Deficiency of Revenues Over Expenditures	(853,222)	(722,286)	(162,684)	559,602
OTHER FINANCING USES				
Transfers out	-	(130,936)	(130,936)	-
Net Change in Fund Balance	(853,222)	(853,222)	(293,620)	559,602
FUND BALANCE				
Beginning of Year	853,222	853,222	1,492,403	639,181
End of Year	\$ -	\$ -	\$ 1,198,783	\$ 1,198,783

See independent auditors' report.

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 3,956,686	\$ 3,956,686	\$ 3,956,694	\$ 8
218,000	218,000	65,438	(152,562)
2,500	2,500	4,555	2,055
15,000	15,000	57,567	42,567
-	-	18,884	18,884
-	-	215,397	215,397
8,000	8,000	7,420	(580)
4,200,186	4,200,186	4,325,955	125,769
46,200	46,200	46,200	-
4,843	7,390	7,390	-
439,528	439,528	439,528	-
490,571	493,118	493,118	-
5,000	5,000	-	5,000
528,950	528,950	456,268	72,682
1,662,725	1,662,725	1,634,805	27,920
1,060,275	888,520	869,150	19,370
3,256,950	3,085,195	2,960,223	124,972
372,366	385,663	385,663	-
227,136	166,285	166,285	-
25,000	2,838	2,838	-
745,863	616,743	616,743	-
86,250	143,031	143,031	-
1,456,615	1,314,560	1,314,560	-
5,204,136	4,892,873	4,767,901	124,972
(1,003,950)	(692,687)	(441,946)	250,741
-	(368,044)	(368,044)	-
(1,003,950)	(1,060,731)	(809,990)	250,741
1,003,950	1,060,731	2,302,393	1,241,662
\$ -	\$ -	\$ 1,492,403	\$ 1,492,403

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Town of Orangetown, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$ 803,438	\$ 1,616,595
Due from other funds	<u>1,381,421</u>	<u>1,373,168</u>
 Total Assets	 <u>\$ 2,184,859</u>	 <u>\$ 2,989,763</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	<u>\$ 56,117</u>	<u>\$ 2,289</u>
 Fund balance		
Restricted	2,128,742	2,187,474
Assigned	<u>-</u>	<u>800,000</u>
 Total Fund Balance	 <u>2,128,742</u>	 <u>2,987,474</u>
 Total Liabilities and Fund Balance	 <u>\$ 2,184,859</u>	 <u>\$ 2,989,763</u>

See independent auditors' report.

Town of Orangetown, New York

Debt Service Fund

Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended December 31,

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 5,328,386	\$ 5,328,386	\$ 5,328,386	\$ -
Use of money and property	10,000	10,000	18,599	8,599
Miscellaneous	-	-	-	-
Total Revenues	5,338,386	5,338,386	5,346,985	8,599
EXPENDITURES				
Current				
General government support	101,351	101,351	101,349	2
Debt service				
Principal				
Serial bonds	4,106,024	4,106,024	4,106,024	-
Energy performance contract	152,809	152,809	152,809	-
	4,258,833	4,258,833	4,258,833	-
Interest				
Serial bonds	1,423,470	1,423,470	1,430,129	(6,659)
Energy performance contract	62,504	62,504	62,504	-
	1,485,974	1,485,974	1,492,633	(6,659)
Total Expenditures	5,846,158	5,846,158	5,852,815	(6,657)
Deficiency of Revenues Over Expenditures	(507,772)	(507,772)	(505,830)	1,942
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(292,228)	(292,228)	(352,902)	(60,674)
Total Other Financing Uses	(292,228)	(292,228)	(352,902)	(60,674)
Net Change in Fund Balance	(800,000)	(800,000)	(858,732)	(58,732)
FUND BALANCE				
Beginning of Year	800,000	800,000	2,987,474	2,187,474
End of Year	\$ -	\$ -	\$ 2,128,742	\$ 2,128,742

See independent auditors' report.

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,217,911 10,000 -	\$ 5,217,911 10,000 -	\$ 5,211,127 22,570 287,555	\$ (6,784) 12,570 287,555
5,227,911	5,227,911	5,521,252	293,341
105,503	130,516	130,516	-
4,417,597 145,627	4,491,237 145,627	3,913,487 145,627	577,750 -
4,563,224	4,636,864	4,059,114	577,750
1,670,226 69,686	1,571,573 69,686	1,415,011 69,686	156,562 -
1,739,912	1,641,259	1,484,697	156,562
6,408,639	6,408,639	5,674,327	734,312
(1,180,728)	(1,180,728)	(153,075)	1,027,653
275,881 (295,153)	275,881 (295,153)	275,881 (295,153)	- -
(19,272)	(19,272)	(19,272)	-
(1,200,000)	(1,200,000)	(172,347)	1,027,653
1,200,000	1,200,000	3,159,821	1,959,821
\$ -	\$ -	\$ 2,987,474	\$ 2,987,474

Town of Orangetown, New YorkCapital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	<u>\$ 1,017,525</u>	<u>\$ 1,935,840</u>
Restricted investments	<u>91,740</u>	<u>703,974</u>
Receivables		
State and Federal aid	1,232,182	1,633,985
Due from other funds	<u>540,174</u>	<u>1,152,769</u>
	<u>1,772,356</u>	<u>2,786,754</u>
Total Assets	<u><u>\$ 2,881,621</u></u>	<u><u>\$ 5,426,568</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 105,071	\$ 947,195
Due to other funds	349,394	-
Loan payable	<u>1,000,000</u>	<u>-</u>
Total Liabilities	<u>1,454,465</u>	<u>947,195</u>
Fund balance		
Restricted	1,360,267	4,412,484
Committed	<u>66,889</u>	<u>66,889</u>
Total Fund Balance	<u>1,427,156</u>	<u>4,479,373</u>
Total Liabilities and Fund Balance	<u><u>\$ 2,881,621</u></u>	<u><u>\$ 5,426,568</u></u>

See independent auditors' report.

Town of Orangetown, New York**Capital Projects Fund****Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance****Years Ended December 31,**

	<u>2017</u>	<u>2016</u>
REVENUES		
State aid	\$ 407,926	\$ 413,432
Federal aid	323,962	915,142
Miscellaneous	<u>150,002</u>	<u>-</u>
Total Revenues	881,890	1,328,574
EXPENDITURES		
Capital outlay	<u>4,133,257</u>	<u>5,010,581</u>
Deficiency of Revenues Over Expenditures	<u>(3,251,367)</u>	<u>(3,682,007)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	-	3,107,500
Transfers in	199,150	368,044
Transfers out	<u>-</u>	<u>(275,881)</u>
Total Other Financing Sources	<u>199,150</u>	<u>3,199,663</u>
Net Change in Fund Balance	(3,052,217)	(482,344)
FUND BALANCE		
Beginning of Year	<u>4,479,373</u>	<u>4,961,717</u>
End of Year	<u>\$ 1,427,156</u>	<u>\$ 4,479,373</u>

See independent auditors' report.

Town of Orangetown, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through December 31, 2017

Project	Project Budget	Expenditures and Transfers	Unexpended Balance
Sidewalks	\$ 1,941,500	\$ 1,892,729	\$ 48,771
Sludge Handling Facility	1,800,000	1,584,349	215,651
Oak Tree Road Sidewalk	225,000	124,626	100,374
Sparkill Creek Flood Mitigation	1,700,000	1,610,677	89,323
Pearl River Revitalization	267,000	263,156	3,844
Construction Equipment - 2014	1,735,000	1,698,455	36,545
Parks Garage	450,000	-	450,000
Various Building Renovations	50,000	43,615	6,385
Sewer Improvements	2,225,000	1,107,599	1,117,401
Pearl River Pedestrian Link	1,899,859	260,667	1,639,192
Sewer Improvements - Nyack Inflow and Infiltration	2,500,000	2,406,260	93,740
Greenbush Road Bicycle Bypass	125,000	11,720	113,280
Improvements to Various Parks and Recreation Areas	360,185	17,805	342,380
Purchase of Various Equipment	2,747,315	2,716,404	30,911
Green Innovation Grant Program	1,151,250	16,220	1,135,030
Cherry Brook Flood Mitigation	12,500	6,250	6,250
Street Lighting - LED Conversion	2,309,779	366,456	1,943,323
RPC Site Improvements - Traffic Lights	150,000	-	150,000
Totals	<u>\$ 21,649,388</u>	<u>\$ 14,126,988</u>	<u>\$ 7,522,400</u>

See independent auditors' report.

Revenues and Other Financing Sources	Fund Balance (Deficit) at December 31, 2017	Loan Outstanding at December 31, 2017
\$ 1,892,729	\$ -	\$ -
1,706,911	122,562	-
124,626	-	-
1,610,677	-	-
263,391	235	-
1,735,000	36,545	-
450,000	450,000	-
50,000	6,385	-
2,225,000	1,117,401	-
270,775	10,108	-
1,500,000	(906,260)	1,000,000
11,720	-	-
360,185	342,380	-
2,747,315	30,911	-
16,220	-	-
6,250	-	-
366,456	-	-
150,000	150,000	-
<u>\$ 15,487,255</u>	<u>\$ 1,360,267</u>	<u>\$ 1,000,000</u>

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NON-MAJOR GOVERNMENTAL FUNDS

Special Districts Fund - The Special Districts Fund is provided to account for the operation and maintenance of the Town's water, fire protection and ambulance districts.

Pearl River Parking Fund - The Pearl River Parking Fund is provided to account for the operation and maintenance of parking meters and parking lots in the Town.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Town in accordance with the terms of a trust agreement.

Town of Orangetown, New York

Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2017
(With Comparative Totals for 2016)

	Special Districts	Pearl River Parking	Special Purpose
ASSETS			
Cash and equivalents	<u>\$ 239,666</u>	<u>\$ 262,378</u>	<u>\$ 310,270</u>
Receivables			
Accounts	-	295	-
Due from other funds	<u>-</u>	<u>103</u>	<u>-</u>
	<u>-</u>	<u>398</u>	<u>-</u>
Total Assets	<u><u>\$ 239,666</u></u>	<u><u>\$ 262,776</u></u>	<u><u>\$ 310,270</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 75,532	\$ 13,883	\$ -
Due to other governments	<u>10,997</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>86,529</u>	<u>13,883</u>	<u>-</u>
Fund balances			
Restricted	-	-	310,270
Assigned	<u>153,137</u>	<u>248,893</u>	<u>-</u>
Total Fund Balances	<u>153,137</u>	<u>248,893</u>	<u>310,270</u>
Total Liabilities and Fund Balances	<u><u>\$ 239,666</u></u>	<u><u>\$ 262,776</u></u>	<u><u>\$ 310,270</u></u>

See independent auditors' report.

Total Non-Major Governmental Funds	
2017	2016
\$ 812,314	\$ 746,279
295	1,509
103	103
398	1,612
\$ 812,712	\$ 747,891
\$ 89,415	\$ 72,160
10,997	40,997
100,412	113,157
310,270	188,691
402,030	446,043
712,300	634,734
\$ 812,712	\$ 747,891

Town of Orangetown, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2017
(With Comparative Totals for 2016)

	Special Districts	Pearl River Parking	Special Purpose
REVENUES			
Real property taxes	\$ 1,882,748	\$ -	\$ -
Departmental income	-	97,080	-
Use of money and property	1,855	57	358
Miscellaneous	-	-	130,440
Total Revenues	<u>1,884,603</u>	<u>97,137</u>	<u>130,798</u>
EXPENDITURES			
Current			
Public safety	638,617	-	-
Health	400,000	-	-
Transportation	-	98,655	-
Culture and recreation	-	-	9,219
Home and community services	888,481	-	-
Total Expenditures	<u>1,927,098</u>	<u>98,655</u>	<u>9,219</u>
Excess (Deficiency) of Revenues Over Expenditures	(42,495)	(1,518)	121,579
FUND BALANCES			
Beginning of Year	<u>195,632</u>	<u>250,411</u>	<u>188,691</u>
End of Year	<u>\$ 153,137</u>	<u>\$ 248,893</u>	<u>\$ 310,270</u>

See independent auditors' report.

Total Non-Major Governmental Funds	
2017	2016
\$ 1,882,748	\$ 2,031,145
97,080	106,386
2,270	999
130,440	27,000
<u>2,112,538</u>	<u>2,165,530</u>
638,617	811,200
400,000	400,000
98,655	108,390
9,219	26,150
888,481	841,599
<u>2,034,972</u>	<u>2,187,339</u>
77,566	(21,809)
<u>634,734</u>	<u>656,543</u>
<u>\$ 712,300</u>	<u>\$ 634,734</u>

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Town of Orangetown, New York

Special Districts Fund
Comparative Balance Sheet
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	<u>\$ 239,666</u>	<u>\$ 305,368</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 75,532	\$ 68,739
Due to other governments	<u>10,997</u>	<u>40,997</u>
Total Liabilities	86,529	109,736
Fund balance		
Assigned	<u>153,137</u>	<u>195,632</u>
Total Liabilities and Fund Balance	<u>\$ 239,666</u>	<u>\$ 305,368</u>

See independent auditors' report.

Town of Orangetown, New York

Special Districts Fund

Combining Schedule of Revenues, Expenditures and Changes

in Fund Balances - Sub-Funds

Year Ended December 31, 2017

(With Comparative Totals for 2016)

	Water	Blauvelt Fire Protection	South Orangetown Ambulance
REVENUES			
Real property taxes	\$ 846,248	\$ 636,500	\$ 400,000
Use of money and property	1,855	-	-
Total Revenues	848,103	636,500	400,000
EXPENDITURES			
Current			
Public safety	-	638,617	-
Health	-	-	400,000
Home and community services	888,481	-	-
Total Expenditures	888,481	638,617	400,000
Deficiency of Revenues Over Expenditures	(40,378)	(2,117)	-
FUND BALANCES (DEFICITS)			
Beginning of Year	85,814	110,158	(340)
End of Year	\$ 45,436	\$ 108,041	\$ (340)

See independent auditors' report.

Totals	
2017	2016
\$ 1,882,748	\$ 2,031,145
1,855	911
1,884,603	2,032,056
638,617	811,200
400,000	400,000
888,481	841,599
1,927,098	2,052,799
(42,495)	(20,743)
195,632	216,375
\$ 153,137	\$ 195,632

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Town of Orangetown, New York

Pearl River Parking Fund
Comparative Balance Sheet
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	<u>\$ 262,378</u>	<u>\$ 252,220</u>
Receivables		
Accounts	295	1,509
Due from other funds	<u>103</u>	<u>103</u>
	<u>398</u>	<u>1,612</u>
Total Assets	<u><u>\$ 262,776</u></u>	<u><u>\$ 253,832</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 13,883	\$ 3,421
Fund balance		
Assigned	<u>248,893</u>	<u>250,411</u>
Total Liabilities and Fund Balance	<u><u>\$ 262,776</u></u>	<u><u>\$ 253,832</u></u>

See independent auditors' report.

Town of Orangetown, New York

Pearl River Parking Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance
Years Ended December 31,

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 136,983	\$ 136,983	\$ 97,080	\$ (39,903)
Use of money and property	-	-	57	57
Total Revenues	136,983	136,983	97,137	(39,846)
EXPENDITURES				
Current				
Transportation	151,951	151,951	98,655	53,296
Deficiency of Revenues Over Expenditures	(14,968)	(14,968)	(1,518)	13,450
FUND BALANCE				
Beginning of Year	14,968	14,968	250,411	235,443
End of Year	\$ -	\$ -	\$ 248,893	\$ 248,893

See independent auditors' report.

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 117,358	\$ 117,358	\$ 106,386	\$ (10,972)
-	-	-	-
117,358	117,358	106,386	(10,972)
117,358	120,766	108,390	12,376
-	(3,408)	(2,004)	1,404
-	3,408	252,415	249,007
\$ -	\$ -	\$ 250,411	\$ 250,411

Town of Orangetown, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	<u>\$ 310,270</u>	<u>\$ 188,691</u>
FUND BALANCE		
Restricted	<u>\$ 310,270</u>	<u>\$ 188,691</u>

See independent auditors' report.

Town of Orangetown, New York

Special Purpose Fund

**Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended December 31,**

	<u>2017</u>	<u>2016</u>
REVENUES		
Use of money and property	\$ 358	\$ 88
Miscellaneous	<u>130,440</u>	<u>27,000</u>
Total Revenues	130,798	27,088
EXPENDITURES		
Current		
Culture and recreation	<u>9,219</u>	<u>26,150</u>
Excess of Revenues Over Expenditures	121,579	938
FUND BALANCE		
Beginning of Year	<u>188,691</u>	<u>187,753</u>
End of Year	<u><u>\$ 310,270</u></u>	<u><u>\$ 188,691</u></u>

See independent auditors' report.

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ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. The operations of the Blue Hill Golf Course and the Broad Acres Golf Course are recorded as enterprise funds.

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Town of Orangetown, New York

Enterprise Fund - Blue Hill Golf Course
Comparative Statement of Net Position
December 31,

	2017	2016
ASSETS		
Current assets		
Cash and equivalents	\$ 1,068,235	\$ 1,057,259
Receivables		
Accounts	74,983	77,009
Due from other funds	1,054,822	1,046,014
	1,129,805	1,123,023
Prepaid expenses	-	6,699
Total Current Assets	2,198,040	2,186,981
Noncurrent assets		
Capital assets		
Land	3,071,006	3,071,006
Buildings and improvements	835,062	835,062
Improvements other than buildings	6,390,378	6,384,827
Machinery and equipment	1,762,455	1,762,455
	12,058,901	12,053,350
Less - Accumulated depreciation	(7,301,730)	(7,075,686)
Total Noncurrent Assets	4,757,171	4,977,664
Total Assets	6,955,211	7,164,645
LIABILITIES		
Current liabilities		
Accounts payable	59,004	62,474
Accrued interest payable	7,423	8,140
Due to other governments	589	431
Due to other funds	1,755,582	1,944,472
Unearned revenues	36,664	32,416
Current maturities of bonds payable	85,196	82,416
Current maturities of loan payable	200,000	200,000
Total Current Liabilities	2,144,458	2,330,349
Noncurrent liabilities		
Bonds payable, less current maturities	764,330	849,526
Loan payable, less current maturities	2,834,934	3,084,934
Other post employment benefit obligations payable	654,975	624,306
Total Noncurrent Liabilities	4,254,239	4,558,766
Total Liabilities	6,398,697	6,889,115
NET POSITION		
Net investment in capital assets	3,907,645	4,045,722
Unrestricted	(3,351,131)	(3,770,192)
Total Net Position	\$ 556,514	\$ 275,530

See independent auditors' report.

Town of Orangetown, New York**Enterprise Fund - Blue Hill Golf Course
Comparative Statement of Revenues, Expenses and
Changes in Net Position
Years Ended December 31,**

	2017	2016
OPERATING REVENUES		
Greens fees	\$ 1,778,480	\$ 1,896,579
Cart rental	556,389	511,974
Facility rental	24,000	18,000
Permit cards	138,284	140,735
Other income	27,207	38,477
Total Operating Revenues	2,524,360	2,605,765
OPERATING EXPENSES		
Personal services	112,590	106,448
Rental of equipment	83,592	83,592
Repairs and maintenance	8,458	26,949
Utilities	5,358	22,829
Chemicals	-	98
Contractual and other	1,728,568	1,745,877
Employee benefits	155,783	218,474
Depreciation	226,044	282,583
Total Operating Expenses	2,320,393	2,486,850
Income from Operations	203,967	118,915
NON-OPERATING REVENUES (EXPENSES)		
Interest income	524	585
Interest expense	(26,700)	(29,077)
Total Non-Operating Expenses	(26,176)	(28,492)
Income Before Transfers	177,791	90,423
Transfers In	103,193	110,268
Change in Net Position	280,984	200,691
NET POSITION		
Beginning of Year	275,530	74,839
End of Year	\$ 556,514	\$ 275,530

See independent auditors' report.

Town of Orangetown, New York

Enterprise Fund - Blue Hill Golf Course
Comparative Statement of Cash Flows
Years Ended December 31,

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 2,530,634	\$ 2,592,651
Cash payments to vendors	(2,020,287)	(1,676,705)
Cash payments to employees	(237,704)	(323,400)
Net Cash from Operating Activities	272,643	592,546
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Repayment of loan from other funds	(250,000)	(200,000)
Transfers in	103,193	110,268
Net Cash from Non-Capital Financing Activities	(146,807)	(89,732)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on bonds	(82,416)	(80,465)
Interest paid on indebtedness	(27,417)	(29,803)
Acquisition and construction of capital assets	(5,551)	(61,000)
Net Cash from Capital and Related Financing Activities	(115,384)	(171,268)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	524	585
Net Change in Cash and Equivalents	10,976	332,131
CASH AND EQUIVALENTS		
Beginning of Year	1,057,259	725,128
End of Year	\$ 1,068,235	\$ 1,057,259
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	\$ 203,967	\$ 118,915
Adjustments to reconcile income from operations to net cash from operating activities		
Depreciation	226,044	282,583
Changes in assets and liabilities		
Accounts receivable	2,026	(14,376)
Due from other funds	(8,808)	(39,790)
Prepaid expenses	6,699	35,068
Accounts payable	(3,470)	2,807
Due to other governments	158	(1,637)
Due to other funds	(188,890)	214,475
Unearned revenues	4,248	1,262
Compensated absences	-	(40,121)
Other post employment benefit obligations payable	30,669	33,360
Net Cash from Operating Activities	\$ 272,643	\$ 592,546
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Amortization of bond premium	\$ 9,029	\$ 9,029

See independent auditors' report.

Town of Orangetown, New York

Enterprise Fund - Broadacres Golf Course

Comparative Statement of Net Position

December 31,

	2017	2016
ASSETS		
Current assets		
Cash and equivalents	\$ 70,047	\$ 90,949
Receivables		
Accounts	-	3,047
Due from other funds	63,993	63,993
	63,993	67,040
Total Current Assets	134,040	157,989
Noncurrent assets		
Capital assets		
Land	2,382,819	2,382,819
Buildings and improvements	352,216	352,216
Improvements other than buildings	334,721	259,721
Machinery and equipment	237,767	182,910
	3,307,523	3,177,666
Less - Accumulated depreciation	(511,375)	(490,463)
Total Noncurrent Assets	2,796,148	2,687,203
Total Assets	2,930,188	2,845,192
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts on refunding of bonds	120,426	128,453
LIABILITIES		
Current liabilities		
Accounts payable	4,545	71,397
Accrued interest payable	33,227	35,748
Due to other governments	60,704	63
Due to other funds	143,929	135,121
Current maturities of bonds payable	123,062	120,060
Total Current Liabilities	365,467	362,389
Noncurrent liabilities		
Bonds payable, less current maturities	2,168,056	2,295,385
Loan payable	2,567,073	2,567,073
Other post employment benefit obligations payable	11,423	6,101
Total Noncurrent Liabilities	4,746,552	4,868,559
Total Liabilities	5,112,019	5,230,948
NET POSITION		
Net investment in capital assets	625,456	400,211
Unrestricted	(2,686,861)	(2,657,514)
Total Net Position	\$ (2,061,405)	\$ (2,257,303)

See independent auditors' report.

Town of Orangetown, New York

Enterprise Fund - Broadacres Golf Course
Comparative Statement of Revenues, Expenses and
Changes in Net Position
Years Ended December 31,

	2017	2016
OPERATING REVENUES		
Greens fees	\$ 475,101	\$ 491,155
Cart rental	104,973	108,424
Permit cards	2,700	2,880
Other income	75,000	-
Total Operating Revenues	657,774	602,459
OPERATING EXPENSES		
Personal services	5,322	-
Rental of equipment	30,212	25,388
Repairs and maintenance	54	1,450
Utilities	17,602	23,684
Contractual and other	600,779	629,076
Employee benefits	26,897	20,352
Depreciation	20,912	22,631
Total Operating Expenses	701,778	722,581
Loss from Operations	(44,004)	(120,122)
NON-OPERATING EXPENSES		
Interest expense	(70,214)	(75,601)
Loss Before Transfers	(114,218)	(195,723)
Transfers In	310,116	184,885
Change in Net Position	195,898	(10,838)
NET POSITION		
Beginning of Year	(2,257,303)	(2,246,465)
End of Year	<u>\$ (2,061,405)</u>	<u>\$ (2,257,303)</u>

See independent auditors' report.

Town of Orangetown, New York

Enterprise Fund - Broadacres Golf Course
Comparative Statement of Cash Flows
Years Ended December 31,

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 660,821	\$ 602,459
Cash payments to vendors	(646,050)	(674,579)
Cash payments to employees	(26,897)	(22,034)
Net Cash from Operating Activities	(12,126)	(94,154)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers in	310,116	184,885
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on bonds	(120,060)	(96,048)
Interest paid on indebtedness	(68,975)	(88,837)
Acquisition and construction of capital assets	(129,857)	-
Net Cash from Capital and Related Financing Activities	(318,892)	(184,885)
Net Change in Cash and Equivalents	(20,902)	(94,154)
CASH AND EQUIVALENTS		
Beginning of Year	90,949	185,103
End of Year	\$ 70,047	\$ 90,949
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (44,004)	\$ (120,122)
Adjustments to reconcile loss from operations to net cash from operating activities		
Depreciation	20,912	22,631
Changes in assets and liabilities		
Accounts receivable	3,047	-
Due from other funds	-	(3,631)
Accounts payable	(66,852)	1,231
Due to other governments	60,641	(215)
Due to other funds	8,808	9,797
Other post employment benefit obligations payable	5,322	(3,845)
Net Cash from Operating Activities	\$ (12,126)	\$ (94,154)
NON-CASH NON-OPERATING ACTIVITIES		
Amortization of bond premium	\$ (4,267)	\$ (4,267)
Amortization of deferred loss on bond	8,027	8,027

See independent auditors' report.

INTERNAL SERVICE FUNDS

Internal service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The Town has established its Workers' Compensation Benefits and Risk Retention funds as internal service funds.

Town of Orangetown, New York

Internal Service Funds
Combining Statement of Net Position
December 31, 2017
(With Comparative Totals for 2016)

	Workers' Compensation Benefits	Risk Retention	Totals	
			2017	2016
ASSETS				
Cash and equivalents	\$ 92,658	\$ 3,986	\$ 96,644	\$ 32,315
Due from other funds	9,809	-	9,809	892,616
Prepaid expenses	98,145	128,648	226,793	211,849
Total Assets	200,612	132,634	333,246	1,136,780
LIABILITIES				
Current liabilities				
Accounts payable	19,612	6,177	25,789	415,679
Due to other funds	-	86,457	86,457	635,687
Current portion of claims payable	181,000	40,000	221,000	203,000
Total Current Liabilities	200,612	132,634	333,246	1,254,366
Noncurrent liabilities				
Claims payable, less current portion	1,628,528	358,025	1,986,553	1,833,305
Total Liabilities	1,829,140	490,659	2,319,799	3,087,671
NET POSITION				
Unrestricted	\$ (1,628,528)	\$ (358,025)	\$ (1,986,553)	\$ (1,950,891)

See independent auditors' report.

Town of Orangetown, New York

Internal Service Funds
Combining Statement of Revenues, Expenses and
Changes in Net Position
Year Ended December 31, 2017
(With Comparative Totals for 2016)

	Workers' Compensation Benefits	Risk Retention	Totals	
			2017	2016
OPERATING REVENUES				
Charges for services	\$ 1,588,869	\$ 868,545	\$ 2,457,414	\$ 2,564,741
Insurance recoveries	281,873	21,174	303,047	213,067
Total Operating Revenues	1,870,742	889,719	2,760,461	2,777,808
OPERATING EXPENSES				
Insurance	610,480	624,511	1,234,991	1,113,506
Contractual	-	59,372	59,372	62,652
Employee benefits	1,372,698	-	1,372,698	2,709,436
Judgments and claims	-	129,209	129,209	77,948
Total Operating Expenses	1,983,178	813,092	2,796,270	3,963,542
Income (Loss) from Operations	(112,436)	76,627	(35,809)	(1,185,734)
NON-OPERATING REVENUES				
Interest income	147	-	147	138
Change in Net Position	(112,289)	76,627	(35,662)	(1,185,596)
NET POSITION				
Beginning of Year	(1,516,239)	(434,652)	(1,950,891)	(765,295)
End of Year	\$ (1,628,528)	\$ (358,025)	\$ (1,986,553)	\$ (1,950,891)

See independent auditors' report.

Town of Orangetown, New York

Internal Service Funds
Combining Statement of Cash Flows
Year Ended December 31, 2017
(With Comparative Totals for 2016)

	Workers' Compensation Benefits	Risk Retention
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from interfund services provided	\$ 2,464,523	\$ 868,545
Cash received from insurance recoveries	281,873	21,174
Cash payments to insurance carriers and claimants	(2,669,238)	(902,695)
Net Cash from Operating Activities	77,158	(12,976)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	147	-
Net Change in Cash and Equivalents	77,305	(12,976)
CASH AND EQUIVALENTS		
Beginning of Year	15,353	16,962
End of Year	\$ 92,658	\$ 3,986
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (Loss) from operations	\$ (112,436)	\$ 76,627
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in assets and liabilities		
Due from other funds	882,807	-
Prepaid expenses	(7,871)	(7,073)
Accounts payable	(387,759)	(2,131)
Due to other funds	(422,872)	(126,358)
Claims payable	125,289	45,959
Net Cash from Operating Activities	\$ 77,158	\$ (12,976)

See independent auditors' report.

Totals	
2017	2016
\$ 3,333,068	\$ 1,809,633
303,047	213,067
<u>(3,571,933)</u>	<u>(2,020,652)</u>
64,182	2,048
147	138
64,329	2,186
32,315	30,129
<u>\$ 96,644</u>	<u>\$ 32,315</u>
\$ (35,809)	\$ (1,185,734)
882,807	(755,108)
(14,944)	(6,477)
(389,890)	391,880
(549,230)	537,872
<u>171,248</u>	<u>38,591</u>
<u>\$ 64,182</u>	<u>\$ (978,976)</u>

Town of Orangetown, New York

Internal Service Fund - Workers' Compensation Benefits Fund
Comparative Statement of Net Position
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$ 92,658	\$ 15,353
Due from other funds	9,809	892,616
Prepaid expenses	98,145	90,274
Total Assets	<u>200,612</u>	<u>998,243</u>
LIABILITIES		
Current liabilities		
Accounts payable	19,612	407,371
Due to other funds	-	422,872
Current portion of claims payable	181,000	168,000
Total Current Liabilities	200,612	998,243
Noncurrent liabilities		
Claims payable, less current portion	<u>1,628,528</u>	<u>1,516,239</u>
Total Liabilities	<u>1,829,140</u>	<u>2,514,482</u>
NET POSITION		
Unrestricted	<u>\$ (1,628,528)</u>	<u>\$ (1,516,239)</u>

See independent auditors' report.

Town of Orangetown, New York

Internal Service Fund - Workers' Compensation Benefits Fund
Comparative Statement of Revenues, Expenses and Changes
in Net Position
Years Ended December 31,

	2017	2016
OPERATING REVENUES		
Charges for services	\$ 1,588,869	\$ 2,056,991
Insurance recoveries	281,873	195,699
Total Operating Revenues	1,870,742	2,252,690
OPERATING EXPENSES		
Insurance	610,480	575,969
Employee benefits	1,372,698	2,709,436
Total Operating Expenses	1,983,178	3,285,405
Loss from Operations	(112,436)	(1,032,715)
NON-OPERATING REVENUES		
Interest income	147	138
Change in Net Position	(112,289)	(1,032,577)
NET POSITION		
Beginning of Year	(1,516,239)	(483,662)
End of Year	<u>\$ (1,628,528)</u>	<u>\$ (1,516,239)</u>

See independent auditors' report.

Town of Orangetown, New York

Internal Service Fund - Workers' Compensation Benefits Fund
Comparative Statement of Cash Flows
Years Ended December 31,

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from interfund services provided	\$ 2,464,523	\$ 1,301,883
Cash received from insurance recoveries	281,873	195,699
Cash payments to insurance carriers and claimants	(2,669,238)	(1,506,311)
Net Cash from Operating Activities	77,158	(8,729)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	147	138
Net Change in Cash and Equivalents	77,305	(8,591)
CASH AND EQUIVALENTS		
Beginning of Year	15,353	23,944
End of Year	\$ 92,658	\$ 15,353
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (112,436)	\$ (1,032,715)
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	-	981,024
Due from other funds	882,807	(755,108)
Prepaid expenses	(7,871)	(17,711)
Accounts payable	(387,759)	386,412
Due to other funds	(422,872)	422,872
Claims payable	125,289	6,497
Net Cash from Operating Activities	\$ 77,158	\$ (8,729)

See independent auditors' report.

Town of Orangetown, New York

Internal Service Fund - Risk Retention Fund
Comparative Statement of Net Position
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$ 3,986	\$ 16,962
Prepaid expenses	<u>128,648</u>	<u>121,575</u>
Total Assets	<u>132,634</u>	<u>138,537</u>
LIABILITIES		
Current liabilities		
Accounts payable	6,177	8,308
Due to other funds	86,457	212,815
Current portion of claims payable	<u>40,000</u>	<u>35,000</u>
Total Current Liabilities	132,634	256,123
Noncurrent liabilities		
Claims payable, less current portion	<u>358,025</u>	<u>317,066</u>
Total Liabilities	<u>490,659</u>	<u>573,189</u>
NET POSITION		
Unrestricted	<u>\$ (358,025)</u>	<u>\$ (434,652)</u>

See independent auditors' report.

Town of Orangetown, New York

Internal Service Fund - Risk Retention Fund
Comparative Statement of Revenues, Expenses and Changes
in Net Position
Years Ended December 31,

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Charges for services	\$ 868,545	\$ 507,750
Insurance recoveries	<u>21,174</u>	<u>17,368</u>
Total Operating Revenues	<u>889,719</u>	<u>525,118</u>
OPERATING EXPENSES		
Insurance	624,511	537,537
Contractual	59,372	62,652
Judgments and claims	<u>129,209</u>	<u>77,948</u>
Total Operating Expenses	<u>813,092</u>	<u>678,137</u>
Income (Loss) from Operations	76,627	(153,019)
NET POSITION		
Beginning of Year	<u>(434,652)</u>	<u>(281,633)</u>
End of Year	<u>\$ (358,025)</u>	<u>\$ (434,652)</u>

See independent auditors' report.

Town of Orangetown, New York

Internal Service Fund - Risk Retention Fund
Comparative Statement of Cash Flows
Years Ended December 31,

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from interfund services provided	\$ 868,545	\$ 507,750
Cash received from insurance recoveries	21,174	17,368
Cash payments to insurance carriers and claimants	(902,695)	(514,341)
Net Cash from Operating Activities	(12,976)	10,777
CASH AND EQUIVALENTS		
Beginning of Year	16,962	6,185
End of Year	<u>\$ 3,986</u>	<u>\$ 16,962</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (Loss) from operations	\$ 76,627	\$ (153,019)
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in assets and liabilities		
Prepaid expenses	(7,073)	11,234
Accounts payable	(2,131)	5,468
Due to other funds	(126,358)	115,000
Claims payable	45,959	32,094
Net Cash from Operating Activities	<u>\$ (12,976)</u>	<u>\$ 10,777</u>

See independent auditors' report.

Town of Orangetown, New York

Fiduciary Fund - Agency Fund
Statement of Changes in Assets and Liabilities
Year Ended December 31, 2017

	Balance January 1, 2017	Increases	Decreases	Balance December 31, 2017
ASSETS				
Cash and equivalents	\$ 679,754	\$ 87,265,121	\$ 87,111,318	\$ 833,557
Accounts receivable	380,252	52,255,518	52,409,260	226,510
Total Assets	<u>\$ 1,060,006</u>	<u>\$ 139,520,639</u>	<u>\$ 139,520,578</u>	<u>\$ 1,060,067</u>
LIABILITIES				
Deposits	<u>\$ 1,060,006</u>	<u>\$ 495,399</u>	<u>\$ 495,338</u>	<u>\$ 1,060,067</u>

See independent auditors' report.

**STATISTICAL
SECTION**

(Unaudited)

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Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time. These schedules include:

Net Position by Component

Changes in Net Position

Fund Balances of Governmental Funds

Changes in Fund Balances of Governmental Funds

Town of Orangetown, New York

**Net Position By Component
Last Ten Fiscal Years**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 61,297,724	\$ 69,576,680	\$ 71,245,807	\$ 72,654,445
Restricted	8,400,205	7,231,151	5,604,697	4,187,483
Unrestricted	<u>8,569,838</u>	<u>(2,598,768)</u>	<u>(7,030,464)</u>	<u>(16,172,590)</u>
Total Governmental Activities				
Net Position	<u>\$ 78,267,767</u>	<u>\$ 74,209,063</u>	<u>\$ 69,820,040</u>	<u>\$ 60,669,338</u>
Business - Type Activities				
Net Investment in Capital Assets	\$ 3,430,223	\$ 3,589,772	\$ 3,787,344	\$ 4,099,190
Unrestricted	<u>(2,837,074)</u>	<u>(3,564,447)</u>	<u>(4,376,149)</u>	<u>(5,588,808)</u>
Total Business - Type Activities				
Net Position	<u>\$ 593,149</u>	<u>\$ 25,325</u>	<u>\$ (588,805)</u>	<u>\$ (1,489,618)</u>
Primary Government				
Net Investment in Capital Assets	\$ 64,727,947	\$ 73,166,452	\$ 75,033,151	\$ 76,753,635
Restricted	8,400,205	7,231,151	5,604,697	4,187,483
Unrestricted	<u>5,732,764</u>	<u>(6,163,215)</u>	<u>(11,406,613)</u>	<u>(21,761,398)</u>
Total Primary Government				
Net Position	<u>\$ 78,860,916</u>	<u>\$ 74,234,388</u>	<u>\$ 69,231,235</u>	<u>\$ 59,179,720</u>

2012	2013	2014	2015	2016	2017
\$ 70,813,433	\$ 66,241,222	\$ 65,396,541	\$ 67,568,442	\$ 68,052,301	\$ 67,679,319
3,696,296	3,525,095	4,085,494	4,441,363	3,832,446	6,585,561
(22,986,283)	(26,767,276)	(35,345,648)	(45,116,390)	(55,801,196)	(62,258,332)
<u>\$ 51,523,446</u>	<u>\$ 42,999,041</u>	<u>\$ 34,136,387</u>	<u>\$ 26,893,415</u>	<u>\$ 16,083,551</u>	<u>\$ 12,006,548</u>
\$ 4,232,532	\$ 4,362,943	\$ 4,544,117	\$ 4,517,394	\$ 4,445,933	\$ 4,533,101
(6,182,801)	(7,054,290)	(7,548,874)	(6,689,020)	(6,427,706)	(6,037,992)
<u>\$ (1,950,269)</u>	<u>\$ (2,691,347)</u>	<u>\$ (3,004,757)</u>	<u>\$ (2,171,626)</u>	<u>\$ (1,981,773)</u>	<u>\$ (1,504,891)</u>
\$ 75,045,965	\$ 70,604,165	\$ 69,940,658	\$ 72,085,836	\$ 72,498,234	\$ 72,212,420
3,696,296	3,525,095	4,085,494	4,441,363	3,832,446	6,585,561
(29,169,084)	(33,821,566)	(42,894,522)	(51,805,410)	(62,228,902)	(68,296,324)
<u>\$ 49,573,177</u>	<u>\$ 40,307,694</u>	<u>\$ 31,131,630</u>	<u>\$ 24,721,789</u>	<u>\$ 14,101,778</u>	<u>\$ 10,501,657</u>

Town of Orangetown, New York

**Changes In Net Position
Last Ten Fiscal Years**

	2008	2009	2010	2011
Expenses				
Governmental Activities				
General government support	\$ 7,050,815	\$ 8,007,220	\$ 9,776,429	\$ 8,121,893
Public safety	23,419,577	22,861,695	25,389,618	26,235,249
Health	437,150	450,800	463,180	467,140
Transportation	11,300,971	11,898,894	12,302,982	13,722,291
Economic opportunity and development	153,119	136,075	144,557	152,737
Culture and recreation	3,361,186	3,009,313	3,406,031	4,089,519
Home and community services	10,147,576	11,185,481	11,602,897	13,546,983
Interest	2,018,549	1,706,901	1,684,758	1,682,937
Total Governmental Activities Expenses	57,888,943	59,256,379	64,770,452	68,018,749
Business-type Activities				
Blue Hill Golf Course	3,042,587	3,065,960	3,155,533	3,267,030
Broadacres Golf Course	1,049,238	1,027,888	1,054,166	1,094,235
Total Business-type Activities Expenses	4,091,825	4,093,848	4,209,699	4,361,265
Total Primary Government Expenses	\$ 61,980,768	\$ 63,350,227	\$ 68,980,151	\$ 72,380,014
Program Revenues				
Governmental Activities				
Charges for Services				
General government support	\$ 426,848	\$ 439,465	\$ 717,052	\$ 512,738
Public safety	1,308,780	1,187,928	1,490,618	1,258,584
Transportation	238,880	185,484	262,730	231,662
Culture and recreation	616,859	613,925	630,457	695,302
Home and community services	1,530,680	2,103,784	1,952,257	2,293,031
Operating Grants and Contributions	1,583,026	1,964,155	1,313,413	1,508,264
Capital Grants and Contributions	614,503	670,775	3,547,747	543,710
Total Governmental Activities Program Revenues	6,319,576	7,165,516	9,914,274	7,043,291
Business-type Activities				
Charges for Services				
Blue Hill Golf Course	2,579,136	2,688,905	2,743,860	2,595,055
Broad Acres Golf Course	617,340	636,414	648,199	560,820
Total Business-type Activities Program Revenues	3,196,476	3,325,319	3,392,059	3,155,875
Total Primary Government Program Revenues	\$ 9,516,052	\$ 10,490,835	\$ 13,306,333	\$ 10,199,166

2012	2013	2014	2015	2016	2017
\$ 8,640,385	\$ 8,220,693	\$ 8,536,271	\$ 13,582,463	\$ 10,030,147	\$ 12,193,574
27,670,798	28,940,830	28,916,027	28,619,104	30,689,796	30,636,957
466,701	435,183	435,183	435,183	439,833	439,833
13,261,030	13,194,346	13,907,782	14,712,043	14,557,980	14,715,392
185,395	204,153	195,033	181,324	185,288	185,378
3,926,405	4,022,541	4,054,389	4,214,296	4,378,301	4,971,068
12,295,553	12,134,370	13,095,972	14,074,541	13,523,280	14,026,660
1,654,882	1,579,177	1,534,888	1,491,011	1,516,116	1,442,123
68,101,149	68,731,293	70,675,545	77,309,965	75,320,741	78,610,985
3,169,614	3,187,956	3,184,303	3,169,814	2,515,927	2,347,093
992,100	928,945	956,248	934,103	798,182	771,992
4,161,714	4,116,901	4,140,551	4,103,917	3,314,109	3,119,085
\$ 72,262,863	\$ 72,848,194	\$ 74,816,096	\$ 81,413,882	\$ 78,634,850	\$ 81,730,070
\$ 725,114	\$ 739,940	\$ 820,382	\$ 978,546	\$ 790,615	\$ 793,588
1,805,920	2,141,913	1,740,516	2,057,572	2,309,152	2,585,543
179,144	257,163	302,636	315,540	180,694	227,083
672,524	636,504	584,300	561,284	552,704	571,582
2,313,711	2,049,289	2,199,918	2,743,660	2,174,361	2,376,429
2,583,848	1,450,940	1,337,854	1,218,158	1,447,799	1,630,157
638,412	678,501	757,352	1,894,157	1,638,699	900,489
8,918,673	7,954,250	7,742,958	9,768,917	9,094,024	9,084,871
2,804,005	2,522,202	2,506,049	4,013,152	2,605,765	2,524,360
593,818	548,508	1,016,522	612,237	602,459	657,774
3,397,823	3,070,710	3,522,571	4,625,389	3,208,224	3,182,134
\$ 12,316,496	\$ 11,024,960	\$ 11,265,529	\$ 14,394,306	\$ 12,302,248	\$ 12,267,005

(Continued)

Town of Orangetown, New York

Changes In Net Position (Continued)
Last Ten Fiscal Years

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Net Expense/Revenue				
Governmental Activities	\$ (51,569,367)	\$ (52,090,863)	\$ (54,856,178)	\$ (60,975,458)
Business-type Activities	<u>(895,349)</u>	<u>(768,529)</u>	<u>(817,640)</u>	<u>(1,205,390)</u>
Total Primary Government Net Expense	<u>\$ (52,464,716)</u>	<u>\$ (52,859,392)</u>	<u>\$ (55,673,818)</u>	<u>\$ (62,180,848)</u>
General Revenues				
Governmental Activities				
Taxes				
Real Property Taxes	\$ 43,736,589	\$ 44,152,419	\$ 46,808,152	\$ 47,278,778
Other Tax Items	256,279	224,011	137,824	555,097
Non-Property Taxes	1,979,950	1,947,063	2,046,940	2,125,968
Unrestricted Use of Money and Property	74,058	27,075	27,571	19,589
Sale of Property and				
Compensation for Loss	77,132	324,662	42,976	120,700
Unrestricted State aid	2,137,807	1,534,541	1,576,583	1,900,245
Miscellaneous	53,985	20,027	27,654	125,828
Sale of Real Property	-	-	-	-
Contribution of Land and Improvements	-	-	-	-
Transfers	<u>(62,143)</u>	<u>(197,639)</u>	<u>(200,545)</u>	<u>(301,449)</u>
Total Governmental Activities	<u>48,253,657</u>	<u>48,032,159</u>	<u>50,467,155</u>	<u>51,824,756</u>
Business-type Activities				
Unrestricted Use of Money and Property	7,630	3,066	2,965	3,128
Transfers	<u>62,143</u>	<u>197,639</u>	<u>200,545</u>	<u>301,449</u>
Total Business-type Activities	<u>69,773</u>	<u>200,705</u>	<u>203,510</u>	<u>304,577</u>
Total Primary Government				
General Revenues	<u>\$ 48,323,430</u>	<u>\$ 48,232,864</u>	<u>\$ 50,670,665</u>	<u>\$ 52,129,333</u>
Change in Net Position				
Governmental Activities	\$ (3,315,710)	\$ (4,058,704)	\$ (4,389,023)	\$ (9,150,702)
Business-type Activities	<u>(825,576)</u>	<u>(567,824)</u>	<u>(614,130)</u>	<u>(900,813)</u>
Total Primary Government	<u>\$ (4,141,286)</u>	<u>\$ (4,626,528)</u>	<u>\$ (5,003,153)</u>	<u>\$ (10,051,515)</u>

2012	2013	2014	2015	2016	2017
\$ (59,182,476)	\$ (60,777,043)	\$ (62,932,587)	\$ (67,541,048)	\$ (66,226,717)	\$ (69,526,114)
(763,891)	(1,046,191)	(617,980)	521,472	(105,885)	63,049
<u>\$ (59,946,367)</u>	<u>\$ (61,823,234)</u>	<u>\$ (63,550,567)</u>	<u>\$ (67,019,576)</u>	<u>\$ (66,332,602)</u>	<u>\$ (69,463,065)</u>
\$ 45,985,541	\$ 47,936,434	\$ 50,292,680	\$ 52,332,845	\$ 50,724,410	\$ 51,936,277
73,958	183,176	153,305	233,047	327,321	2,117,062
2,110,658	2,232,057	2,442,052	2,489,107	2,675,319	2,603,135
8,179	2,909	2,744	1,864	2,881	2,441
55,327	82,757	9,385	81,129	10,050	3,635
1,671,019	2,009,591	1,457,354	2,018,765	1,864,934	2,248,932
13,659	10,433	6,499	20,691	64,729	131,542
420,000	100,000	10,360	-	42,362	6,819,396
-	-	-	2,354,168	-	-
(301,757)	(304,719)	(304,446)	(311,401)	(295,153)	(413,309)
50,036,584	52,252,638	54,069,933	59,220,215	55,416,853	65,449,111
1,483	394	124	258	585	524
301,757	304,719	304,446	311,401	295,153	413,309
303,240	305,113	304,570	311,659	295,738	413,833
<u>\$ 50,339,824</u>	<u>\$ 52,557,751</u>	<u>\$ 54,374,503</u>	<u>\$ 59,531,874</u>	<u>\$ 55,712,591</u>	<u>\$ 65,862,944</u>
\$ (9,145,892)	\$ (8,524,405)	\$ (8,862,654)	\$ (8,320,833)	\$ (10,809,864)	\$ (4,077,003)
(460,651)	(741,078)	(313,410)	833,131	189,853	476,882
<u>\$ (9,606,543)</u>	<u>\$ (9,265,483)</u>	<u>\$ (9,176,064)</u>	<u>\$ (7,487,702)</u>	<u>\$ (10,620,011)</u>	<u>\$ (3,600,121)</u>

Town of Orangetown, New York

Fund Balances of Governmental Funds Last Ten Fiscal Years

	2008	2009	2010	2011 (1)
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ 4,644,752
Restricted	-	-	-	-
Committed	-	-	-	153,799
Assigned	-	-	-	639,473
Unassigned	-	-	-	1,875,878
Reserved	2,826,249	3,117,664	3,803,349	-
Unreserved	2,937,125	2,955,311	2,971,728	-
Total General Fund	<u>\$ 5,763,374</u>	<u>\$ 6,072,975</u>	<u>\$ 6,775,077</u>	<u>\$ 7,313,902</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ 1,019,846
Restricted	-	-	-	1,042,594
Committed	-	-	-	66,889
Assigned	-	-	-	10,095,407
Unassigned	-	-	-	(4,579,737)
Reserved	6,426,168	4,756,685	3,591,459	-
Unreserved, Reported In				
Special Revenue Funds	7,110,762	8,768,957	8,210,869	-
Capital Projects Fund	(2,592,395)	(7,983,465)	(3,434,149)	-
Debt Service Fund	800,000	1,000,000	1,000,000	-
Total All Other Governmental Funds	<u>\$ 11,744,535</u>	<u>\$ 6,542,177</u>	<u>\$ 9,368,179</u>	<u>\$ 7,644,999</u>
Total Governmental Funds	<u>\$ 17,507,909</u>	<u>\$ 12,615,152</u>	<u>\$ 16,143,256</u>	<u>\$ 14,958,901</u>

(1) - The Town implemented the provisions of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", for the fiscal year ended December 31, 2011.

2012	2013	2014	2015	2016	2017
\$ 4,929,426	\$ 5,579,716	\$ 6,172,951	\$ 325,302	\$ 287,767	\$ 308,717
-	-	-	26,331	204	3,629,326
-	-	-	-	-	-
169,705	159,015	121,618	46,166	47,867	786,717
1,691,532	2,427,248	2,499,268	3,751,095	4,384,399	7,256,929
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,790,663</u>	<u>\$ 8,165,979</u>	<u>\$ 8,793,837</u>	<u>\$ 4,148,894</u>	<u>\$ 4,720,237</u>	<u>\$ 11,981,689</u>
\$ 825,782	\$ 1,131,224	\$ 1,254,048	\$ 1,242,426	\$ 1,205,680	\$ 1,178,164
1,757,621	2,293,421	6,983,177	7,197,242	6,931,839	3,914,472
66,889	66,889	66,889	66,889	66,889	66,889
10,190,604	8,831,702	6,886,816	8,491,847	7,688,043	5,998,114
(2,994,805)	(52,375)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 9,846,091</u>	<u>\$ 12,270,861</u>	<u>\$ 15,190,930</u>	<u>\$ 16,998,404</u>	<u>\$ 15,892,451</u>	<u>\$ 11,157,639</u>
<u>\$ 16,636,754</u>	<u>\$ 20,436,840</u>	<u>\$ 23,984,767</u>	<u>\$ 21,147,298</u>	<u>\$ 20,612,688</u>	<u>\$ 23,139,328</u>

Town of Orangetown, New York

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years

	2008	2009	2010	2011
Revenues				
Real property taxes	\$ 43,736,589	\$ 44,152,419	\$ 46,808,152	\$ 47,278,778
Other tax items	256,279	224,011	137,824	555,097
Non-property taxes	1,979,950	1,947,063	2,046,940	2,125,968
Departmental income	2,247,771	2,386,655	2,636,093	2,798,290
Intergovernmental charges	1,116,109	1,370,624	1,266,789	1,394,266
Use of money and property	968,239	303,218	264,464	193,728
Licenses and permits	43,082	36,846	49,785	66,874
Fines and forfeitures	367,854	354,445	712,550	354,562
Sale of property and compensation for loss	77,132	324,662	42,976	120,700
Interfund revenues	3,376,465	3,657,484	3,736,089	3,542,427
State aid	2,961,567	2,122,946	2,284,490	2,453,420
Federal aid	251,124	64,832	318,989	243,043
Miscellaneous	394,518	749,025	699,847	1,173,637
Total Revenues	57,776,679	57,694,230	61,004,988	62,300,790
Expenditures				
Current				
General government support	9,764,571	9,135,450	10,091,224	9,520,068
Public safety	14,759,446	14,718,525	15,913,257	16,098,566
Health	437,150	450,800	463,180	467,140
Transportation	7,357,366	8,050,598	7,939,533	8,215,879
Economic opportunity and development	140,075	145,840	150,763	157,561
Culture and recreation	2,314,249	2,089,229	2,214,644	2,523,851
Home and community services	6,697,549	7,437,513	8,137,708	8,129,463
Employee benefits	10,784,383	11,127,923	12,011,600	13,612,715
Debt Service				
Principal	1,405,000	2,255,965	2,440,679	2,836,121
Interest	2,039,675	1,961,985	1,661,303	1,702,627
Refunding bond issuance costs	-	-	-	-
Capital Outlay	22,606,136	8,370,520	5,235,332	4,788,899
Total Expenditures	78,305,600	65,744,348	66,259,223	68,052,890
Excess (Deficiency) of Revenues Over Expenditures	(20,528,921)	(8,050,118)	(5,254,235)	(5,752,100)
Other Financing Sources (Uses)				
Bonds issued	47,423,218	1,255,000	8,695,000	4,869,194
Refunding bonds issued	-	-	-	-
Issuance premium	-	-	287,884	-
Loans issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Sale of real property	-	-	-	-
Energy performance debt issued	-	2,100,000	-	-
Transfers in	642,280	541,816	1,329,957	38,661
Transfers out	(704,423)	(739,455)	(1,530,502)	(340,110)
Total Other Financing Sources	47,361,075	3,157,361	8,782,339	4,567,745
Net Change in Fund Balances	\$ 26,832,154	\$ (4,892,757)	\$ 3,528,104	\$ (1,184,355)
Debt Service as a Percentage of Non-Capital Expenditures	6.2%	7.5%	6.8%	7.2%

2012	2013	2014	2015	2016	2017
\$ 45,985,541	\$ 47,936,434	\$ 50,292,680	\$ 52,332,845	\$ 50,724,410	\$ 51,936,277
73,958	183,176	153,305	233,047	327,321	2,117,062
2,110,658	2,232,057	2,442,052	2,489,107	2,675,319	2,603,135
3,334,060	3,536,715	3,185,765	4,298,004	4,057,898	4,085,002
1,261,785	1,159,081	1,517,171	1,279,702	969,183	1,407,327
240,710	234,869	232,532	226,088	247,695	334,547
94,928	129,792	176,954	312,299	243,539	110,703
579,658	596,704	368,357	378,781	385,764	496,948
55,327	82,757	28,983	100,727	67,617	209,855
3,409,601	3,326,360	3,365,243	3,337,748	3,169,239	3,299,450
2,769,817	2,995,621	2,627,409	3,401,425	2,944,772	3,196,346
1,313,146	234,918	71,883	329,957	1,059,434	450,962
829,732	871,635	792,514	1,474,386	879,556	905,175
62,058,921	63,520,119	65,254,848	70,194,116	67,751,747	71,152,789
9,056,841	8,366,104	8,337,832	14,626,283	8,684,620	11,376,481
16,397,949	16,420,630	16,804,850	16,908,184	16,017,374	16,991,419
466,701	435,183	435,183	435,183	439,833	439,833
8,007,144	7,522,658	8,035,717	8,030,234	7,610,873	7,608,772
157,563	170,440	175,594	184,529	185,288	185,378
2,324,565	2,464,061	2,542,429	2,382,570	2,408,155	2,921,986
7,271,436	7,026,090	7,492,705	7,670,675	7,370,297	7,815,276
13,026,704	15,182,145	15,999,341	16,355,669	17,870,234	18,488,972
3,202,745	3,514,909	3,397,779	4,007,677	4,059,114	4,258,833
1,700,992	1,574,998	1,535,295	1,552,568	1,484,697	1,492,633
-	36,185	-	20,850	-	-
492,471	668,096	1,835,110	4,766,612	5,010,581	4,133,257
62,105,111	63,381,499	66,591,835	76,941,034	71,141,066	75,712,840
(46,190)	138,620	(1,336,987)	(6,746,918)	(3,389,319)	(4,560,051)
1,605,800	3,830,000	5,179,000	2,700,000	3,107,500	-
-	1,605,000	-	1,424,930	-	-
-	68,955	-	51,140	-	-
-	-	-	1,500,000	-	-
-	(1,637,770)	-	(1,455,220)	-	-
420,000	100,000	10,360	-	42,362	7,500,000
-	-	-	-	-	-
798,886	421,569	-	-	643,925	199,150
(1,100,643)	(726,288)	(304,446)	(311,401)	(939,078)	(612,459)
1,724,043	3,661,466	4,884,914	3,909,449	2,854,709	7,086,691
\$ 1,677,853	\$ 3,800,086	\$ 3,547,927	\$ (2,837,469)	\$ (534,610)	\$ 2,526,640
8.0%	8.1%	7.5%	8.0%	8.4%	8.1%

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Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax. These schedules include:

Assessed Value and Estimated Actual Value
of Taxable Property

Direct and Overlapping Property Tax Rates,
Per \$1,000 of Assessed Valuation

Principal Taxpayers

Property Tax Levies and Collections

Town of Orangetown, New York

Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years

Fiscal Year Ended December 31,	Residential Property	Commercial Property	Total Taxable Assessed Value	State Special Equalization Rate (1)
2008	\$ 2,824,291,936	\$ 1,182,452,709	\$ 4,006,744,645	43.30 %
2009	2,834,816,979	1,201,197,569	4,036,014,548	43.75
2010	2,834,531,412	1,201,681,922	4,036,213,334	48.95
2011	2,837,113,389	1,181,861,426	4,018,974,815	50.50
2012	2,838,386,925	1,144,072,308	3,982,459,233	50.65
2013	2,847,155,004	1,106,504,058	3,953,659,062	52.30
2014	2,860,130,685	1,059,677,586	3,919,808,271	49.85
2015	2,873,664,986	1,029,955,122	3,903,620,108	50.09
2016	2,885,882,365	851,893,178	3,737,775,543	50.05
2017	2,898,097,124	842,149,193	3,740,246,317	47.25

Source: Town of Orangetown Assessor's Office

(1) Provided by the New York State Office of Real Property Services

(2) The Town has a complex rate structure that would make the calculation of a direct tax rate extremely difficult, since its revenue base cannot be sufficiently disaggregated for each applicable rate. The Town substituted an effective tax rate instead.

Note: Estimated actual taxable value is calculated by dividing taxable assessed value by the state special equalization rate. Tax rates are per \$1,000 of assessed value.

Estimated Actual Taxable Value		Total Effective Tax Rate (2)	
\$	9,253,451,836	\$	10.9157
	9,225,176,110		10.9396
	8,245,583,931		11.6037
	7,958,365,970		11.7844
	7,862,703,323		11.5545
	7,559,577,556		12.2384
	7,863,206,160		12.9886
	7,793,212,434		13.7207
	7,468,083,003		13.9728
	7,915,865,221		14.3662

Town of Orangetown, New York

Direct and Overlapping Property Tax Rates,
Per \$1,000 Of Assessed Valuation
Last Ten Fiscal Years

Fiscal Year Ended December 31,	Total Effective Tax Rate (1)	School Districts - Range			
		Homestead		Non-Homestead	
2008	\$ 10.9157	\$ 28.0407	- \$ 38.6669	\$ 44.6672	- \$ 50.4921
2009	10.9396	28.2396	- 36.0480	44.5084	- 48.7787
2010	11.6037	30.4827	- 37.5410	47.5335	- 53.4219
2011	11.7844	28.2905	- 37.2944	47.2649	- 51.7397
2012	11.5545	32.4188	- 39.0771	51.1493	- 54.8457
2013	12.2384	36.2621	- 44.5135	55.2714	- 62.3844
2014	12.9886	35.6208	- 46.5366	59.9901	- 67.7603
2015	13.7207	36.5899	- 46.1370	60.8924	- 68.4272
2016	13.9728	36.5892	- 46.4206	60.0583	- 68.3516
2017	14.3662	36.5124	49.3584	65.2771	72.8265

Homestead: 1, 2 or 3 family homes, a condominium, townhouse or residential
vacant land under 10 acres.

Non-Homestead: All other properties

(1) The Town has a complex rate structure that would make a calculation of direct tax rate extremely difficult, since its revenue base cannot be sufficiently disaggregated for each applicable rate. The Town substituted an effective tax rate instead.

Rockland County			
Homestead		Non-Homestead	
\$	3.5060	\$	3.5060
	3.1316		3.1316
	3.3264		3.3264
	3.3103		3.3103
	4.9806		4.9806
	5.7655		5.7655
	6.2895		6.2895
	6.3297		6.3297
	7.1837		7.1837
	6.6510		6.6510

Town of Orangetown, New York

Principal Taxpayers

Current Year and Nine Years Ago

2017				
Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Taxable Assessed Valuation
1	Orange & Rockland Utilities, Inc.	Public Utility	\$ 77,634,280	2.08 %
2	American Cyanamid (Pfizer)	Industrial	63,072,000	1.69
3	Palisades Interstate Park	State Lands	57,501,689	1.54
4	Pearl River Campus	Industrial/Office	50,211,800	1.34
5	Spring Valley Water Co.	Public Utility	41,459,036	1.11
6	Glorious Sun Robert	Office Complex	33,817,590	0.90
7	Pontiac Holdings / Bradley Industrial Park	Industrial	27,112,313	0.72
8	Verizon - Cello	Public Utility	25,177,127	0.67
9	HNA Training Center NY LLC	Commercial	18,004,000	0.48
10	Clarins USA Inc	Perfume	8,660,000	0.23
	Total		<u>\$ 402,649,835</u>	<u>10.76 %</u>

2008				
Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Taxable Assessed Valuation
1	Wyeth (f/k/a American Cyanamid)	Pharmaceuticals	\$ 386,296,400	9.64 %
2	Palisades Interstate Park	State Lands	66,127,809	1.65
3	Glorious Sun Robert (f/k/a Blue Hill Plaza, Inc)	Office Complex	51,336,000	1.28
4	Verizon NYNEX	Public Utility	35,730,792	0.89
5	International Business Machines	Commercial	36,000,000	0.90
6	Orange & Rockland Utilities, Inc.	Public Utility	37,867,173	0.95
7	United Water Co.	Public Utility	30,838,933	0.77
8	Pontiac Holdings / Bradley Industrial Park	Industrial	17,669,803	0.44
9	Clarins USA Inc	Perfume	12,175,100	0.30
10	Manhattan Woods (f/k/a Lee Partner's LP)	Golf Course	10,725,400	0.27
	Total		<u>\$ 684,767,410</u>	<u>17.09 %</u>

Source: Town Assessor's Office

Town of Orangetown, New York

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 43,736,589	\$ 43,736,589	100.00 %	\$ -	\$ 43,736,589	100.00 %
2009	44,152,420	44,152,420	100.00	-	44,152,420	100.00
2010	46,835,010	46,835,010	100.00	-	46,835,010	100.00
2011	47,361,150	47,361,150	100.00	-	47,361,150	100.00
2012	46,015,420	46,015,420	100.00	-	46,015,420	100.00
2013	48,386,620	48,386,620	100.00	-	48,386,620	100.00
2014	50,912,712	50,912,712	100.00	-	50,912,712	100.00
2015	53,560,328	53,560,328	100.00	-	53,560,328	100.00
2016	52,227,213	52,227,213	100.00	-	52,227,213	100.00
2017	53,733,150	53,733,150	100.00	-	53,733,150	100.00

(1) Includes Town-wide taxes and special district taxes.

Note: Each year, the Town is made whole for its property tax levy by the County of Rockland.

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Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future. These schedules include:

Ratios of Outstanding Debt by Type

Ratios of Net General Bonded Debt Outstanding

Direct and Overlapping Governmental Activities Debt

Legal Debt Margin Information

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Town of Orangetown, New York

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			New York State Environmental Facilities Corporation Loan Payable	Business-type Activities (1) General Obligation Bonds	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Energy Performance Contract						
2008	\$ 58,418,218	\$ -	\$ -	\$ 5,517,500	\$ 63,935,718	3.98 %	\$ 1,320.41	
2009	57,417,253	2,100,000	-	5,073,465	64,590,718	4.02	1,333.94	
2010	63,671,574	2,100,000	-	5,913,426	71,685,000	3.74	1,469.20	
2011	66,059,135	2,010,155	-	5,395,819	73,465,109	3.97	1,492.83	
2012	64,564,317	1,890,035	-	4,834,415	71,288,767	3.81	1,441.40	
2013	65,106,147	1,763,991	-	4,260,057	71,130,195	3.29	1,445.38	
2014	66,990,143	1,631,731	-	3,747,747	72,369,621	3.35	1,470.57	
2015	65,906,047	1,492,948	1,500,000	3,528,167	72,427,162	3.14	1,432.41	
2016	65,067,731	1,347,321	1,500,000	3,347,387	71,262,439	3.20	1,411.72	
2017	60,945,383	1,194,512	1,484,000	3,140,644	66,764,539	2.86	1,320.29	

(1) Excludes business-type activities - loans payable - other funds

(2) Population and personal income data can be found in the schedule of demographic and economic statistics.

Note: Details regarding the Town's outstanding debt can be found in the notes to financial statements.

Town of Orangetown, New York

Ratios of Net General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-type Activities (1)	Less Debt Service Funds Available	Net Long-Term Debt	Percentage of Personal Income (2)	Per Capita (2)	Percentage of Actual Taxable Value of Property (3)
	General Obligation Bonds	General Obligation Bonds					
2008	\$ 58,418,218	\$ 5,517,500	\$ 4,144,621	\$ 68,080,339	4.24 %	\$ 1,406.01	0.74 %
2009	57,417,253	5,073,465	3,326,295	65,817,013	4.10	1,359.27	0.71
2010	63,671,574	5,913,426	3,148,578	72,733,578	3.80	1,490.69	0.88
2011	66,059,135	5,395,819	2,217,006	73,671,960	3.98	1,497.03	0.93
2012	64,564,317	4,834,415	1,445,335	70,844,067	3.79	1,432.41	0.90
2013	65,106,147	4,260,057	2,000,575	71,366,779	3.30	1,450.19	0.94
2014	66,990,143	3,747,747	2,862,129	73,600,019	3.40	1,495.57	0.94
2015	65,906,047	3,528,167	1,959,821	71,394,035	3.09	1,411.98	0.92
2016	65,067,731	3,347,387	2,187,474	70,602,592	3.17	1,398.65	0.95
2017	60,945,383	3,140,644	2,128,742	66,214,769	2.84	1,309.42	0.84

(1) Excludes business-type activities - loans payable - other funds

(2) Population and personal income data can be found in the schedule of demographic and economic statistics.

(3) - Actual taxable value of property can be found in the schedule of assessed value and estimated actual value of taxable property

Note: Details regarding the Town's outstanding debt can be found in the notes to financial statements.

Town of Orangetown, New York

Direct and Overlapping Governmental Activities Debt
December 31, 2017

<u>Government Unit</u>	<u>Net Long-Term Debt Outstanding (1)</u>	<u>Percentage Applicable to Orangetown (3)</u>	<u>Amount Applicable to Orangetown</u>
County of Rockland (December 31, 2016)	\$ 560,632,590	20.06 %	\$ 112,462,898
School Districts (June 30, 2017):			
Nanuet UFSD	34,862,960	27.15	9,465,294
Nyack UFSD	1,340,223	40.98	549,223
Pearl River UFSD	13,380,379	100.00	13,380,379
South Orangetown CSD	17,014,022	100.00	17,014,022
Villages (May 31, 2017):			
Grand View-on-Hudson	-	100.00	-
Nyack	8,185,000	96.20	7,873,970
Piermont	2,501,139	100.00	2,501,139
South Nyack	1,290,000	100.00	1,290,000
Net Overlapping Debt			164,536,925
Town Direct Debt (2)			63,623,895
Net Direct and Overlapping Debt			<u>\$ 228,160,820</u>

(1) Excludes the amount available for debt service in other funds

(2) Represents governmental activities debt only

(3) The percentage of overlapping debt applicable is estimated using taxable assessed values.

Applicable percentages were estimated by determining the portion of the Town's taxable assessed value that is within the government's boundaries and dividing it by the Town's total taxable assessed value.

Source: Town of Orangetown and County of Rockland Finance Departments.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Town.

This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account.

Town of Orangetown, New York

Legal Debt Margin Information
Last Ten Fiscal Years

	2008	2009	2010	2011
Debt Limit	\$ 601,834,392	\$ 633,241,666	\$ 634,873,050	\$ 621,141,723
Total Net Debt Applicable to Limit	79,015,718	70,786,022	69,978,659	67,552,170
Legal Debt Margin	<u>\$ 522,818,674</u>	<u>\$ 562,455,644</u>	<u>\$ 564,894,391</u>	<u>\$ 553,589,553</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.13%	11.18%	11.02%	10.88%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessment Roll		Assessed Valuation	State Special Equalization Ratio	Full Valuation
Year	Budget Year			
2016	2017	\$ 3,740,246,317	47.25 %	\$ 7,915,865,221
2015	2016	3,737,775,543	50.05	7,468,083,003
2014	2015	3,903,620,108	50.09	7,793,212,434
2013	2014	3,919,808,271	49.85	7,863,206,160
2012	2013	3,953,659,062	52.30	7,559,577,556
Total Five Year Full Valuation				<u>\$ 38,599,944,374</u>
Five Year Average Full Valuation of Taxable Real Property				<u>7,719,988,875</u>
Debt Limit - 7% of Five Year Average Full Valuation				<u>540,399,221</u>
Outstanding Town Debt Serial Bonds				63,805,002
Less - Appropriations in 2018 Budget				<u>2,479,144</u>
Net Indebtedness Subject to Debt Limit				<u>61,325,858</u>
Net Debt Contracting Margin				<u>\$ 479,073,363</u>

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 595,633,936	\$ 571,919,696	\$ 552,852,117	\$ 546,518,916	\$ 539,571,462	\$ 540,399,221
<u>63,903,610</u>	<u>63,063,153</u>	<u>66,215,001</u>	<u>66,202,252</u>	<u>65,635,680</u>	<u>61,325,858</u>
<u>\$ 531,730,326</u>	<u>\$ 508,856,543</u>	<u>\$ 486,637,116</u>	<u>\$ 480,316,664</u>	<u>\$ 473,935,782</u>	<u>\$ 479,073,363</u>
10.73%	11.03%	11.98%	12.11%	12.16%	11.35%

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place. These schedules include:

Demographic Statistics

Principal Employers

Town of Orangetown, New York

Demographic Statistics

Last Ten Fiscal Years

<u>Fiscal Year Ended December 31,</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Income (2)</u>	<u>Town Unemployment Rate (3)</u>
2008	48,421	\$ 1,606,124,570	\$ 33,170	4.4 %
2009	48,421	1,606,124,570	33,170	6.3
2010	48,792	1,914,354,120	39,235	6.6
2011	49,212	1,852,241,256	37,638	6.5
2012	49,458	1,870,798,308	37,826	6.6
2013	49,212	2,163,507,156	43,963	6.6
2014	49,212	2,163,507,156	43,963	3.8
2015	50,563	2,307,341,379	45,633	4.7
2016	50,479	2,226,982,043	44,117	4.1
2017	50,568	2,333,763,768	46,151	4.5

Sources:

(1) Source: New York State Empire Development

(2) U.S. Census Bureau

(3) NYS Department of Labor

Town of Orangetown, New York

Principal Employers

Current Year And Nine Years Ago

<u>EMPLOYER</u>	<u>2017</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
MONTEFIORE NYACK HOSPITAL	1,882	8.01 %
ROCKLAND PSYCHIATRIC CENTER	1,202	5.11
ORANGE AND ROCKLAND UTILITIES, INC.	850	3.62
ST. DOMINIC'S FAMILY SERVICES	820	3.49
PDI	768	3.27
PFIZER PHARMACEUTICALS	750	3.19
LAMONT-DOHERTY EARTH OBSERVATORY	560	2.38
DOMINICAN COLLEGE	450	1.91
ALUF PLASTICS A DIVISION OF API INDUSTRIES, INC.	385	1.64
NATHAN S. KLINE INSTITUTE FOR PSYCHIATRIC RESEARCH	350	1.49
	<u>8,017</u>	<u>34.11 %</u>

<u>EMPLOYER</u>	<u>2008</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
Wyeth	3,059	11.59 %
Nyack Hospital	1,500	5.68
Verizon Wireless	1,000	3.79
Rockland Psychiatric Center	900	3.41
Orange & Rockland Utilities	766	2.90
Nice-Pak	720	2.73
Camp Venture	600	2.27
Chromalloy New York	501	1.90
Lamont-Doherty Earth Observatory	480	1.82
Sant Dominic's Home	399	1.51
	<u>9,925</u>	<u>37.60 %</u>

Source: Rockland Economic Development Corporation

Note: Data obtained from Rockland Economic Development Corporation's list of Top Employers in Rockland County

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Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs. These schedules include:

Town Government Employees by Function

Operating Indicators by Function/Program

Capital Asset Statistics by Function/Program

Town of Orangetown, New York

Town Government Employees By Function Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of December 31,			
	2008	2009	2010	2011
General Government	52	52	65	64
Public Safety	117	117	109	105
Culture and Recreation	25	25	24	24
Transportation	58	58	57	55
Home and Community Services	40	40	39	39
Total	292	292	294	287

Source: Town's Finance Department

2012	2013	2014	2015	2016	2017
64	64	62	62	62	62
109	109	109	102	107	100
24	24	23	23	19	19
57	57	57	55	54	54
39	39	39	35	31	33
<u>293</u>	<u>293</u>	<u>290</u>	<u>277</u>	<u>273</u>	<u>268</u>

Town of Orangetown, New York

Operating Indicators by Function/Program Last Ten Fiscal Years

	2008	2009	2010	2011
General Government Support				
Town Clerk				
Marriage licenses	406	425	355	408
Death certificates	916	972	998	1,158
Assessor				
Enhanced STAR applications	2,061	2,029	2,030	2,068
Basic Star applications	9,620	9,732	9,742	9,693
Tax parcels	16,288	16,304	16,309	16,324
Public Safety				
Building Activity				
Building permits issued	871	767	870	775
Estimated cost of construction (1)	55,864,530	29,799,418	47,500,134	64,566,044
New 1 and 2 family dwellings	20	16	13	10
Police				
Physical arrests	432	708	986	778
Calls for service	55,349	44,996	34,109	30,534
Parking violations	1,189	705	590	457
Traffic violations	6,611	7,552	6,998	4,445
Driving under the influence cases	72	44	72	67
Drug violations	125	141	127	71
Burglary / breaking and entry	50	49	67	50
Total criminal offenses	2,410	2,249	1,990	1,774
Culture and Recreation				
Recreation				
Blue Hill golf course rounds	62,924	59,887	58,286	53,697
Broadacres golf course rounds	19,366	20,859	19,872	16,994
Resident golf permits	2,353	2,507	2,577	2,466
Transportation				
Total roads resurfaced (%)	10%	12%	12%	12%

Sources: Various Town departments

(1) 2007 estimated cost of construction reflects large multi-family senior housing complexes.

2012	2013	2014	2015	2016	2017
419	378	386	326	399	347
1,023	969	860	1,002	867	1,043
2,111	2,040	2,213	2,075	1,904	1,809
9,349	9,307	9,187	8,873	8,603	8,369
16,326	16,326	16,333	16,351	16,366	16,376
924	979	853	851	991	1,024
62,807,918	66,463,131	51,342,198	61,341,618	79,500,532	64,668,681
15	16	6	17	16	18
808	561	918	999	1,193	1,070
28,851	34,111	37,885	36,161	31,514	28,594
321	739	692	1,313	1,367	1,285
3,684	4,808	4,209	4,276	5,188	6,036
85	103	105	102	86	88
79	125	214	233	179	191
51	41	36	26	26	36
1,662	1,500	1,671	1,872	1,687	1,802
56,252	44,814	52,232	49,572	52,691	52,816
18,643	16,972	20,053	20,104	19,859	19,589
2,340	2,135	2,109	2,161	2,860	2,283
12%	12%	10%	11%	11%	10%

Town of Orangetown, New York

Capital Asset Statistics By Function/Program Last Ten Fiscal Years

	2008	2009	2010	2011
General Government Support				
Number of general government buildings	1	1	1	1
Public Safety				
Number of police stations	3	3	3	3
Number of building inspection offices	2	2	2	2
Transportation				
Town roads maintained (miles)	145	145	147	147
State roads maintained (miles)	45	45	45	45
County roads maintained (miles)	16	16	16	16
Number of traffic lights	30	30	30	30
Number of parking meters	413	413	413	413
Culture and Recreation				
Number of history museums	2	2	2	2
Number of parks	24	24	24	24
Acres of parks	881	881	881	881
Number of golf courses	2	2	2	2
Playgrounds	6	6	6	6
Baseball / Softball	16	16	16	16
Multi-use fields	12	12	12	12
Basketball courts	6	6	6	6
Rail trails	1	1	1	1
Tennis courts	15	15	15	15
Home and Community Services				
Number of sewer pumping stations	48	48	48	48
Miles of sanitary sewers	200	200	200	200

Source: Various Town departments

2012	2013	2014	2015	2016	2017
1	1	1	1	1	1
3	3	3	3	3	3
2	2	2	2	2	2
147	147	147	147	147	147
45	45	45	45	45	45
16	16	16	16	16	16
30	30	30	30	30	30
413	413	413	413	413	413
2	2	2	2	2	2
24	24	24	24	24	24
881	881	881	881	881	881
2	2	2	2	2	2
6	6	6	6	6	6
16	16	16	16	16	16
12	12	12	12	12	12
6	6	6	6	6	5
1	1	1	1	1	1
15	15	15	15	15	15
48	48	48	48	48	48
200	200	200	200	200	200

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FEDERAL AWARDS

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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

**The Honorable Supervisor and Town Board
of the Town of Orangetown, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Orangetown, New York ("Town") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 20, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the Town in a separate letter.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

June 20, 2018

**Report on Compliance For Each Major Federal Program and on
Internal Control Over Compliance Required by
the Uniform Guidance**

Independent Auditors' Report

**The Honorable Supervisor and the Town Board
of the Town of Orangetown, New York**

Report on Compliance for Each Major Federal Program

We have audited the Town of Orangetown, New York's ("Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2017. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

June 20, 2018

Town of Orangetown, New York

Schedule of Expenditures of Federal Awards
December 31, 2017

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number (1)</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Sub- recipients</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Health and Human Services</u>				
Indirect Program - Passed through				
Substance Abuse and Mental Health Services Administration				
<i>Center for Substance Abuse Prevention</i>				
Drug Free Communities Support Program	93.276	N/A	\$ -	\$ 127,000
<u>U.S. Department of Transportation</u>				
Indirect Programs - Passed through				
NYS Department of Transportation:				
<i>Highway Planning and Construction Cluster</i>				
Highway Planning and Construction Cluster	20.205	PIN 8059.03	-	216,779
Highway Planning and Construction Cluster	20.205	PIN 8780.54	-	107,183
Total U.S. Department of Transportation			-	323,962
<u>U.S. Department of Environmental Protection</u>				
Indirect Program - Passed through				
NYS Environmental Facilities Corporation				
<i>Clean Water State Revolving Fund Cluster</i>				
Disaster Relief Appropriations Act (DRAA)				
Hurricane Sandy Capitalization Grants for				
Clean Water State Revolving Funds	66.462	N/A	-	1,419,979
Total Expenditures of Federal Awards			\$ -	\$ 1,870,941

The accompanying notes are an integral part of this schedule.

Town of Orangetown, New York

Notes to Schedule of Expenditures of Federal Awards
December 31, 2017

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Town of Orangetown ("Town") under programs of the federal government for the year ended December 31, 2017. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Town has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. Pass through identifying numbers are presented where available.

Note 3 - Indirect Cost Rate

The Town has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Subrecipient

For the year ended December 31, 2017, the Town provided no funds to subrecipients.

Note 5 - Nonmonetary Assistance

For the year ended December 31, 2017, the Town received no nonmonetary assistance.

Town of Orangetown, New York

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2017

None

Town of Orangetown, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2017

Section I-Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on
whether the financial statements audited
were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

___ Yes X No
___ Yes X None reported

Noncompliance material to financial statements
noted?

___ Yes X No

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

___ Yes X No
___ Yes X None reported

Type of auditors' report issued on compliance
for major Federal programs

Unmodified

Any audit findings disclosed that are
required to be reported in accordance with
2 CFR 200.516(a)?

___ Yes X No

Identification of major Federal programs

CFDA Number(s)

Name of Federal Program or Cluster

66.482

Clean Water State Revolving Fund Cluster
Disaster Relief Appropriations Act (DRAA)
Hurricane Sandy Capitalization Grants for
Clean Water State Revolving Funds

Dollar threshold used to distinguish
between Type A and Type B programs
Auditee qualified as low-risk auditee?

\$750,000
 X Yes ___ No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None