

TOWN OF ORANGETOWN, NEW YORK

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2016

Prepared by

Jeffrey W. Bencik
Director of Finance

Town of Orangetown, New York

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<p style="text-align: center;">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.

This section includes the following schedules

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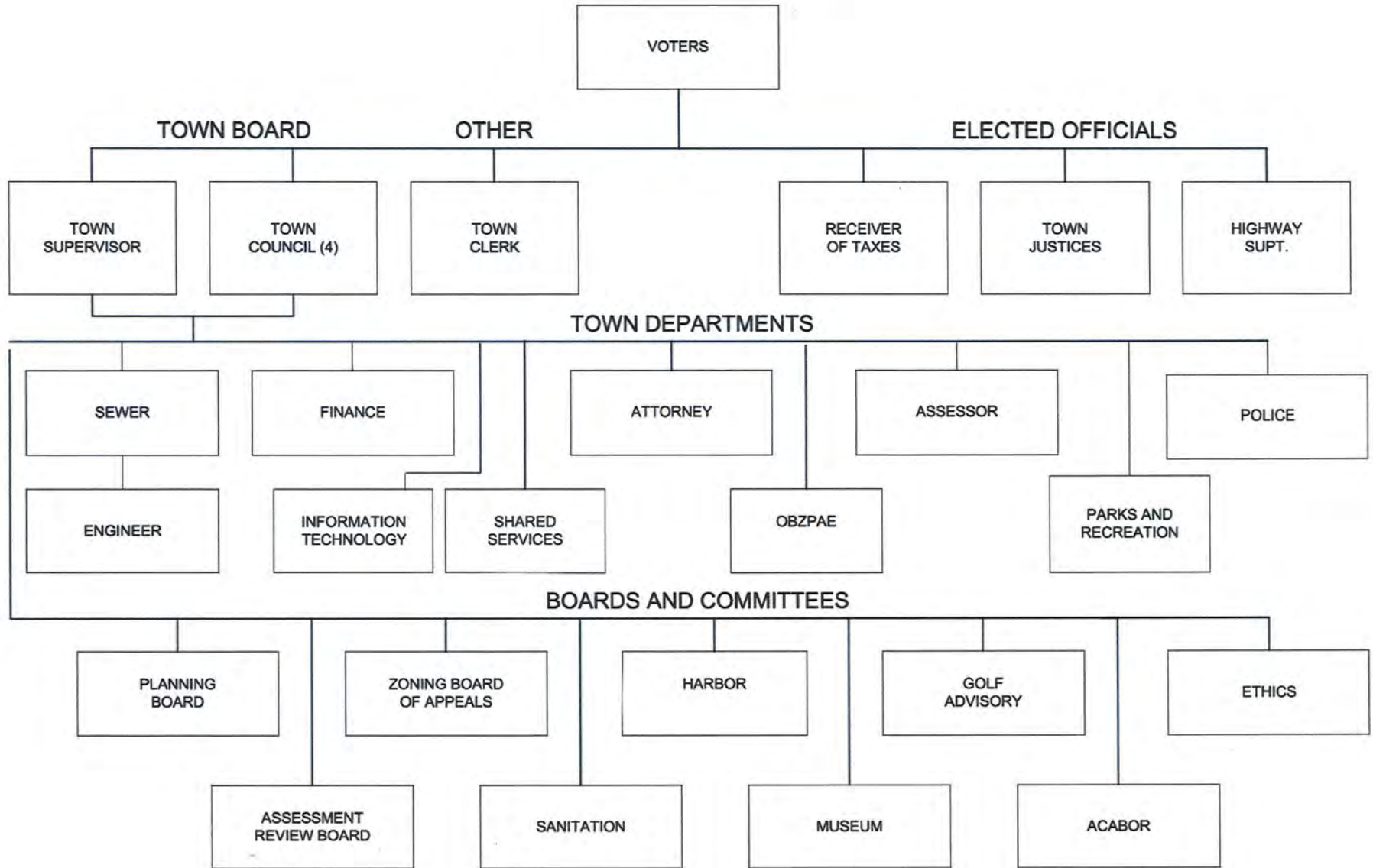
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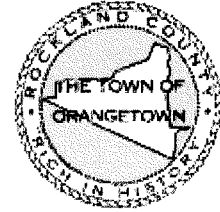
**TOWN OF ORANGETOWN,
NEW YORK
PRINCIPAL OFFICIALS
2016**

SUPERVISOR:	Andrew Y. Stewart
TOWN BOARD:	Gerald Bottari Thomas Diviny Edward Fisher 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 22, 2017

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, 2016 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, 2016 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, 2016, 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, 2016 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 2015 Census population was 50,563, up 4.2% from the 2006 Census population of 48,512.

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, Highway Superintendent and two elected Town Justices.

The Town workforce consists of 247 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 3.8% in December 2016. 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 3.8%.

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 2015, total employment at the Orangetown facility had dropped to 1,520 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 prevent additional job losses.

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 2016 at 3.8%, 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 and \$1.6 million in 2016. Near record 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, 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 spring of 2017, the Town announced the potential sale of 61 acres of the former RPC site to Chase bank for \$7.5 million. This is particularly encouraging as it would 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 expense 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 additional retail development has been approved and is expected to begin construction in 2017.

Perhaps most importantly, Bloomberg built a state of the art data center. Bloomberg and the Town have entered into a PILOT agreement, which will see Bloomberg pay approximately \$65,000 in PILOT fees in 2016. 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 offer from 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 would like to close and begin 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 2015-2016 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 5% in 2017.

The Town entered into a contract with the Orangetown Police Benevolent Association in July 2012, with a term to the end of 2015. This agreement provided for increases in salaries each year, ranging from 2.25% to a maximum of 2.5% each year, with no concessions from employees to contribute to health care costs. The current contract is expired and negotiations for a new contract are on-going.

The Town entered into an agreement with the Orangetown Civil Service Employment Association (CSEA) in July 2013, which runs for the term of 2011 to 2016. The agreement calls for annual increases of 0%, 0%, 2.35%, 2.45%, 2.5% and 2.5% in 2011 to 2016, respectively. More importantly, new employees (hired after 2013) are required to contribute 17% to the healthcare costs. The current contract is expired and negotiations for a new contract are on-going.

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. The Town Board decided against participating in a 2011 State sponsored retirement incentive because of the significant pension contribution cost and the likelihood that the retirements would take place without an incentive. Importantly, the Town has started to see a significant number of employees retire in the last two years. The Town benefits from replacing that employee at a lower salary, plus the new CSEA employee contributes 17% to healthcare costs, and also must contribute to the pension system. 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

\$300K. 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, 2015. 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 black ink, appearing to read "Jeffrey W. Bencik". The signature is fluid and cursive, with the first name being the most prominent.

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, 2015

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, 2016, 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, 2016. 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, 2016, 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, 2016 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, 2016 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, 2016 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, 2016.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town as of and for the year ended December 31, 2015 (not presented herein), and have issued our report thereon dated June 15, 2016, 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, 2015 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 2015 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2015 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, 2015.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements 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 21, 2017 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 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 21, 2017

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Town of Orangetown, New York

Management's Discussion and Analysis (MD&A)
December 31, 2016

Introduction

On behalf of Town Supervisor Andrew Stewart 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, 2016. 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 2016

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

- The Town has net position that totals \$14.1 million, excluding the Orangetown Housing Authority, a component unit of the Town. Of this amount, \$16.1 million represents governmental activities net position and negative \$2.0 million is business-type activities net position for the Town's two golf courses. The governmental activities net position declined by \$10.8 million versus 2015 primarily due to an increase in expected Other Post Employment Benefits ("OPEB") costs. The business-type activities net position improved by \$190,000.
- In addition to the impact of the Town's OPEB obligations, the government-wide financial statements for the year ended December 31, 2016 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 the new 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, 2016, the Town reported in its Statement of Net Position a liability of \$18,723,072 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 2016 with total fund balance of \$16.1 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 \$2.6 million was restricted while assigned fund balance was \$7.7 million (primarily because of special revenue funds), and \$4.4 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 \$2.0 million. Unfortunately, both the Blue Hill and Broadacres Golf Course funds have been running deficits in recent years, with a combined 2015 operating loss of \$641,943. Importantly, the Town Board privatized both golf courses and the combined enterprises resulted in a break-even results. This represents a year over year improvement of \$640K versus 2015 and almost \$1M versus the average loss prior to privatization.
- The Town's total outstanding debt as of December 31, 2016 was \$76.8 million consisting of bonds (\$68.1 million), energy performance contract (\$1.4 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 \$1.7 million. The business type activities (Golf courses) reduced its loan by \$200K 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 2016 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, including assets not previously included such as infrastructure. 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 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. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental Fund information is useful in determining the Town's financial requirements for subsequent fiscal periods.
- 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 2016 was \$14.1 million. Of this amount, \$16.1 million was the net position of governmental activities and a negative \$2.0 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 \$186.1 million at the end of 2016, with capital assets, net of depreciation accounting for \$138.7 million of this amount. This latter amount includes infrastructure of \$84.2 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 \$22.4 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 \$24.9 million and consist primarily of \$18.9 million in cash and equivalents, \$0.7 million in restricted investments, \$3.7 million in receivables and \$1.7 million in prepaid expenses. Deferred outflows of resources amount to \$22.5 million and account for deferred losses on refunding bonds and the Town's pension obligations.

Total liabilities are \$169.4 million with capital construction and other bonds outstanding at \$68.1 million, \$1.3 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 (\$5.8 million), pension obligations (\$21.6 million), and (\$59.5 million) for other post employment benefit obligations payable that are funded over a number of years.

Net Position
December 31, 2016
(In millions of dollars)

	Governmental Activities		Business Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current Assets	\$ 23.709	\$ 24.358	\$ 1.235	\$ 1.018	\$ 24.944	\$ 25.376
Capital Assets, Net	131.002	130.932	7.665	7.909	138.667	138.841
Total Assets	154.711	155.290	8.900	8.927	163.611	164.217
Deferred Outflows of Resources	22.318	5.629	0.128	0.136	22.446	5.765
Current Liabilities	3.659	2.583	1.180	1.014	4.839	3.597
Long Term Liabilities	154.719	131.443	9.830	10.221	164.549	141.664
Total Liabilities	158.378	134.026	11.010	11.235	169.388	145.261
Deferred Inflows of Resources	2.567	-	-	-	2.567	-
Net investment in Capital Assets	68.052	67.569	4.446	4.517	72.498	72.086
Restricted	3.833	4.441	-	-	3.833	4.441
Unrestricted	(55.801)	(45.117)	(6.428)	(6.689)	(62.229)	(51.806)
Total Net Position	\$ 16.084	\$ 26.893	\$ (1.982)	\$ (2.172)	\$ 14.102	\$ 24.721

When liabilities are subtracted from assets and deferred outflows of resources, the resulting net position is \$14.1 million, consisting of \$72.5 million net investment in capital assets, \$3.8 million in restricted funds, and a negative \$62.2 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 \$3.0 million in monies restricted for debt service as well as \$0.8 million restricted for special revenue funds and other purposes.

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 \$68.0 million. Real property taxes (including sewer unit charges included on property tax bills) made up \$50.7 million of this amount or 75%. Charges for services were \$9.2 million or 14%, 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 \$1.4 million or 2% and capital grants and contributions amounted to \$1.6 million or 2.4%. Unrestricted State aid totaled \$1.9 million or 2.8%, although nearly all of that was from sales and mortgage tax revenue that was generated in the Town and County.

Program expenses totaled \$78.6 million, with governmental activities accounting for \$75.3 million of that amount. General government support expenses inclusive of the cost of funding the golf courses was \$10.0 million. Public safety expenses, mainly police expenses, totaled \$30.7 million or 45% of Town spending. Home and community services were \$13.5 million or 20%. Sewer service costs account for the majority of the latter amount. Transportation spending, primarily by the Highway Department was \$14.6 million, or 21.5% of the total.

Change in Net Position
Fiscal Year Ended December 31, 2016
(In millions of dollars)

	Governmental Activities		Business Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues						
Charges for Services	\$ 6.008	\$ 6.657	\$ 3.208	\$ 4.625	\$ 9.216	\$ 11.282
Operating Grants and Contributions	1.448	1.218	-	-	1.448	1.218
Capital Grants and Contributions	1.639	1.894	-	-	1.639	1.894
General Revenues						
Real Property Taxes	50.724	52.333	-	-	50.724	52.333
Other Tax Items	0.327	0.233	-	-	0.327	0.233
Non-Property Taxes	2.675	2.489	-	-	2.675	2.489
Unrestricted Use of Money and Property	0.003	0.002	0.001	-	0.004	0.002
Sale of Property and Compensation for Loss	0.010	0.081	-	-	0.010	0.081
Unrestricted State Aid	1.865	2.018	-	-	1.865	2.018
Miscellaneous	0.065	0.021	-	-	0.065	0.021
Sale of Real Property	0.042	2.354	-	-	0.042	2.354
Total Revenues	64.806	69.300	3.209	4.625	68.015	73.925
Program Expenses						
General Government Support	10.030	13.583	-	-	10.030	13.583
Public Safety	30.690	28.619	-	-	30.690	28.619
Health	0.440	0.435	-	-	0.440	0.435
Transportation	14.558	14.712	-	-	14.558	14.712
Economic Opportunity and Development	0.185	0.181	-	-	0.185	0.181
Culture and Recreation	4.378	4.214	-	-	4.378	4.214
Home and Community Services	13.523	14.075	-	-	13.523	14.075
Interest	1.516	1.491	-	-	1.516	1.491
Golf Courses	-	-	3.314	4.103	3.314	4.103
Total Expenses	75.320	77.310	3.314	4.103	78.634	81.413
Decrease in Net Position before Transfers	(10.514)	(8.010)	(0.105)	0.522	(10.619)	(7.488)
Transfers	(0.295)	(0.311)	0.295	0.311	-	-
Change in Net Position	(10.809)	(8.321)	0.190	0.833	(10.619)	(7.488)
NET POSITION						
Beginning, as reported	26.893	34.136	(2.172)	(3.005)	24.721	31.131
Cumulative Effect of Change in Accounting Principle	-	1.078	-	-	-	1.078
Beginning, as restated	26.893	35.214	(2.172)	(3.005)	24.721	32.209
Ending	\$ 16.084	\$ 26.893	\$ (1.982)	\$ (2.172)	\$ 14.102	\$ 24.721

The resulting change in total net position in 2016 was a \$10.6 million decrease. "Governmental Activities" was responsible for \$10.8 million of the decrease in net position, while the two golf courses offset this loss with a \$0.19 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 new CSEA employees and will continue to try to move this requirement to future retirees.

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.

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, the Sewer Fund, the combined Highway Funds, the 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 \$64.3 million. Expenditures were \$63.9 million. Higher than anticipated revenues outpaced expenditures by \$0.3 million. Including transfers between funds, the select governmental funds were breakeven in 2016.
- Of the total \$15.5 million fund balance of the selected governmental funds, \$1.5 million is nonspendable and \$2.3 million is restricted. The assigned and unassigned portions of fund

balance are \$7.3 million and \$4.4 million, respectively. Of the \$7.3 million in assigned fund balance, \$2.5 million was budgeted to balance the 2017 operating budget.

**Selected Governmental Operating Funds in 2016
Revenues, Expenditures and changes in Fund Balance
With Comparative Totals for 2015
(in millions of dollars)**

	2016						2015 Totals
	General	Town Outside Villages	Sewer	Highway	Debt Service	Total	
Revenues							
Property Taxes and Unit Charges	\$ 3.051	\$ 25.206	\$ 6.422	\$ 8.803	\$ 5.211	\$ 48.693	\$ 50.319
Other Revenues	9.588	2.744	2.185	0.737	0.310	15.564	15.971
Total Revenues	<u>12.639</u>	<u>27.950</u>	<u>8.607</u>	<u>9.540</u>	<u>5.521</u>	<u>64.257</u>	<u>66.290</u>
Expenditures	12.110	27.021	8.784	10.353	5.674	63.942	69.978
Revenues Net of Expenditures	0.529	0.929	(0.177)	(0.813)	(0.153)	0.315	(3.688)
Sale of Real Property	0.042	-	-	-	-	0.042	-
Refunding Bonds Issued, net	-	-	-	-	-	-	0.021
Transfers In	-	-	-	-	0.276	0.276	-
Transfers Out	-	-	-	(0.368)	(0.295)	(0.663)	(0.311)
Net Changes in Fund Balances	0.571	0.929	(0.177)	(1.181)	(0.172)	(0.030)	(3.978)
Beginning Fund Balances	4.149	2.894	2.213	3.113	3.160	15.529	19.508
Ending Fund Balances	\$ 4.720	\$ 3.823	\$ 2.036	\$ 1.932	\$ 2.988	\$ 15.499	\$ 15.530
Fund Balance By Type							
Nonspendable	0.288	0.842	0.167	0.196	-	1.493	1.568
Restricted	-	0.143	-	-	2.188	2.331	2.142
Assigned	0.048	2.838	1.869	1.736	0.800	7.291	8.069
Unassigned	4.384	-	-	-	-	4.384	3.751
Total Fund Balance	\$ 4.720	\$ 3.823	\$ 2.036	\$ 1.932	\$ 2.988	\$ 15.499	\$ 15.530

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 \$12.6 million in 2016 and expenditures totaled \$12.1 million.
- The Town's General Fund ended 2016 with a net increase in Fund Balance of \$0.6 million, and an ending Fund Balance of \$4.7 million. Revenues were approximately \$687K more than the final budget with non-property taxes being \$275K higher than anticipated due to County sales tax improvements. State Aid, also improved with \$100K higher than anticipated due to higher mortgage tax revenues. Finally, Federal Aid exceeded expectations by \$123K. Expenditures were \$360K 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 \$4.1 million to an ending level of \$4.7 million. The ending unassigned fund balance is \$4.4 million.

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, and \$1.9 million in 2016 due to increased activity. Police revenues declined slightly from \$259K in 2014 to \$225K in 2015 and \$212K in 2016 due to fewer filming details. The net impact was an overall increase in departmental income from \$1.4 million in 2014 to \$1.8 million in 2015 and \$2.1 million in 2016.
- Employee benefit costs for the TOV funds were \$9.0 million in 2016, versus \$8.6 million in 2015, representing 33.2% 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 2016 the unit charge was \$216.85 per unit. The unit charge raised \$6.0 million and accounted for approximately 70% 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 equaled \$2.2 million in 2016 or 25% 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 \$2.2 million to an ending level of \$2.0 million, of which \$1.9 million is assigned. The majority of the decrease was due to a planned use of fund balance of \$200K.

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 92% of Highway Fund revenues in 2016. 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 expenses in 2016 were \$0.9 million, a \$0.6 million decrease from 2015. Brush and Weed expenditures were up \$300K in 2016 for a total expense of \$1.6 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 from \$3.1 million in 2015 to \$1.9 million in 2016. This was worse than anticipated as the budget stipulated a \$1.0 million use of fund balance. The higher costs were largely due to higher expenditures for Brush and Weed pickup.

Debt Service Fund

The primary source of revenue for the Debt Service Fund is the property tax which at \$5.2 million was equal to 95% of 2016 revenues. Other revenues in 2016 increased to \$0.3 million.

- 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 and \$5.7 million in 2016.
- Fund balance in the debt service fund decreased from \$3.2 million to \$3.0 million, which was much better than anticipated as the budgeted fund balance use was \$1.2 million.

Capital Assets and Debt Administration

Capital Assets

The Town's capital assets had values, net of accumulated depreciation, of \$138.7 million at the end of 2016. This was a decrease of \$0.1 million over 2015.

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

Capital Assets
December 31, 2016
(In millions of dollars, net of accumulated depreciation)

	Governmental Activities		Business Type		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 16.945	\$ 16.945	\$ 5.454	\$ 5.454	\$ 22.399	\$ 22.399
Land Improvements	6.516	6.998	-	-	6.516	6.998
Buildings and Improvements	6.794	7.059	0.329	0.351	7.123	7.410
Golf Course Facility	-	-	1.837	2.014	1.837	2.014
Machinery and Equipment	8.191	7.656	0.045	0.090	8.236	7.746
Infrastructure	84.223	87.141	-	-	84.223	87.141
Construction-In-Progress	8.333	5.133	-	-	8.333	5.133
Total Capital Assets	\$ 131.002	\$ 130.932	\$ 7.665	\$ 7.909	\$ 138.667	\$ 138.841

Additional information on the Town's capital assets can be found in Note 3 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 2016 was \$68.1 million versus \$69.4 million in 2015, of which \$64.8 million was for governmental activities, and \$3.3 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 2016.

Total outstanding debt decreased from \$78.5 million in 2015 to \$76.8 million in 2016 due to the principal payments more than offsetting the new debt offered. The reasons for the \$1.7 million reduction in debt are: \$1.1 million reduction in General Obligation bonds, \$100K reduction in Energy Performance Contract, and a \$200K 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	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 64.818	\$ 65.906	\$ 3.279	\$ 3.528	\$ 68.097	\$ 69.434
Energy Performance Contract	1.347	1.493	-	-	1.347	1.493
Loans Payable	1.500	1.500	5.852	6.052	7.352	7.552
Total Outstanding Debt	\$ 67.665	\$ 68.899	\$ 9.131	\$ 9.580	\$ 76.796	\$ 78.479

Additional information on the Town's long-term debt can be found in Note 3, 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.

Despite the economic advantages stated above, the Town, like the rest of the nation, is affected by the recent recession and slow economic recovery. The Town finances weathered 2016 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 1,500 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 1000 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. The State plans to replace the Tappan Zee Bridge with a new bridge with a mass transit component. This should benefit the Town through increased employment and sales tax revenues for the next several years as the bridge is constructed.

Geography and major highways were clearly factors in FedEx's decision to build a distribution center in Orangetown in 2010. This complex added approximately \$5 million in assessed value to the tax rolls. Additionally, Creston Electronics has relocated approximately 200,000 sq. ft. facility to Orangetown that will add another approximately \$4.0 million in assessed value. Construction is complete on Orangeburg Commons, which features a new Stop and Shop and a Marriott hotel. A new retail facility for the same complex has been approved.

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 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

In January 2003, the Town purchased 350 acres of surplus Rockland Psychiatric Center ("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.

Next Year's Budgets and Tax Rates

The 2017 budget was the sixth 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 2017. 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 \$2.5 million in fund balance as a means for reducing property taxes for Town services.

For 2018, 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, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Orangetown Housing Authority
ASSETS				
Cash and equivalents	\$ 17,708,004	\$ 1,148,208	\$ 18,856,212	\$ 31,058
Restricted investments	703,974	-	703,974	1,974,267
Receivables				
Accounts	832,342	80,056	912,398	40,900
State and Federal aid	2,211,150	-	2,211,150	-
Due from other governments	548,170	-	548,170	-
Loans, net of allowance of \$5,852,007	-	-	-	-
Prepaid expenses	1,705,296	6,699	1,711,995	62,144
Capital assets				
Not being depreciated	25,277,947	5,453,825	30,731,772	1,969,055
Being depreciated, net	105,724,068	2,211,042	107,935,110	2,569,251
Total Assets	<u>154,710,951</u>	<u>8,899,830</u>	<u>163,610,781</u>	<u>6,646,675</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>22,317,970</u>	<u>128,453</u>	<u>22,446,423</u>	<u>2,167</u>
LIABILITIES				
Accounts payable	3,328,143	133,871	3,462,014	18,899
Accrued liabilities	218,050	-	218,050	-
Accrued interest payable	648,358	43,888	692,246	-
Due to other governments	434,227	494	434,721	-
Unearned revenues	-	32,416	32,416	4,754
Deposits	-	-	-	114,500
Internal balances	(969,586)	969,586	-	-
Non-current liabilities				
Due within one year	5,185,599	402,476	5,588,075	605,089
Due in more than one year	149,533,594	9,427,325	158,960,919	5,148,739
Total Liabilities	<u>158,378,385</u>	<u>11,010,056</u>	<u>169,388,441</u>	<u>5,891,981</u>
DEFERRED INFLOWS OF RESOURCES	<u>2,566,985</u>	<u>-</u>	<u>2,566,985</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	68,052,301	4,445,933	72,498,234	725,803
Restricted for				
Capital projects	66,889	-	66,889	-
Law enforcement	143,394	-	143,394	-
Debt service	2,987,474	-	2,987,474	-
Special Revenue Funds				
Special Districts	195,587	-	195,587	-
Pearl River Parking	250,411	-	250,411	-
Special Purpose	188,691	-	188,691	-
Unrestricted	<u>(55,801,196)</u>	<u>(6,427,706)</u>	<u>(62,228,902)</u>	<u>31,058</u>
Total Net Position	<u>\$ 16,083,551</u>	<u>\$ (1,981,773)</u>	<u>\$ 14,101,778</u>	<u>\$ 756,861</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, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 10,030,147	\$ 790,615	\$ 200,000	\$ -
Public safety	30,689,796	2,309,152	293,125	-
Health	439,833	-	-	-
Transportation	14,557,980	180,694	644,123	1,328,574
Economic opportunity and development	185,288	-	-	-
Culture and recreation	4,378,301	552,704	27,088	-
Home and community services	13,523,280	2,174,361	283,463	-
Interest	1,516,116	-	-	310,125
Total Governmental Activities	<u>75,320,741</u>	<u>6,007,526</u>	<u>1,447,799</u>	<u>1,638,699</u>
Business-type activities				
Blue Hill Golf Course	2,515,927	2,605,765	-	-
Broad Acres Golf Course	798,182	602,459	-	-
Total Business-type Activities	<u>3,314,109</u>	<u>3,208,224</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 78,634,850</u>	<u>\$ 9,215,750</u>	<u>\$ 1,447,799</u>	<u>\$ 1,638,699</u>
Component unit				
Orangetown Housing Authority	<u>\$ 1,124,640</u>	<u>\$ 929,018</u>	<u>\$ 2,147</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				
Sale of real property				
Transfers				
Total General Revenues				
Change in Net Position				
NET POSITION				
Beginning				
Ending				

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Housing Authority
\$ (9,039,532)	\$ -	\$ (9,039,532)	\$ -
(28,087,519)	-	(28,087,519)	-
(439,833)	-	(439,833)	-
(12,404,589)	-	(12,404,589)	-
(185,288)	-	(185,288)	-
(3,798,509)	-	(3,798,509)	-
(11,065,456)	-	(11,065,456)	-
(1,205,991)	-	(1,205,991)	-
(66,226,717)	-	(66,226,717)	-
-	89,838	89,838	-
-	(195,723)	(195,723)	-
-	(105,885)	(105,885)	-
(66,226,717)	(105,885)	(66,332,602)	-
-	-	-	(193,475)
50,724,410	-	50,724,410	-
193,893	-	193,893	-
133,428	-	133,428	-
880,461	-	880,461	-
1,794,858	-	1,794,858	-
2,881	585	3,466	87,191
10,050	-	10,050	68,000
1,864,934	-	1,864,934	-
64,729	-	64,729	-
42,362	-	42,362	-
(295,153)	295,153	-	-
55,416,853	295,738	55,712,591	155,191
(10,809,864)	189,853	(10,620,011)	(38,284)
26,893,415	(2,171,626)	24,721,789	795,145
<u>\$ 16,083,551</u>	<u>\$ (1,981,773)</u>	<u>\$ 14,101,778</u>	<u>\$ 756,861</u>

Town of Orangetown, New York

Balance Sheet
 Governmental Funds
 December 31, 2016

	General	Town Outside Villages	Sewer
ASSETS			
Cash and equivalents	\$ 3,646,895	\$ 3,908,639	\$ 2,900,769
Restricted Investments	-	-	-
Receivables			
Accounts	532,287	41,411	181,245
State and Federal aid	-	-	297,704
Due from other governments	493,962	54,208	-
Due from other funds	2,630,575	8,953	-
Loans, net of allowance of \$5,852,007	-	-	-
	<u>3,656,824</u>	<u>104,572</u>	<u>478,949</u>
Prepaid expenditures	<u>287,767</u>	<u>842,450</u>	<u>167,329</u>
Total Assets	<u>\$ 7,591,486</u>	<u>\$ 4,855,661</u>	<u>\$ 3,547,047</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 522,926	\$ 566,623	\$ 494,163
Accrued liabilities	6,350	195,180	14,029
Due to other governments	393,230	-	-
Due to other funds	1,948,743	270,669	1,003,120
Total Liabilities	<u>2,871,249</u>	<u>1,032,472</u>	<u>1,511,312</u>
Fund balances			
Nonspendable	287,767	842,450	167,329
Restricted	204	143,190	-
Committed	-	-	-
Assigned	47,867	2,837,549	1,868,406
Unassigned	4,384,399	-	-
Total Fund Balances	<u>4,720,237</u>	<u>3,823,189</u>	<u>2,035,735</u>
Total Liabilities and Fund Balances	<u>\$ 7,591,486</u>	<u>\$ 4,855,661</u>	<u>\$ 3,547,047</u>

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

Highway	Debt Service	Capital Projects	Nonmajor Governmental	Total Governmental Funds
\$ 2,920,672	\$ 1,616,595	\$ 1,935,840	\$ 746,279	\$ 17,675,689
-	-	703,974	-	703,974
75,890	-	-	1,509	832,342
279,461	-	1,633,985	-	2,211,150
-	-	-	-	548,170
24,066	1,373,168	1,152,769	103	5,189,634
-	-	-	-	-
379,417	1,373,168	2,786,754	1,612	8,781,296
195,901	-	-	-	1,493,447
<u>\$ 3,495,990</u>	<u>\$ 2,989,763</u>	<u>\$ 5,426,568</u>	<u>\$ 747,891</u>	<u>\$ 28,654,406</u>
\$ 309,397	\$ -	\$ 947,195	\$ 72,160	\$ 2,912,464
2,491	-	-	-	218,050
-	-	-	40,997	434,227
1,252,156	2,289	-	-	4,476,977
1,564,044	2,289	947,195	113,157	8,041,718
195,901	-	-	-	1,493,447
-	2,187,474	4,412,484	188,691	6,932,043
-	-	66,889	-	66,889
1,736,045	800,000	-	446,043	7,735,910
-	-	-	-	4,384,399
1,931,946	2,987,474	4,479,373	634,734	20,612,688
<u>\$ 3,495,990</u>	<u>\$ 2,989,763</u>	<u>\$ 5,426,568</u>	<u>\$ 747,891</u>	<u>\$ 28,654,406</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, 2016

Fund Balances - Total Governmental Funds	\$ 20,612,688
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.	<u>131,002,015</u>
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	122,854
Deferred amounts on pension assets (liabilities)	<u>19,628,131</u>
	<u>19,750,985</u>
Net position of the internal service funds is included with governmental activities.	<u>(1,950,891)</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(648,358)
Bonds payable	(65,067,731)
Energy performance contract payable	(1,347,321)
Loans payable	(1,500,000)
Compensated absences	(3,570,235)
Net pension liability	(18,723,072)
Retirement incentives and other pension obligations payable	(2,920,802)
Other post employment benefit obligations payable	<u>(59,553,727)</u>
	<u>(153,331,246)</u>
Net Position of Governmental Activities	<u>\$ 16,083,551</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
Governmental Funds
Year Ended December 31, 2016

	General	Town Outside Villages	Sewer	Highway
REVENUES				
Real property taxes	\$ 3,051,018	\$ 25,205,746	\$ 6,422,156	\$ 8,803,218
Other tax items	34,949	292,372	-	-
Non-property taxes	2,675,319	-	-	-
Departmental income	748,688	2,077,619	1,125,205	-
Intergovernmental charges	-	122,857	772,018	74,308
Use of money and property	172,863	32,699	8,442	10,122
Licenses and permits	243,539	-	-	-
Fines and forfeitures	385,764	-	-	-
Sale of property and compensation for loss	-	5,275	4,775	57,567
Interfund revenues	3,150,355	-	-	18,884
State aid	1,789,224	95,707	250,000	396,409
Federal aid	123,000	21,292	-	-
Miscellaneous	264,729	96,137	24,110	180,025
Total Revenues	12,639,448	27,949,704	8,606,706	9,540,533
EXPENDITURES				
Current				
General government support	5,165,962	1,489,040	804,621	1,094,481
Public safety	339,570	14,866,604	-	-
Health	39,833	-	-	-
Transportation	482,088	610,207	-	6,410,188
Economic opportunity and development	185,288	-	-	-
Culture and recreation	2,382,005	-	-	-
Home and community services	129,706	1,073,295	5,325,697	-
Employee benefits	3,386,015	8,982,049	2,653,566	2,848,604
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	12,110,467	27,021,195	8,783,884	10,353,273
Excess (Deficiency) of Revenues Over Expenditures	528,981	928,509	(177,178)	(812,740)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Sale of real property	42,362	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(368,044)
Total Other Financing Sources (Uses)	42,362	-	-	(368,044)
Net Change in Fund Balances	571,343	928,509	(177,178)	(1,180,784)
FUND BALANCES				
Beginning of Year	4,148,894	2,894,680	2,212,913	3,112,730
End of Year	\$ 4,720,237	\$ 3,823,189	\$ 2,035,735	\$ 1,931,946

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

Debt Service	Capital Projects	Nonmajor Governmental	Total Governmental Funds
\$ 5,211,127	\$ -	\$ 2,031,145	\$ 50,724,410
-	-	-	327,321
-	-	-	2,675,319
-	-	106,386	4,057,898
-	-	-	969,183
22,570	-	999	247,695
-	-	-	243,539
-	-	-	385,764
-	-	-	67,617
-	-	-	3,169,239
-	413,432	-	2,944,772
-	915,142	-	1,059,434
287,555	-	27,000	879,556
<u>5,521,252</u>	<u>1,328,574</u>	<u>2,165,530</u>	<u>67,751,747</u>
130,516	-	-	8,684,620
-	-	811,200	16,017,374
-	-	400,000	439,833
-	-	108,390	7,610,873
-	-	-	185,288
-	-	26,150	2,408,155
-	-	841,599	7,370,297
-	-	-	17,870,234
4,059,114	-	-	4,059,114
1,484,697	-	-	1,484,697
-	5,010,581	-	5,010,581
<u>5,674,327</u>	<u>5,010,581</u>	<u>2,187,339</u>	<u>71,141,066</u>
<u>(153,075)</u>	<u>(3,682,007)</u>	<u>(21,809)</u>	<u>(3,389,319)</u>
-	3,107,500	-	3,107,500
-	-	-	42,362
275,881	368,044	-	643,925
(295,153)	(275,881)	-	(939,078)
<u>(19,272)</u>	<u>3,199,663</u>	<u>-</u>	<u>2,854,709</u>
(172,347)	(482,344)	(21,809)	(534,610)
<u>3,159,821</u>	<u>4,961,717</u>	<u>656,543</u>	<u>21,147,298</u>
<u>\$ 2,987,474</u>	<u>\$ 4,479,373</u>	<u>\$ 634,734</u>	<u>\$ 20,612,688</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, 2016

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

Net Change in Fund Balances - Total Governmental Funds	\$ (534,610)
<p>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.</p>	
Capital outlay expenditures	5,079,479
Depreciation expense	<u>(5,009,610)</u>
	<u>69,869</u>
<p>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.</p>	
Bonds issued	(3,107,500)
Principal paid on bonds	3,913,487
Principal paid on energy performance contract	145,627
Amortization of issuance premium and loss on refunding	<u>12,350</u>
	<u>963,964</u>
<p>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.</p>	
Accrued interest	(43,769)
Compensated absences	(318,126)
Retirement incentives and other pension obligations	209,191
Pension assets (obligations)	(1,748,193)
Other post employment benefit obligations	<u>(8,222,594)</u>
	<u>(10,123,491)</u>
<p>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.</p>	
	<u>(1,185,596)</u>
Change in Net Position of Governmental Activities	<u>\$ (10,809,864)</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, 2016

	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	\$ 3,040,690	\$ 3,040,690	\$ 3,051,018	\$ 10,328	\$ 25,205,742	\$ 25,205,742	\$ 25,205,746	\$ 4
Other tax items	40,000	40,000	34,949	(5,051)	168,000	168,000	292,372	124,372
Non-property taxes	2,400,000	2,400,000	2,675,319	275,319	-	-	-	-
Departmental income	823,200	823,200	748,688	(74,512)	1,696,500	1,696,500	2,077,619	381,119
Intergovernmental charges	-	-	-	-	101,000	101,000	122,857	21,857
Use of money and property	181,200	181,200	172,863	(8,337)	19,500	19,500	32,699	13,199
Licenses and permits	219,050	219,050	243,539	24,489	-	-	-	-
Fines and forfeitures	375,000	375,000	385,764	10,764	-	-	-	-
Sale of property and compensation for loss	-	-	-	-	-	-	5,275	5,275
Interfund revenues	3,172,846	3,172,846	3,150,355	(22,491)	-	-	-	-
State aid	1,690,000	1,690,000	1,789,224	99,224	75,000	75,000	95,707	20,707
Federal aid	-	-	123,000	123,000	-	-	21,292	21,292
Miscellaneous	10,000	10,000	264,729	254,729	-	-	96,137	96,137
Total Revenues	11,951,986	11,951,986	12,639,448	687,462	27,265,742	27,265,742	27,949,704	683,962
EXPENDITURES								
Current								
General government support	5,007,180	5,229,882	5,165,962	63,920	1,476,292	1,489,040	1,489,040	-
Public safety	196,120	347,702	339,570	8,132	15,017,076	15,017,076	14,866,604	150,472
Health	33,500	39,833	39,833	-	-	-	-	-
Transportation	525,828	526,211	482,088	44,123	550,000	610,207	610,207	-
Economic opportunity and development	185,729	185,729	185,288	441	-	-	-	-
Culture and recreation	2,456,234	2,558,789	2,382,005	176,784	-	-	-	-
Home and community services	152,429	163,950	129,706	34,244	1,128,305	1,128,306	1,073,295	55,011
Employee benefits	3,915,014	3,419,938	3,386,015	33,923	9,440,436	9,367,480	8,982,049	385,431
Total Expenditures	12,472,034	12,472,034	12,110,467	361,567	27,612,109	27,612,109	27,021,195	590,914
Excess (Deficiency) of Revenues Over Expenditures	(520,048)	(520,048)	528,981	1,049,029	(346,367)	(346,367)	928,509	1,274,876
OTHER FINANCING USES								
Sale of real property	-	-	42,362	42,362	-	-	-	-
Transfers in	473,882	473,882	-	(473,882)	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources	473,882	473,882	42,362	(431,520)	-	-	-	-
Net Change in Fund Balances	(46,166)	(46,166)	571,343	617,509	(346,367)	(346,367)	928,509	1,274,876
FUND BALANCES								
Beginning of Year	46,166	46,166	4,148,894	4,102,728	346,367	346,367	2,894,680	2,548,313
End of Year	\$ -	\$ -	\$ 4,720,237	\$ 4,720,237	\$ -	\$ -	\$ 3,823,189	\$ 3,823,189

Sewer				Highway			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 6,419,965	\$ 6,419,965	\$ 6,422,156	\$ 2,191	\$ 8,803,210	\$ 8,803,210	\$ 8,803,218	\$ 8
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
870,000	870,000	1,125,205	255,205	-	-	-	-
1,095,000	1,095,000	772,018	(322,982)	235,500	235,500	74,308	(161,192)
3,500	3,500	8,442	4,942	5,500	5,500	10,122	4,622
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	4,775	4,775	15,000	15,000	57,567	42,567
-	-	-	-	-	-	18,884	18,884
-	-	250,000	250,000	474,807	474,807	396,409	(78,398)
-	-	-	-	-	-	-	-
-	-	24,110	24,110	205,000	205,000	180,025	(24,975)
<u>8,388,465</u>	<u>8,388,465</u>	<u>8,606,706</u>	<u>218,241</u>	<u>9,739,017</u>	<u>9,739,017</u>	<u>9,540,533</u>	<u>(198,484)</u>
807,897	807,897	804,621	3,276	1,089,071	1,094,481	1,094,481	-
-	-	-	-	-	-	-	-
-	-	-	-	6,696,354	6,599,622	6,410,188	189,434
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,445,485	5,481,557	5,325,697	155,860	-	-	-	-
2,275,648	2,717,437	2,653,566	63,871	3,011,764	2,848,604	2,848,604	-
<u>8,529,030</u>	<u>9,006,891</u>	<u>8,783,884</u>	<u>223,007</u>	<u>10,797,189</u>	<u>10,542,707</u>	<u>10,353,273</u>	<u>189,434</u>
<u>(140,565)</u>	<u>(618,426)</u>	<u>(177,178)</u>	<u>441,248</u>	<u>(1,058,172)</u>	<u>(803,690)</u>	<u>(812,740)</u>	<u>(9,050)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(368,044)	(368,044)
-	-	-	-	-	-	(368,044)	(368,044)
(140,565)	(618,426)	(177,178)	441,248	(1,058,172)	(803,690)	(1,180,784)	(377,094)
140,565	618,426	2,212,913	1,594,487	1,058,172	803,690	3,112,730	2,309,040
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,035,735</u>	<u>\$ 2,035,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,931,946</u>	<u>\$ 1,931,946</u>

Town of Orangetown, New York

Statement of Net Position
 Proprietary Funds
 December 31, 2016

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Blue Hill Golf Course	Broadacres Golf Course	Totals	
ASSETS				
Current assets				
Cash and equivalents	\$ 1,057,259	\$ 90,949	\$ 1,148,208	\$ 32,315
Receivables				
Accounts	77,009	3,047	80,056	-
Due from other funds	1,046,014	63,993	1,110,007	892,616
	1,123,023	67,040	1,190,063	892,616
Prepaid expenses	6,699	-	6,699	211,849
Total Current Assets	2,186,981	157,989	2,344,970	1,136,780
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	6,384,827	259,721	6,644,548	-
Machinery and equipment	1,762,455	182,910	1,945,365	-
	12,053,350	3,177,666	15,231,016	-
Less - Accumulated depreciation	(7,075,686)	(490,463)	(7,566,149)	-
Total Noncurrent Assets	4,977,664	2,687,203	7,664,867	-
Total Assets	7,164,645	2,845,192	10,009,837	1,136,780
DEFERRED OUTFLOWS OF RESOURCES				
	-	128,453	128,453	-
LIABILITIES				
Current liabilities				
Accounts payable	62,474	71,397	133,871	415,679
Accrued interest payable	8,140	35,748	43,888	-
Due to other governments	431	63	494	-
Due to other funds	1,944,472	135,121	2,079,593	635,687
Unearned revenues	32,416	-	32,416	-
Current maturities of bonds payable	82,416	120,060	202,476	-
Current maturities of loans payable	200,000	-	200,000	-
Current portion of claims payable	-	-	-	203,000
Total Current Liabilities	2,330,349	362,389	2,692,738	1,254,366
Noncurrent liabilities				
Bonds payable, less current maturities	849,526	2,295,385	3,144,911	-
Loans payable, less current maturities	3,084,934	2,567,073	5,652,007	-
Claims payable, less current portion	-	-	-	1,833,305
Other post employment benefit obligations payable	624,306	6,101	630,407	-
Total Noncurrent Liabilities	4,558,766	4,868,559	9,427,325	1,833,305
Total Liabilities	6,889,115	5,230,948	12,120,063	3,087,671
NET POSITION				
Net investment in capital assets	4,045,722	400,211	4,445,933	-
Unrestricted	(3,770,192)	(2,657,514)	(6,427,706)	(1,950,891)
Total Net Position	\$ 275,530	\$ (2,257,303)	\$ (1,981,773)	\$ (1,950,891)

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, 2016

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Blue Hill Golf Course	Broadacres Golf Course	Totals	
OPERATING REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ 2,564,741
Insurance recoveries	-	-	-	213,067
Greens fees	1,896,579	491,155	2,387,734	-
Cart rental	511,974	108,424	620,398	-
Facility rental	18,000	-	18,000	-
Permit cards	140,735	2,880	143,615	-
Other income	38,477	-	38,477	-
Total Operating Revenues	2,605,765	602,459	3,208,224	2,777,808
OPERATING EXPENSES				
Personal services	106,448	-	106,448	-
Rental of equipment	83,592	25,388	108,980	-
Repairs and maintenance	26,949	1,450	28,399	-
Utilities	22,829	23,684	46,513	-
Chemicals	98	-	98	-
Insurance	-	-	-	1,113,506
Contractual and other	1,745,877	629,076	2,374,953	62,652
Employee benefits	218,474	20,352	238,826	2,709,436
Judgments and claims	-	-	-	77,948
Depreciation	282,583	22,631	305,214	-
Total Operating Expenses	2,486,850	722,581	3,209,431	3,963,542
Income (Loss) from Operations	118,915	(120,122)	(1,207)	(1,185,734)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	585	-	585	138
Interest expense	(29,077)	(75,601)	(104,678)	-
Total Non-Operating Revenues (Expenses)	(28,492)	(75,601)	(104,093)	138
Income (Loss) Before Transfers	90,423	(195,723)	(105,300)	(1,185,596)
Transfers in	110,268	184,885	295,153	-
Change in Net Position	200,691	(10,838)	189,853	(1,185,596)
NET POSITION				
Beginning of Year	74,839	(2,246,465)	(2,171,626)	(765,295)
End of Year	\$ 275,530	\$ (2,257,303)	\$ (1,981,773)	\$ (1,950,891)

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, 2016

	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	\$ 2,592,651	\$ 602,459	\$ 3,195,110	\$ -
Cash received from interfund services provided	-	-	-	1,809,633
Cash received from insurance recoveries	-	-	-	213,067
Cash payments to vendors	(1,676,705)	(674,579)	(2,351,284)	-
Cash payments to insurance carriers and claimants	-	-	-	(2,020,652)
Cash payments to employees	(323,400)	(22,034)	(345,434)	-
Net Cash from Operating Activities	592,546	(94,154)	498,392	2,048
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Repayment of loans from other funds	(200,000)	-	(200,000)	-
Transfers in	110,268	184,885	295,153	-
Net Cash from Non-Capital Financing Activities	(89,732)	184,885	95,153	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on bonds	(80,465)	(96,048)	(176,513)	-
Interest paid on indebtedness	(29,803)	(88,837)	(118,640)	-
Acquisition and construction of capital assets	(61,000)	-	(61,000)	-
Net Cash from Capital and Related Financing Activities	(171,268)	(184,885)	(356,153)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	585	-	585	138
Net Change in Cash and Equivalents	332,131	(94,154)	237,977	2,186
CASH AND EQUIVALENTS				
Beginning of Year	725,128	185,103	910,231	30,129
End of Year	\$ 1,057,259	\$ 90,949	\$ 1,148,208	\$ 32,315
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES				
Income (loss) from operations	\$ 118,915	\$ (120,122)	\$ (1,207)	\$ (1,185,734)
Adjustments to reconcile income (loss) from operations to net cash from operating activities				
Depreciation	282,583	22,631	305,214	-
Changes in assets and liabilities				
Accounts receivable	(14,376)	-	(14,376)	981,024
Due from other funds	(39,790)	(3,631)	(43,421)	(755,108)
Prepaid expenses	35,068	-	35,068	(6,477)
Accounts payable	2,807	1,231	4,038	391,880
Due to other governments	(1,637)	(215)	(1,852)	-
Due to other funds	214,475	9,797	224,272	537,872
Unearned revenues	1,262	-	1,262	-
Compensated absences	(40,121)	-	(40,121)	-
Claims payable	-	-	-	38,591
Other post employment benefit obligations payable	33,360	(3,845)	29,515	-
Net Cash from Operating Activities	\$ 592,546	\$ (94,154)	\$ 498,392	\$ 2,048
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, 2016

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 679,754
Accounts receivable	<u>380,252</u>
 Total Assets	 <u>\$ 1,060,006</u>
 LIABILITIES	
Deposits	<u>\$ 1,060,006</u>

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

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Town of Orangetown, New York

Notes to Financial Statements
December 31, 2016

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. 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. 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

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

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, and accordingly, the Town's policy provides for no credit risk on investments.

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 into three levels based upon the input assumptions used in pricing assets. Level 1 inputs

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2016.

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, 2016, 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 \$5,852,007 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 \$3,284,934 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 estimated fair market 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).

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

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 \$32,416 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 \$122,854 and \$128,453 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 3D.

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, restricted for capital projects, 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 resource 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 21, 2017.

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.

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

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.

C. Fund Deficits

The following funds have unrestricted deficits at December 31, 2016:

Internal Service Funds	
Workers' Compensation Benefits	\$ 1,516,239
Risk Retention	434,652

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 2 - Stewardship, Compliance and Accountability (Continued)

Enterprise Funds	
Blue Hill Golf Course	\$ 3,770,192
Broadacres Golf Course	2,657,514

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.

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, 2016 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 2,630,575	\$ 1,948,743
Town Outside Villages	8,953	270,669
Sewer	-	1,003,120
Highway	24,066	1,252,156
Debt Service	1,373,168	2,289
Capital Projects	1,152,769	-
Non-Major Government Funds	103	-
Blue Hill Golf Course	1,046,014	1,944,472
Broadacres Golf Course	63,993	135,121
Internal Service Funds	892,616	635,687
	<u>\$ 7,192,257</u>	<u>\$ 7,192,257</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.

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 2 - Stewardship, Compliance and Accountability (Continued)

B. Capital Assets

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

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$ 16,945,317	\$ -	\$ -	\$ 16,945,317
Construction-in-progress	5,133,085	3,199,545	-	8,332,630
Total Capital Assets, not being depreciated	\$ 22,078,402	\$ 3,199,545	\$ -	\$ 25,277,947
Capital Assets, being depreciated:				
Land improvements	\$ 11,614,698	\$ 19,500	\$ -	\$ 11,634,198
Buildings and improvements	12,778,616	5,083	-	12,783,699
Infrastructure	164,788,989	37,724	17,900	164,808,813
Machinery and equipment	24,837,271	1,817,627	869,229	25,785,669
Total Capital Assets, being depreciated	214,019,574	1,879,934	887,129	215,012,379
Less Accumulated Depreciation for:				
Land improvements	\$ 4,617,097	\$ 500,991	\$ -	\$ 5,118,088
Buildings and improvements	5,720,008	270,008	-	5,990,016
Infrastructure	77,647,476	2,956,114	17,900	80,585,690
Machinery and equipment	17,181,249	1,282,497	869,229	17,594,517
Total Accumulated Depreciation	105,165,830	5,009,610	887,129	109,288,311
Total Capital Assets, being depreciated, net	\$ 108,853,744	\$ (3,129,676)	\$ -	\$ 105,724,068
Governmental Activities Capital Assets, net	\$ 130,932,146	\$ 69,869	\$ -	\$ 131,002,015

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

	Balance January 1, 2016	Additions	Balance December 31, 2016
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	6,583,548	61,000	6,644,548
Machinery and equipment	1,945,365	-	1,945,365
 Total Capital Assets, being depreciated	 9,716,191	 61,000	 9,777,191
Less Accumulated Depreciation for:			
Buildings and improvements	836,516	21,886	858,402
Improvements other than buildings	4,569,667	237,939	4,807,606
Machinery and equipment	1,854,752	45,389	1,900,141
 Total Accumulated Depreciation	 7,260,935	 305,214	 7,566,149
 Total Capital Assets, being depreciated, net	 \$ 2,455,256	 \$ (244,214)	 \$ 2,211,042
 Business-type Activities Capital Assets, net	 \$ 7,909,081	 \$ (244,214)	 \$ 7,664,867

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

Governmental Activities:	
General Government Support	\$ 168,855
Public Safety	207,727
Transportation	1,894,591
Culture and Recreation	659,133
Home and Community Services	2,079,303
 Total Depreciation Expense - Governmental Activities	 \$ 5,009,610
 Business-type Activities:	
Blue Hill Golf Course	\$ 282,583
Broadacres Golf Course	22,631
 Total Depreciation Expense - Business-type Activities	 \$ 305,214

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Capital Assets - Component Unit

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

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016
Capital Assets, not being depreciated - Land	\$ 1,969,055	\$ -	\$ -	\$ 1,969,055
Capital Assets, being depreciated:				
Buildings and improvements	\$ 6,784,177	\$ 108,446	\$ -	\$ 6,892,623
Machinery and equipment	386,583	63,248	-	449,831
Total Capital Assets, being depreciated	7,170,760	171,694	-	7,342,454
Less Accumulated Depreciation for:				
Buildings and improvements	4,282,644	192,474	-	4,475,118
Machinery and equipment	266,899	31,186	-	298,085
Total Accumulated Depreciation	4,549,543	223,660	-	4,773,203
Total Capital Assets, being depreciated, net	\$ 2,621,217	\$ (51,966)	\$ -	\$ 2,569,251
Housing Authority Capital Assets, net	\$ 4,590,272	\$ (51,966)	\$ -	\$ 4,538,306

C. Accrued Liabilities

Accrued liabilities at December 31, 2016 were as follows:

	Fund				Total
	General	Town Outside Villages	Sewer	Highway	
Payroll and Employee Benefits	\$ 6,350	\$ 195,180	\$ 14,029	\$ 2,491	\$ 218,050

D. 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, 2016:

	Balance at January 1, 2016	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2016	Due Within One Year
Governmental Activities					
Bonds Payable:					
Capital Construction	\$ 64,749,373	\$ 3,107,500	\$ 3,468,487	\$ 64,388,386	\$ 3,955,024
Other	875,000	-	445,000	430,000	135,000
	65,624,373	3,107,500	3,913,487	64,818,386	4,090,024

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

	Balance at January 1, 2016	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2016	Due Within One Year
Plus -					
Unamortized premium on bonds	\$ 281,674	\$ -	\$ 32,329	\$ 249,345	\$ -
	65,906,047	3,107,500	3,945,816	65,067,731	4,090,024
Energy Performance Contract Payable	1,492,948	-	145,627	1,347,321	152,809
Loans Payable - EFC	1,500,000	-	-	1,500,000	-
	<u>68,898,995</u>	<u>3,107,500</u>	<u>4,091,443</u>	<u>67,915,052</u>	<u>4,242,833</u>
Other Noncurrent Liabilities:					
Compensated Absences	3,252,109	643,126	325,000	3,570,235	357,000
Net Pension Liability	2,833,351	15,889,721	-	18,723,072	-
Claims Payable	1,997,714	2,787,384	2,748,793	2,036,305	203,000
Retirement Incentives and Other Pension Obligations	3,129,993	148,654	357,845	2,920,802	382,766
Other Post Employment Benefit Obligations Payable	51,331,133	10,895,259	2,672,665	59,553,727	-
Total Other Noncurrent Liabilities	<u>62,544,300</u>	<u>30,364,144</u>	<u>6,104,303</u>	<u>86,804,141</u>	<u>942,766</u>
Governmental Activities Long-Term Liabilities	<u>\$ 131,443,295</u>	<u>\$ 33,471,644</u>	<u>\$ 10,195,746</u>	<u>\$ 154,719,193</u>	<u>\$ 5,185,599</u>
	Balance at January 1, 2016	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2016	Due Within One Year
Business-Type Activities					
Bonds Payable - Capital Construction	\$ 3,455,629	\$ -	\$ 176,513	\$ 3,279,116	\$ 202,476
Plus -					
Unamortized premium on bonds	72,538	-	4,267	68,271	-
	<u>3,528,167</u>	<u>-</u>	<u>180,780</u>	<u>3,347,387</u>	<u>202,476</u>
Other Noncurrent Liabilities					
Loans Payable - Other Funds	6,052,007	-	200,000	5,852,007	200,000
Compensated Absences	40,121	-	40,121	-	-
Other Post Employment Benefit Obligations Payable	600,892	76,281	46,766	630,407	-
Total Other Noncurrent Liabilities	<u>6,693,020</u>	<u>76,281</u>	<u>286,887</u>	<u>6,482,414</u>	<u>200,000</u>
Business-Type Activities Long-Term Liabilities	<u>\$ 10,221,187</u>	<u>\$ 76,281</u>	<u>\$ 467,667</u>	<u>\$ 9,829,801</u>	<u>\$ 402,476</u>
Housing Authority - Component Unit - Revenue Bonds Payable	<u>\$ 5,883,583</u>	<u>\$ -</u>	<u>\$ 129,755</u>	<u>\$ 5,753,828</u>	<u>\$ 605,089</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.

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Bonds Payable

Bonds payable at December 31, 2016 are comprised of the following individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at December 31, 2016</u>
Sewer Improvements	2001	\$ 1,025,000	November, 2021	1.3880 - 3.4200 %	\$ 530,000
Sewer Reconstruction	2002	5,775,000	May, 2024	5.5013 - 6.1813	2,595,000
Public Improvements	2008	45,480,718	April, 2038	4.2700	36,010,000
Public Improvements	2008	1,942,500	January, 2032	4.3750 - 4.5000	137,898
Broadacres Golf Course	2008	2,917,500	January, 2032	4.3750 - 4.5000	207,104
Tax Certiorari Refunds	2009	1,255,000	December, 2019	2.0000 - 3.0000	430,000
Public Improvements	2010	8,695,000	September, 2026	3.0000	5,898,158
Blue Hill Golf Course	2010	1,300,000	September, 2026	3.0000	881,842
Public Improvements	2011	3,369,194	November, 2040	0.8330 - 4.7460	2,905,000
Public Improvements	2012	1,605,800	May, 2042	0.3290 - 4.0980	1,425,000
Public Improvements	2013	3,830,000	July, 2023	2.0000 - 3.0000	2,505,000
Refunding Bonds	2013	1,605,000	July, 2019	1.0000 - 2.0000	965,000
Blue Hill Golf Course	2014	62,000	February, 2024	2.0000 - 3.0000	50,100
Public Improvements	2014	5,179,000	February, 2024	2.0000 - 3.0000	4,184,900
Refunding Bonds	2015	1,424,931	January, 2032	2.0000 - 4.0000	1,424,930
Various Purposes	2015	2,700,000	January, 2030	2.0000 - 4.0000	2,700,000
Refunding Bonds -					
Broadacres Golf Course	2015	2,140,070	January, 2032	2.0000 - 4.0000	2,140,070
Various Purposes	2016	3,107,500	January, 2029	2.0000 - 4.0000	3,107,500
					\$ 68,097,502

Interest expenditures of \$1,415,011 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$29,077 and \$75,601 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 \$1,446,430 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 \$69,686 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, 2016 was \$1,347,321.

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Loans Payable - EFC

The Town received a loan from the New York State Environmental Facilities Corporation in the amount of \$1,500,000, 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, 2016 was \$1,500,000.

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 \$3,284,934 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, 2016, including interest payments of \$25,512,477 are as follows:

Year Ended December 31,	Bonds						Totals	
	Governmental Activities		Business-type Activities		Energy Performance Contract		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest		
2017	\$ 4,090,024	\$ 2,369,300	\$ 202,476	\$ 96,392	\$ 152,809	\$ 62,504	\$ 4,445,309	\$ 2,528,196
2018	4,146,743	2,245,237	208,258	88,820	160,344	54,968	4,515,345	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
2022-2026	17,619,210	7,093,541	1,210,789	250,156	504,106	34,175	19,334,105	7,377,872
2027-2031	11,476,593	4,407,711	813,407	91,666	-	-	12,290,000	4,499,377
2032-2036	10,382,912	2,197,799	177,089	2,656	-	-	10,560,001	2,200,455
2037-2041	4,935,000	286,373	-	-	-	-	4,935,000	286,373
2042	70,000	1,434	-	-	-	-	70,000	1,434
	<u>\$ 64,818,386</u>	<u>\$ 24,490,959</u>	<u>\$ 3,279,116</u>	<u>\$ 753,992</u>	<u>\$ 1,347,321</u>	<u>\$ 267,526</u>	<u>\$ 69,444,823</u>	<u>\$ 25,512,477</u>

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, 2016, \$965,000 of bonds outstanding are considered defeased.

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Component Unit Debt - Revenue Bonds Payable

Long-term indebtedness of the Housing Authority at December 31, 2016 consisted of the following:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding at December 31, 2016</u>
Refunding Bonds	1992	\$ 8,716,245	2030	6.6 %	<u>\$ 5,753,828</u>

Included in the payment schedule are amounts of \$2,362,990, which represents the future accretion of interest on the revenue bonds. These revenue bonds are obligations of the Housing Authority but are guaranteed by the Town.

The annual requirements to amortize the bonded debt outstanding of the Housing Authority as of December 31, 2016, including accreted interest is as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 122,670	\$ 482,419	\$ 605,089
2018	114,255	487,083	601,338
2019	106,284	490,698	596,982
2020	99,642	497,604	597,246
2021	94,327	508,904	603,231
2022-2026	321,066	2,087,794	2,408,860
2027-2030	273,681	2,430,391	2,704,072
	<u>\$ 1,131,925</u>	<u>\$ 6,984,893</u>	8,116,818
Unaccreted Amounts of 1992 Revenue Bonds			<u>(2,362,990)</u>
			<u>\$ 5,753,828</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.

Note 3 - Detailed Notes on All Funds (Continued)

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 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 2016 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I 41J	21.8 %
	2 75I 41J	19.8
	3 A14 41J	16.0
	4 A15 41J	16.0
	5 A15 41J	13.1
	6 A15 41J2	9.3
PFRS	1 384E	29.7 %
	2 384E	25.0
	6 375I	8.8
	6 384E	15.3
	6 384	11.2

At December 31, 2016, the Town reported a liability of \$9,104,028 for its proportionate share of the net pension liability of ERS and a liability of \$9,619,044 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2016, and the

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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, 2016, the Town's proportion was 0.0567219% for ERS and 0.3248813% for PFRS which was a decrease of 0.0015638% for ERS and an increase of 0.0108804% for PFRS from its proportions measured as of March 31, 2015.

For the year ended December 31, 2016, the Town recognized pension expense in the government-wide financial statements of \$3,384,243 for ERS and \$3,640,018 for PFRS. Pension expenditures of \$2,527,061 for ERS and \$2,749,008 for PFRS were recorded in the fund financial statements and were charged to the following funds:

Fund	ERS	PFRS
General	\$ 796,435	\$ -
Town Outside Villages - Police	181,456	2,749,008
Town Outside Villages - Other	144,664	-
Sewer	636,517	-
Highway - Townwide	315,116	-
Highway - Part-Town	421,500	-
Blue Hill	31,373	-
	<u>\$ 2,527,061</u>	<u>\$ 2,749,008</u>

At December 31, 2016, the Town reported deferred outflows of resources related to pensions from the following sources:

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 46,005	\$ 1,079,131	\$ 86,274	\$ 1,454,284
Changes of assumptions	2,427,770		4,146,738	
Net difference between projected and actual earnings on pension plan investments	5,401,009	-	5,390,696	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	487,652	33,570	444,602	-
Town contributions subsequent to the measurement date	1,766,339	-	1,998,031	-
	<u>\$ 10,128,775</u>	<u>\$ 1,112,701</u>	<u>\$ 12,066,341</u>	<u>\$ 1,454,284</u>

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The \$1,766,339 and \$1,998,031 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, 2017. 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>
2017	\$ 1,855,407	\$ 2,028,122
2018	1,855,407	2,028,122
2019	1,855,407	2,028,122
2020	1,683,514	1,953,063
2021	-	576,597

The total pension liability for the March 31, 2016 measurement date was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liabilities to March 31, 2016. Significant actuarial assumptions used in the April 1, 2015 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.

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38 %	7.30 %
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return Strategies	3	6.75
Opportunistic Portfolio	3	8.60
Real Assets	3	8.65
Bonds and Mortgages	18	4.00
Cash	2	2.25
Inflation Indexed Bonds	<u>2</u>	4.00
	<u>100 %</u>	

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:

	<u>1% Decrease (6.0%)</u>	<u>Current Assumption (7.0%)</u>	<u>1% Increase (8.0%)</u>
Town's proportionate share of the ERS net pension liability (asset)	<u>\$ 20,528,922</u>	<u>\$ 9,104,028</u>	<u>\$ (549,519)</u>
Town's proportionate share of the PFRS net pension liability (asset)	<u>\$ 21,485,147</u>	<u>\$ 9,619,044</u>	<u>\$ (327,322)</u>

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The components of the collective net pension liability as of the March 31, 2016 measurement date were as follows:

	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Total pension liability	\$ 172,303,544,000	\$ 30,347,727,000	\$ 202,651,271,000
Fiduciary net position	<u>156,253,265,000</u>	<u>27,386,940,000</u>	<u>183,640,205,000</u>
Employers' net pension liability	<u>\$ 16,050,279,000</u>	<u>\$ 2,960,787,000</u>	<u>\$ 19,011,066,000</u>
Fiduciary net position as a percentage of total pension liability	<u>90.7%</u>	<u>90.2%</u>	<u>90.6%</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, 2016 represent the employer contribution for the period of April 1, 2016 through December 31, 2016 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, 2016 were \$1,766,339 and \$1,998,031, respectively.

Voluntary Defined Contribution Plan

The Town offers 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.

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.

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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

	2016		2015	
	Workers' Compensation	General Liability	Workers' Compensation	General Liability
Balance - Beginning of Year	\$ 1,677,742	\$ 319,972	\$ 1,021,583	\$ 291,011
Provision for Claims and Claims Adjustment Expenses	2,709,436	77,948	656,156	104,704
Claims and Claims Adjustment Expenses Paid	(2,702,939)	(45,854)	3	(75,743)
Balance - End of Year	<u>\$ 1,684,239</u>	<u>\$ 352,066</u>	<u>\$ 1,677,742</u>	<u>\$ 319,972</u>
Due Within One Year	<u>\$ 168,000</u>	<u>\$ 35,000</u>	<u>\$ 168,000</u>	<u>\$ 32,000</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.

	Original Amount Amortized	Current Year Principal Payments	Balance Due	Due Within One Year
2016 PFRS	\$ 148,654	\$ -	\$ 148,654	\$ 13,373
2014 ERS	1,083,009	97,152	891,672	100,212
2013 PFRS	1,094,061	99,445	806,162	103,095
2012 ERS	975,957	93,027	619,792	95,818
2012 PFRS	715,714	68,221	454,522	70,268
	<u>\$ 4,017,395</u>	<u>\$ 357,845</u>	<u>\$ 2,920,802</u>	<u>\$ 382,766</u>

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General	\$ 77,846	\$ -
Town Outside Villages - Police	-	217,494
Town Outside Villages - Other	34,057	-
Sewer	60,817	-
Highway - Townwide	70,547	-
	<u>\$ 243,267</u>	<u>\$ 217,494</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.

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:

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Year Ended December 31,	Pre-65 Medical	Post-65 Medical	Prescription Drug
2017	7.50 %	6.50 %	10.50 %
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 21 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, 2016 was as follows:

	Governmental Funds	Enterprise Funds	Total
Active Employees	240	1	241
Retired Employees	195	1	196
	<u>435</u>	<u>2</u>	<u>437</u>

	Governmental Funds	Enterprise Funds	Total
Amortization Component:			
Actuarial Accrued Liability as of January 1, 2016	\$ 130,521,188	\$ 1,151,930	\$ 131,673,118
Assets at Market Value	-	-	-
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 130,521,188</u>	<u>\$ 1,151,930</u>	<u>\$ 131,673,118</u>
Funded Ratio	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 28,317,665</u>	<u>\$ 106,449</u>	<u>\$ 28,424,114</u>
UAAL as a Percentage of Covered Payroll	<u>460.92%</u>	<u>1082.14%</u>	<u>463.24%</u>
Annual Required Contribution	\$ 11,810,499	\$ 99,614	\$ 11,910,113
Interest on Net OPEB Obligation	2,053,245	24,036	2,077,281
Adjustments to Annual Required Contribution	<u>(2,968,485)</u>	<u>(47,369)</u>	<u>(3,015,854)</u>
Annual OPEB Cost	10,895,259	76,281	10,971,540
Contributions Made	<u>(2,672,665)</u>	<u>(46,766)</u>	<u>(2,719,431)</u>
Increase in Net OPEB Obligation	8,222,594	29,515	8,252,109
Net OPEB Obligation - Beginning of Year	<u>51,331,133</u>	<u>600,892</u>	<u>51,932,025</u>
Net OPEB Obligation - End of Year	<u>\$ 59,553,727</u>	<u>\$ 630,407</u>	<u>\$ 60,184,134</u>

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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
2016	\$ 10,971,540	24.79 %	\$ 60,184,134
2015	11,614,385	23.90	51,932,025
2014	8,957,031	27.94	43,094,003

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.

E. 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, 2016, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Fund	Amount
General	\$ 47,867
Town Outside Villages	65,633
Sewer	426,613
Highway	308,314
Pearl River Parking	14,968
Total	<u>\$ 863,395</u>

F. 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.

Transfers Out	Debt Service Fund	Capital Projects Fund	Blue Hill Golf Course Fund	Broadacres Golf Course Fund	Total
Highway Fund	\$ -	\$ 368,044	\$ -	\$ -	\$ 368,044
Debt Service Fund	-	-	110,268	184,885	295,153
Capital Projects Fund	275,881	-	-	-	275,881
	<u>\$ 275,881</u>	<u>\$ 368,044</u>	<u>\$ 110,268</u>	<u>\$ 184,885</u>	<u>\$ 939,078</u>

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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 return unused proceeds from the Capital Projects Fund to the Debt Service Fund and from the Highway Fund to the Capital Projects Fund for the Town's portion of State-funded projects.

G. 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 Capital Projects - the component of net position that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

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.

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, 2016

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2016							2015								
	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	\$ 287,767	\$ 842,450	\$ 167,329	\$ 195,901	\$ -	\$ -	\$ -	\$ 1,493,447	\$ 325,302	\$ 852,680	\$ 174,882	\$ 214,864	\$ -	\$ -	\$ -	\$ 1,567,728
Restricted:																
Capital projects	-	-	-	-	-	4,412,484	-	4,412,484	-	-	-	-	-	4,894,828	-	4,894,828
Law enforcement	204	143,190	-	-	-	-	-	143,394	26,331	154,840	-	-	-	-	-	181,171
Debt service	-	-	-	-	2,187,474	-	-	2,187,474	-	-	-	-	1,959,821	-	-	1,959,821
Parklands	-	-	-	-	-	-	188,691	188,691	-	-	-	-	-	-	187,753	187,753
Total Restricted	204	143,190	-	-	2,187,474	4,412,484	188,691	6,932,043	26,331	154,840	-	-	1,959,821	4,894,828	187,753	7,223,573
Committed -																
Capital improvements	-	-	-	-	-	66,889	-	66,889	-	-	-	-	-	66,889	-	66,889
Assigned:																
Purchases on order:																
General government support	16,458	-	-	-	-	-	-	16,458	2,931	-	-	-	-	-	-	2,931
Public safety	6,500	65,311	-	-	-	-	-	71,811	7,000	46,045	-	-	-	-	-	53,045
Transportation	-	-	-	308,314	-	-	14,968	323,282	14,003	-	58,172	-	-	-	-	72,175
Culture and recreation	24,909	-	-	-	-	-	-	24,909	22,232	-	-	-	-	-	-	22,232
Home and community services	-	322	426,613	-	-	-	-	426,935	-	322	140,565	-	-	-	-	140,887
	47,867	65,633	426,613	308,314	-	-	14,968	863,395	46,166	46,367	140,565	58,172	-	-	-	291,270
Subsequent year's expenditures	-	700,000	200,000	800,000	800,000	-	-	2,500,000	-	300,000	-	1,000,000	1,200,000	-	-	2,500,000
Major Funds	-	2,071,916	1,241,793	627,731	-	-	-	3,941,440	-	1,540,793	1,897,466	1,839,694	-	-	-	5,277,953
Special Districts	-	-	-	-	-	-	195,632	195,632	-	-	-	-	-	-	216,375	216,375
Pearl River Parking	-	-	-	-	-	-	235,443	235,443	-	-	-	-	-	-	252,415	252,415
Total Assigned	47,867	2,837,549	1,868,406	1,736,045	800,000	-	446,043	7,735,910	46,166	1,887,160	2,038,031	2,897,866	1,200,000	-	468,790	8,538,013
Unassigned	4,384,399	-	-	-	-	-	-	4,384,399	3,751,095	-	-	-	-	-	-	3,751,095
Total Fund Balances	\$ 4,720,237	\$ 3,823,189	\$ 2,035,735	\$ 1,931,946	\$ 2,987,474	\$ 4,479,373	\$ 634,734	\$ 20,612,688	\$ 4,148,894	\$ 2,894,680	\$ 2,212,913	\$ 3,112,730	\$ 3,159,821	\$ 4,961,717	\$ 656,543	\$ 21,147,298

Town of Orangetown, New York

Notes to Financial Statements (Continued)
December 31, 2016

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, 2016, 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. 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, 2016

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

In addition to the above, there continues to be periodic claims against the Town for property damage due to sewer backups. While these sewer backup cases must be reviewed on a case by case basis, it does not appear that any one of the claims presently pending will result in a judgment against the Town in excess of \$20,000.

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.

The Town currently has one labor contract that expired as of December 31, 2016. The Orangetown Police Benevolent Association contract expired as of December 31, 2015. The Town's financial statements do not include a provision for any salary increases as of December 31, 2016.

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).

Town of Orangetown, New York

Notes to Financial Statements (Concluded)
December 31, 2016

Note 5 - Tax Abatements (Continued)

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, 2016 is as follows:

<u>Start Date</u>	<u>Agreement</u>	<u>Taxable Assessed Value</u>	<u>Tax Rate</u>	<u>Tax Value</u>	<u>PILOT Received</u>	<u>Taxes Abated</u>
2011	One Olympic Dr LLC	\$ 2,161,300	\$ 0.093240412	\$ 38,103	\$ 26,760	\$ 11,343
2011	Icco II LLC	975,000	0.093240412	17,189	11,044	6,145
2014	Medlantis LLC	2,070,800	0.093240412	36,507	19,362	17,145
2014	155 Corporate Dr LLC	5,800,000	0.093240412	102,251	50,464	51,787
		<u>\$ 11,007,100</u>		<u>\$ 194,050</u>	<u>\$ 107,630</u>	<u>\$ 86,420</u>

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, 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
January 1, 2014	-	131,161,033	131,161,033	-	28,761,227	456.03

(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.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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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)

	<u>2016 (2)</u>	<u>2015</u>
Town's proportion of the net pension liability (asset)	<u>0.0567219%</u>	<u>0.0582857%</u>
Town's proportionate share of the net pension liability (asset)	<u>\$ 9,104,028</u>	<u>\$ 1,969,035</u>
Town's covered payroll	<u>\$ 15,599,291</u>	<u>\$ 15,388,795</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>58.36%</u>	<u>12.80%</u>
Plan fiduciary net position as a percentage of the total pension liability	<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>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,800,542	\$ 3,042,889
Contributions in relation to the contractually required contribution	<u>(2,800,542)</u>	<u>(3,042,889)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 15,517,885</u>	<u>\$ 15,965,844</u>
Contributions as a percentage of covered payroll	<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)

	<u>2016 (2)</u>	<u>2015</u>
Town's proportion of the net pension liability (asset)	<u>0.3248813%</u>	<u>0.3140009%</u>
Town's proportionate share of the net pension liability (asset)	<u>\$ 9,619,044</u>	<u>\$ 864,317</u>
Town's covered payroll	<u>\$ 11,802,903</u>	<u>\$ 11,494,150</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>81.50%</u>	<u>7.52%</u>
Plan fiduciary net position as a percentage of the total pension liability	<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>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,787,324	\$ 3,003,908
Contributions in relation to the contractually required contribution	<u>(2,787,324)</u>	<u>(3,003,908)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 11,720,338</u>	<u>\$ 11,920,178</u>
Contributions as a percentage of covered payroll	<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*.

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,

	2016	2015
ASSETS		
Cash and equivalents	\$ 3,646,895	\$ 3,774,465
Receivables		
Accounts	532,287	392,009
Due from other governments	493,962	494,117
Due from other funds	2,630,575	1,786,941
Loans, net of allowance of \$5,852,007	-	-
	<u>3,656,824</u>	<u>2,673,067</u>
Prepaid expenditures	<u>287,767</u>	<u>325,302</u>
Total Assets	<u>\$ 7,591,486</u>	<u>\$ 6,772,834</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 522,926	\$ 362,844
Accrued liabilities	6,350	-
Due to other governments	393,230	361,596
Due to other funds	<u>1,948,743</u>	<u>1,899,500</u>
Total Liabilities	<u>2,871,249</u>	<u>2,623,940</u>
Fund balance		
Nonspendable	287,767	325,302
Restricted	204	26,331
Assigned	47,867	46,166
Unassigned	<u>4,384,399</u>	<u>3,751,095</u>
Total Fund Balance	<u>4,720,237</u>	<u>4,148,894</u>
Total Liabilities and Fund Balance	<u>\$ 7,591,486</u>	<u>\$ 6,772,834</u>

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,

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 3,040,690	\$ 3,040,690	\$ 3,051,018	\$ 10,328
Other tax items	40,000	40,000	34,949	(5,051)
Non-property taxes	2,400,000	2,400,000	2,675,319	275,319
Departmental income	823,200	823,200	748,688	(74,512)
Use of money and property	181,200	181,200	172,863	(8,337)
Licenses and permits	219,050	219,050	243,539	24,489
Fines and forfeitures	375,000	375,000	385,764	10,764
Interfund revenues	3,172,846	3,172,846	3,150,355	(22,491)
State aid	1,690,000	1,690,000	1,789,224	99,224
Federal aid	-	-	123,000	123,000
Miscellaneous	10,000	10,000	264,729	254,729
Total Revenues	11,951,986	11,951,986	12,639,448	687,462
EXPENDITURES				
Current				
General government support	5,007,180	5,229,882	5,165,962	63,920
Public safety	196,120	347,702	339,570	8,132
Health	33,500	39,833	39,833	-
Transportation	525,828	526,211	482,088	44,123
Economic opportunity and development	185,729	185,729	185,288	441
Culture and recreation	2,456,234	2,558,789	2,382,005	176,784
Home and community services	152,429	163,950	129,706	34,244
Employee benefits	3,915,014	3,419,938	3,386,015	33,923
Total Expenditures	12,472,034	12,472,034	12,110,467	361,567
Excess (Deficiency) of Revenues Over Expenditures	(520,048)	(520,048)	528,981	1,049,029
OTHER FINANCING SOURCES (USES)				
Sale of real property	-	-	42,362	42,362
Transfers in	473,882	473,882	-	(473,882)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	473,882	473,882	42,362	(431,520)
Net Change in Fund Balance	(46,166)	(46,166)	571,343	617,509
FUND BALANCE				
Beginning of Year	46,166	46,166	4,148,894	4,102,728
End of Year	\$ -	\$ -	\$ 4,720,237	\$ 4,720,237

See independent auditors' report.

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 3,410,763	\$ 3,410,763	\$ 3,422,007	\$ 11,244
25,000	25,000	39,311	14,311
2,200,000	2,200,000	2,489,107	289,107
821,200	821,200	839,824	18,624
161,000	161,000	172,660	11,660
209,500	209,500	312,299	102,799
400,000	400,000	378,781	(21,219)
3,269,500	3,269,500	3,278,500	9,000
1,589,000	1,589,000	1,954,425	365,425
-	-	90,000	90,000
6,000	6,000	20,691	14,691
<u>12,091,963</u>	<u>12,091,963</u>	<u>12,997,605</u>	<u>905,642</u>
4,802,625	5,012,385	11,019,941	(6,007,556)
183,300	247,976	232,793	15,183
33,500	35,183	35,183	-
604,735	614,320	529,709	84,611
184,729	185,729	184,529	1,200
2,379,886	2,461,505	2,322,045	139,460
137,429	165,178	165,178	-
<u>3,753,657</u>	<u>3,357,441</u>	<u>3,153,170</u>	<u>204,271</u>
<u>12,079,861</u>	<u>12,079,717</u>	<u>17,642,548</u>	<u>(5,562,831)</u>
<u>12,102</u>	<u>12,246</u>	<u>(4,644,943)</u>	<u>(4,657,189)</u>
-	-	-	-
-	-	-	-
<u>(133,720)</u>	<u>(133,720)</u>	<u>-</u>	<u>133,720</u>
<u>(133,720)</u>	<u>(133,720)</u>	<u>-</u>	<u>133,720</u>
(121,618)	(121,474)	(4,644,943)	(4,523,469)
<u>121,618</u>	<u>121,474</u>	<u>8,793,837</u>	<u>8,672,363</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,148,894</u>	<u>\$ 4,148,894</u>

Town of Orangetown, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended December 31, 2016
 (With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
REAL PROPERTY TAXES	\$ 3,040,690	\$ 3,040,690	\$ 3,051,018	\$ 10,328	\$ 3,422,007
OTHER TAX ITEMS					
Interest and penalties on real property taxes	40,000	40,000	34,949	(5,051)	39,311
NON-PROPERTY TAXES					
Franchise fees	700,000	700,000	880,461	180,461	750,656
Non-property tax distribution from County	1,700,000	1,700,000	1,794,858	94,858	1,738,451
	2,400,000	2,400,000	2,675,319	275,319	2,489,107
DEPARTMENTAL INCOME					
Town Clerk fees	17,000	17,000	16,016	(984)	15,243
Engineering fees	-	-	12,789	12,789	53,219
Tax Collector fees	200,000	200,000	167,129	(32,871)	209,969
Parks and recreation charges	606,000	606,000	552,704	(53,296)	561,284
Public safety fees	200	200	50	(150)	109
	823,200	823,200	748,688	(74,512)	839,824
USE OF MONEY AND PROPERTY					
Earnings on investments	1,200	1,200	2,743	1,543	1,864
Rental of real property	180,000	180,000	170,120	(9,880)	170,796
	181,200	181,200	172,863	(8,337)	172,660
LICENSES AND PERMITS					
Bingo licenses	3,050	3,050	1,589	(1,461)	1,910
Dog licenses	5,000	5,000	4,725	(275)	4,929
Permits	200,000	200,000	230,050	30,050	296,885
Sanitation licenses	11,000	11,000	7,175	(3,825)	8,575
	219,050	219,050	243,539	24,489	312,299

FINES AND FORFEITURES

Fines and forfeited bail	<u>375,000</u>	<u>375,000</u>	<u>385,764</u>	<u>10,764</u>	<u>378,781</u>
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INTERFUND REVENUES

	<u>3,172,846</u>	<u>3,172,846</u>	<u>3,150,355</u>	<u>(22,491)</u>	<u>3,278,500</u>
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STATE AID

Per capita	190,000	190,000	190,000	-	190,000
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Mortgage tax	1,500,000	1,500,000	1,599,224	99,224	1,753,055
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School tax relief program	-	-	-	-	2,470
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Disaster assistance	-	-	-	-	8,900
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	<u>1,690,000</u>	<u>1,690,000</u>	<u>1,789,224</u>	<u>99,224</u>	<u>1,954,425</u>
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FEDERAL AID

Substance abuse education	-	-	123,000	123,000	90,000
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MISCELLANEOUS

Other - Enterprise fund	-	-	200,000	200,000	-
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Other	10,000	10,000	64,729	54,729	20,691
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	<u>10,000</u>	<u>10,000</u>	<u>264,729</u>	<u>254,729</u>	<u>20,691</u>
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TOTAL REVENUES

	<u>11,951,986</u>	<u>11,951,986</u>	<u>12,639,448</u>	<u>687,462</u>	<u>12,997,605</u>
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OTHER FINANCING SOURCES

Sale of real property	-	-	42,362	42,362	-
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Transfers in

Enterprise Fund

Blue Hill Golf Course	473,882	473,882	-	(473,882)	-
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TOTAL OTHER FINANCING SOURCES

	<u>473,882</u>	<u>473,882</u>	<u>42,362</u>	<u>(431,520)</u>	<u>-</u>
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**TOTAL REVENUES AND OTHER
FINANCING SOURCES**

	<u>\$ 12,425,868</u>	<u>\$ 12,425,868</u>	<u>\$ 12,681,810</u>	<u>\$ 255,942</u>	<u>\$ 12,997,605</u>
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Town of Orangetown, New York

General Fund
 Schedule of Expenditures Compared to Budget
 Year Ended December 31, 2016
 (With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 93,601	\$ 93,700	\$ 93,420	\$ 280	\$ 101,611
Town Justice	488,925	488,825	461,841	26,984	446,561
Supervisor	241,471	262,875	262,875	-	221,065
Finance	445,900	451,760	451,760	-	434,161
Independent audit	57,000	59,400	59,400	-	64,400
Receiver of Taxes	143,375	155,165	155,165	-	160,696
Assessor	493,829	520,929	520,929	-	497,090
Board of Assessment Review	8,400	8,400	7,428	972	8,400
Town Clerk	448,290	460,078	460,078	-	419,789
Town Attorney	686,299	686,299	666,700	19,599	668,440
Engineer	377,909	418,839	418,839	-	374,626
Buildings	538,262	555,638	555,638	-	542,448
Bond issuance costs	-	40,298	40,298	-	28,850
Central data processing	259,136	259,136	245,795	13,341	239,252
Election chargebacks - County	175,000	191,116	191,116	-	185,047
Allowance on interfund loans	-	-	-	-	6,052,007
Special items					
Unallocated insurance	147,000	147,000	147,000	-	140,000
Shared services	380,983	408,624	408,456	168	416,974
Municipal association dues	21,800	21,800	19,224	2,576	18,524
	<u>5,007,180</u>	<u>5,229,882</u>	<u>5,165,962</u>	<u>63,920</u>	<u>11,019,941</u>
PUBLIC SAFETY					
Traffic control	122,720	122,720	114,588	8,132	92,617
Control of animals	73,400	75,855	75,855	-	76,507
Substance abuse education	-	149,127	149,127	-	63,669
	<u>196,120</u>	<u>347,702</u>	<u>339,570</u>	<u>8,132</u>	<u>232,793</u>

HEALTH

Substance Abuse Council	33,500	39,833	39,833	-	35,183
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TRANSPORTATION

Superintendent of Highways	371,775	371,775	327,652	44,123	333,750
Highway garage	100,050	100,433	100,433	-	108,776
Sidewalks	54,003	54,003	54,003	-	87,183
	<u>525,828</u>	<u>526,211</u>	<u>482,088</u>	<u>44,123</u>	<u>529,709</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Veterans' services	10,000	10,000	10,000	-	10,000
Senior citizens programs	175,729	175,729	175,288	441	174,529
	<u>185,729</u>	<u>185,729</u>	<u>185,288</u>	<u>441</u>	<u>184,529</u>

CULTURE AND RECREATION

Recreation administration	397,458	397,458	394,139	3,319	392,771
Parks	886,479	886,479	836,825	49,654	775,111
Youth recreation	829,400	829,400	737,571	91,829	767,143
Special recreation facilities	115,000	129,731	129,731	-	149,506
Community based programs	2,500	2,500	1,145	1,355	524
Town Museum	130,197	130,198	114,606	15,592	125,249
Celebrations	31,700	40,293	40,293	-	60,209
Community College Chargebacks	-	79,230	79,230	-	-
Adult recreation	63,500	63,500	48,465	15,035	51,532
	<u>2,456,234</u>	<u>2,558,789</u>	<u>2,382,005</u>	<u>176,784</u>	<u>2,322,045</u>

HOME AND COMMUNITY SERVICES

Sanitation	67,429	78,950	78,950	-	78,093
Contract with vendors - Orangetown Housing Authority	85,000	85,000	50,756	34,244	87,085
	<u>152,429</u>	<u>163,950</u>	<u>129,706</u>	<u>34,244</u>	<u>165,178</u>

(Continued)

Town of Orangetown, New York

General Fund

Schedule of Expenditures Compared to Budget (Continued)

Year Ended December 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 814,546	\$ 874,281	\$ 874,281	\$ -	\$ 861,212
Social security	486,720	456,196	426,230	29,966	412,613
Hospitalization and dental insurance	2,248,373	1,693,562	1,692,629	933	1,559,469
Workers' compensation benefits	359,375	389,899	389,899	-	312,500
Unemployment benefits	6,000	6,000	2,976	3,024	7,376
	<u>3,915,014</u>	<u>3,419,938</u>	<u>3,386,015</u>	<u>33,923</u>	<u>3,153,170</u>
TOTAL EXPENDITURES	<u>\$ 12,472,034</u>	<u>\$ 12,472,034</u>	<u>\$ 12,110,467</u>	<u>\$ 361,567</u>	<u>\$ 17,642,548</u>

Town of Orangetown, New York

Town Outside Villages Fund
 Comparative Balance Sheet
 December 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 3,908,639	\$ 2,221,035
Receivables		
Accounts	41,411	66,348
Due from other governments	54,208	93,742
Due from other funds	8,953	1,967,450
	<u>104,572</u>	<u>2,127,540</u>
Prepaid expenditures	<u>842,450</u>	<u>852,680</u>
Total Assets	<u>\$ 4,855,661</u>	<u>\$ 5,201,255</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 566,623	\$ 520,617
Accrued liabilities	195,180	189,101
Due to other funds	270,669	1,596,857
Total Liabilities	<u>1,032,472</u>	<u>2,306,575</u>
Fund balance		
Nonspendable	842,450	852,680
Restricted	143,190	154,840
Assigned	2,837,549	1,887,160
Total Fund Balance	<u>3,823,189</u>	<u>2,894,680</u>
Total Liabilities and Fund Balance	<u>\$ 4,855,661</u>	<u>\$ 5,201,255</u>

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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, 2016
 (With Comparative Totals for 2015)

	Police	Other	Totals	
			2016	2015
REVENUES				
Real property taxes	\$ 23,212,639	\$ 1,993,107	\$ 25,205,746	\$ 25,698,050
Other tax items	233,898	58,474	292,372	193,736
Departmental income	212,325	1,865,294	2,077,619	1,775,618
Intergovernmental charges	13,185	109,672	122,857	141,229
Use of money and property	28,121	4,578	32,699	23,371
Sale of property and compensation for loss	5,275	-	5,275	12,000
State aid	19,997	75,710	95,707	109,100
Federal aid	21,292	-	21,292	22,385
Miscellaneous	96,137	-	96,137	189,274
Total Revenues	23,842,869	4,106,835	27,949,704	28,164,763
EXPENDITURES				
Current				
General government support	1,296,667	192,373	1,489,040	2,058,827
Public safety	13,852,834	1,013,770	14,866,604	15,863,451
Transportation	-	610,207	610,207	658,586
Home and community services	-	1,073,295	1,073,295	1,074,629
Employee benefits	8,312,704	669,345	8,982,049	8,576,104
Total Expenditures	23,462,205	3,558,990	27,021,195	28,231,597
Excess (Deficiency) of Revenues Over Expenditures	380,664	547,845	928,509	(66,834)
FUND BALANCES				
Beginning of Year	1,914,434	980,246	2,894,680	2,961,514
End of Year	\$ 2,295,098	\$ 1,528,091	\$ 3,823,189	\$ 2,894,680

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,

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 23,212,635	\$ 23,212,635	\$ 23,212,639	\$ 4
Other tax items	135,000	135,000	233,898	98,898
Departmental income	200,000	200,000	212,325	12,325
Intergovernmental charges	11,000	11,000	13,185	2,185
Use of money and property	17,000	17,000	28,121	11,121
Sale of property and compensation for loss	-	-	5,275	5,275
State aid	-	-	19,997	19,997
Federal aid	-	-	21,292	21,292
Miscellaneous	-	-	96,137	96,137
Total Revenues	23,575,635	23,575,635	23,842,869	267,234
EXPENDITURES				
Current				
General government support	1,285,456	1,296,667	1,296,667	-
Public safety	13,949,872	13,949,872	13,852,834	97,038
Employee benefits	8,686,352	8,675,141	8,312,704	362,437
Total Expenditures	23,921,680	23,921,680	23,462,205	459,475
Excess (Deficiency) of Revenues Over Expenditures	(346,045)	(346,045)	380,664	726,709
FUND BALANCE				
Beginning of Year	346,045	346,045	1,914,434	1,568,389
End of Year	\$ -	\$ -	\$ 2,295,098	\$ 2,295,098

See independent auditors' report.

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 23,426,613	\$ 23,426,613	\$ 23,500,864	\$ 74,251
132,500	132,500	154,989	22,489
150,000	150,000	224,795	74,795
11,000	11,000	13,002	2,002
15,000	15,000	20,099	5,099
-	-	12,000	12,000
-	-	33,390	33,390
-	-	22,385	22,385
-	-	189,274	189,274
<u>23,735,113</u>	<u>23,735,113</u>	<u>24,170,798</u>	<u>435,685</u>
1,793,220	1,794,522	1,794,522	-
14,012,172	14,841,879	14,841,879	-
8,571,050	7,917,358	7,917,358	-
<u>24,376,442</u>	<u>24,553,759</u>	<u>24,553,759</u>	<u>-</u>
(641,329)	(818,646)	(382,961)	435,685
<u>641,329</u>	<u>818,646</u>	<u>2,297,395</u>	<u>1,478,749</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,914,434</u>	<u>\$ 1,914,434</u>

Town of Orangetown, New York

Town Outside Villages Fund - Police
 Schedule of Revenues Compared to Budget
 Year Ended December 31, 2016
 (With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
REAL PROPERTY TAXES	\$ 23,212,635	\$ 23,212,635	\$ 23,212,639	\$ 4	\$ 23,500,864
OTHER TAX ITEMS					
Payments in lieu of taxes	85,000	85,000	155,115	70,115	85,706
Interest and penalties on real property taxes	50,000	50,000	78,783	28,783	69,283
	<u>135,000</u>	<u>135,000</u>	<u>233,898</u>	<u>98,898</u>	<u>154,989</u>
DEPARTMENTAL INCOME					
Police fees	200,000	200,000	212,325	12,325	224,795
INTERGOVERNMENTAL CHARGES					
Gasoline for other governments	11,000	11,000	13,185	2,185	13,002
USE OF MONEY AND PROPERTY					
Earnings on investments	17,000	17,000	28,121	11,121	20,099
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Sale of equipment	-	-	5,275	5,275	12,000
STATE AID					
D.W.I. Program	-	-	17,130	17,130	7,054
Disaster assistance	-	-	-	-	16,802
Other	-	-	2,867	2,867	9,534
	<u>-</u>	<u>-</u>	<u>19,997</u>	<u>19,997</u>	<u>33,390</u>

FEDERAL AID

Police drug enforcement grants

-	-	21,292	21,292	22,385
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MISCELLANEOUS

Gifts and donations

-	-	9,670	9,670	28,551
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County grant - narcotics

-	-	86,467	86,467	160,723
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-	-	96,137	96,137	189,274
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TOTAL REVENUES

<u>\$ 23,575,635</u>	<u>\$ 23,575,635</u>	<u>\$ 23,842,869</u>	<u>\$ 267,234</u>	<u>\$ 24,170,798</u>
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Town of Orangetown, New York

Town Outside Villages Fund - Police
 Schedule of Expenditures Compared to Budget
 Year Ended December 31, 2016
 (With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
GENERAL GOVERNMENT SUPPORT					
Independent audit	\$ 23,500	\$ 23,500	\$ 23,500	\$ -	\$ 23,500
Unallocated insurance	131,250	131,250	131,250	-	125,000
Metropolitan commuter transportation mobility tax	32,262	43,473	43,473	-	46,022
Reimbursement to General Fund for services	1,098,444	1,098,444	1,098,444	-	1,600,000
	<u>1,285,456</u>	<u>1,296,667</u>	<u>1,296,667</u>	<u>-</u>	<u>1,794,522</u>
PUBLIC SAFETY					
Police	13,939,228	13,939,228	13,844,416	94,812	14,823,946
Auxiliary police	10,644	10,644	8,418	2,226	17,933
	<u>13,949,872</u>	<u>13,949,872</u>	<u>13,852,834</u>	<u>97,038</u>	<u>14,841,879</u>
EMPLOYEE BENEFITS					
State retirement - Police	2,921,232	2,966,502	2,966,502	-	3,112,733
State retirement - Other	181,456	181,456	181,456	-	186,325
Social security	946,400	946,400	790,694	155,706	839,221
Life insurance	81,375	81,375	45,191	36,184	50,560
Hospitalization and dental insurance	4,104,264	3,777,114	3,611,323	165,791	3,332,692
Workers' compensation benefits	445,625	716,294	716,294	-	387,500
Unemployment benefits	6,000	6,000	1,244	4,756	8,327
	<u>8,686,352</u>	<u>8,675,141</u>	<u>8,312,704</u>	<u>362,437</u>	<u>7,917,358</u>
TOTAL EXPENDITURES	<u>\$ 23,921,680</u>	<u>\$ 23,921,680</u>	<u>\$ 23,462,205</u>	<u>\$ 459,475</u>	<u>\$ 24,553,759</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,

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 1,993,107	\$ 1,993,107	\$ 1,993,107	\$ -
Other tax items	33,000	33,000	58,474	25,474
Departmental income	1,496,500	1,496,500	1,865,294	368,794
Intergovernmental charges	90,000	90,000	109,672	19,672
Use of money and property	2,500	2,500	4,578	2,078
State aid	75,000	75,000	75,710	710
Total Revenues	3,690,107	3,690,107	4,106,835	416,728
EXPENDITURES				
Current				
General government support	190,836	192,373	192,373	-
Public safety	1,067,204	1,067,204	1,013,770	53,434
Transportation	550,000	610,207	610,207	-
Home and community services	1,128,305	1,128,306	1,073,295	55,011
Employee benefits	754,084	692,339	669,345	22,994
Total Expenditures	3,690,429	3,690,429	3,558,990	131,439
Excess (Deficiency) of Revenues Over Expenditures	(322)	(322)	547,845	548,167
FUND BALANCE				
Beginning of Year	322	322	980,246	979,924
End of Year	\$ -	\$ -	\$ 1,528,091	\$ 1,528,091

See independent auditors' report.

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,179,069	\$ 2,179,069	\$ 2,197,186	\$ 18,117
39,500	39,500	38,747	(753)
1,233,000	1,287,606	1,550,823	263,217
90,000	90,000	128,227	38,227
2,000	2,000	3,272	1,272
75,000	75,000	75,710	710
3,618,569	3,673,175	3,993,965	320,790
263,660	264,305	264,305	-
1,058,174	1,021,572	1,021,572	-
500,000	658,586	658,586	-
1,065,054	1,074,629	1,074,629	-
736,422	658,746	658,746	-
3,623,310	3,677,838	3,677,838	-
(4,741)	(4,663)	316,127	320,790
4,741	4,663	664,119	659,456
\$ -	\$ -	\$ 980,246	\$ 980,246

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Town of Orangetown, New York

Town Outside Villages Fund - Other
 Schedule of Revenues Compared to Budget
 Year Ended December 31, 2016
 (With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
REAL PROPERTY TAXES	<u>\$ 1,993,107</u>	<u>\$ 1,993,107</u>	<u>\$ 1,993,107</u>	<u>\$ -</u>	<u>\$ 2,197,186</u>
OTHER TAX ITEMS					
Payments in lieu of taxes	21,000	21,000	38,778	17,778	21,426
Interest and penalties on real property taxes	<u>12,000</u>	<u>12,000</u>	<u>19,696</u>	<u>7,696</u>	<u>17,321</u>
	<u>33,000</u>	<u>33,000</u>	<u>58,474</u>	<u>25,474</u>	<u>38,747</u>
DEPARTMENTAL INCOME					
Building permit fees	1,415,000	1,415,000	1,711,013	296,013	1,453,887
Zoning fees	26,500	26,500	34,925	8,425	33,925
Planning Board fees	<u>55,000</u>	<u>55,000</u>	<u>119,356</u>	<u>64,356</u>	<u>63,011</u>
	<u>1,496,500</u>	<u>1,496,500</u>	<u>1,865,294</u>	<u>368,794</u>	<u>1,550,823</u>
INTERGOVERNMENTAL CHARGES					
Recycling services for other governments	<u>90,000</u>	<u>90,000</u>	<u>109,672</u>	<u>19,672</u>	<u>128,227</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	<u>2,500</u>	<u>2,500</u>	<u>4,578</u>	<u>2,078</u>	<u>3,272</u>
STATE AID					
Per capita	<u>75,000</u>	<u>75,000</u>	<u>75,710</u>	<u>710</u>	<u>75,710</u>
TOTAL REVENUES	<u><u>\$ 3,690,107</u></u>	<u><u>\$ 3,690,107</u></u>	<u><u>\$ 4,106,835</u></u>	<u><u>\$ 416,728</u></u>	<u><u>\$ 3,993,965</u></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, 2016
 (With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
GENERAL GOVERNMENT SUPPORT					
Independent audit	\$ 2,500	\$ 2,500	\$ 2,500	\$ -	\$ 2,500
Unallocated insurance	21,000	21,000	21,000	-	20,000
Metropolitan commuter transportation mobility tax	3,201	4,738	4,738	-	4,805
Reimbursement to General Fund for services	164,135	164,135	164,135	-	237,000
	<u>190,836</u>	<u>192,373</u>	<u>192,373</u>	<u>-</u>	<u>264,305</u>
§ PUBLIC SAFETY					
Safety inspection	1,067,204	1,067,204	1,013,770	53,434	1,021,572
TRANSPORTATION					
Street lighting	550,000	610,207	610,207	-	658,586
HOME AND COMMUNITY SERVICES					
Zoning board of appeals	148,027	148,026	137,247	10,779	143,607
Historic area board of review	12,129	12,131	12,130	1	12,129
Planning board	179,352	179,352	173,922	5,430	174,627
Architectural and community board of review	24,484	24,484	24,159	325	23,152
Refuse and garbage	758,313	758,313	724,422	33,891	718,095
Shade trees	6,000	6,000	1,415	4,585	3,019
	<u>1,128,305</u>	<u>1,128,306</u>	<u>1,073,295</u>	<u>55,011</u>	<u>1,074,629</u>

EMPLOYEE BENEFITS

State retirement	173,573	178,721	178,721	-	183,518
Social security	125,466	125,466	106,185	19,281	107,852
Hospitalization and dental insurance	440,670	373,777	370,064	3,713	354,876
Workers' compensation benefits	14,375	14,375	14,375	-	12,500
	<u>754,084</u>	<u>692,339</u>	<u>669,345</u>	<u>22,994</u>	<u>658,746</u>
TOTAL EXPENDITURES	<u>\$ 3,690,429</u>	<u>\$ 3,690,429</u>	<u>\$ 3,558,990</u>	<u>\$ 131,439</u>	<u>\$ 3,677,838</u>

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Town of Orangetown, New York

Sewer Fund
Comparative Balance Sheet
December 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 2,900,769	\$ 1,957,022
Receivables		
Accounts	181,245	108,682
State and Federal aid	297,704	84,633
Due from other funds	-	2,159,322
	<u>478,949</u>	<u>2,352,637</u>
Prepaid expenditures	<u>167,329</u>	<u>174,882</u>
Total Assets	<u>\$ 3,547,047</u>	<u>\$ 4,484,541</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 494,163	\$ 603,854
Accrued liabilities	14,029	-
Due to other funds	<u>1,003,120</u>	<u>1,667,774</u>
Total Liabilities	<u>1,511,312</u>	<u>2,271,628</u>
Fund Balance		
Nonspendable	167,329	174,882
Assigned	<u>1,868,406</u>	<u>2,038,031</u>
Total Fund Balance	<u>2,035,735</u>	<u>2,212,913</u>
Total Liabilities and Fund Balance	<u>\$ 3,547,047</u>	<u>\$ 4,484,541</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,

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 6,419,965	\$ 6,419,965	\$ 6,422,156	\$ 2,191
Departmental income	870,000	870,000	1,125,205	255,205
Intergovernmental charges	1,095,000	1,095,000	772,018	(322,982)
Use of money and property	3,500	3,500	8,442	4,942
Sale of property and compensation for loss	-	-	4,775	4,775
State aid	-	-	250,000	250,000
Miscellaneous	-	-	24,110	24,110
Total Revenues	8,388,465	8,388,465	8,606,706	218,241
EXPENDITURES				
Current				
General government support				
Independent audit	9,000	9,000	9,000	-
Unallocated insurance	73,500	73,500	73,500	-
Reimbursement to the General Fund for services	725,397	725,397	722,121	3,276
	807,897	807,897	804,621	3,276
Home and community services				
Sewer administration	1,047,772	932,632	776,772	155,860
Sewage collection and industrial pre-treatment	1,628,391	1,680,429	1,680,429	-
Sewage treatment and disposal	2,769,322	2,868,496	2,868,496	-
	5,445,485	5,481,557	5,325,697	155,860
Employee benefits				
State retirement	618,521	697,334	697,334	-
Social security	313,664	313,664	249,793	63,871
Hospitalization and dental insurance	1,170,963	1,056,078	1,056,078	-
Workers' compensation benefits	172,500	650,361	650,361	-
	2,275,648	2,717,437	2,653,566	63,871
Total Expenditures	8,529,030	9,006,891	8,783,884	223,007
Excess (Deficiency) of Revenues Over Expenditures	(140,565)	(618,426)	(177,178)	441,248
FUND BALANCE				
Beginning of Year	140,565	618,426	2,212,913	1,594,487
End of Year	\$ -	\$ -	\$ 2,035,735	\$ 2,035,735

See independent auditors' report.

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 6,137,637	\$ 6,137,637	\$ 6,139,871	\$ 2,234
968,000	1,059,367	1,551,307	491,940
895,000	895,000	954,188	59,188
3,500	3,500	5,503	2,003
-	-	-	-
-	-	37,473	37,473
100,000	100,000	-	(100,000)
<u>8,104,137</u>	<u>8,195,504</u>	<u>8,688,342</u>	<u>492,838</u>
9,000	9,000	9,000	-
70,000	70,000	70,000	-
<u>566,560</u>	<u>564,148</u>	<u>564,148</u>	<u>-</u>
<u>645,560</u>	<u>643,148</u>	<u>643,148</u>	<u>-</u>
967,407	948,711	948,711	-
1,686,670	1,910,172	1,910,172	-
<u>2,624,233</u>	<u>2,735,622</u>	<u>2,735,622</u>	<u>-</u>
<u>5,278,310</u>	<u>5,594,505</u>	<u>5,594,505</u>	<u>-</u>
677,974	644,719	644,719	-
301,600	259,594	259,594	-
1,106,800	959,645	959,645	-
<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
<u>2,236,374</u>	<u>2,013,958</u>	<u>2,013,958</u>	<u>-</u>
<u>8,160,244</u>	<u>8,251,611</u>	<u>8,251,611</u>	<u>-</u>
(56,107)	(56,107)	436,731	492,838
<u>56,107</u>	<u>56,107</u>	<u>1,776,182</u>	<u>1,720,075</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,212,913</u>	<u>\$ 2,212,913</u>

Town of Orangetown, New York

Highway Fund
 Comparative Balance Sheet
 December 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 2,920,672	\$ 333,947
Receivables		
Accounts	75,890	19,767
State and Federal aid	279,461	271,058
Due from other governments	-	2,822
Due from other funds	<u>24,066</u>	<u>6,242,516</u>
	<u>379,417</u>	<u>6,536,163</u>
Prepaid expenditures	<u>195,901</u>	<u>214,864</u>
Total Assets	<u>\$ 3,495,990</u>	<u>\$ 7,084,974</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 309,397	\$ 382,047
Accrued liabilities	2,491	-
Due to other funds	<u>1,252,156</u>	<u>3,590,197</u>
Total Liabilities	<u>1,564,044</u>	<u>3,972,244</u>
Fund balance		
Nonspendable	195,901	214,864
Assigned	<u>1,736,045</u>	<u>2,897,866</u>
Total Fund Balance	<u>1,931,946</u>	<u>3,112,730</u>
Total Liabilities and Fund Balance	<u>\$ 3,495,990</u>	<u>\$ 7,084,974</u>

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, 2016

(With Comparative Totals for 2015)

	Part-Town	Town-Wide	Totals	
			2016	2015
REVENUES				
Real property taxes	\$ 4,846,524	\$ 3,956,694	\$ 8,803,218	\$ 8,996,610
Intergovernmental charges	8,870	65,438	74,308	184,285
Use of money and property	5,567	4,555	10,122	6,909
Sale of property and compensation for loss	-	57,567	57,567	88,727
Interfund revenues	-	18,884	18,884	59,248
State aid	181,012	215,397	396,409	432,357
Federal aid	-	-	-	131,304
Miscellaneous	172,605	7,420	180,025	241,886
Total Revenues	5,214,578	4,325,955	9,540,533	10,141,326
EXPENDITURES				
Current				
General government support	601,363	493,118	1,094,481	777,968
Transportation	3,449,965	2,960,223	6,410,188	6,752,441
Employee benefits	1,534,044	1,314,560	2,848,604	2,612,437
Total Expenditures	5,585,372	4,767,901	10,353,273	10,142,846
Deficiency of Revenues Over Expenditures	(370,794)	(441,946)	(812,740)	(1,520)
OTHER FINANCING USES				
Transfers out	-	(368,044)	(368,044)	-
Net Change in Fund Balances	(370,794)	(809,990)	(1,180,784)	(1,520)
FUND BALANCES				
Beginning of Year	810,337	2,302,393	3,112,730	3,114,250
End of Year	\$ 439,543	\$ 1,492,403	\$ 1,931,946	\$ 3,112,730

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,

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 4,846,524	\$ 4,846,524	\$ 4,846,524	\$ -
Intergovernmental charges	17,500	17,500	8,870	(8,630)
Use of money and property	3,000	3,000	5,567	2,567
State aid	474,807	474,807	181,012	(293,795)
Federal aid	-	-	-	-
Miscellaneous	197,000	197,000	172,605	(24,395)
Total Revenues	<u>5,538,831</u>	<u>5,538,831</u>	<u>5,214,578</u>	<u>(324,253)</u>
EXPENDITURES				
Current				
General government support				
Unallocated insurance	54,600	54,600	54,600	-
Metropolitan commuter transportation mobility tax	6,699	9,562	9,562	-
Reimbursement to General Fund for services	537,201	537,201	537,201	-
	<u>598,500</u>	<u>601,363</u>	<u>601,363</u>	<u>-</u>
Transportation				
General repairs	3,164,872	3,244,702	3,242,412	2,290
Permanent improvements	274,532	269,725	207,553	62,172
	<u>3,439,404</u>	<u>3,514,427</u>	<u>3,449,965</u>	<u>64,462</u>
Employee benefits				
State retirement	387,565	421,500	421,500	-
Social security	237,952	206,916	206,916	-
Hospitalization and dental insurance	843,382	762,597	762,597	-
Workers' compensation benefits	86,250	143,031	143,031	-
	<u>1,555,149</u>	<u>1,534,044</u>	<u>1,534,044</u>	<u>-</u>
Total Expenditures	<u>5,593,053</u>	<u>5,649,834</u>	<u>5,585,372</u>	<u>64,462</u>
Excess (Deficiency) of Revenues Over Expenditures	(54,222)	(111,003)	(370,794)	(259,791)
FUND BALANCE				
Beginning of Year	<u>54,222</u>	<u>111,003</u>	<u>810,337</u>	<u>699,334</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 439,543</u>	<u>\$ 439,543</u>

See independent auditors' report.

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,016,375	\$ 5,016,375	\$ 5,016,423	\$ 48
25,000	25,000	12,953	(12,047)
2,000	2,000	3,800	1,800
274,807	274,807	52,827	(221,980)
-	-	131,304	131,304
150,000	150,000	233,921	83,921
<u>5,468,182</u>	<u>5,468,182</u>	<u>5,451,228</u>	<u>(16,954)</u>
52,000	52,000	52,000	-
9,360	9,718	9,718	-
<u>367,000</u>	<u>367,000</u>	<u>367,000</u>	<u>-</u>
<u>428,360</u>	<u>428,718</u>	<u>428,718</u>	<u>-</u>
3,269,220	3,478,919	3,478,919	-
<u>274,807</u>	<u>165,477</u>	<u>8,589</u>	<u>156,888</u>
<u>3,544,027</u>	<u>3,644,396</u>	<u>3,487,508</u>	<u>156,888</u>
424,818	424,818	409,769	15,049
228,800	228,800	209,426	19,374
797,580	693,059	693,059	-
<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
<u>1,526,198</u>	<u>1,421,677</u>	<u>1,387,254</u>	<u>34,423</u>
<u>5,498,585</u>	<u>5,494,791</u>	<u>5,303,480</u>	<u>191,311</u>
(30,403)	(26,609)	147,748	174,357
<u>30,403</u>	<u>26,609</u>	<u>662,589</u>	<u>635,980</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 810,337</u>	<u>\$ 810,337</u>

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,

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 3,956,686	\$ 3,956,686	\$ 3,956,694	\$ 8
Intergovernmental charges	218,000	218,000	65,438	(152,562)
Use of money and property	2,500	2,500	4,555	2,055
Sale of property and compensation for loss	15,000	15,000	57,567	42,567
Interfund revenues	-	-	18,884	18,884
State aid	-	-	215,397	215,397
Miscellaneous	8,000	8,000	7,420	(580)
Total Revenues	4,200,186	4,200,186	4,325,955	125,769
EXPENDITURES				
Current				
General government support				
Unallocated insurance	46,200	46,200	46,200	-
Metropolitan commuter transportation mobility tax	4,843	7,390	7,390	-
Reimbursement to General Fund for services	439,528	439,528	439,528	-
	490,571	493,118	493,118	-
Transportation				
General repairs	5,000	5,000	-	5,000
Machinery	528,950	528,950	456,268	72,682
Brush and weeds	1,662,725	1,662,725	1,634,805	27,920
Snow removal	1,060,275	888,520	869,150	19,370
	3,256,950	3,085,195	2,960,223	124,972
Employee benefits				
State retirement	372,366	385,663	385,663	-
Social security	227,136	166,285	166,285	-
Unemployment benefits	25,000	2,838	2,838	-
Hospitalization and dental insurance	745,863	616,743	616,743	-
Workers' compensation benefits	86,250	143,031	143,031	-
	1,456,615	1,314,560	1,314,560	-
Total Expenditures	5,204,136	4,892,873	4,767,901	124,972
Deficiency of Revenues Over Expenditures	(1,003,950)	(692,687)	(441,946)	250,741
OTHER FINANCING USES				
Transfers out	-	(368,044)	(368,044)	-
Net Change in Fund Balance	(1,003,950)	(1,060,731)	(809,990)	250,741
FUND BALANCE				
Beginning of Year	1,003,950	1,060,731	2,302,393	1,241,662
End of Year	\$ -	\$ -	\$ 1,492,403	\$ 1,492,403

See independent auditors' report.

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 3,980,187	\$ 3,980,187	\$ 3,980,187	\$ -
218,000	218,000	171,332	(46,668)
2,000	2,000	3,109	1,109
20,000	20,000	88,727	68,727
-	-	59,248	59,248
-	-	379,530	379,530
6,000	6,000	7,965	1,965
<u>4,226,187</u>	<u>4,226,187</u>	<u>4,690,098</u>	<u>463,911</u>
44,000	44,000	44,000	-
8,840	7,250	7,250	-
<u>298,000</u>	<u>298,000</u>	<u>298,000</u>	<u>-</u>
<u>350,840</u>	<u>349,250</u>	<u>349,250</u>	<u>-</u>
6,900	7,005	7,005	-
357,202	442,265	442,265	-
1,643,686	1,312,062	1,312,062	-
1,049,603	1,503,601	1,503,601	-
<u>3,057,391</u>	<u>3,264,933</u>	<u>3,264,933</u>	<u>-</u>
408,158	393,700	393,700	-
218,400	163,131	163,131	-
20,000	20,766	20,766	-
710,500	573,419	572,586	833
75,000	75,000	75,000	-
<u>1,432,058</u>	<u>1,226,016</u>	<u>1,225,183</u>	<u>833</u>
<u>4,840,289</u>	<u>4,840,199</u>	<u>4,839,366</u>	<u>833</u>
(614,102)	(614,012)	(149,268)	464,744
-	-	-	-
(614,102)	(614,012)	(149,268)	464,744
<u>614,102</u>	<u>614,012</u>	<u>2,451,661</u>	<u>1,837,649</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,302,393</u>	<u>\$ 2,302,393</u>

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Town of Orangetown, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 1,616,595	\$ 1,076,374
Due from other funds	<u>1,373,168</u>	<u>4,567,146</u>
Total Assets	<u>\$ 2,989,763</u>	<u>\$ 5,643,520</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	<u>\$ 2,289</u>	<u>\$ 2,483,699</u>
Fund balance		
Restricted	2,187,474	1,959,821
Assigned	<u>800,000</u>	<u>1,200,000</u>
Total Fund Balance	<u>2,987,474</u>	<u>3,159,821</u>
Total Liabilities and Fund Balance	<u>\$ 2,989,763</u>	<u>\$ 5,643,520</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,

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 5,217,911	\$ 5,217,911	\$ 5,211,127	\$ (6,784)
Use of money and property	10,000	10,000	22,570	12,570
Miscellaneous	-	-	287,555	287,555
Total Revenues	5,227,911	5,227,911	5,521,252	293,341
EXPENDITURES				
Current				
General government support	105,503	130,516	130,516	-
Debt service				
Principal				
Serial bonds	4,417,597	4,491,237	3,913,487	577,750
Energy performance contract	145,627	145,627	145,627	-
	4,563,224	4,636,864	4,059,114	577,750
Interest				
Serial bonds	1,670,226	1,571,573	1,415,011	156,562
Energy performance contract	69,686	69,686	69,686	-
	1,739,912	1,641,259	1,484,697	156,562
Refunding bond issuance costs	-	-	-	-
Total Expenditures	6,408,639	6,408,639	5,674,327	734,312
Excess (Deficiency) of Revenues Over Expenditures	(1,180,728)	(1,180,728)	(153,075)	1,027,653
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Issuance premium	-	-	-	-
Transfers in	275,881	275,881	275,881	-
Transfers out	(295,153)	(295,153)	(295,153)	-
Total Other Financing Uses	(19,272)	(19,272)	(19,272)	-
Net Change in Fund Balance	(1,200,000)	(1,200,000)	(172,347)	1,027,653
FUND BALANCE				
Beginning of Year	1,200,000	1,200,000	3,159,821	1,959,821
End of Year	\$ -	\$ -	\$ 2,987,474	\$ 2,987,474

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 6,061,916	\$ 6,061,916	\$ 6,061,916	\$ -
3,000	3,000	16,284	13,284
-	-	217,537	217,537
<u>6,064,916</u>	<u>6,064,916</u>	<u>6,295,737</u>	<u>230,821</u>
126,399	126,399	126,399	-
3,868,894	3,868,894	3,868,894	-
138,783	138,783	138,783	-
<u>4,007,677</u>	<u>4,007,677</u>	<u>4,007,677</u>	<u>-</u>
1,542,909	1,542,909	1,476,038	66,871
76,530	76,530	76,530	-
<u>1,619,439</u>	<u>1,619,439</u>	<u>1,552,568</u>	<u>66,871</u>
-	20,850	20,850	-
<u>5,753,515</u>	<u>5,774,365</u>	<u>5,707,494</u>	<u>66,871</u>
<u>311,401</u>	<u>290,551</u>	<u>588,243</u>	<u>297,692</u>
-	1,424,930	1,424,930	-
-	(1,455,220)	(1,455,220)	-
-	51,140	51,140	-
-	-	-	-
<u>(311,401)</u>	<u>(311,401)</u>	<u>(311,401)</u>	<u>-</u>
<u>(311,401)</u>	<u>(290,551)</u>	<u>(290,551)</u>	<u>-</u>
-	-	297,692	297,692
-	-	2,862,129	2,862,129
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,159,821</u>	<u>\$ 3,159,821</u>

Town of Orangetown, New York

Capital Projects Fund
 Comparative Balance Sheet
 December 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 1,935,840	\$ 8,397,824
Restricted investments	703,974	1,235,892
Receivables		
State and Federal aid	1,633,985	544,398
Due from other funds	1,152,769	749,028
	<u>2,786,754</u>	<u>1,293,426</u>
Total Assets	<u>\$ 5,426,568</u>	<u>\$ 10,927,142</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 947,195	\$ 275,948
Due to other funds	-	5,689,477
Total Liabilities	<u>947,195</u>	<u>5,965,425</u>
Fund balance		
Restricted	4,412,484	4,894,828
Committed	66,889	66,889
Total Fund Balance	<u>4,479,373</u>	<u>4,961,717</u>
Total Liabilities and Fund Balance	<u>\$ 5,426,568</u>	<u>\$ 10,927,142</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>2016</u>	<u>2015</u>
REVENUES		
State aid	\$ 413,432	\$ 868,070
Federal aid	915,142	86,268
Miscellaneous	-	705,998
	<u>1,328,574</u>	<u>1,660,336</u>
EXPENDITURES		
Capital outlay	<u>5,010,581</u>	<u>4,766,612</u>
Deficiency of Revenues Over Expenditures	<u>(3,682,007)</u>	<u>(3,106,276)</u>
OTHER FINANCING SOURCES (USES)		
Loans issued	-	1,500,000
Bonds issued	3,107,500	2,700,000
Transfers in	368,044	-
Transfers out	<u>(275,881)</u>	<u>-</u>
Total Other Financing Sources	<u>3,199,663</u>	<u>4,200,000</u>
Net Change in Fund Balance	(482,344)	1,093,724
FUND BALANCE		
Beginning of Year	<u>4,961,717</u>	<u>3,867,993</u>
End of Year	<u>\$ 4,479,373</u>	<u>\$ 4,961,717</u>

See independent auditors' report.

Town of Orangetown, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through December 31, 2016

Project	Project Budget	Expenditures and Transfers	Unexpended Balance
Sewer Reconstruction - 2005/2006	\$ 50,928,262	\$ 50,123,262	\$ 805,000
Energy Performance Project	2,475,000	2,285,060	189,940
Sidewalks	1,598,000	1,549,229	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	1,001,388	1,223,612
Pearl River Pedestrian Link	1,899,859	126,688	1,773,171
Highway Resurfacing	2,700,000	1,821,103	878,897
Sewer Improvements - Nyack Inflow and Infiltration	2,000,000	1,112,323	887,677
Greenbush Road Bicycle Bypass	125,000	6,800	118,200
Improvements to Various Parks and Recreation Areas	380,500	86,109	294,391
Communication Equipment for the Police Department	135,000	-	135,000
Machinery and Equipment	2,087,000	1,479,786	607,216
Purchase of Replacement Vehicles	55,000	-	55,000
Purchase of Various Equipment	120,000	-	120,000
Purchase of Replacement Police Vehicles	280,000	245,142	34,858
Purchase of Weapons for the Police Department	50,000	-	50,000
Totals	\$ 73,285,621	\$ 65,161,768	\$ 8,123,855

See independent auditors' report.

Revenues and Other Financing Sources	Fund Balance at December 31, 2016
\$ 50,123,262	\$ -
2,285,060	-
1,549,229	-
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	1,223,612
136,796	10,108
2,700,000	878,897
1,500,000	387,677
6,800	-
380,500	294,391
135,000	135,000
2,087,000	607,214
55,000	55,000
120,000	120,000
280,000	34,858
50,000	50,000
<u>\$ 69,574,252</u>	<u>\$ 4,412,484</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, 2016
 (With Comparative Totals for 2015)

	Special Districts	Pearl River Parking	Special Purpose
ASSETS			
Cash and equivalents	\$ 305,368	\$ 252,220	\$ 188,691
Receivables			
Accounts	-	1,509	-
Due from other funds	-	103	-
	-	1,612	-
Total Assets	<u>\$ 305,368</u>	<u>\$ 253,832</u>	<u>\$ 188,691</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 68,739	\$ 3,421	\$ -
Due to other governments	40,997	-	-
Due to other funds	-	-	-
Total Liabilities	<u>109,736</u>	<u>3,421</u>	<u>-</u>
Fund balances			
Restricted	-	-	188,691
Assigned	<u>195,632</u>	<u>250,411</u>	<u>-</u>
Total Fund Balances	<u>195,632</u>	<u>250,411</u>	<u>188,691</u>
Total Liabilities and Fund Balances	<u>\$ 305,368</u>	<u>\$ 253,832</u>	<u>\$ 188,691</u>

See independent auditors' report.

Total Non-Major
Governmental Funds

<u>2016</u>	<u>2015</u>
<u>\$ 746,279</u>	<u>\$ 496,148</u>
1,509	3,187
<u>103</u>	<u>216,731</u>
<u>1,612</u>	<u>219,918</u>
<u>\$ 747,891</u>	<u>\$ 716,066</u>
\$ 72,160	\$ 5,938
40,997	40,997
<u>-</u>	<u>12,588</u>
<u>113,157</u>	<u>59,523</u>
188,691	187,753
<u>446,043</u>	<u>468,790</u>
<u>634,734</u>	<u>656,543</u>
<u>\$ 747,891</u>	<u>\$ 716,066</u>

Town of Orangetown, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2016
(With Comparative Totals for 2015)

	Special Districts	Pearl River Parking	Special Purpose
REVENUES			
Real property taxes	\$ 2,031,145	\$ -	\$ -
Departmental income	-	106,386	-
Use of money and property	911	-	88
Miscellaneous	-	-	27,000
	<u>2,032,056</u>	<u>106,386</u>	<u>27,088</u>
EXPENDITURES			
Current			
Public safety	811,200	-	-
Health	400,000	-	-
Transportation	-	108,390	-
Culture and recreation	-	-	26,150
Home and community services	841,599	-	-
	<u>2,052,799</u>	<u>108,390</u>	<u>26,150</u>
Excess (Deficiency) of Revenues Over Expenditures	(20,743)	(2,004)	938
FUND BALANCES			
Beginning of Year	<u>216,375</u>	<u>252,415</u>	<u>187,753</u>
End of Year	<u>\$ 195,632</u>	<u>\$ 250,411</u>	<u>\$ 188,691</u>

See independent auditors' report.

Total Non-Major
Governmental Funds

2016	2015
\$ 2,031,145	\$ 2,014,391
106,386	131,255
999	1,361
27,000	99,000
<u>2,165,530</u>	<u>2,246,007</u>
811,200	811,940
400,000	400,000
108,390	89,498
26,150	60,525
<u>841,599</u>	<u>836,363</u>
<u>2,187,339</u>	<u>2,198,326</u>
(21,809)	47,681
<u>656,543</u>	<u>608,862</u>
<u>\$ 634,734</u>	<u>\$ 656,543</u>

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Town of Orangetown, New York

Special Districts Fund
Comparative Balance Sheet
December 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 305,368	\$ 59,825
Due from other funds	<u>-</u>	<u>198,683</u>
Total Assets	<u><u>\$ 305,368</u></u>	<u><u>\$ 258,508</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 68,739	\$ -
Due to other governments	40,997	40,997
Due to other funds	<u>-</u>	<u>1,136</u>
Total Liabilities	109,736	42,133
Fund balance		
Assigned	<u>195,632</u>	<u>216,375</u>
Total Liabilities and Fund Balance	<u><u>\$ 305,368</u></u>	<u><u>\$ 258,508</u></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, 2016
 (With Comparative Totals for 2015)

	Water	Blauvelt Fire Protection	South Orangetown Ambulance
REVENUES			
Real property taxes	\$ 821,145	\$ 810,000	\$ 400,000
Use of money and property	911	-	-
Total Revenues	<u>822,056</u>	<u>810,000</u>	<u>400,000</u>
EXPENDITURES			
Current			
Public safety	-	811,200	-
Health	-	-	400,000
Home and community services	841,599	-	-
Total Expenditures	<u>841,599</u>	<u>811,200</u>	<u>400,000</u>
Deficiency of Revenues Over Expenditures	(19,543)	(1,200)	-
FUND BALANCES (DEFICITS)			
Beginning of Year	<u>105,357</u>	<u>111,358</u>	<u>(340)</u>
End of Year	<u>\$ 85,814</u>	<u>\$ 110,158</u>	<u>\$ (340)</u>

See independent auditors' report.

Totals	
2016	2015
\$ 2,031,145	\$ 2,014,391
911	1,343
<u>2,032,056</u>	<u>2,015,734</u>
811,200	811,940
400,000	400,000
<u>841,599</u>	<u>836,363</u>
<u>2,052,799</u>	<u>2,048,303</u>
(20,743)	(32,569)
<u>216,375</u>	<u>248,944</u>
<u>\$ 195,632</u>	<u>\$ 216,375</u>

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Town of Orangetown, New York

Pearl River Parking Fund
Comparative Balance Sheet
December 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 252,220	\$ 259,089
Receivables		
Accounts	1,509	3,187
Due from other funds	<u>103</u>	<u>7,529</u>
	<u>1,612</u>	<u>10,716</u>
Total Assets	<u>\$ 253,832</u>	<u>\$ 269,805</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 3,421	\$ 5,938
Due to other funds	<u>-</u>	<u>11,452</u>
Total Liabilities	3,421	17,390
Fund balance		
Assigned	<u>250,411</u>	<u>252,415</u>
Total Liabilities and Fund Balance	<u>\$ 253,832</u>	<u>\$ 269,805</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,

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 117,358	\$ 117,358	\$ 106,386	\$ (10,972)
EXPENDITURES				
Current				
Transportation	117,358	120,766	108,390	\$ 12,376
Excess (Deficiency) of Revenues Over Expenditures	-	(3,408)	(2,004)	1,404
FUND BALANCE				
Beginning of Year	-	3,408	252,415	249,007
End of Year	\$ -	\$ -	\$ 250,411	\$ 250,411

See independent auditors' report.

2015

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ 120,000	\$ 120,000	\$ 131,255	\$ 11,255
<u>120,000</u>	<u>120,000</u>	<u>89,498</u>	<u>30,502</u>
-	-	41,757	41,757
<u>-</u>	<u>-</u>	<u>210,658</u>	<u>210,658</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252,415</u>	<u>\$ 252,415</u>

Town of Orangetown, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 188,691	\$ 177,234
Due from other funds	<u>-</u>	<u>10,519</u>
 Total Assets	 <u>\$ 188,691</u>	 <u>\$ 187,753</u>
 FUND BALANCE		
Restricted	 <u>\$ 188,691</u>	 <u>\$ 187,753</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>2016</u>	<u>2015</u>
REVENUES		
Use of money and property	\$ 88	\$ 18
Miscellaneous	<u>27,000</u>	<u>99,000</u>
Total Revenues	27,088	99,018
EXPENDITURES		
Culture and recreation	<u>26,150</u>	<u>60,525</u>
Excess of Revenues Over Expenditures	938	38,493
FUND BALANCE		
Beginning of Year	<u>187,753</u>	<u>149,260</u>
End of Year	<u>\$ 188,691</u>	<u>\$ 187,753</u>

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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,

	2016	2015
ASSETS		
Current assets		
Cash and equivalents	\$ 1,057,259	\$ 725,128
Receivables		
Accounts	77,009	62,633
Due from other funds	1,046,014	1,006,224
	<u>1,123,023</u>	<u>1,068,857</u>
Prepaid expenses	6,699	41,767
Total Current Assets	<u>2,186,981</u>	<u>1,835,752</u>
Noncurrent assets		
Capital assets		
Land	3,071,006	3,071,006
Buildings and improvements	835,062	835,062
Improvements other than buildings	6,384,827	6,323,827
Machinery and equipment	1,762,455	1,762,455
	<u>12,053,350</u>	<u>11,992,350</u>
Less - Accumulated depreciation	<u>(7,075,686)</u>	<u>(6,793,103)</u>
Total Noncurrent Assets	<u>4,977,664</u>	<u>5,199,247</u>
Total Assets	<u>7,164,645</u>	<u>7,034,999</u>
LIABILITIES		
Current liabilities		
Accounts payable	62,474	59,667
Accrued interest payable	8,140	8,866
Due to other governments	431	2,068
Due to other funds	1,944,472	1,729,997
Unearned revenues	32,416	31,154
Current maturities of bonds payable	82,416	80,465
Current maturities of loan payable	200,000	200,000
Current portion of compensated absences	-	4,000
Total Current Liabilities	<u>2,330,349</u>	<u>2,116,217</u>
Noncurrent liabilities		
Bonds payable, less current maturities	849,526	931,942
Loan payable, less current maturities	3,084,934	3,284,934
Compensated absences, less current portion	-	36,121
Other post employment benefit obligations payable	624,306	590,946
Total Noncurrent Liabilities	<u>4,558,766</u>	<u>4,843,943</u>
Total Liabilities	<u>6,889,115</u>	<u>6,960,160</u>
NET POSITION		
Net investment in capital assets	4,045,722	4,186,840
Unrestricted	<u>(3,770,192)</u>	<u>(4,112,001)</u>
Total Net Position	<u>\$ 275,530</u>	<u>\$ 74,839</u>

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,

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Greens fees	\$ 1,896,579	\$ 1,903,009
Cart rental	511,974	603,426
Facility rental	18,000	55,000
Permit cards	140,735	119,495
Other income	38,477	748
	<u>2,605,765</u>	<u>2,681,678</u>
OPERATING EXPENSES		
Personal services	106,448	990,902
Landscaping materials	-	38,918
Office expenses and printing	-	533
Rental of equipment	83,592	83,592
Automobile maintenance and supplies	-	68,357
Repairs and maintenance	26,949	25,156
Utilities	22,829	101,236
Chemicals	98	83,538
Contractual and other	1,745,877	547,239
Employee benefits	218,474	832,020
Depreciation	282,583	370,659
	<u>2,486,850</u>	<u>3,142,150</u>
Income (Loss) from Operations	<u>118,915</u>	<u>(460,472)</u>
NON-OPERATING REVENUES (EXPENSES)		
Other post employment benefit obligations reclassification	-	1,331,474
Interest income	585	258
Interest expense	(29,077)	(27,664)
	<u>(28,492)</u>	<u>1,304,068</u>
Total Non-Operating Revenues (Expenses)	<u>(28,492)</u>	<u>1,304,068</u>
Income Before Transfers	90,423	843,596
Transfers In	110,268	111,172
Change in Net Position	200,691	954,768
NET POSITION		
Beginning of Year	<u>74,839</u>	<u>(879,929)</u>
End of Year	<u>\$ 275,530</u>	<u>\$ 74,839</u>

Town of Orangetown, New York

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

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 2,592,651	\$ 2,660,805
Cash payments to vendors	(1,676,705)	(585,885)
Cash payments to employees	(323,400)	(1,510,177)
Net Cash from Operating Activities	<u>592,546</u>	<u>564,743</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Loans and advances from other funds	-	1,371
Repayment of loan from other funds	(200,000)	-
Transfers in	110,268	111,172
Net Cash from Non-Capital Financing Activities	<u>(89,732)</u>	<u>112,543</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on bonds	(80,465)	(289,058)
Interest paid on indebtedness	(29,803)	(38,414)
Acquisition and construction of capital assets	(61,000)	(11,282)
Net Cash from Capital and Related Financing Activities	<u>(171,268)</u>	<u>(338,754)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	585	258
Net Change in Cash and Equivalents	332,131	338,790
CASH AND EQUIVALENTS		
Beginning of Year	<u>725,128</u>	<u>386,338</u>
End of Year	<u>\$ 1,057,259</u>	<u>\$ 725,128</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (loss) from operations	\$ 118,915	\$ (460,472)
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Depreciation	282,583	370,659
Changes in assets and liabilities		
Accounts receivable	(14,376)	(23,500)
Due from other funds	(39,790)	(9,594)
Prepaid expenses	35,068	(10,883)
Accounts payable	2,807	(30,653)
Due to other governments	(1,637)	1,440
Due to other funds	214,475	412,374
Unearned revenues	1,262	2,627
Compensated absences	(40,121)	(12,508)
Other post employment benefit obligations payable	33,360	325,253
Net Cash from Operating Activities	<u>\$ 592,546</u>	<u>\$ 564,743</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Amortization of bond premium	\$ 9,029	\$ 9,029
Other post employment benefit obligations reclassification	-	1,331,474

See independent auditors' report.

Town of Orangetown, New York

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

	2016	2015
ASSETS		
Current assets		
Cash and equivalents	\$ 90,949	\$ 185,103
Receivables		
Accounts	3,047	3,047
Due from other funds	63,993	60,362
	<u>67,040</u>	<u>63,409</u>
Total Current Assets	<u>157,989</u>	<u>248,512</u>
Noncurrent assets		
Capital assets		
Land	2,382,819	2,382,819
Buildings and improvements	352,216	352,216
Improvements other than buildings	259,721	259,721
Machinery and equipment	182,910	182,910
	<u>3,177,666</u>	<u>3,177,666</u>
Less - Accumulated depreciation	<u>(490,463)</u>	<u>(467,832)</u>
Total Noncurrent Assets	<u>2,687,203</u>	<u>2,709,834</u>
Total Assets	<u>2,845,192</u>	<u>2,958,346</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts on refunding of bonds	<u>128,453</u>	<u>136,480</u>
LIABILITIES		
Current liabilities		
Accounts payable	71,397	70,166
Accrued interest payable	35,748	52,744
Due to other governments	63	278
Due to other funds	135,121	125,324
Current maturities of bonds payable	120,060	96,048
	<u>362,389</u>	<u>344,560</u>
Total Current Liabilities	<u>362,389</u>	<u>344,560</u>
Noncurrent liabilities		
Bonds payable, less current maturities	2,295,385	2,419,712
Loan payable	2,567,073	2,567,073
Other post employment benefit obligations payable	6,101	9,946
	<u>4,868,559</u>	<u>4,996,731</u>
Total Noncurrent Liabilities	<u>4,868,559</u>	<u>4,996,731</u>
Total Liabilities	<u>5,230,948</u>	<u>5,341,291</u>
NET POSITION		
Net investment in capital assets	400,211	330,554
Unrestricted	<u>(2,657,514)</u>	<u>(2,577,019)</u>
Total Net Position	<u>\$ (2,257,303)</u>	<u>\$ (2,246,465)</u>

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,

	2016	2015
OPERATING REVENUES		
Greens fees	\$ 491,155	\$ 505,645
Cart rental	108,424	103,082
Permit cards	2,880	3,510
	<u>602,459</u>	<u>612,237</u>
OPERATING EXPENSES		
Rental of equipment	25,388	27,364
Repairs and maintenance	1,450	1,424
Utilities	23,684	55,101
Contractual and other	629,076	643,337
Employee benefits	20,352	43,076
Depreciation	22,631	23,406
	<u>722,581</u>	<u>793,708</u>
Loss from Operations	<u>(120,122)</u>	<u>(181,471)</u>
NON-OPERATING EXPENSES		
Refunding bond issuance costs	-	(31,314)
Interest expense	(75,601)	(109,081)
	<u>(75,601)</u>	<u>(140,395)</u>
Loss Before Transfers	(195,723)	(321,866)
Transfers In	184,885	200,229
Change in Net Position	(10,838)	(121,637)
NET POSITION		
Beginning of Year	<u>(2,246,465)</u>	<u>(2,124,828)</u>
End of Year	<u>\$ (2,257,303)</u>	<u>\$ (2,246,465)</u>

Town of Orangetown, New York

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

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 602,459	\$ 612,237
Cash payments to vendors	(674,579)	(657,352)
Cash payments to employees	(22,034)	(23,890)
Net Cash from Operating Activities	<u>(94,154)</u>	<u>(69,005)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Loans and advances from other funds	-	146,258
Transfers in	184,885	200,229
Net Cash from Non-Capital Financing Activities	<u>184,885</u>	<u>346,487</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on bonds	(96,048)	(93,048)
Interest paid on indebtedness	(88,837)	(107,181)
Net Cash from Capital and Related Financing Activities	<u>(184,885)</u>	<u>(200,229)</u>
Net Change in Cash and Equivalents	(94,154)	77,253
CASH AND EQUIVALENTS		
Beginning of Year	185,103	107,850
End of Year	<u>\$ 90,949</u>	<u>\$ 185,103</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (120,122)	\$ (181,471)
Adjustments to reconcile loss from operations to net cash from operating activities		
Depreciation	22,631	23,406
Changes in assets and liabilities		
Due from other funds	(3,631)	-
Prepaid expenses	-	9,240
Accounts payable	1,231	27,994
Due to other governments	(215)	188
Due to other funds	9,797	41,692
Other post employment benefit obligations payable	(3,845)	9,946
Net Cash from Operating Activities	<u>\$ (94,154)</u>	<u>\$ (69,005)</u>
NON-CASH NON-OPERATING ACTIVITIES		
Refunding bonds issued	\$ -	\$ 2,216,875
Payment to escrow for refunded bonds	-	(2,216,875)
Amortization of bond premium	(4,267)	(4,267)
Amortization of deferred loss on bond	8,027	-

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.

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Town of Orangetown, New York

Internal Service Funds
 Combining Statement of Net Position
 December 31, 2016
 (With Comparative Totals for 2015)

	Workers' Compensation Benefits	Risk Retention	Totals	
			2016	2015
ASSETS				
Cash and equivalents	\$ 15,353	\$ 16,962	\$ 32,315	\$ 30,129
Receivables				
Accounts	-	-	-	981,024
Due from other funds	892,616	-	892,616	137,508
	892,616	-	892,616	1,118,532
Prepaid expenses	90,274	121,575	211,849	205,372
Total Assets	998,243	138,537	1,136,780	1,354,033
LIABILITIES				
Current liabilities				
Accounts payable	407,371	8,308	415,679	23,799
Due to other funds	422,872	212,815	635,687	97,815
Current portion of claims payable	168,000	35,000	203,000	200,000
Total Current Liabilities	998,243	256,123	1,254,366	321,614
Noncurrent liabilities				
Claims payable, less current portion	1,516,239	317,066	1,833,305	1,797,714
Total Liabilities	2,514,482	573,189	3,087,671	2,119,328
NET POSITION				
Unrestricted	\$ (1,516,239)	\$ (434,652)	\$ (1,950,891)	\$ (765,295)

See independent auditors' report.

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Town of Orangetown, New York

Internal Service Funds
 Combining Statement of Revenues, Expenses and
 Changes in Net Position
 Year Ended December 31, 2016
 (With Comparative Totals for 2015)

	Workers'	Risk	Totals	
	Compensation Benefits	Retention	2016	2015
OPERATING REVENUES				
Charges for services	\$ 2,056,991	\$ 507,750	\$ 2,564,741	\$ 1,537,500
Insurance recoveries	195,699	17,368	213,067	410,273
Total Operating Revenues	<u>2,252,690</u>	<u>525,118</u>	<u>2,777,808</u>	<u>1,947,773</u>
OPERATING EXPENSES				
Insurance	575,969	537,537	1,113,506	1,072,089
Contractual	-	62,652	62,652	50,721
Employee benefits	2,709,436	-	2,709,436	656,156
Judgments and claims	-	77,948	77,948	104,704
Total Operating Expenses	<u>3,285,405</u>	<u>678,137</u>	<u>3,963,542</u>	<u>1,883,670</u>
Income (Loss) from Operations	(1,032,715)	(153,019)	(1,185,734)	64,103
NON-OPERATING REVENUES				
Interest income	138	-	138	92
Change in Net Position	(1,032,577)	(153,019)	(1,185,596)	64,195
NET POSITION				
Beginning of Year	<u>(483,662)</u>	<u>(281,633)</u>	<u>(765,295)</u>	<u>(829,490)</u>
End of Year	<u>\$ (1,516,239)</u>	<u>\$ (434,652)</u>	<u>\$ (1,950,891)</u>	<u>\$ (765,295)</u>

See independent auditors' report.

Town of Orangetown, New York

Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended December 31, 2016
 (With Comparative Totals for 2015)

	Workers' Compensation Benefits	Risk Retention
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from interfund services provided	\$ 1,301,883	\$ 507,750
Cash received from insurance recoveries	195,699	17,368
Cash payments to insurance carriers and claimants	<u>(1,506,311)</u>	<u>(514,341)</u>
Net Cash from Operating Activities	<u>(8,729)</u>	<u>10,777</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>138</u>	<u>-</u>
Net Change in Cash and Equivalents	(8,591)	10,777
CASH AND EQUIVALENTS		
Beginning of Year	<u>23,944</u>	<u>6,185</u>
End of Year	<u>\$ 15,353</u>	<u>\$ 16,962</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (loss) from operations	\$ (1,032,715)	\$ (153,019)
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	981,024	-
Due from other funds	(755,108)	-
Prepaid expenses	(17,711)	11,234
Accounts payable	386,412	5,468
Due to other funds	422,872	115,000
Claims payable	<u>6,497</u>	<u>32,094</u>
Net Cash from Operating Activities	<u>\$ (8,729)</u>	<u>\$ 10,777</u>

See independent auditors' report.

Totals	
2016	2015
\$ 1,809,633	\$ 1,490,646
213,067	420,515
<u>(2,020,652)</u>	<u>(1,401,619)</u>
2,048	509,542
138	92
2,186	(471,390)
30,129	501,519
<u>\$ 32,315</u>	<u>\$ 30,129</u>
\$ (1,185,734)	\$ 64,103
981,024	10,242
(755,108)	(46,854)
(6,477)	(14,218)
391,880	(286,666)
537,872	28,961
<u>38,591</u>	<u>753,974</u>
<u>\$ 2,048</u>	<u>\$ 509,542</u>

Town of Orangetown, New York

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

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 15,353	\$ 23,944
Receivables		
Accounts	-	981,024
Due from other funds	892,616	137,508
	<u>892,616</u>	<u>1,118,532</u>
Prepaid expenses	90,274	72,563
Total Assets	<u>998,243</u>	<u>1,215,039</u>
LIABILITIES		
Current liabilities		
Accounts payable	407,371	20,959
Due to other funds	422,872	-
Current portion of claims payable	168,000	168,000
Total Current Liabilities	998,243	188,959
Noncurrent liabilities		
Claims payable, less current portion	1,516,239	1,509,742
Total Liabilities	<u>2,514,482</u>	<u>1,698,701</u>
NET POSITION		
Unrestricted	<u>\$ (1,516,239)</u>	<u>\$ (483,662)</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,

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for services	\$ 2,056,991	\$ 1,037,500
Insurance recoveries	195,699	410,047
Total Operating Revenues	<u>2,252,690</u>	<u>1,447,547</u>
OPERATING EXPENSES		
Insurance	575,969	542,282
Employee benefits	2,709,436	656,156
Total Operating Expenses	<u>3,285,405</u>	<u>1,198,438</u>
Income (Loss) from Operations	(1,032,715)	249,109
NON-OPERATING REVENUES		
Interest income	138	92
Change in Net Position	(1,032,577)	249,201
NET POSITION		
Beginning of Year	<u>(483,662)</u>	<u>(732,863)</u>
End of Year	<u>\$ (1,516,239)</u>	<u>\$ (483,662)</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,

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from interfund services provided	\$ 1,301,883	\$ 953,461
Cash received from insurance recoveries	195,699	420,289
Cash payments to insurance carriers and claimants	<u>(1,506,311)</u>	<u>(838,272)</u>
Net Cash from Operating Activities	<u>(8,729)</u>	<u>535,478</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Advances - other	<u>-</u>	<u>(981,024)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>138</u>	<u>92</u>
Net Change in Cash and Equivalents	<u>(8,591)</u>	<u>(445,454)</u>
CASH AND EQUIVALENTS		
Beginning of Year	<u>23,944</u>	<u>469,398</u>
End of Year	<u>\$ 15,353</u>	<u>\$ 23,944</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (loss) from operations	\$ (1,032,715)	\$ 249,109
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	981,024	10,242
Due from other funds	(755,108)	(84,039)
Prepaid expenses	(17,711)	(6,487)
Accounts payable	386,412	(289,506)
Due to other funds	422,872	-
Claims payable	<u>6,497</u>	<u>656,159</u>
Net Cash from Operating Activities	<u>\$ (8,729)</u>	<u>\$ 535,478</u>

See independent auditors' report.

Town of Orangetown, New York

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

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 16,962	\$ 6,185
Prepaid expenses	<u>121,575</u>	<u>132,809</u>
Total Assets	<u>138,537</u>	<u>138,994</u>
LIABILITIES		
Current liabilities		
Accounts payable	8,308	2,840
Due to other funds	212,815	97,815
Current portion of claims payable	<u>35,000</u>	<u>32,000</u>
Total Current Liabilities	256,123	132,655
Noncurrent liabilities		
Claims payable, less current portion	<u>317,066</u>	<u>287,972</u>
Total Liabilities	<u>573,189</u>	<u>420,627</u>
NET POSITION		
Unrestricted	<u>\$ (434,652)</u>	<u>\$ (281,633)</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>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for services	\$ 507,750	\$ 500,000
Insurance recoveries	17,368	226
	<u>525,118</u>	<u>500,226</u>
OPERATING EXPENSES		
Insurance	537,537	529,807
Contractual	62,652	50,721
Judgments and claims	77,948	104,704
	<u>678,137</u>	<u>685,232</u>
Loss from Operations	(153,019)	(185,006)
NET POSITION		
Beginning of Year	<u>(281,633)</u>	<u>(96,627)</u>
End of Year	<u><u>\$ (434,652)</u></u>	<u><u>\$ (281,633)</u></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,

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from interfund services provided	\$ 507,750	\$ 537,185
Cash received from insurance recoveries	17,368	226
Cash payments to insurance carriers and claimants	(514,341)	(563,347)
Net Cash from Operating Activities	10,777	(25,936)
CASH AND EQUIVALENTS		
Beginning of Year	6,185	32,121
End of Year	<u>\$ 16,962</u>	<u>\$ 6,185</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (153,019)	\$ (185,006)
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in assets and liabilities		
Due from other funds	-	37,185
Prepaid expenses	11,234	(7,731)
Accounts payable	5,468	2,840
Due to other funds	115,000	28,961
Claims payable	32,094	97,815
Net Cash from Operating Activities	<u>\$ 10,777</u>	<u>\$ (25,936)</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, 2016

	Balance January 1, 2016	Increases	Decreases	Balance December 31, 2016
ASSETS				
Cash and equivalents	\$ 723,554	\$ 74,285,370	\$ 74,329,170	\$ 679,754
Accounts receivable	289,090	41,296,227	41,205,065	380,252
Total Assets	\$ 1,012,644	\$ 115,581,597	\$ 115,534,235	\$ 1,060,006
LIABILITIES				
Employee payroll deductions	\$ 230	\$ 4,049,440	\$ 4,049,670	\$ -
Deposits	1,012,414	450,048	402,456	1,060,006
Total Liabilities	\$ 1,012,644	\$ 4,499,488	\$ 4,452,126	\$ 1,060,006

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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 75,713,624	\$ 61,297,724	\$ 69,576,680	\$ 71,245,807
Restricted	10,618,819	8,400,205	7,231,151	5,604,697
Unrestricted	(4,748,966)	8,569,838	(2,598,768)	(7,030,464)
Total Governmental Activities				
Net Position	<u>\$ 81,583,477</u>	<u>\$ 78,267,767</u>	<u>\$ 74,209,063</u>	<u>\$ 69,820,040</u>
Business - Type Activities				
Net Investment in Capital Assets	\$ 3,364,111	\$ 3,430,223	\$ 3,589,772	\$ 3,787,344
Unrestricted	(1,945,386)	(2,837,074)	(3,564,447)	(4,376,149)
Total Business - Type Activities				
Net Position	<u>\$ 1,418,725</u>	<u>\$ 593,149</u>	<u>\$ 25,325</u>	<u>\$ (588,805)</u>
Primary Government				
Net Investment in Capital Assets	\$ 79,077,735	\$ 64,727,947	\$ 73,166,452	\$ 75,033,151
Restricted	10,618,819	8,400,205	7,231,151	5,604,697
Unrestricted	(6,694,352)	5,732,764	(6,163,215)	(11,406,613)
Total Primary Government				
Net Position	<u>\$ 83,002,202</u>	<u>\$ 78,860,916</u>	<u>\$ 74,234,388</u>	<u>\$ 69,231,235</u>

2011	2012	2013	2014	2015	2016
\$ 72,654,445	\$ 70,813,433	\$ 66,241,222	\$ 65,396,541	\$ 67,568,442	\$ 68,052,301
4,187,483	3,696,296	3,525,095	4,085,494	4,441,363	3,832,446
(16,172,590)	(22,986,283)	(26,767,276)	(35,345,648)	(45,116,390)	(55,801,196)
<u>\$ 60,669,338</u>	<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>
\$ 4,099,190	\$ 4,232,532	\$ 4,362,943	\$ 4,544,117	\$ 4,517,394	\$ 4,445,933
(5,588,808)	(6,182,801)	(7,054,290)	(7,548,874)	(6,689,020)	(6,427,706)
<u>\$ (1,489,618)</u>	<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>
\$ 76,753,635	\$ 75,045,965	\$ 70,604,165	\$ 69,940,658	\$ 72,085,836	\$ 72,498,234
4,187,483	3,696,296	3,525,095	4,085,494	4,441,363	3,832,446
(21,761,398)	(29,169,084)	(33,821,566)	(42,894,522)	(51,805,410)	(62,228,902)
<u>\$ 59,179,720</u>	<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>

Town of Orangetown, New York

Changes In Net Position
Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenses				
Governmental Activities				
General government support	\$ 8,442,981	\$ 7,050,815	\$ 8,007,220	\$ 9,776,429
Public safety	20,692,756	23,419,577	22,861,695	25,389,618
Health	437,000	437,150	450,800	463,180
Transportation	10,114,162	11,300,971	11,898,894	12,302,982
Economic opportunity and development	123,947	153,119	136,075	144,557
Culture and recreation	2,763,572	3,361,186	3,009,313	3,406,031
Home and community services	8,756,525	10,147,576	11,185,481	11,602,897
Interest	1,604,291	2,018,549	1,706,901	1,684,758
Total Governmental Activities Expenses	<u>52,935,234</u>	<u>57,888,943</u>	<u>59,256,379</u>	<u>64,770,452</u>
Business-type Activities				
Blue Hill Golf Course	2,842,976	3,042,587	3,065,960	3,155,533
Broad Acres Golf Course	935,619	1,049,238	1,027,888	1,054,166
Total Business-type Activities Expenses	<u>3,778,595</u>	<u>4,091,825</u>	<u>4,093,848</u>	<u>4,209,699</u>
Total Primary Government Expenses	<u>\$ 56,713,829</u>	<u>\$ 61,980,768</u>	<u>\$ 63,350,227</u>	<u>\$ 68,980,151</u>
Program Revenues				
Governmental Activities				
Charges for Services				
General government support	\$ 410,481	\$ 426,848	\$ 439,465	\$ 717,052
Public safety	1,014,099	1,308,780	1,187,928	1,490,618
Transportation	192,001	238,880	185,484	262,730
Culture and recreation	588,978	616,859	613,925	630,457
Home and community services	1,169,404	1,530,680	2,103,784	1,952,257
Operating Grants and Contributions	2,367,283	1,583,026	1,964,155	1,313,413
Capital Grants and Contributions	948,560	614,503	670,775	3,547,747
Total Governmental Activities Program Revenues	<u>6,690,806</u>	<u>6,319,576</u>	<u>7,165,516</u>	<u>9,914,274</u>
Business-type Activities				
Charges for Services				
Blue Hill Golf Course	2,518,919	2,579,136	2,688,905	2,743,860
Broad Acres Golf Course	577,404	617,340	636,414	648,199
Total Business-type Activities Program Revenues	<u>3,096,323</u>	<u>3,196,476</u>	<u>3,325,319</u>	<u>3,392,059</u>
Total Primary Government Program Revenues	<u>\$ 9,787,129</u>	<u>\$ 9,516,052</u>	<u>\$ 10,490,835</u>	<u>\$ 13,306,333</u>

2011	2012	2013	2014	2015	2016
\$ 8,121,893	\$ 8,640,385	\$ 8,220,693	\$ 8,536,271	\$ 13,582,463	\$ 10,030,147
26,235,249	27,670,798	28,940,830	28,916,027	28,619,104	30,689,796
467,140	466,701	435,183	435,183	435,183	439,833
13,722,291	13,261,030	13,194,346	13,907,782	14,712,043	14,557,980
152,737	185,395	204,153	195,033	181,324	185,288
4,089,519	3,926,405	4,022,541	4,054,389	4,214,296	4,378,301
13,546,983	12,295,553	12,134,370	13,095,972	14,074,541	13,523,280
1,682,937	1,654,882	1,579,177	1,534,888	1,491,011	1,516,116
<u>68,018,749</u>	<u>68,101,149</u>	<u>68,731,293</u>	<u>70,675,545</u>	<u>77,309,965</u>	<u>75,320,741</u>
3,267,030	3,169,614	3,187,956	3,184,303	3,169,814	2,515,927
1,094,235	992,100	928,945	956,248	934,103	798,182
<u>4,361,265</u>	<u>4,161,714</u>	<u>4,116,901</u>	<u>4,140,551</u>	<u>4,103,917</u>	<u>3,314,109</u>
<u>\$ 72,380,014</u>	<u>\$ 72,262,863</u>	<u>\$ 72,848,194</u>	<u>\$ 74,816,096</u>	<u>\$ 81,413,882</u>	<u>\$ 78,634,850</u>
\$ 512,738	\$ 725,114	\$ 739,940	\$ 820,382	\$ 978,546	\$ 790,615
1,258,584	1,805,920	2,141,913	1,740,516	2,057,572	2,309,152
231,662	179,144	257,163	302,636	315,540	180,694
695,302	672,524	636,504	584,300	561,284	552,704
2,293,031	2,313,711	2,049,289	2,199,918	2,743,660	2,174,361
1,508,264	2,583,848	1,450,940	1,337,854	1,218,158	1,447,799
543,710	638,412	678,501	757,352	1,894,157	1,638,699
<u>7,043,291</u>	<u>8,918,673</u>	<u>7,954,250</u>	<u>7,742,958</u>	<u>9,768,917</u>	<u>9,094,024</u>
2,595,055	2,804,005	2,522,202	2,506,049	4,013,152	2,605,765
560,820	593,818	548,508	1,016,522	612,237	602,459
<u>3,155,875</u>	<u>3,397,823</u>	<u>3,070,710</u>	<u>3,522,571</u>	<u>4,625,389</u>	<u>3,208,224</u>
<u>\$ 10,199,166</u>	<u>\$ 12,316,496</u>	<u>\$ 11,024,960</u>	<u>\$ 11,265,529</u>	<u>\$ 14,394,306</u>	<u>\$ 12,302,248</u>

(Continued)

Town of Orangetown, New York

**Changes In Net Position (Continued)
Last Ten Fiscal Years**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Net Expense/Revenue				
Governmental Activities	\$ (46,244,428)	\$ (51,569,367)	\$ (52,090,863)	\$ (54,856,178)
Business-type Activities	<u>(682,272)</u>	<u>(895,349)</u>	<u>(768,529)</u>	<u>(817,640)</u>
Total Primary Government Net Expense	<u>\$ (46,926,700)</u>	<u>\$ (52,464,716)</u>	<u>\$ (52,859,392)</u>	<u>\$ (55,673,818)</u>
General Revenues				
Governmental Activities				
Taxes				
Real Property Taxes	\$ 41,296,753	\$ 43,736,589	\$ 44,152,419	\$ 46,808,152
Other Tax Items	321,817	256,279	224,011	137,824
Non-Property Taxes	1,433,294	1,979,950	1,947,063	2,046,940
Unrestricted Use of Money and Property	155,369	74,058	27,075	27,571
Sale of Property and				
Compensation for Loss	-	77,132	324,662	42,976
Unrestricted State aid	2,804,656	2,137,807	1,534,541	1,576,583
Miscellaneous	125,429	53,985	20,027	27,654
Sale of Real Property	-	-	-	-
Contribution of Land and Improvements	-	-	-	-
Transfers	-	(62,143)	(197,639)	(200,545)
Total Governmental Activities	<u>46,137,318</u>	<u>48,253,657</u>	<u>48,032,159</u>	<u>50,467,155</u>
Business-type Activities				
Unrestricted Use of Money and Property	31,817	7,630	3,066	2,965
Transfers	-	62,143	197,639	200,545
Total Business-type Activities	<u>31,817</u>	<u>69,773</u>	<u>200,705</u>	<u>203,510</u>
Total Primary Government				
General Revenues	<u>\$ 46,169,135</u>	<u>\$ 48,323,430</u>	<u>\$ 48,232,864</u>	<u>\$ 50,670,665</u>
Change in Net Position				
Governmental Activities	\$ (107,110)	\$ (3,315,710)	\$ (4,058,704)	\$ (4,389,023)
Business-type Activities	<u>(650,455)</u>	<u>(825,576)</u>	<u>(567,824)</u>	<u>(614,130)</u>
Total Primary Government	<u>\$ (757,565)</u>	<u>\$ (4,141,286)</u>	<u>\$ (4,626,528)</u>	<u>\$ (5,003,153)</u>

2010	2011	2012	2013	2014	2016
\$ (60,975,458)	\$ (59,182,476)	\$ (60,777,043)	\$ (62,932,587)	\$ (67,541,048)	\$ (66,226,717)
(1,205,390)	(763,891)	(1,046,191)	(617,980)	521,472	(105,885)
<u>\$ (62,180,848)</u>	<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>
\$ 47,278,778	\$ 45,985,541	\$ 47,936,434	\$ 50,292,680	\$ 52,332,845	\$ 50,724,410
555,097	73,958	183,176	153,305	233,047	327,321
2,125,968	2,110,658	2,232,057	2,442,052	2,489,107	2,675,319
19,589	8,179	2,909	2,744	1,864	2,881
120,700	55,327	82,757	9,385	81,129	10,050
1,900,245	1,671,019	2,009,591	1,457,354	2,018,765	1,864,934
125,828	13,659	10,433	6,499	20,691	64,729
-	420,000	100,000	10,360	-	42,362
-	-	-	-	2,354,168	-
(301,449)	(301,757)	(304,719)	(304,446)	(311,401)	(295,153)
<u>51,824,756</u>	<u>50,036,584</u>	<u>52,252,638</u>	<u>54,069,933</u>	<u>59,220,215</u>	<u>55,416,853</u>
3,128	1,483	394	124	258	585
301,449	301,757	304,719	304,446	311,401	295,153
<u>304,577</u>	<u>303,240</u>	<u>305,113</u>	<u>304,570</u>	<u>311,659</u>	<u>295,738</u>
<u>\$ 52,129,333</u>	<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>
\$ (9,150,702)	\$ (9,145,892)	\$ (8,524,405)	\$ (8,862,654)	\$ (8,320,833)	\$ (10,809,864)
(900,813)	(460,651)	(741,078)	(313,410)	833,131	189,853
<u>\$ (10,051,515)</u>	<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>

Town of Orangetown, New York

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	2,262,121	2,826,249	3,117,664	3,803,349
Unreserved	<u>3,464,823</u>	<u>2,937,125</u>	<u>2,955,311</u>	<u>2,971,728</u>
Total General Fund	<u>\$ 5,726,944</u>	<u>\$ 5,763,374</u>	<u>\$ 6,072,975</u>	<u>\$ 6,775,077</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	30,681,170	6,426,168	4,756,685	3,591,459
Unreserved, Reported In				
Special Revenue Funds	8,053,561	7,110,762	8,768,957	8,210,869
Capital Projects Fund	(54,335,920)	(2,592,395)	(7,983,465)	(3,434,149)
Debt Service Fund	<u>550,000</u>	<u>800,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total All Other Governmental Funds	<u>\$ (15,051,189)</u>	<u>\$ 11,744,535</u>	<u>\$ 6,542,177</u>	<u>\$ 9,368,179</u>
Total Governmental Funds	<u>\$ (9,324,245)</u>	<u>\$ 17,507,909</u>	<u>\$ 12,615,152</u>	<u>\$ 16,143,256</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.

2011 (1)	2012	2013	2014	2015	2016
\$ 4,644,752	\$ 4,929,426	\$ 5,579,716	\$ 6,172,951	\$ 325,302	\$ 287,767
-	-	-	-	26,331	204
153,799	-	-	-	-	-
639,473	169,705	159,015	121,618	46,166	47,867
1,875,878	1,691,532	2,427,248	2,499,268	3,751,095	4,384,399
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 7,313,902</u>	<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>
\$ 1,019,846	\$ 825,782	\$ 1,131,224	\$ 1,254,048	\$ 1,242,426	\$ 1,205,680
1,042,594	1,757,621	2,293,421	6,983,177	7,197,242	6,931,839
66,889	66,889	66,889	66,889	66,889	66,889
10,095,407	10,190,604	8,831,702	6,886,816	8,491,847	7,688,043
(4,579,737)	(2,994,805)	(52,375)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 7,644,999</u>	<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>\$ 14,958,901</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>

Town of Orangetown, New York

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2007	2008	2009	2010
Revenues				
Real property taxes	\$ 41,296,753	\$ 43,736,589	\$ 44,152,419	\$ 46,808,152
Other tax items	321,817	256,279	224,011	137,824
Non-property taxes	1,433,294	1,979,950	1,947,063	2,046,940
Departmental income	1,975,223	2,247,771	2,386,655	2,636,093
Intergovernmental charges	687,954	1,116,109	1,370,624	1,266,789
Use of money and property	2,191,565	968,239	303,218	264,464
Licenses and permits	41,514	43,082	36,846	49,785
Fines and forfeitures	347,446	367,854	354,445	712,550
Sale of property and compensation for loss	58,566	77,132	324,662	42,976
Interfund revenues	3,161,417	3,376,465	3,657,484	3,736,089
State aid	3,415,680	2,961,567	2,122,946	2,284,490
Federal aid	213,445	251,124	64,832	318,989
Miscellaneous	475,648	394,518	749,025	699,847
Total Revenues	55,620,322	57,776,679	57,694,230	61,004,988
Expenditures				
Current				
General government support	8,293,247	9,764,571	9,135,450	10,091,224
Public safety	14,466,992	14,759,446	14,718,525	15,913,257
Health	437,000	437,150	450,800	463,180
Transportation	7,328,220	7,357,366	8,050,598	7,939,533
Economic opportunity and development	131,904	140,075	145,840	150,763
Culture and recreation	2,226,536	2,314,249	2,089,229	2,214,644
Home and community services	6,586,539	6,697,549	7,437,513	8,137,708
Employee benefits	10,416,354	10,784,383	11,127,923	12,011,600
Debt Service				
Principal	1,550,000	1,405,000	2,255,965	2,440,679
Interest	1,710,790	2,039,675	1,961,985	1,661,303
Refunding bond issuance costs	-	-	-	-
Capital Outlay	20,103,511	22,606,136	8,370,520	5,235,332
Total Expenditures	73,251,093	78,305,600	65,744,348	66,259,223
Excess (Deficiency) of Revenues Over Expenditures	(17,630,771)	(20,528,921)	(8,050,118)	(5,254,235)
Other Financing Sources (Uses)				
Bonds issued	-	47,423,218	1,255,000	8,695,000
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	999,784	642,280	541,816	1,329,957
Transfers out	(999,784)	(704,423)	(739,455)	(1,530,502)
Total Other Financing Sources	-	47,361,075	3,157,361	8,782,339
Net Change in Fund Balances	\$ (17,630,771)	\$ 26,832,154	\$ (4,892,757)	\$ 3,528,104
Debt Service as a Percentage of Non-Capital Expenditures	6.3%	6.2%	7.5%	6.8%

2011	2012	2013	2014	2015	2016
\$ 47,278,778	\$ 45,985,541	\$ 47,936,434	\$ 50,292,680	\$ 52,332,845	\$ 50,724,410
555,097	73,958	183,176	153,305	233,047	327,321
2,125,968	2,110,658	2,232,057	2,442,052	2,489,107	2,675,319
2,798,290	3,334,060	3,536,715	3,185,765	4,298,004	4,057,898
1,394,266	1,261,785	1,159,081	1,517,171	1,279,702	969,183
193,728	240,710	234,869	232,532	226,088	247,695
66,874	94,928	129,792	176,954	312,299	243,539
354,562	579,658	596,704	368,357	378,781	385,764
120,700	55,327	82,757	28,983	100,727	67,617
3,542,427	3,409,601	3,326,360	3,365,243	3,337,748	3,169,239
2,453,420	2,769,817	2,995,621	2,627,409	3,401,425	2,944,772
243,043	1,313,146	234,918	71,883	329,957	1,059,434
1,173,637	829,732	871,635	792,514	1,474,386	879,556
<u>62,300,790</u>	<u>62,058,921</u>	<u>63,520,119</u>	<u>65,254,848</u>	<u>70,194,116</u>	<u>67,751,747</u>
9,520,068	9,056,841	8,366,104	8,337,832	14,626,283	8,684,620
16,098,566	16,397,949	16,420,630	16,804,850	16,908,184	16,017,374
467,140	466,701	435,183	435,183	435,183	439,833
8,215,879	8,007,144	7,522,658	8,035,717	8,030,234	7,610,873
157,561	157,563	170,440	175,594	184,529	185,288
2,523,851	2,324,565	2,464,061	2,542,429	2,382,570	2,408,155
8,129,463	7,271,436	7,026,090	7,492,705	7,670,675	7,370,297
13,612,715	13,026,704	15,182,145	15,999,341	16,355,669	17,870,234
2,836,121	3,202,745	3,514,909	3,397,779	4,007,677	4,059,114
1,702,627	1,700,992	1,574,998	1,535,295	1,552,568	1,484,697
-	-	36,185	-	20,850	-
4,788,899	492,471	668,096	1,835,110	4,766,612	5,010,581
<u>68,052,890</u>	<u>62,105,111</u>	<u>63,381,499</u>	<u>66,591,835</u>	<u>76,941,034</u>	<u>71,141,066</u>
<u>(5,752,100)</u>	<u>(46,190)</u>	<u>138,620</u>	<u>(1,336,987)</u>	<u>(6,746,918)</u>	<u>(3,389,319)</u>
4,869,194	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
-	-	-	-	-	-
38,661	798,886	421,569	-	-	643,925
<u>(340,110)</u>	<u>(1,100,643)</u>	<u>(726,288)</u>	<u>(304,446)</u>	<u>(311,401)</u>	<u>(939,078)</u>
<u>4,567,745</u>	<u>1,724,043</u>	<u>3,661,466</u>	<u>4,884,914</u>	<u>3,909,449</u>	<u>2,854,709</u>
<u>\$ (1,184,355)</u>	<u>\$ 1,677,853</u>	<u>\$ 3,800,086</u>	<u>\$ 3,547,927</u>	<u>\$ (2,837,469)</u>	<u>\$ (534,610)</u>
7.2%	8.0%	8.1%	7.5%	8.0%	8.4%

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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**

<u>Fiscal Year Ended December 31,</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Total Taxable Assessed Value</u>	<u>State Special Equalization Rate (1)</u>
2007	\$ 2,801,261,842	\$ 1,203,356,673	\$ 4,004,618,515	41.35 %
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	50.09

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)
\$ 9,684,688,065	\$ 10.3123
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
7,462,119,271	13.9728

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	
2007	\$ 10.3123	\$ 25.2791	- \$ 32.7840	\$ 39.6200	- \$ 42.4660
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

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

<u>Homestead</u>	<u>Non- Homestead</u>
\$ 2.8870	\$ 2.8865
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

Town of Orangetown, New York

Principal Taxpayers
Current Year and Nine Years Ago

2016				
Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Taxable Assessed Valuation
1	Orange & Rockland Utilities, Inc.	Public Utility	\$ 80,199,718	2.15 %
2	American Cyanamid (Pfizer)	Industrial	62,500,000	1.67
3	Palisades Interstate Park	State Lands	57,501,689	1.54
4	Pearl River Campus	Industrial/Office	50,103,600	1.34
5	Spring Valley Water Co.	Public Utility	41,578,998	1.11
6	Glorious Sun Robert	Office Complex	33,817,590	0.90
7	Pontiac Holdings/Bradley Industrial	Industrial	27,112,313	0.73
8	Verizon-Cello	Public Utility	25,995,394	0.70
9	HNA Training Center NY LLC	Commercial	18,004,000	0.48
10	Clarins USA Inc	Perfume	8,660,000	0.23
	Total		<u>\$ 405,473,302</u>	<u>10.85 %</u>

2007				
Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Taxable Assessed Valuation
1	Wyeth (formerly known as American Cynamid)	Pharmaceuticals	\$ 386,296,400	9.65 %
2	Palisades Interstate Park	State Lands	63,568,195	1.59
3	Glorious Son Robert f/k/a Blue Hill Plaza Inc.	Office Complex	51,336,000	1.28
4	Verizon NYNEX	Public Utility	37,931,593	0.95
5	International Business Machines	Commercial	36,000,000	0.90
6	Orange & Rockland Utilities, Inc.	Public Utility	35,995,846	0.90
7	United Water Co.	Public Utility	28,708,767	0.72
8	Pontiac Holdings	Industrial	17,669,803	0.44
9	Clarins USA Inc	Perfume	12,175,100	0.30
10	Manhattan Woods f/k/a Lee Partners, LP	Commercial	10,725,400	0.27
	Total		<u>\$ 680,407,104</u>	<u>17.00 %</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
2007	\$ 41,296,753	\$ 41,296,753	100.00 %	\$ -	\$ 41,296,753	100.00 %
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

(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			Business-type Activities (1)	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Energy Performance Contract	New York State Environmental Facilities Corporation Loan Payable	General Obligation Bonds			
2007	\$ 12,400,000	\$ -	\$ -	\$ 2,975,000	\$ 15,375,000	0.96 %	\$ 317.08
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

(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					
2007	\$ 12,400,000	\$ 2,975,000	\$ 3,350,710	\$ 18,725,710	1.16 %	\$ 386.18	0.19 %
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

(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, 2016

<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, 2015)	\$ 574,277,273	20.00 %	\$ 114,855,455
School Districts (June 30, 2016):			
Nanuet UFSD	37,971,804	45.34	17,216,416
Nyack UFSD	2,837,150	40.87	1,159,543
Pearl River UFSD	15,199,365	100.00	15,199,365
South Orangetown CSD	18,648,859	100.00	18,648,859
Villages (May 31, 2016):			
Grand View-on-Hudson	-	100.00	-
Nyack	6,157,500	96.20	5,923,515
Piermont	3,062,956	100.00	3,062,956
South Nyack	1,470,000	100.00	1,470,000
Net Overlapping Debt			177,536,109
Town Direct Debt (2)			71,262,439
Net Direct and Overlapping Debt			<u>\$ 248,798,548</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

	2007	2008	2009	2010
Debt Limit	\$ 560,452,202	\$ 601,834,392	\$ 633,241,666	\$ 634,873,050
Total Net Debt Applicable to Limit	<u>53,625,616</u>	<u>79,015,718</u>	<u>70,786,022</u>	<u>69,978,659</u>
Legal Debt Margin	<u>\$ 506,826,586</u>	<u>\$ 522,818,674</u>	<u>\$ 562,455,644</u>	<u>\$ 564,894,391</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.57%	13.13%	11.18%	11.02%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessment Roll			State Special Equalization Ratio		Full Valuation
Year	Budget Year	Assessed Valuation			
2015	2016	\$ 3,737,775,543	50.09	%	\$ 7,462,119,271
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
2011	2012	3,982,459,233	50.65		<u>7,862,703,323</u>
Total Five Year Full Valuation					<u>\$ 38,540,818,744</u>
Five Year Average Full Valuation of Taxable Real Property					<u>7,708,163,749</u>
Debt Limit - 7% of Five Year Average Full Valuation					<u>539,571,462</u>
Outstanding Town Debt Serial Bonds					68,097,502
Less - Appropriations in 2017 Budget					<u>2,461,822</u>
Net Indebtedness Subject to Debt Limit					<u>65,635,680</u>
Net Debt Contracting Margin					<u>\$ 473,935,782</u>

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 621,141,723	\$ 595,633,936	\$ 571,919,696	\$ 552,852,117	\$ 546,518,916	\$ 539,571,462
<u>67,552,170</u>	<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>\$ 553,589,553</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>
10.88%	10.73%	11.03%	11.98%	12.11%	12.16%

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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

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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>
2007	48,489	\$ 1,608,380,130	\$ 33,170	3.6 %
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

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>	2016	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
Nyack Hospital	1,850	7.94 %
Rockland Psychiatric Center	1,219	5.23
Verizon Wireless	850	3.65
St. Dominic's Home	820	3.52
Orange & Rockland Utilities	819	3.52
PDI	753	3.23
Pfizer Pharmaceuticals	700	3.00
Lamont-Doherty Earth Observatory	560	2.40
Dominican College	450	1.93
Aluf Plastics	385	1.65
	<u>8,406</u>	<u>36.07 %</u>
<u>EMPLOYER</u>	2007	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
Wyeth	3,200	12.26 %
Nyack Hospital	1,500	5.75
Verizon Wireless	1,000	3.83
Nice-Pak	720	2.76
Orange & Rockland Utilities	745	2.85
Camp Venture	560	2.15
Chronalloy New York	501	1.92
Lamont-Doherty Earth Observatory	480	1.84
US Information Systems	450	1.72
Active International	400	1.53
	<u>9,556</u>	<u>36.61 %</u>

Source: Rockland Economic Development Corporation

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

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	<u>Full-time Equivalent Employees as of December 31,</u>			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Government	51	52	52	65
Public Safety	117	117	117	109
Culture and Recreation	26	25	25	24
Transportation	58	58	58	57
Home and Community Services	<u>41</u>	<u>40</u>	<u>40</u>	<u>39</u>
Total	<u><u>293</u></u>	<u><u>292</u></u>	<u><u>292</u></u>	<u><u>294</u></u>

Source: Town's Finance Department

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
64	64	64	62	62	62
105	109	109	109	102	107
24	24	24	23	23	19
55	57	57	57	55	54
<u>39</u>	<u>39</u>	<u>39</u>	<u>39</u>	<u>35</u>	<u>31</u>
<u><u>287</u></u>	<u><u>293</u></u>	<u><u>293</u></u>	<u><u>290</u></u>	<u><u>277</u></u>	<u><u>273</u></u>

Town of Orangetown, New York

Operating Indicators by Function/Program
Last Ten Fiscal Years

	2007	2008	2009	2010
General Government Support				
Town Clerk				
Marriage licenses	477	406	425	355
Death certificates	872	916	972	998
Assessor				
Enhanced STAR applications	2,050	2,061	2,029	2,030
Basic Star applications	9,420	9,620	9,732	9,742
Tax parcels	16,154	16,288	16,304	16,309
Public Safety				
Building Activity				
Building permits issued	738	871	767	870
Estimated cost of construction (1)	435,470,761	55,864,530	29,799,418	47,500,134
New 1 and 2 family dwellings	20	20	16	13
Police				
Physical arrests	515	432	708	986
Calls for service	48,258	55,349	44,996	34,109
Parking violations	954	1,189	705	590
Traffic violations	7,327	6,611	7,552	6,998
Driving under the influence cases	81	72	44	72
Drug violations	114	125	141	127
Burglary / breaking and entry	44	50	49	67
Total criminal offenses	2,276	2,410	2,249	1,990
Culture and Recreation				
Recreation				
Blue Hill golf course rounds	61,804	62,924	59,887	58,286
Broadacres golf course rounds	18,510	19,366	20,859	19,872
Resident golf permits	2,499	2,353	2,507	2,577
Transportation				
Total roads resurfaced (%)	10%	10%	12%	12%

Sources: Various Town departments

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

2011	2012	2013	2014	2015	2016
408	419	378	386	326	399
1,158	1,023	969	860	1,002	867
2,068	2,111	2,040	2,213	2,075	1,904
9,693	9,349	9,307	9,187	8,873	8,603
16,324	16,326	16,326	16,333	16,351	16,366
775	924	979	853	851	991
64,566,044	62,807,918	66,463,131	51,342,198	61,341,618	79,500,532
10	15	16	6	17	16
778	808	561	918	999	1,193
30,534	28,851	34,111	37,885	36,161	31,514
457	321	739	692	1,313	1,367
4,445	3,684	4,808	4,209	4,276	5,188
67	85	103	105	102	86
71	79	125	214	233	179
50	51	41	36	26	26
1,774	1,662	1,500	1,671	1,872	1,687
53,697	56,252	44,814	52,232	49,572	52,691
16,994	18,643	16,972	20,053	20,104	19,859
2,466	2,340	2,135	2,109	2,161	2,860
12%	12%	12%	10%	11%	11%

Town of Orangetown, New York

**Capital Asset Statistics By Function/Program
Last Ten Fiscal Years**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
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)	143	145	145	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	10	16	16	16
Multi-use fields	6	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

2011	2012	2013	2014	2015	2016
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	6
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, 2016, 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 21, 2017.

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 21, 2017

**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, 2016. 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, 2016.

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 21, 2017

Town of Orangetown, New York

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2016

<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 Center for Substance Abuse Prevention -				
Drug Free Communities Support Program	93.276	N/A	\$ -	\$ 123,000
<u>U.S. Department of Transportation</u>				
Indirect Programs -				
Passed through NYS Department of Transportation:				
Highway Planning and Construction	20.205	PIN 8059.03	-	679,685
Highway Planning and Construction	20.205	PIN 8761.02	-	185,581
Highway Planning and Construction	20.205	PIN 8780.54	-	49,876
Total U.S. Department of Transportation			-	915,142
<u>U.S. Department of Homeland Security</u>				
Indirect Program -				
Passed through NYS Division of Homeland Security and Emergency Services -				
Secure the Cities Program	97.106	N/A	-	3,744
Total Expenditures of Federal Awards			\$ -	\$ 1,041,886

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, 2016

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Town of Orangetown ("Town") under programs of the federal government for the year ended December 31, 2016. 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.

Town of Orangetown, New York

**Summary Schedule of Prior Audit Findings
Year Ended December 31, 2016**

None

Town of Orangetown, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2016

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 No
 Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major Federal programs:

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

Yes No
 Yes 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 No

Identification of major Federal programs

CFDA Number(s)

Name of Federal Program or Cluster

20.205

Department of Transportation – Highway
Planning and Construction

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

\$750,000
 Yes No

Town of Orangetown, New York

Notes to Financial Statements (Concluded)
December 31, 2016

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None