

RENEWAL ISSUES**Book-Entry Only****RATINGS: Moody's Investors Service****Bonds Aa3****Bond Anticipation Notes MIG-1**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bond and Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from personal income taxes imposed by the State of New York and any political subdivisions thereof (including The City of New York). In the further opinion of Bond Counsel, interest on the Bond and Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, nor is it included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bond and Notes. See "TAX MATTERS."

The Bond and Notes will be designated by the Town as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

TOWN OF ORANGETOWN ROCKLAND COUNTY, NEW YORK

\$1,255,000 PUBLIC IMPROVEMENT BONDS – 2009

DATED: Date of Delivery**DUE: December 1**

\$7,025,000 BOND ANTICIPATION NOTES – 2009

[Book-Entry-Only Notes]

DATED: Date of Delivery**DUE: December 7, 2010**

\$ _____ @ ____ %

CUSIP:

See inside cover for principal payment dates, as well as principal payment amounts, coupon rates and yields for the Bonds. Interest on the Bonds will be payable on June 1, 2010 and December 1, 2010 and each June 1 and December 1 thereafter.

The \$1,255,000 Public Improvement Bonds – 2009 (the "Bonds") and the \$7,025,000 Bond Anticipation Notes – 2009 (the "Notes") are general obligations of the Town of Orangetown, Rockland County, New York (the "Town"). The Town has pledged its faith and credit for the payment of principal and interest on the Bonds and Notes and unless paid from other sources the Bond and Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, without limitation as to rate or amount.

The Bonds and Notes will be issued in registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds and Notes. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds and Notes. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds and Notes, as described herein. See "Book Entry Only System" herein. The Bonds and Notes will not be subject to redemption prior to maturity.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement to obtain information essential to making an informed decision.

The Bonds and Notes are offered for delivery when, as and if issued and received by the purchaser, subject to the receipt of the approving legal opinion of Orrick, Herrington and Sutcliffe LLP, Bond Counsel, New York, New York. Environmental Capital LLC is serving as Financial Advisor to the Town with respect to the Bonds and Notes. It is anticipated that the Bonds and Notes will be available for delivery through the facilities of DTC in New York, New York on or about December 8, 2009.

Orrick, Herrington and Sutcliffe LLP has not participated in the preparation of the demographic, financial or statistical data contained in this Official Statement, nor verified the accuracy, completeness or fairness thereof, and accordingly expresses no opinion with respect thereto.

THE TOWN DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (the "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THE TOWN WILL COVENANT IN AN UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE AS DEFINED IN THE RULE (SEE "CONTINUING DISCLOSURE" HEREIN).

TOWN OF ORANGETOWN

\$1,255,000 Public Improvement Bonds – 2009

DATED: Date of Delivery

DUE: December 1

Maturity	Amount*	Interest Rate	Yield	CUSIP
12/1/2010	105,000			
12/1/2011	110,000			
12/1/2012	115,000			
12/1/2013	120,000			
12/1/2014	120,000			
12/1/2015	125,000			
12/1/2016	130,000			
12/1/2017	135,000			
12/1/2018	145,000			
12/1/2019	150,000			

*Subject to change pursuant to the accompanying notice of sale in order to achieve substantially level or declining annual debt service.

**TOWN OF ORANGETOWN
ROCKLAND COUNTY, NEW YORK**

Town Board

Thom Kleiner.....	Supervisor
Marie Manning.....	Board Member
Michael Maturo.....	Board Member
Denis Troy.....	Board Member
Nancy Low-Hogan.....	Board Member

Charles Richardson.....	Director of Finance
Ann Maestri.....	Supervisor of Fiscal Services
Charlotte Madigan.....	Town Clerk
Robert Simon.....	Receiver of Taxes
Teresa Kenny.....	Town Attorney
Brian Kenney.....	Town Assessor

Bond Counsel

**Orrick, Herrington and Sutcliffe LLP
New York, NY**

Financial Advisor

**ENVIRONMENTAL CAPITAL LLC
110 West 40th Street, Suite 1804
New York, NY 10018
(212) 302-4227
Fax (212) 302-4420**

No dealer, broker, salesman or other person has been authorized by the Town to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof.

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OFFICIAL STATEMENT
of the
TOWN OF ORANGETOWN, ROCKLAND COUNTY, NEW YORK
Relating to
\$1,255,000 Public Improvement Bonds – 2009
\$7,025,000 Bond Anticipation Notes – 2009
[Book–Entry-Only Notes]

This Official Statement, which includes the cover page and appendices hereto, presents certain information relating to the Town of Orangetown, in the County of Rockland, in the State of New York (the "Town", "County", and "State", respectively) in connection with the sale of \$1,255,000 Public Improvement Bonds – 2009 and \$7,025,000 Bond Anticipation Notes – 2009.

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

DESCRIPTION OF THE BONDS

The Bonds are general obligations of the Town and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the Town is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount.

The Bonds will be issued in registered form, and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on June 1, 2010 and December 1, 2010 and each June 1 and December 1 thereafter. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Bonds and as described herein. The Bonds will not be subject to redemption prior to maturity.

Authority for and the Purpose of Issue

The Bonds are issued pursuant to the Constitution and Statutes of the State of New York, including, among others, the Town Law and the Local Finance Law, and a bond resolution duly adopted by the Town Board on December 19, 2007 for the purposes of settling a tax certiorari claim. The description of the project pursuant to the aforementioned resolution is listed below.

<u>Bond Resolution</u>	<u>Project</u>	<u>Amount</u>
12/19/2007	Funds for paying the cost of a settled claim resulting from court orders on proceedings brought pursuant to Article 7 of the Real Property Tax Law	\$1,300,000

The proceed of the Bonds, together with \$45,000 in available funds, will be used to redeem \$1,300,000 of the \$8,445,000 Bond Anticipation Notes, 2008 due on December 10, 2009.

Nature of Obligation

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

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

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

DESCRIPTION OF THE NOTES

The Notes are general obligations of the Town and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the Town is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount.

The Notes will be dated the date of delivery and will mature, without option of prior redemption, on December 7, 2010 and shall bear interest from the dated date. The Notes will be issued in registered form, and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as securities depository for the Notes. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Notes.

Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Notes and as described herein. The Notes may be transferred in the manner described on the Notes and as referenced in certain proceedings of the Town referred to therein.

Authority for and the Purpose of Issue

The Notes are issued pursuant to the Constitution and Statutes of the State of New York, including, among others, the Town Law and the Local Finance Law, and bond resolutions duly adopted by the Town Board for the purposes described as follows:

<u>Bond Resolution</u>	<u>Project</u>	<u>Amount</u>
1/24/2005	Recreation area improvements	\$1,675,000
8/5/2005	Various drainage improvements	\$500,000
5/8/2006	Cherry Brook drainage improvements	\$4,220,000
10/24/2005	Acquisition of property for drainage purposes	<u>\$750,000</u>
		\$7,145,000

The proceeds from the sale of the Notes, together with \$120,000 in available funds, will be used to redeem \$7,145,000 of the \$8,445,000 Bond Anticipation Notes, 2008 currently due December 10, 2009.

Nature of Obligation

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

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

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

BOOK-ENTRY-ONLY SYSTEM

THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORDKEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS AND NOTES, PAYMENT OF INTEREST AND PRINCIPAL ON THE BONDS AND NOTES TO DTC PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE BONDS AND NOTES, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS AND NOTES, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN THE DEPOSITORY TRUST COMPANY ("DTC"), THE DTC PARTICIPANTS AND BENEFICIAL OWNERS OF THE BONDS AND NOTES IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE TOWN NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the Bonds and Notes. The Bonds and Notes will be issued as fully-registered registered Notes in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds and one Note will be issued each Note bearing the same interest rate and CUSIP, and both Bonds and Notes will be deposited with DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, AS NOMINEE OF DTC, REFERENCES IN THIS OFFICIAL STATEMENT TO THE NOTEHOLDERS OR REGISTERED OWNERS OF THE BONDS AND NOTES SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS AND NOTES.

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

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

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

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

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

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

Principal and interest on the Bonds and Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Town, upon compliance with any agreement between the Town and DTC, may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bonds and Note certificates will be printed and delivered to DTC.

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

Source – The Depository Trust Company

CERTIFICATED BONDS AND NOTES

DTC may discontinue providing its services with respect to the Bonds and Notes at any time by giving notice to the Town discharging its responsibilities with respect thereto under applicable law, or the Town may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, certain provisions (as follows) will apply. The Bonds and Notes will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof. Principal of and interest on the Bonds and Notes when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State to be named as fiscal agent by the Town upon termination of the book-entry-only system. Interest on the Bonds will remain payable on June 1 and December 1 and interest on the Notes will remain payable at maturity on December 7, 2010. Principal on the Bonds will remain payable on December 1. Such interest and principal will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest and principal payment date at the address as shown on the registration books of the fiscal agent. The Record Date of the Bonds and Notes will remain the fifteenth day of the calendar month preceding such interest payment date. Bonds and Notes may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds and Notes of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond or Note Certificate of the Town Supervisor authorizing the sale of the Bonds and Notes and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds and Notes between the fifteenth day of the calendar month preceding an interest payment date and such interest payment date. The Bonds and Notes will remain not subject to redemption prior to their stated final maturity date.

THE TOWN

General Information

The Town, incorporated in 1788, is located in the southeastern portion of Rockland County, approximately 20 miles north of New York City and encompasses about 25 square miles. It includes the incorporated villages of Grand View-on-Hudson, Nyack, Piermont and South Nyack. School districts providing educational services within the Town include Nanuet Union Free School District, South Orangetown Central School District, Nyack Union Free School District and Pearl River Union Free School District.

The Town is primarily residential in character, consisting of single family, two-family and apartment houses. Commercial facilities include the village business districts and shopping centers. Large commercial development in the Town includes a \$60 million conference center and training facility of International Business Machines (IBM) completed in 1989 that encompasses 460,000 square feet, an \$8.1 million dollar hotel and conference center built by Hilton International hotels and the facilities of Wyeth-Ayerst, a pharmaceutical maker and the Town's largest employer.

The population in the Town is 48,421 as of the July 1, 2008 population estimate, according to the U.S. Census Bureau, representing a 1.3% increase since 2000. The Town's 2000 median household income is \$70,477 and 2000 per capita income is \$33,170, both well above the State income levels. Unemployment levels for the Town are significantly below State levels (see "ECONOMIC AND DEMOGRAPHIC DATA", herein.) Many residents find employment at the various commercial, industrial or governmental institutions in the Town, as well as commuting to businesses in other parts of the County, in Westchester County or in New York City.

Form of Government

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

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

The Town Clerk and the Superintendent of Highways are elected to a two-year term. The Receiver of Taxes is elected to a four-year term. The Town Supervisor appoints a Director of Finance, and the Town Board appoints a Town Assessor, Town Attorney and Town Engineer. The Town Supervisor administers all Town departments. The Director of Finance is the Town's Budget Officer as well as the official responsible for all audit and financial operations.

Town Services

The Town provides its residents with many of the services traditionally provided by Town governments, as follows: police protection and law enforcement; sewer services; highway and public facilities maintenance; a local justice court that is responsible for enforcing provisions of the State's Vehicle and Traffic Law and local ordinances as well as having jurisdiction over certain civil and criminal matters; cultural and recreational activities; building code enforcement; and planning and zoning administration. Fire protection is furnished by five fire districts and by village fire departments.

Pursuant to State law, the County, not the Town, is responsible for funding and providing various social service and health care programs such as Medicaid, aid to the families with dependent children, home relief and mental health programs.

Employees

The Town provides services through 281 full-time and 34 permanent part-time employees, some of whom are represented by the following units of organized labor. The Town also employs a large number of temporary seasonal employees primarily in recreation programs.

Table 1

Employees

<u>Number of Employees</u>	<u>Organization</u>	<u>Contract Expiration Date</u>
91	Orangetown Policemen's Benevolent Associations	12/31/2010
161	Civil Service Employees Association (CSEA)	12/31/2010

Employee Pension Benefits

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS") and the Police and Fire Retirement Systems ("PFRS") (collectively the "Retirement System"). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System laws generally provide that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to member hired prior to July 27, 1976. All members hired on or after July 27, 1976 must contribute three percent of their gross annual salary toward the cost of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary.

As a result of unfavorable capital market returns over several years and downward trends in market earnings on the State's Retirement System portfolio during the same period, the New York State Comptroller, notified the Town, on August 30, 2002, that beginning in the 2003 fiscal year the employer contribution rate for the State's Retirement System would increase significantly. In addition, the Comptroller also indicated that the employer contribution rate would increase in subsequent years.

On May 14, 2003, the Governor signed a pension reform bill into law as Chapter 49 of the Law of 2003 ("Chapter 49"). Chapter 49 changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Town. Under the previous method, the Town was not provided with the required payment until after its budget was implemented. Under the reforms implemented by Chapter 49, the employer contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Town is notified of and can include the actual cost of the employer contribution in its budget. Chapter 49 also required a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible and allowed a one-time financing of the employer contribution during the State's 2004-05 fiscal years. Municipalities, including the Town, may elect to bond, over 5 years, any required employer contributions in excess of 7 percent; or amortize with the State such excess amount at an interest rate of 8 percent. Chapter 49 also allowed local government to bond, over a maximum of five years, for outstanding early retirement incentive costs.

The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount. The Town has prepaid its employer contributions each December since the option was made available in 2004. The Town's contributions to the ERS and PFRS since 2004 and the 2009 budgeted payment are as follows:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2004	\$1,124,894	\$1,401,568
2005	1,301,125	1,367,024
2006	1,314,489	1,536,298
2007	1,231,576	1,411,688
2008	1,095,785	1,669,598
2009 (Budgeted)	922,080	1,967,000

Other Post Employment Benefits

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

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

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

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

For the calendar year ended December 31, 2008, the Town's annual OPEB cost of \$5,978,903 was equal to the ARC. The Town's unfunded actuarial accrued liability is equal to \$81,989,467 for the fiscal year.

FINANCIAL FACTORS

Independent Audit

The Town's annual audited financial statements for the fiscal year ended December 31, 2008 were audited by The Governmental Services Division of O'Connor Davies Munns & Dobbins, LLP, Bennett Kielson Storch DeSantis Division, a firm of independent certified public accountants. Appendix A to this Official Statement presents a summary of audited financial statements for the fiscal years December 31, 2004 through 2008 and a summary of the Adopted Budget for 2009.

Fund Structures and Accounts

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

There are two broad fund categories: (1) governmental funds that are used to account for basic services and capital projects; and (2) fiduciary funds that account for assets held in a trustee or custodial capacity. Account groups, which do not represent funds, are concerned with the measurement of financial position and not the results of operations.

The Town maintains the following governmental funds: General Fund, Special Revenue Funds (Town Outside Villages Fund, Sewer Fund, Special Districts Fund and Highway Fund), Debt Service Fund and Capital Projects Fund.

Basis of Accounting

The financial statements of the Town are prepared on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded in the accounting period in which they are measurable and available to finance current operations. Revenues susceptible to accrual include real property taxes, services to other governments, intergovernmental revenues and operating transfers. Expenditures are generally recognized under the modified accrual basis, that is, when the related fund liability is incurred. Exceptions to this general rule are (1) payments to employee retirement systems which are recorded in the general long-term obligations account group, (2) unmatured interest on general long-term debt which is recognized as an expenditure when due, and (3) compensated absences which are charged as an expenditure when paid.

Revenues

The Town derives a major portion of its General Fund (Town-wide) and Part-Town Fund (Town Outside Villages) revenues from a tax on real property (see “Statement of Revenues, Expenditures and Changes in Fund Balance” in Appendix A, herein). Property taxes accounted for 68.8% of total operating revenues for the fiscal year ended December 31, 2008, while State aid accounted for 6.9%.

Real Property Tax. The following table sets forth General Fund (Town-wide) and Part-Town Fund (Town Outside Villages) total general fund revenues and real property tax revenues during the last five fiscal years and the amount budgeted 2009.

TABLE 2
Property Taxes
(General Fund - Townwide and Town Outside Village Fund)

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues</u>
2004	\$ 30,175,356	\$ 20,994,055	69.60%
2005	\$ 31,935,127	\$ 21,986,826	68.80%
2006	\$ 33,318,852	\$ 21,867,556	65.60%
2007	\$ 34,080,260	\$ 23,109,752	67.80%
2008	\$ 34,793,770	\$ 23,926,396	68.77%
2009 (Adopted Budget)	\$ 36,033,898	\$ 25,082,573	69.61%

Source: Source: Town of Orangetown Audited Financial Statements Fiscal Year Ending 12/31 (2004-2008) and the 2009 Adopted Budget for the Town. Summary itself is not audited.

State Aid. The Town also receives a significant portion of its revenues in the form of State aid. For the fiscal year ended December 31, 2008, State aid represented approximately 6.9% of the total general fund and town outside villages fund revenues of the Town. However, there is no assurance that the State appropriation for State aid to towns will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid. State budgetary restrictions, which eliminate or substantially reduce State aid, could have a material adverse effect upon the Town, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

The following table sets forth General Fund (Town-wide) and Part Town Fund (Town Outside Villages) revenues and State aid during the last five fiscal years and the amount budgeted for 2009.

TABLE 3
State Aid
(General Fund - Townwide and Town Outside Villages Fund)

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2004	\$ 30,175,356	\$ 3,265,077	10.8%
2005	\$ 31,935,127	\$ 3,449,954	10.8%
2006	\$ 33,318,852	\$ 3,629,770	10.9%
2007	\$ 34,080,260	\$ 3,038,661	8.9%
2008	\$ 34,793,770	\$ 2,399,096	6.9%
2009 (Adopted Budget)	\$ 36,033,898	\$ 2,057,600	5.7%

Source: Town of Orangetown Audited Financial Statements Fiscal Year Ending 12/31 (2004-2008) and the 2009 Adopted Budget for the Town. Summary itself is not audited.

Budget Process

The Town Supervisor prepares and submits a tentative budget for all Town Funds to the Town Board each fall. The Town Board approves the preliminary budget, including any revisions, and holds a public hearing thereon. Subsequent to the budget hearing, revisions, if any, are made and the budget is then adopted on or before November 20 by the Town Board as its final budget for the coming calendar year. The budget is not subject to voter approval.

2009 and 2010 Adopted Budgets

The Town's 2009 Budget was adopted in November, 2008. It assumes that no monies will be appropriated from the fund balance in the General Fund. Total General Fund budgeted revenues for 2009 are equal to total budgeted expenditures for 2009. Likewise, the Town's 2010 Budget was adopted in November, 2009. It assumes that no monies will be appropriated from the fund balance in the General Fund. Total General Fund budgeted revenues for 2010 are equal to total budgeted expenditures for 2010.

Investment Policy

With respect to the temporary investment of moneys which are not required for immediate expenditure, the Town has adopted an investment policy in conformity with applicable laws of the State. All such investments of the Town are made in accordance with such policy. Pursuant to State law, including Sections 10 and 11 of the General Municipal Law, a municipality is permitted to temporarily invest moneys with the exception of moneys the investment of which is otherwise provided for by law, in the following investments: (1) special time deposit accounts in, or certificates of deposit issued by a bank or trust company located and authorized to do business in the State, provided however, that such time deposit account or certificate of deposit is payable within such time as the proceeds shall be needed to meet the expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities or acceptance of an eligible surety bond or an eligible letter of credit, pursuant to the provisions of eligible securities or acceptance of an eligible surety bond or an eligible letter of credit, pursuant to the provisions of and subject to the limitations of subdivision 3 of Section 10 of the General Municipal Law (the "GML") of the State; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the Town itself; (6) certificates of participation issued by political subdivisions of the State, as those terms are defined in the law; (7) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (8) in the case of moneys held in certain reserve funds established by municipalities or certain improvements districts pursuant to law, in obligations of such municipality. All of the foregoing investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the municipality, such obligations must be purchased through, delivered to and held in custody of a bank or trust company in the State. All such obligations held in the custody of a bank or trust company must be held by such bank or trust company pursuant to a written custodial agreement as set forth in subdivision 3 of Section 10 of the GML.

A municipality must also, pursuant to subdivision 2a. of Section 10 of the GML, designate by resolution one or more banks or trust companies for the deposit of public funds, the disposition of which is not otherwise provided for by law. Such resolution must specify the maximum amount which may be kept on deposit at any time in each bank or trust company. Except as otherwise provided by law, such deposits shall be made to the credit of the municipality. All public deposits in excess of the amount insured under the provisions of the Federal Deposit Insurance Act as now or hereafter amended are required to be secured by either a pledge of eligible securities or acceptance of an eligible surety bond or an eligible letter of credit, pursuant to the provisions of and subject to the limitations of subdivision 3 of Section 10 of the GML.

REAL PROPERTY TAXES

Real Property Tax Collection Procedure and History

The Town derives a significant portion of its annual revenue through a direct real property tax. Taxes are due January 1, and are payable without penalty to and including January 31. Penalties thereafter are imposed at an annual rate determined by the New York State Commissioner of Taxation and Finance. In April, the tax roll is returned to the County and taxes plus penalties are payable to the County Commissioner of Finance. The Town retains the total amount of its current levy and delinquent water and sewer charge levies from the total collections and returns the balance plus the uncollected items to the County, which assumes responsibility and holds annual tax sales.

TABLE 4
Tax Rates

	(Per \$1,000 of Assessed Valuation)					
<u>Fiscal Year Ending December 31:</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
County and State:						
Homestead	\$2.79	\$2.80	\$2.50	\$2.88	\$3.51	\$3.13
Town:						
Homestead	1.48	1.46	1.45	1.77	1.84	1.78
Non-Homestead	1.72	1.71	1.61	1.85	2.15	1.98
Part-Town: (Part Town I & II*)						
Homestead	5.30	5.64	5.92	6.00	6.01	6.24
Non-Homestead	6.04	6.23	6.20	5.94	6.55	6.47
Highway Part-Town:						
Homestead	1.10	1.14	1.25	1.26	1.32	1.38
Non-Homestead	1.27	1.29	1.33	1.27	1.48	1.45
Special Districs:						
Fire Districts ¹	1.58	1.46	1.40	1.61	1.78	1.78
Hydrant Districts ¹	0.23	0.23	0.23	0.23	0.28	0.29
Library District	1.42	1.57	1.67	1.72	1.81	1.8
South Orangetown Ambulance	0.18	0.23	0.23	0.23	0.23	0.23
Nyack Ambulance	0.45	0.52	0.60	0.66	0.68	0.74
Paramedic Service	0.21	0.23	0.24	0.24	0.26	0.27

(1) Average Fee.

Source: Town of Orangetown Assessor's Office

*Includes Part-Town I - Police and Part-Town II - Other

Ten of the Largest Taxpayers

The following table presents the taxable assessments of ten of the Town's largest taxpayers as of August 21, 2009.

TABLE 5
Taxable Assessments¹

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Taxable Assessed</u>
Wyeth/American Home Products (f/k/a American Cyanamid)	Industrial	\$387,106,500	7.989 %
Palisades Interstate Park	State Lands	67,780,698	1.397
Glorious Sun Robert (f/k/a Blue Hill Plaza, Inc.)	Office Complex	51,336,000	1.058
Verizon NYNEX	Public Utility	43,366,417	0.894
International Business Machines	Commercial	35,247,382	0.726
Orange & Rockland Utilities	Public Utility	34,000,000	0.701
Spring Valley Water Co.	Public Utility	32,447,159	0.669
Pontiac Holdings	Industrial	20,627,853	0.425
Clarins USA, Inc.	Perfume	12,175,100	0.251
Manhattan Woods f/k/a Lee Partners, LP	Commercial	9,760,700	0.201
	Totals:	\$693,847,809	14.311%

(1) The Town's total assessed value for 2009 is \$4,852,914,136 (Source Town of Orangetown - Assessors Office)

TOWN INDEBTEDNESS

Constitution Requirements

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

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

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

Payment and Maturity Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid within three fiscal years periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose or, in the alternative, the weighted average period of probable usefulness of the several purposes, for which it is contracted and in no event may this period exceed forty years. No installment may be more than fifty per centum in excess of the smallest prior installment unless the Town Board provides for substantially level or declining debt service payments in the manner prescribed by the State Legislature. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

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

Statutory Procedure

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

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

The Local Finance Law also provides a twenty-day period of limitation after publication of a resolution or summary thereof which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations.

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

Each resolution usually authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not (with certain exceptions) extend five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. (See "Payment and Maturity" under "Constitutional Requirements").

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

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

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

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

Constitutional Debt Limit

The following table sets forth the constitutional debt limit of the Town as set forth in a Debt Statement dated November 20, 2009:

TABLE 6
Constitutional Debt Limit

<u>Taxable Year</u>	<u>Assessed Valuation</u>	<u>Equalization Ratio</u>	<u>Full Valuation</u>
2009	\$4,852,914,136	43.75%	\$11,092,375,168
2008	4,831,653,544	43.30	11,158,553,219
2007	4,815,498,023	41.35	11,645,702,595
2006	4,813,842,561	44.75	10,757,190,080
2005	4,823,117,334	49.50	9,743,671,382
Total Five-Year Valuation			\$54,397,492,445
Average Five-Year Valuation			\$10,879,498,489
Debt Limit - 7% of Average Full Valuation			\$761,564,894

Source: Town of Orangetown - Assessors Office

Statement of Debt Contracting Power

TABLE 7
Statutory Debt Limit and Net Indebtedness
(as of November 20, 2009)

Debt Contracting Limitation	\$761,564,894
Gross Direct Indebtedness	
Serial Bonds	61,235,718
Bond Anticipation Notes	<u>11,935,000</u>
Total Gross Direct Indebtedness	<u>\$73,170,718</u>
Total Net Indebtedness	<u>\$73,170,718</u>
Net Debt-Contracting Margin	\$688,394,176
Percentage of Debt-Contracting Margin Exhausted	<u>9.61%</u>

Remedies Upon Default

No principal of or interest payment on Town indebtedness is past due.

Constitutional Provisions

The State constitution provides that if at any time the appropriating authorities fail to make the required appropriations for the annual debt service on bonds and certain other obligations of the issuer, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes and that the fiscal officer of the issuer may be required to set apart and apply such revenues as aforesaid at the suit of any holder of such obligations.

This Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Statutory Provisions

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by a Town upon any judgment or accrued claim against such Town shall not exceed 9% per-annum. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of or interest on the Notes. In accordance with the general rule with respect to municipalities, judgments against the Town may not be enforced by levy and execution against property owned by the Town.

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

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

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

Bond Anticipation Notes

The Town currently has the following bond anticipation notes outstanding.

TABLE 8
Outstanding Bond Anticipation Notes

<u>Due</u>	<u>Issue</u>	<u>Amount</u>
12/10/2009	Bond Anticipation Notes - 2008	\$8,445,000
9/30/2010	Bond Anticipation Notes - 2009	<u>4,690,000</u>
		\$13,135,000

Tax and Revenue Anticipation Notes

During the past five years, the Town's cash flow has been sufficient to meet operating requirements, and the Town has not found it necessary to issue tax or revenue anticipation notes.

Trend of Outstanding Indebtedness

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

TABLE 9
Outstanding Indebtedness

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Serial Bonds	\$29,735,500	\$20,195,000	\$17,285,000	\$15,375,000	\$63,935,718
Revenue Bonds (Housing)*	7,479,147	7,360,505	7,235,730	7,103,835	6,967,824
Bond Anticipation Notes	<u>6,750,000</u>	<u>10,800,000</u>	<u>31,325,000</u>	<u>31,325,000</u>	<u>13,135,000</u>
Totals	<u>\$43,964,647</u>	<u>\$38,355,505</u>	<u>\$55,845,730</u>	<u>\$53,803,835</u>	<u>\$84,038,542</u>

*The Town has guaranteed the debt of the Orangetown Housing Authority.

Direct and Overlapping Indebtedness

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

TABLE 10
Statement of Overlapping Indebtedness

<u>Overlapping Debt (As of November 20, 2009)</u>			
<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>Town Share</u>	<u>Amount Applicable To Town</u>
Rockland County	\$429,242,675	19.39%	\$83,250,718
Villages:			
Grand View-on-Hudson	-	100.00%	-
Nyack	4,979,800	96.20%	4,790,568
Piermont	3,307,500	100.00%	3,307,500
South Nyack	704,000	100.00%	704,000
School Districts:			
Nanuet UFSD	45,795,679	38.11%	17,452,733
Nyack UFSD	31,479,827	39.45%	12,418,792
Pearl River CSD	18,043,651	100.00%	18,043,651
South Orangetown CSD	32,025,000	100.00%	<u>32,025,000</u>
Total Net Overlapping Debt			\$171,992,962

Source – NYS - Office of the State Comptroller.

Debt Ratios

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

TABLE 11
Debt Ratios

	<u>Amount</u>	<u>Debt Per Capita¹</u>	<u>Debt to Full Value²</u>
Net Direct Debt (As of November 20, 2009)	\$73,170,718	\$1,511	0.79%
Net Overlapping Debt	<u>\$171,922,962</u>	<u>\$3,551</u>	<u>1.86%</u>
Net Direct and Overlapping Debt	\$245,093,680	\$5,062	2.66%

(1) The population of the Town is estimated at 48,421 as of 2008 according to the U.S. Census Bureau.

(2) The Town's full value of taxable real property for 2009 is \$9,225,176,110

Source: NYS - Office of the State Comptroller, Town of Orangetown Assessors Office.

Debt Service Schedule

The following table sets forth all principal and interest payments required on the Town's outstanding bonded indebtedness for future fiscal years ending December 31, exclusive of economically defeased debt obligations.

TABLE 12
Bond Principal and Interest Requirements

Fiscal Year Ending December 31:	Outstanding Bonded Debt: ⁽¹⁾			New Bonds	
	Principal	Interest	Total Principal & Interest	Principal	Principal All Issue
2009	2,700,000	2,749,809	5,449,809	105,000	2,805,000
2010	2,795,718	2,662,624	5,458,342	110,000	2,905,718
2011	2,665,000	2,517,695	5,182,695	115,000	2,780,000
2012	2,635,000	2,403,574	5,038,574	120,000	2,755,000
2013	2,515,000	2,293,256	4,808,256	120,000	2,635,000
2014	2,410,000	2,186,964	4,596,964	125,000	2,535,000
2015	2,265,000	2,084,433	4,349,433	130,000	2,395,000
2016	2,105,000	1,982,130	4,087,130	135,000	2,240,000
2017	2,165,000	1,886,890	4,051,890	145,000	2,310,000
2018	2,220,000	1,788,747	4,008,747	150,000	2,370,000
2019	2,290,000	1,687,671	3,977,671		2,290,000
2020	2,000,000	1,583,191	3,583,191		2,000,000
2021	2,055,000	1,489,448	3,544,448		2,055,000
2022	1,990,000	1,404,807	3,394,807		1,990,000
2023	2,045,000	1,301,620	3,346,620		2,045,000
2024	2,100,000	1,205,690	3,305,690		2,100,000
2025	1,775,000	1,118,894	2,893,894		1,775,000
2026	1,815,000	1,041,695	2,856,695		1,815,000
2027	1,860,000	962,659	2,822,659		1,860,000
2028	1,905,000	881,678	2,786,678		1,905,000
2029	1,950,000	798,753	2,748,753		1,950,000
2030	2,000,000	713,771	2,713,771		2,000,000
2031	2,045,000	626,731	2,671,731		2,045,000
2032	2,100,000	537,528	2,637,528		2,100,000
2033	1,820,000	453,474	2,273,474		1,820,000
2034	1,860,000	374,906	2,234,906		1,860,000
2035	1,900,000	294,630	2,194,630		1,900,000
2036	1,940,000	212,646	2,152,646		1,940,000
2037	1,985,000	128,847	2,113,847		1,985,000
2038	2,025,000	43,234	2,068,234		2,025,000
Totals	\$63,935,718	\$39,417,992	\$103,353,710	\$1,255,000	\$65,190,718

(1) For the entire fiscal year.

Notes: Excludes Housing Authority Revenue Bonds.

EFC debt is exclusive of interest subsidy payments.

Town of Orangetown Housing Authority

The following table sets forth the total debt service payments required to be made on the Orangetown Housing Authority's Bonds by the Town, for future fiscal years ending December 31. The Authority's debt is guaranteed by the Town.

TABLE 13
Total Orangetown Housing Authority Debt Service Requirements

Fiscal Year Ending <u>December 31:</u>	Total <u>Debt Service</u>
2009	\$595,000
2010	605,000
2011	605,000
2012-2030	<u>11,115,680</u>
Total	<u>\$12,920,680</u>

Source: Town of Orangetown.

ECONOMIC AND DEMOGRAPHIC DATA

Population

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

TABLE 14
Population Trend

	<u>1990</u>	<u>2000</u>	<u>2008</u>	Percentage Change <u>2000/2008</u>
Town	46,742	47,711	48,421	1.5%
County	265,475	286,753	298,545	4.1%
State	17,990,455	18,976,457	19,490,297	2.7%

Source: NYS Department of Economic Development, State Data Center, US Department of Commerce, US Census Bureau

Income

The following table presents per capita money income for the Town, County and State.

TABLE 15
Per Capita Money Income

	<u>1990</u>	<u>2000</u>	<u>Percentage Change 1990-</u> <u>2000</u>
Town	\$21,325	\$33,170	55.5%
County	20,195	28,082	39.0
State	16,501	23,389	41.7

Source: New York State Department of Commerce; New York State Empire Development Corporation.

TABLE 16
Median Family Income

	<u>1990</u>	<u>2000</u>
Town:	\$60,710	\$87,341
County:	60,479	78,806
State:	39,741	51,691

Source: US Census Bureau

Employment and Unemployment

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

TABLE 17
Large Commercial and Industrial Employers In the Town

<u>Name</u>	<u>Industry or Business</u>	<u>Number of Employees</u>
Wyeth/American Home Products	Pharmaceuticals	3,059
Nyack Hospital	Hospital	1,500
Verizon Wireless	Communications	1,000
Orange & Rockland Utilities	Public Utility	766
Nice-Pak Products, Inc.	Paper Manufacturing	720
Camp Venture, Inc.	Health Services	600
Chromalloy New York	Fabricated Metal Products	501
Lamont-Doherty Geological Observatory	Earth Sciences Research	480
St. Dominic's Home	Nursing Home	399

Source: Rockland County Development Corporation December 31, 2008.

TABLE 18
Civilian Labor Force

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Town	29,200	29,600	27,200	27,000	26,900	27,600
County	158,100	160,000	153,600	152,500	151,900	157,000
State	9,315,000	9,315,000	9,408,900	9,499,000	9,471,000	9,679,600

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

TABLE 19
Yearly Average Unemployment Rates

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2002	3.8%	3.9%	5.9%
2003	4.0	4.1	6.3
2004	4.0	4.1	5.8
2005	3.8	4.1	5.0
2006	3.5	3.7	4.5
2007	3.6	3.8	4.5
2008	4.4	4.8	5.4

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

TABLE 20
Monthly Unemployment Rates

<u>Month</u>	<u>Town</u>	<u>County</u>	<u>State</u>
April 2008	3.6%	3.9%	4.5%
May	4.2	4.6	4.9
June	4.5	4.8	5.1
July	4.7	5.2	5.5
August	4.7	5.1	5.6
September	4.7	5.2	5.7
October	4.5	5.0	5.7
November	4.6	5.2	6.1
December	5.0	5.5	6.8
January 2009	5.9	6.4	7.6
February	6.3	7.0	8.4
March	6.0	6.7	8.1
April	5.8	6.6	7.5
May	6.1	6.8	8.0

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

Financial Institutions

There are several financial institutions in the Town, some of which include branches of JPMorgan Chase Bank, Citibank, M&T Bank, HSBC Bank, Key Bank, Provident Bank and FD North Bank.

Communication

The Town is served by the major New York metropolitan area newspapers, radio and television stations. TKR Cable T.V. provides cable television service to the Town.

Utilities

Electricity and natural gas are supplied to the Town by Orange & Rockland Utilities, Inc. and water is supplied by the United Water Company. Sanitary sewer facilities are provided to over 95% of the Town residents through special assessment sewer benefit areas. The balance of the Town utilizes septic systems. Police protection is provided by the Town Police Department and fire protection is provided by five fire districts and by village fire departments located within the Town. Telephone service is provided by Bell Atlantic.

Transportation

Rail transportation is provided by the New Jersey Transit System (passenger service) and the West Shore Division of CSX (freight service). Highways serving the Town include the Palisades Interstate Parkway, New York State Route 9W and various County and Town roads. The New York State Thruway and the Garden State Parkway are located to the north and west, respectively, with readily accessible interchanges. The Town is less than a 90-minute drive from the three major airports that serve the New York City area (Kennedy, LaGuardia, and Newark). Air transportation is also provided by Stewart International Airport in Newburgh, New York and Westchester County Airport.

Education

There are numerous colleges, universities and vocational schools located throughout the County. Rockland Community College offers two-year associate degree and one-year certificate programs. Dominican College and St. Thomas Aquinas College are four-year independent liberal arts colleges. Empire State College/SUNY, Iona College – Rockland Campus and Long Island University – Rockland Campus, all offer graduate programs.

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

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

The Town is dependent in part on financial assistance from the State. No delay in payment of State aid to the Town is presently anticipated although no assurance can be given that there will not be a delay in payment thereof. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of the State taxes or other revenues in order to pay State aid to municipalities and school districts in the State, including the Town, in this year or future years, the Town may be affected by a delay, until sufficient State taxes or other revenues have been received by the State to make State aid payments to the Town.

LITIGATION

The Town Attorney has reviewed the status of pending individual cases, which may result in a judgment against the Town for an amount of at least five hundred thousand dollars (\$500,000) and reports as follows:

The Town is a defendant in numerous tax certiorari proceedings instituted by property owners in the Town of Orangetown including tax certiorari proceedings seeking refunds of payments made concerning lands owned by the State of New York and its agencies. The Town believes that it has material defenses to these claims. The Town is authorized under the provisions of the Local Finance Law to finance any such refund through the issuance of bonds and notes.

The South Orangetown Central School District has made a claim against the Town in the amount of \$950,004, based on an alleged breach by the Town of an Inter-municipal Use Agreement relating to Town's use of the School District's swimming facility when it is not otherwise in use by the School District for School District activities. The claim asserts that, under the Agreement, the Town is responsible for 50% of the School District's unfunded costs associated with its reconstruction of the entire pool facility. The Town disputes the claim, and has commenced a proceeding in the Rockland County Supreme Court for declaratory and injunctive relief, asking the Court to construe the Agreement. Given the short-term nature of the agreement, and the fact that the provision relied upon by the School District relates to the costs associated with any major system replacement and/or repair, and not to the construction or reconstruction of the entire facility, the basis for the District's claim, the Town Attorney is of the opinion that the Town will prevail in the litigation.

In addition to the aforementioned litigation, the Town and its officers and employees are defendants in numerous lawsuits. The Town does not believe, however, that such suits, if decided against the Town, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town and its ability to pay the principal and interest on the Bonds and Notes when due. The Town currently carries liability insurance coverage, which covers all liability claims after a self-insured payment on the first \$75,000 for each claim. This general liability coverage insures the Town up to \$6 million.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds and Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds and Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, nor is it included in adjusted current earnings when calculating corporate alternative minimum taxable income.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds and Notes. The Town has made certain representation and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds and Notes will not be included in federal gross income for federal income tax purposes. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds and Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds and Notes. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Bonds and Notes may adversely affect the value of, or the tax status of interest on, the Bonds and Notes. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such action, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds and Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York), the ownership or disposition of, or the accrual or receipt of interest on, the Bonds and Notes may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, or clarification of the Code or courts’ decisions may cause interest on the Bonds and Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposal, or clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds and Notes. Prospective purchasers of the Bonds and Notes should consult their own tax advisers regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the Bonds and Notes for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Town, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Town has covenanted, however, to comply with the requirements of the Code.

Bond Counsel’s engagement with respect to the Bonds and Notes ends with the issuance of the Bonds and Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Town or the Beneficial Owners regarding the tax-exempt status of the Bonds and Notes in the event of an audit examination by the IRS. Under current procedures, parties other than the Town and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the Town legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds and Notes for audit, or the course of result of such audit, or an audit of Bonds and Notes presenting similar tax issues may affect the market price for, or the marketability of, the Bonds and Notes, and may cause the Town or the Beneficial Owners to incur significant expense.

MATERIAL EVENT NOTICES

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), the Town has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding, in a timely manner, to the Municipal Securities Rulemaking Board ("MSRB") notice of the occurrence of any of the following events with respect to the Notes, if such event is material:

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

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

The Town reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the Town no longer remains an obligated person with respect to the Notes with in the meaning of the Rule. The Town acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Town obligations under its material event notices undertaking and any failure by the Town to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

A Material Event Notices Certificate to this effect shall be provided to the purchaser(s) at closing.

A Town is in compliance with all prior undertakings pursuant to the Rule.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), the County has agreed to provide, or cause to be provided, during the period in which the Bonds are outstanding, in a timely manner, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB"), or any other entity designated or authorized by the Commission to receive reports pursuant to the rule:

- (i) during any succeeding fiscal year in which the Bonds are outstanding certain annual financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced under the headings "The County", "Tax Information", "County Indebtedness", "Litigation" and all Appendices (other than any related to bond insurance) and a copy of the audited financial statement (prepared in accordance with generally accepted accounting principles in effect at the time of

audit) for the preceding fiscal year, if any (collectively, the "Annual Information"); such information, data and audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if audited financial statements are prepared, sixty days following receipt by the County of audited financial statements for the preceding fiscal year, but, in no event, not later than the last business day of each such succeeding fiscal year.

(ii) notice of the occurrence of any of the following events with respect to the Bonds, if such event is material (each a "Material Event Notice"):

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

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

(iii) in a timely manner, to the MSRB or any other facility designated or authorized by the commissioner to receive Reports pursuant to the Rule, notice of its failure to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

The Annual Information and the Material Event Notices, if any, will be filed with the MSRB and its EMMA system for municipal securities disclosures.

The County reserves the right to terminate its obligations to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the County no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The County acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the County's obligations under its continuing disclosure undertaking and any failure by the County to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County; provided that, the County agrees that any such modification will be done in a manner consistent with the Rule.

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at closing.

The County is in compliance with all prior undertakings pursuant to the Rule.

FINANCIAL ADVISOR

Environmental Capital LLC, New York, New York is serving as Financial Advisor to the Town with respect to the issuance of the Notes. The Financial Advisor will not engage in any underwriting activities with regard to the issuance and sale of the Notes. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and are not obligated to review or ensure compliance with the undertaking by the Town to provide continuing secondary market disclosure.

RATING

Moody's Investors Service ("Moody's") has assigned a rating of MIG-1 to the Notes and a rating of Aa3 for the Bonds. Such ratings represent only the views of Moody's from whom the significance of such ratings should be obtained. There can be no assurance that such ratings will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of the Notes rating may have an adverse effect on the market price of the Town's obligations or the availability of a secondary market for such obligations.

ADDITIONAL INFORMATION

Additional information, including the Town's most recent audited financial statements, may be obtained from Mr. Charles Richardson, Director of Finance, 26 Orangeburg Road, Orangeburg, New York 10962, (845) 359-5100 or from the Town's Financial Advisor, Environmental Capital LLC, 110 West 40th Street, Suite 1804, New York, New York 10018, (212) 302-4227.

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

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

TOWN OF ORANGETOWN
ROCKLAND COUNTY, NEW YORK

By: /s/ Thom Kleiner
Town Supervisor

Dated: _____

APPENDIX A

BUDGET SUMMARIES AND SUMMARY OF FINANCIAL STATEMENTS*

* Summary itself not audited

BUDGET SUMMARIES

	Budget <u>2007</u>	Budget <u>2008</u>	Budget <u>2009</u>	Budget 2010
Revenues:				
Real Property Taxes	\$2,157,982	\$2,286,460	\$2,744,418	\$3,518,268
Non-Property Tax Items	1,032,000	1,820,000	1,842,000	1,956,000
Departmental Income	17,300	17,100	17,160	17,080
Culture & Recreation	599,000	567,000	619,000	565,000
Use of Money and Property	232,020	216,010	199,000	156,000
Licenses & Permits	40,200	42,010	42,000	40,000
Fines and Forfeitures	350,000	345,000	345,000	370,000
Miscellaneous	22,000	53,000	53,000	22,000
State Aid	2,914,430	2,473,600	1,973,600	1,526,600
Appropriated Fund Balance	500,000	300,000	-	0
Other Culture & Recreation	10,000	10,000	10,000	9,000
Interfund Revenues	<u>3,062,430</u>	<u>3,304,531</u>	<u>3,629,265</u>	<u>3,736,933</u>
 Total Revenues and Appropriated Fund Balance	 <u>\$10,937,362</u>	 <u>\$11,434,711</u>	 <u>\$11,474,443</u>	 <u>11,916,881</u>
Expenditures:				
General Government Support	\$4,666,929	\$5,127,542	\$4,997,761	5,294,857
Police & Public Safety	188,375	171,075	194,683	295,073
Health	37,000	37,000	37,000	50,800
Transportation	739,921	796,812	823,864	673,439
Economic Assistance & Opportunity	131,063	141,063	146,266	151,973
Culture & Recreation	2,295,221	2,263,789	2,281,761	2,383,125
Home & Community Service	269,508	247,508	242,508	212,428
Miscellaneous	20,000	30,000	-	0
Interfund Transfers	20,000	20,000	10,000	179,586
Undistributed	<u>2,569,345</u>	<u>2,263,789</u>	<u>2,740,600</u>	<u>2,675,600</u>
 Total Expenditures	 <u>\$10,937,362</u>	 <u>\$11,434,711</u>	 <u>\$11,474,443</u>	 <u>11,916,881</u>

Source: Adopted Budgets for the Town.

TOWN OF ORANGETOWN
Comparative Balance Sheets - General Fund
Fiscal Year Ended December 31

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Assets:					
Cash and Equivalents	\$3,619,326	\$6,308,848	\$2,930,073	\$3,115,148	\$2,518,783
Investments	-	-	-	-	-
Accounts Receivable	125,211	176,441	203,139	228,468	413,505
Due From State and Federal Governments	30,714	-	-	-	-
Due From Other Governments	208,321	224,679	226,146	230,220	457,936
Due From Other Funds	1,339,165	1,577,921	4,570,925	4,218,235	5,008,768
Advances to Other Funds	-	809,697	976,540	1,945,386	2,509,884
Prepaid Expenditures	200,301	175,908	191,600	192,124	129,968
Allowance for Uncollectible Accounts	-	-	-	-	-
Total Assets	<u>\$5,523,038</u>	<u>\$9,273,494</u>	<u>\$9,098,423</u>	<u>\$9,929,581</u>	<u>\$11,038,844</u>
Liabilities and Fund Balance:					
Liabilities					
Accounts Payable	\$283,902	\$207,335	\$226,284	\$562,342	\$360,319
Bond Anticipation Notes Payable	-	-	-	-	71,104
Due to Other Governments	35,025	47,581	17,670	26,789	25,355
Due To Other Funds	837,642	2,489,099	3,207,743	3,498,110	4,784,949
Accrued Liabilities	-	-	19,158	115,396	33,743
Deferred Revenues	-	-	-	-	-
Retained Percentages Payable	-	-	-	-	-
Total Liabilities	<u>\$1,156,569</u>	<u>\$2,744,015</u>	<u>\$3,470,855</u>	<u>\$4,202,637</u>	<u>\$5,275,470</u>
Fund Balance					
Reserved for Encumbrances	\$10,777	\$144,884	\$191,600	\$192,124	\$129,968
Reserved for Prepaid Expenditures	200,301	175,908	175,650	124,611	186,397
Reserved for Parking Improvements	50,483	-	-	-	-
Reserved for Long-Term Receivables	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-
Reserved for Advances	-	809,697	976,540	1,945,386	2,509,884
Unreserved:					
General Fund	4,104,908	5,398,990	4,283,778	3,464,823	2,937,125
Designated for Parking Improvements	-	-	-	-	-
Designated for Subsequent Years Expenditures	-	-	-	-	-
Undesignated	-	-	-	-	-
Total Fund Balance	<u>\$4,366,469</u>	<u>\$6,529,479</u>	<u>\$5,627,568</u>	<u>\$5,726,944</u>	<u>\$5,763,374</u>
Total Liabilities and Fund Balance	<u>\$5,523,038</u>	<u>\$9,273,494</u>	<u>\$9,098,423</u>	<u>\$9,929,581</u>	<u>\$11,038,844</u>

Source: Town of Orangetown, Audited Financial Statements Fiscal Year Ending 12/31 (2004-2008).

Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund - Townwide

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Revenues:</u>					
Real Property Taxes	\$1,981,292	\$1,628,745	\$1,125,201	\$2,120,931	\$2,255,785
Other Tax Items	71,355	49,916	47,350	56,724	32,754
Non Property Taxes	953,508	1,005,217	1,037,401	1,134,009	1,979,950
Departmental Income	483,596	562,505	586,131	614,731	573,604
Use of Money and Property	131,970	230,565	244,430	235,326	186,127
Licenses and Permits	35,746	42,185	44,537	41,514	43,082
Fines and Forfeitures	366,009	345,590	345,064	347,305	367,854
Sale of Property and Compensation for Loss	-	-	-	-	-
Miscellaneous	4,115	22,589	124,036	107,690	4,849
Interfund Revenues	2,483,513	2,890,070	3,062,430	3,096,287	3,304,531
Federal Aid	-	-	-	20,522	-
State Aid	3,116,353	3,259,256	3,430,505	2,761,081	2,081,833
Total Revenues	<u>9,627,457</u>	<u>10,036,256</u>	<u>10,047,067</u>	<u>10,536,120</u>	<u>10,830,369</u>
<u>Expenditures:</u>					
General Government Support:	\$4,093,860	\$4,378,958	\$3,839,877	\$4,553,688	\$4,766,242
Public Safety	106,055	108,652	126,532	130,517	156,967
Health	71,156	34,621	39,000	37,000	37,150
Transportation	529,861	458,398	728,279	610,025	626,846
Economic Assistance and Opportunity	114,896	116,445	118,704	131,904	140,075
Culture and Recreation	1,707,210	1,923,393	2,107,566	2,226,536	2,314,249
Home and Community Services	238,430	287,175	217,276	192,311	180,531
Employee Benefits	1,861,070	1,940,108	1,852,768	2,020,799	2,021,944
Debt Service	79,125	39,939	319,201	253,218	262,655
Total Expenditures	<u>8,801,663</u>	<u>9,287,689</u>	<u>9,349,203</u>	<u>10,155,998</u>	<u>10,506,659</u>
Excess (Def) of Revenues & Other Sources Over Expenditures	<u>\$825,794</u>	<u>\$748,949</u>	<u>\$697,864</u>	<u>\$380,122</u>	<u>\$323,710</u>
<u>Other Financing Sources (Uses):</u>					
Proceeds from Serial Bonds	-	-	-	-	-
Sale of Real Property	-	1,717,800	10,000	-	-
Operating Transfers In	-	-	1,923	-	-
Operating Transfers Out	(125,000)	(303,739)	(1,611,698)	(280,746)	(287,280)
Total Other Financing Sources (Uses)	<u>(125,000)</u>	<u>1,414,061</u>	<u>(1,599,775)</u>	<u>(280,746)</u>	<u>(287,280)</u>
Excess (Def) of Rev. and Other Sources Over Expenditures and Other Uses	<u>700,794</u>	<u>2,163,010</u>	<u>(901,911)</u>	<u>99,367</u>	<u>36,430</u>
Fund Balance-Beginning of Year	<u>3,665,675</u>	<u>4,366,469</u>	<u>6,529,479</u>	<u>5,627,568</u>	<u>5,725,944</u>
Fund Balance-End of Year	<u>\$4,366,469</u>	<u>\$6,529,479</u>	<u>\$5,627,568</u>	<u>\$5,725,944</u>	<u>\$5,762,374</u>

Source: Town of Orangetown, Audited Financial Statements Fiscal Year Ending 12/31 (2004-2008).

Statement of Revenues, Expenditures and Changes in Fund Balance - Town Outside Village
Fiscal Year Ended December 31:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues:					
Real Property Taxes	\$19,012,763	\$20,086,756	\$20,742,355	\$20,988,821	\$21,670,611
Other Tax Items	149,375	221,409	213,028	265,093	223,525
Non Property Taxes	-	-	-	299,285	-
Departmental Income	868,908	855,487	1,182,141	722,205	974,636
Intergovernmental charges	146,019	110,676	94,569	104,406	127,214
Use of Money and Property	110,613	328,114	592,615	761,757	323,844
Fines and Forfeitures	-	3,653	3,115	141	-
Sale of Property and Compensation for Loss	-	-	-	-	26,048
Miscellaneous	17,113	27,409	220,380	17,729	49,136
Interfund Revenues	-	-	-	-	-
Federal Aid	94,384	74,287	14,317	107,113	251,124
State Aid	148,724	190,698	199,265	277,580	317,263
Total Revenues	<u>20,547,899</u>	<u>21,898,489</u>	<u>23,261,785</u>	<u>23,544,130</u>	<u>23,963,401</u>
Expenditures					
General Government Support:	\$1,736,846	\$2,121,990	\$1,735,576	\$2,099,713	\$2,836,360
Public Safety	12,325,450	12,530,847	13,125,184	13,529,352	13,771,523
Health	-	-	-	-	-
Transportation	377,223	375,465	397,237	387,196	394,523
Culture and Recreation	-	-	-	-	-
Home and Community Services	812,264	810,574	829,467	845,329	977,004
Employee Benefits	5,048,484	5,073,898	5,478,149	5,719,273	6,053,093
Debt Service - Interest	-	-	-	-	-
Total Expenditures	<u>20,300,267</u>	<u>20,912,744</u>	<u>21,565,613</u>	<u>22,580,863</u>	<u>24,032,503</u>
Excess (Def) of Revenues & Other Sources Over Expenditures	<u>247,632</u>	<u>985,715</u>	<u>1,696,172</u>	<u>963,277</u>	<u>(69,102)</u>
Other Financing Sources (Uses):					
Operating Transfers in	-	-	-	-	-
Operating Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance_Beginning of Year	<u>711,931</u>	<u>959,563</u>	<u>1,945,278</u>	<u>3,641,450</u>	<u>4,604,727</u>
Fund Balance-End of Year	<u>\$959,563</u>	<u>\$1,945,278</u>	<u>\$3,641,450</u>	<u>\$4,604,727</u>	<u>\$4,535,625</u>

Source: Town of Orangetown, Audited Financial Statements Fiscal Year Ending 12/31 (2003-2008).

APPENDIX B

AUDITED FINANCIAL STATEMENT DATED DECEMBER 31, 2008

TOWN OF ORANGETOWN, NEW YORK

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2008

WITH INDEPENDENT AUDITORS' REPORT

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O'Connor Davies Munns & Dobbins, LLP

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Supervisor and Town Board of the
Town of Orangetown, New York:

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 as of and for the year ended December 31, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these basic 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, 2008. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the basic financial statements insofar as it relates to amounts included for the component unit, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors, provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, 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 of Orangetown, New York as of December 31, 2008 and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General, Town Outside Villages, Sewer and Highway Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Bennett Kielson Storch DeSantis Division

One Barker Avenue, White Plains, New York 10601 914.421.5600 tel 914.421.5099 fax www.odmd.com

As described in Note 3,1 to the basic financial statements, the Town of Orangetown, New York adopted the provisions of Governmental Accounting Standards Board Statement No. 45, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*" as of and for the year ended December 31, 2008.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Orangetown, New York's basic financial statements. The accompanying financial information listed as combining and individual fund financial statements and schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Town of Orangetown, New York. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Bennett Kjelson Storch DeSantis

The Government Services Division of
O'Connor Davies Munns & Dobbins, LLP
April 16, 2009

**Town of Orangetown, New York
Management's Discussion and Analysis (MD&A)
December 31, 2008**

Introduction

On behalf of Town Supervisor Thom Kleiner 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's Finance Director an opportunity to summarize the Town's financial activity for the fiscal year ended December 31, 2008. This MD&A should be read in conjunction with the basic financial statements, which immediately follows this section, to enhance understanding of the Town's financial performance.

Financial Highlights for Fiscal Year 2008

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

- The Town of Orangetown has net assets that total to \$78.9 million, excluding the Orangetown Housing Authority. Of this amount, \$78.3 million represents governmental net assets and \$0.6 million are business type net assets for the Town's two golf courses. Total net assets for both types of activities declined by \$4.1 million with governmental activities reduced by \$3.3 million and business-type activities declining by \$0.8 million. The loss in the governmental activities reflect the unfunded costs of the post employment health benefits that were required to be recorded for the first time. The 2008 annual required cost was \$5.7 million.
- The Town's General Fund ended 2008 with fund balance of \$5.8 million, while the ending fund balance of the Town Outside Villages, Sewer and Highway funds was \$9.4 million. The 2008 General Fund balance remained virtually unchanged from 2007 despite the appropriation of \$0.3 million in fund balance. The Town Outside Villages, Sewer and Highway funds fund balances increased by \$0.4 million. Ending fund balances for the General, the Town Outside Villages, Sewer and Highway funds equaled 29% of 2008 spending for those funds, while unreserved fund balances equaled 19% of 2008 spending. In addition, the Town has a fund balance of \$4.1 million in the Debt Service Fund which is gradually being drawn down to offset the debt service costs of a \$47.5 sewer renovation project.
- The Town's business entities, the Blue Hill Golf Course and the Broad Acres Golf Course had total net assets of \$0.6 million. Unfortunately, Blue Hill Golf Course ran a deficit of \$0.5 million while Broad Acres ran a deficit of \$0.4 million
- The Town's total outstanding debt was \$63.9 million in bonds as of December 31, 2008, with an additional \$19.3 million in outstanding bond anticipation notes. The outstanding debt includes \$45.5 million in borrowings from the New York State Environmental Facilities Corporation.

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 assets 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 2008 and the level of resources available for future years. Fiduciary funds also are shown; these consist 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 Assets and the Statement of Activities. These two statements include all assets 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 assets and changes in them. In future financial reports, increases or decreases in net assets will 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 Broad Acres are intended to be completely self-sufficient and do not receive taxes or grants from other governments. 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 Assets 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.

The Town as Trustee

Reporting the Town's Fiduciary Responsibilities

All of the Town's fiduciary activities are reported in separate Statements of Fiduciary Assets and Liabilities. 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 assets at the end of 2008 were \$78.9 million. Of this amount, \$78.3 million were assets of governmental activities and \$0.6 million were assets of business-type activities - the Blue Hill and Broad Acres golf courses.

Total assets were \$177.2 million at the end of 2008, with capital assets, net of depreciation accounting for \$137.2 million of this amount. This latter amount includes infrastructure of

\$54.9 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, some of which have been estimated by the Town's outside appraisal firm, American Appraisal of Princeton, New Jersey. The Town uses these capital assets to provide services to residents. Consequently, 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 \$40.1 million and consist primarily of \$21.1 million in cash and equivalents, \$5.2 million in investments, \$9.7 million in restricted investments and \$2.6 million in receivables.

Total liabilities are \$98.4 million with capital construction bonds outstanding at \$63.9 million and bond anticipation notes for capital projects and other purposes at \$19.3 million. Other long-term liabilities of the Town include pension enhancements and retirement incentives, compensated absences, claims payable and other post employment benefit obligations payable that are funded over a number of years.

Net Assets
December 31, 2008
(In millions of dollars)

	Governmental Activities		Business Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current Assets	\$ 39.435	\$ 35.976	\$ 0.622	\$ 0.507	\$ 40.057	\$ 36.483
Capital Assests (depreciated)	128.299	108.490	8.855	9.184	137.154	117.674
Total Assets	167.734	144.466	9.477	9.691	177.211	154.157
Current Liabilities	21.198	44.332	3.032	5.265	24.230	49.597
Long Term Liabilities	68.269	18.551	5.852	3.008	74.121	21.559
Total Liabilities	89.467	62.883	8.884	8.273	98.351	71.156
Invested in Capital Assets (net of debt)	61.298	75.713	3.430	3.364	64.728	79.077
Restricted Assets	8.399	10.619	-	-	8.399	10.619
Unrestricted Assets	8.570	-4.749	-2.837	-1.945	5.733	-6.694
Total Net Assets	\$ 78.267	\$ 81.583	\$ 0.593	\$ 1.418	\$ 78.860	\$ 83.001

When liabilities are subtracted from assets the resulting net assets are \$78.9 million, consisting of \$64.7 million in invested in capital assets net of related debt, \$8.4 million in restricted assets, and \$5.7 million in unrestricted assets. The latter reflects outstanding bond anticipation notes as well as the cumulative deficits of the Town's two golf courses. The restricted assets include \$3.4 million in monies reserved for debt service as well as amounts restricted for other purposes and special revenue funds.

Statement of Activities

The statement of activities presents information showing how the Town's net assets 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 of Orangetown were \$57.8 million. Real property taxes made up \$43.7 million of this amount or 76%. Charges for services were \$7.3 million or 13%, primarily from the Blue Hill and Broad Acres golf courses; and recreation, building inspection and sewer charges. Unrestricted State aid totaled \$2.1 million or 4%, although nearly all of that (\$1.8 million) was from mortgage tax revenue that was generated in the Town. Operating grants and contributions were \$1.5 million or 3%.

Change in Net Assets
Fiscal Year Ended December 31, 2008
(in millions of dollars)

	Governmental Activities		Business Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program Revenues						
Charges for Services	\$ 4.122	\$ 3.374	\$ 3.196	\$ 3.096	\$ 7.318	\$ 6.470
Operating Grants and Contributions	1.583	2.367	-	-	1.583	2.367
Capital Grants and Contributions	0.614	0.949	-	-	0.614	0.949
General Revenues						
Real Property Taxes	43.737	41.298	-	-	43.737	41.298
Other Tax Items	0.256	0.322	-	-	0.256	0.322
Non-Property Taxes	1.980	1.432	-	-	1.980	1.432
Unrestricted Use of Money and Property	0.074	0.155	0.008	0.032	0.082	0.187
Sale of Property and Compensation for Loss	0.077	-	-	-	0.077	-
Unrestricted State Aid	2.138	2.804	-	-	2.138	2.804
Miscellaneous	0.054	0.125	-	-	0.054	0.125
Transfers	-0.062	-	0.062	-	-	-
Total Revenues	54.573	52.826	3.266	3.128	57.839	55.954
Program Expenses						
General Government Support	7.051	8.443	-	-	7.051	8.443
Public Safety	23.420	20.692	-	-	23.420	20.692
Health	0.437	0.437	-	-	0.437	0.437
Transportation	11.301	10.114	-	-	11.301	10.114
Economic Opportunity and Development	0.153	0.124	-	-	0.153	0.124
Culture and Recreation	3.361	2.764	-	-	3.361	2.764
Home and Community Services	10.147	8.756	-	-	10.147	8.756
Interest	2.018	1.604	-	-	2.018	1.604
Golf Courses	-	-	4.091	3.779	4.091	3.779
Total Expenses	57.888	52.934	4.091	3.779	61.979	56.713
Change in Net Assets	(3.315)	(0.108)	(0.825)	(0.651)	(4.140)	(0.759)
Net Assets Beginning of Year	81.583	81.691	1.418	2.069	83.001	83.760
Net Assets End of Year	\$ 78.268	\$ 81.583	\$ 0.593	\$ 1.418	\$ 78.861	\$ 83.002

Program expenses totaled \$62.0 million, with governmental programs accounting for \$57.9 million of that amount. The cost of operating the golf courses was \$4.1 million. Public safety expenses, mainly police expenses, totaled \$23.4 million or 38% of Town spending. Home and community services were \$10.1 million or 16%. Sewer service costs account for the majority of the latter amount. Transportation spending, primarily by the Highway Department was \$11.3 million, or 18% of the total.

Program expenses in the statement of activities differ from the individual governmental fund statements in that the statement of activities includes the annual required contribution towards post employment health benefits among other items. In 2008, this amount was \$5.7 million for the governmental funds. The individual governmental funds exclude these costs.

The resulting net change in total net assets in 2008 was a \$4.1 million decrease. Governmental activities decreased by \$3.3 million, while the assets of the two golf courses declined by \$0.8 million.

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 of Orangetown are the General Fund, the Debt Service Fund, the Capital Projects Fund, Town-Outside Villages Fund, the combined Highway Fund and the Sewer 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 receiving sewer services pay lower rates of Town taxes. The tables on the following pages show the Town of Orangetown's governmental funds including revenues, expenditures and changes in fund balances.

- Total revenues for selected governmental funds were \$52.6 million. Expenditures were \$51.7. Transfers out were \$0.6 million, leaving a \$0.4 million increase in fund balances. Of the total fund balance of these funds of \$15.2 million, \$9.9 million is unreserved.
- Total expenditures for the selected governmental funds increased by \$2.3 million or 4.7%. Total revenues for these selected government funds grew by \$2.1 million. Property taxes and unit charges increased \$2.1 in 2008, while other revenues had offsetting increases and shortfalls.

Selected Governmental Operating Funds in 2008
Revenues, Expenditures and Changes in Fund Balances
(in millions of dollars)

	2008					2007
	General	Town Outside Villages	Sewer	Combined Highway	Total	Total
Revenues:						
Property Taxes and Unit Charges \$	2.256	21.671	\$ 6.600	\$ 8.897	\$ 39.424	\$ 37.362
Other Revenues	8.574	2.292	1.530	0.794	13.190	13.161
Total Revenues	10.830	23.963	8.130	9.691	52.614	50.523
Expenditures	10.507	24.032	8.159	8.960	51.658	49.317
Revenues Net of Expenditures	0.323	(0.069)	(0.029)	0.731	0.956	1.206
Transfers In	-	-	-	0.020	0.020	0.636
Transfers Out	(0.287)	-	(0.275)	-	(0.562)	0.290
Net Changes in Fund Balances	0.036	(0.069)	(0.304)	0.751	0.414	1.564
Beginning Fund Balances	5.727	4.605	2.107	2.359	14.798	13.231
Ending Fund Balances	\$ 5.763	\$ 4.536	\$ 1.803	\$ 3.110	\$ 15.212	\$ 14.795
Ending Fund Balances as % of Expenditures	55%	19%	22%	35%	29%	30%
Unreserved Fund Balances	2.937	3.502	1.152	2.295	9.886	11.905
Unreserved Fund Balances as % of Expenditures	28%	15%	14%	26%	19%	24%

General Fund

The Town of Orangetown'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 \$10.8 million in 2008 and expenditures totaled \$10.5 million. An additional \$0.3 was transferred out; nearly all of this was to pay for bond anticipation note principal.
- The Town's General Fund ended 2008 with a slightly unfavorable outcome on the revenue and a more favorable outcome on the expenditure side. Revenues were \$0.3 million below the final budget with mortgage taxes again accounting for that result. Expenditures were \$0.8 million below the final budget with most General Fund departments below the original budget
- Fund balance increased from a beginning level of \$5.7 million to an ending level of \$5.8. Unreserved fund balance fell from \$3.5 million in 2007 to \$2.9 million because of the on-going losses at the two golf courses.
- The continued health of the General Fund is primarily the result of conservative budget estimates for mortgage tax revenues in past years. In 2008, however, there was a shortfall of \$0.4 million or 18% below budget. Mortgage tax revenues declined from \$2.5 million in 2007 to \$1.8 million in 2008. That decline was offset by higher than expected franchise revenues.
- The relatively high level of fund balance (\$5.8 million with \$2.9 unreserved) has been used to temporarily fund capital projects in-lieu of issuing bonds or additional bond anticipation notes.

Town-Outside of Villages Fund

Town-Outside of 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 of Orangetown 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 made up 90% of the revenues for the TOV Funds, with building permits and departmental revenues making up about 4% of the total.

- Building permit revenue unexpectedly rose from \$0.5 million in 2007 to \$0.8 million in 2009 despite the faltering economy. This was in part due to the construction of

several commercial buildings in the Town, as well as a desire by builders to avoid paying higher permit rates in 2009.

- Fringe benefits costs for the TOV funds were \$6.1 million in 2008 or 25% 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 50% of payroll costs.

The 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 of Orangetown residents, the system also serves neighboring areas outside the Town, in Upper Nyack, parts of Chestnut Ridge (both in Rockland County), and the Boro of Rockleigh in Bergen County, New Jersey.

Beginning in 2007, the Town of Orangetown 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. Banks would have a small amount of units while restaurants would have much larger units based on seating capacity. In 2008 the unit charge was \$160.11 per unit. The unit charge raised \$4.9 million and accounted for 61% of total revenues including transfers into the fund. Property taxes for pay-as-you go capital improvements and repairs were \$1.7 million and made 21% of 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 \$1.5 million in 2008 or 18% of total revenues.

- The beginning fund balance was \$2.1 million in 2008, and the ending fund balance was \$1.8 million. The revenue shortfall of \$0.4 million was offset by expenditure control but there was a \$0.3 million transfer out for debt service costs.
- The Sewer Fund's costs are likely to growth in the future as a result of a \$47.5 million renovation projects. While the project is designed to be energy efficient, energy and chemical costs will rise as parts of the system come back on-line.

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 2008. 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.

- Fund balance was \$2.4 million at the beginning of the year but increased to \$3.1 million at the end of the year. Like the Town-Outside Village Fund, it is normally hard to generate fund balance because of the reliance on property taxes. However, mild winters in both 2007 and 2008 have reduced overtime costs for snow removal.
- The Town Board has endorsed the pay-as-go approach of replacing highway vehicles advocated by the Highway Supervisor. While the Town has bonded for vehicles in the past, the current practice is to budget roughly \$0.6 million each year to replace parts of the Highway fleet.

Capital Assets and Debt Administration

Capital Assets

The Town of Orangetown's capital assets had values, net of accumulated depreciation, of \$137.2 million at the end of 2008. This is an increase of \$19.7 million over 2007 with \$14.6 million of the increase reflected in construction in progress. The Town as previously mentioned is in the process of renovating its sewer infrastructure and is completing ball fields and soccer fields on the site that was purchased from the State that was formerly part of the Rockland Psychiatric Center.

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

Capital Assets
December 31, 2008
(In millions of dollars, net of accumulated depreciation)

	Governmental Activities		Business Type		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 16.945	\$ 16.945	\$ 5.454	\$ 5.454	\$ 22.399	\$ 22.399
Land Improvements	1.278	1.328	-	-	1.278	1.328
Buildings and Improvements	6.386	6.631	0.504	0.526	6.890	7.157
Golf Course Facility	-	-	2.692	2.921	2.692	2.921
Machinery and Equipment	6.173	6.499	0.204	0.193	6.377	6.692
Infrastructure	54.935	49.119	-	-	54.935	49.119
Construction-In-Progress	42.581	27.967	-	-	42.581	27.967
Total Capital Assets	\$ 128.298	\$ 108.489	\$ 8.854	\$ 9.094	\$ 137.152	\$ 117.583

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

Orangetown's long-term debt (general obligation bonds) at the end of 2008 was \$63.9 million, of which \$58.4 was for governmental activities, and \$5.5 million was for the Blue Hill Golf Course and Broad Acres Golf Course, both business type activities. The Town also had \$18.0 million in bond anticipation notes for capital purposes.

In fall of 2008 the sewer notes were converted into New York State Environmental Facilities Corporation (EFC) loans in the amount of \$45.5 million with interest costs subsidized by 50% by the State. The final cost of this project is expected to reach \$47.5 million with additional monies coming from developer contributions and other sources.

Largely as a result of the EFC financing of \$45.5 million in long-term debt, replacing \$22.1 million in bond anticipation notes, the deficit in the Capital Projects fund decreased from \$25.5 million in 2007 to a \$2.6 million in 2008.

The outstanding bond anticipation notes are overstated by roughly \$9 million in the sense that \$9 million in notes due in January, 2009 were refinanced or converted to bonds in December, 2008 because of uncertainty in the municipal bond market. The refinancing of notes did occur with a favorable interest rate of 1.1% for one year. Bonds that are callable after 2013 were sold with an interest rate of 4.3%.

The Town plans to redeem a portion of the bond anticipation notes with the proceeds from a land sale. The Town has a contract with home builder K. Hovnanian for the sale of roughly 80 acres of land for \$24 million. The Town is proceeding with the environmental quality process, as required by State law. K. Hovnanian representatives have indicated that they plan to go ahead with the project.

The Town purchased 348 acres from the State at Rockland Psychiatric Center for \$5.95 million in 2003. Under the agreement with the State, most of the remaining land must be used for parks or recreation. Still, the Town has 50 additional acres that can be marketed to private developers once the economy improves.

Total debt equaled \$83.3 million at the end of 2008, up from \$46.4 million at the end of 2007. The increase reflects borrowing from the State for nearly the full cost of the sewer renovations (\$45.5 million). In 2007, the sewer project was being financed with \$22.2 million in notes. Largely as a result of additional funding, the deficit in the Capital Projects Fund declined from \$28.1 million in 2007 to \$2.6 million in 2008.

In December, 2008 Moody's Investors' Service gave the Town a MIG1 (Municipal Investment Grade) rating for its BANs, the highest possible rating. Moody's also re-affirmed the Town's underlying Aa3 rating.

Outstanding Debt
General Obligations Bonds and Bond Anticipation Notes
(in millions of dollars)

	Governmental		Business Type		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	\$ 58.418	\$ 12.400	\$ 5.518	\$ 2.975	\$ 63.936	\$ 15.375
Bond Anticipation Notes	19.315	28.035	-	2.965	19.315	31.000
Total Outstanding Debt	\$ 77.733	\$ 40.435	\$ 5.518	\$ 5.940	\$ 83.251	\$ 46.375

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

Economic Factors

As indicated in the transmittal letter, 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 current economic and financial crisis gripping the nation. The Town finances survived 2008 because of conservative assumptions and budget practices. The Town was more conservative in revenue assumptions in 2009 assuming lower levels of interest income, building related revenues and sales tax. The question is whether the Town was conservative enough.

In addition to the economy in general, there is considerable concern that Wyeth Pharmaceuticals, the Town's major employer and taxpayer, has been acquired by Pzeizer. No plans have been announced for the Pearl River plant and research center.

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 Rockland Psychiatric redevelopment Center 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 considering a series of options that will replace or renovate the Tappan Zee Bridge, which has Orangetown at its western end. The most likely option would be construction of a new bridge with a mass transit component. The State plans to replace the Tappan Zee Bridge with a new bridge with a mass transit component.

With the completion of the Town's master plan, it is likely that several hundred units of senior housing will be constructed. Many of the units will be within walking distance of the Town's hamlet centers. Senior housing has the added advantage of increasing the Town's tax base, without having an immediate effect on the Town's overcrowded schools.

The sale and private redevelopment of much of the Town-owned land at Rockland Psychiatric Center will also provide additional tax base for the Town. Previously, the State of New York paid property taxes on land values alone.

Next Year's Budgets and Tax Rates

The 2009 property tax rate increased by 2%, one of the lowest tax rate increases of any of the Towns in Rockland County. Future budget and tax rates will depend in large measure on when the national and regional economies recover from the current economic crisis. Pension costs are a major concern in that the State pension system, which Orangetown participates in, is heavily invested in the stock market. At the time of this writing the stock market is at its lowest level since 1997.

Contacting the Town's Financial Management

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

Charles J. Richardson
Orangetown Finance Director
Town Hall
26 Orangeburg Road
Orangeburg, New York 10962
Or e-mail findir@orangetown.com

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TOWN OF ORANGETOWN, NEW YORK

STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Orangetown Housing Authority
ASSETS				
Cash and equivalents	\$ 20,547,142	\$ 536,555	\$ 21,083,697	\$ 10,225
Investments	5,218,308	-	5,218,308	-
Restricted investments	9,671,117	-	9,671,117	1,186,547
Receivables:				
Accounts, net	1,700,677	55,224	1,755,901	2,560
State and Federal aid	207,652	-	207,652	-
Due from other governments	671,330	-	671,330	-
Prepaid expenses	1,419,040	18,553	1,437,593	26,073
Deferred charges, net of accumulated amortization	-	12,369	12,369	53,039
Capital assets (net of accumulated depreciation):				
Land	16,945,317	5,453,825	22,399,142	1,969,055
Land improvements	1,278,085	-	1,278,085	-
Buildings and improvements	6,386,129	503,962	6,890,091	3,933,504
Improvements other than buildings	-	2,692,464	2,692,464	-
Infrastructure	54,935,085	-	54,935,085	-
Machinery and equipment	6,173,358	204,147	6,377,505	19,150
Construction-in-progress	42,581,092	-	42,581,092	-
Total Assets	167,734,332	9,477,099	177,211,431	7,200,153
LIABILITIES				
Accounts payable	1,763,116	4,676	1,767,792	56,775
Accrued liabilities	368,873	35,211	404,084	-
Accrued interest payable	874,708	98,463	973,171	-
Retained percentages	1,605,280	-	1,605,280	-
Bond anticipation notes payable - Capital construction	18,015,000	-	18,015,000	-
Bond anticipation notes payable - Judgments and claims	1,300,000	-	1,300,000	-
Due to other governments	42,669	4,086	46,755	-
Unearned revenues	117,440	-	117,440	8,590
Deposits	-	-	-	81,066
Internal balances	(2,889,488)	2,889,488	-	-
Non-current liabilities:				
Due within one year:				
Bonds payable	2,255,965	444,035	2,700,000	-
Revenue bonds payable	-	-	-	595,000
Compensated absences	165,828	7,336	173,164	-
Retirement incentives and other pension obligations	373,868	-	373,868	-
Claims payable	684,628	-	684,628	-
Due in more than one year:				
Bonds payable	56,162,253	5,073,465	61,235,718	-
Revenue bonds payable	-	-	-	6,372,824
Compensated absences	1,492,452	66,025	1,558,477	-
Retirement incentives and other pension obligations	827,787	-	827,787	-
Claims payable	588,448	-	588,448	-
Other post employment benefit obligations payable	5,717,738	261,165	5,978,903	-
Total Liabilities	89,466,565	8,883,950	98,350,515	7,114,255
NET ASSETS				
Invested in capital assets, net of related debt	61,297,724	3,430,223	64,727,947	99,515
Restricted for:				
Capital projects	841,801	-	841,801	-
Law enforcement	10,916	-	10,916	-
D.A.R.E.	20,841	-	20,841	-
Debt service	4,144,621	-	4,144,621	-
Workers' compensation benefits	246,575	-	246,575	-
Risk retention	84,816	-	84,816	-
Special Revenue Funds:				
Sewer	264,611	-	264,611	-
Highway	2,042,336	-	2,042,336	-
Special Districts	163,013	-	163,013	-
Parking	45,353	-	45,353	-
Special Purpose	535,322	-	535,322	-
Unrestricted	8,569,838	(2,837,074)	5,732,764	(13,617)
Total Net Assets	\$ 78,267,767	\$ 593,149	\$ 78,860,916	\$ 85,898

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, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government support	\$ 7,050,815	\$ 426,848	\$ 26,458	\$ -
Public safety	23,419,577	1,308,780	789,867	-
Health	437,150	-	-	-
Transportation	11,300,971	238,880	552,769	-
Economic opportunity and development	153,119	-	-	-
Culture and recreation	3,361,186	616,859	26,672	244,900
Home and community services	10,147,576	1,530,680	187,260	4,375
Interest	2,018,549	-	-	365,228
Total Governmental Activities	57,888,943	4,122,047	1,583,026	614,503
Business-type activities:				
Blue Hill Golf Course	3,042,587	2,579,136	-	-
Broad Acres Golf Course	1,049,238	617,340	-	-
Total Business-type Activities	4,091,825	3,196,476	-	-
Total	\$ 61,980,768	\$ 7,318,523	\$ 1,583,026	\$ 614,503
Component unit - Orangetown Housing Authority	\$ 984,218	\$ 951,377	\$ 1,232	\$ -
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				
Transfers				
Total General Revenues				
Change in Net Assets				
Net Assets - Beginning of Year				
Net Assets - End of Year				

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Housing Authority
\$ (6,597,509)	\$ -	\$ (6,597,509)	\$ -
(21,320,930)	-	(21,320,930)	-
(437,150)	-	(437,150)	-
(10,509,322)	-	(10,509,322)	-
(153,119)	-	(153,119)	-
(2,472,755)	-	(2,472,755)	-
(8,425,261)	-	(8,425,261)	-
(1,653,321)	-	(1,653,321)	-
(51,569,367)	-	(51,569,367)	-
-	(463,451)	(463,451)	-
-	(431,898)	(431,898)	-
-	(895,349)	(895,349)	-
(51,569,367)	(895,349)	(52,464,716)	-
-	-	-	(31,609)
43,736,589	-	43,736,589	-
112,170	-	112,170	-
144,109	-	144,109	-
525,490	-	525,490	-
1,454,460	-	1,454,460	-
74,058	7,630	81,688	53,073
77,132	-	77,132	-
2,137,807	-	2,137,807	-
53,985	-	53,985	-
(62,143)	62,143	-	-
48,253,657	69,773	48,323,430	53,073
(3,315,710)	(825,576)	(4,141,286)	21,464
81,583,477	1,418,725	83,002,202	64,434
\$ 78,267,767	\$ 593,149	\$ 78,860,916	\$ 85,898

TOWN OF ORANGETOWN, NEW YORK

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	General	Town Outside Villages	Sewer	Highway	Debt Service
ASSETS					
Cash and Equivalents	\$ 2,518,783	\$ 612,849	\$ 3,635,852	\$ 1,114,742	\$ 11,047,865
Investments	-	4,506,266	-	712,042	-
Restricted Investments	-	-	-	-	-
Receivables:					
Accounts, net	413,505	686,323	154,845	50,872	-
State and Federal aid	-	3,260	40,000	105,399	-
Due from other governments	457,936	212,840	-	554	-
Due from other funds	5,008,768	1,718,001	1,407,624	6,286,574	2,447,366
Advances to other funds	2,509,884	-	-	-	-
	8,390,093	2,620,424	1,602,469	6,443,399	2,447,366
Prepaid Expenditures	129,968	879,712	55,523	73,467	-
Total Assets	\$ 11,038,844	\$ 8,619,251	\$ 5,293,844	\$ 8,343,650	\$ 13,495,231
LIABILITIES AND FUND BALANCES (DEFICITS)					
Liabilities:					
Accounts payable	\$ 360,319	\$ 162,989	\$ 85,943	\$ 442,669	\$ -
Accrued liabilities	33,743	206,641	14,450	114,039	-
Retained percentages	-	-	-	-	-
Bond anticipation notes payable	71,104	684,119	208,436	280,957	-
Due to other governments	25,355	-	-	-	-
Due to other funds	4,784,949	3,029,877	3,181,776	4,278,788	9,350,610
Deferred revenues	-	-	-	117,440	-
Total Liabilities	5,275,470	4,083,626	3,490,605	5,233,893	9,350,610
Fund Balances (Deficits):					
Reserved for prepaid expenditures	129,968	879,712	55,523	73,467	-
Reserved for encumbrances	186,397	122,429	596,155	741,224	-
Reserved for law enforcement	-	10,916	-	-	-
Reserved for D.A.R.E.	-	20,841	-	-	-
Reserved for debt service	-	-	-	-	3,344,621
Reserved for parklands	-	-	-	-	-
Reserved for advances	2,509,884	-	-	-	-
Unreserved, reported in:					
General Fund	2,937,125	-	-	-	-
Special Revenue Funds	-	3,501,727	1,151,561	2,295,066	-
Debt Service Fund	-	-	-	-	800,000
Capital Projects Fund	-	-	-	-	-
Total Fund Balances (Deficits)	5,763,374	4,535,625	1,803,239	3,109,757	4,144,621
Total Liabilities and Fund Balances (Deficits)	\$ 11,038,844	\$ 8,619,251	\$ 5,293,844	\$ 8,343,650	\$ 13,495,231

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

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 810,586	\$ 806,465	\$ 20,547,142
-	-	5,218,308
9,671,117	-	9,671,117
-	2,241	1,307,786
58,993	-	207,652
-	-	671,330
9,820,396	70,611	26,759,340
-	-	2,509,884
9,879,389	72,852	31,455,992
-	45,958	1,184,628
\$ 20,361,092	\$ 925,275	\$ 68,077,187

\$ 703,142	\$ 400	\$ 1,755,462
-	-	368,873
1,605,280	-	1,605,280
18,015,000	55,384	19,315,000
-	17,314	42,669
2,630,065	108,489	27,364,554
-	-	117,440
22,953,487	181,587	50,569,278
-	45,958	1,184,628
-	-	1,646,205
-	-	10,916
-	-	20,841
-	-	3,344,621
-	535,322	535,322
-	-	2,509,884
-	-	2,937,125
-	162,408	7,110,762
-	-	800,000
(2,592,395)	-	(2,592,395)
(2,592,395)	743,688	17,507,909
\$ 20,361,092	\$ 925,275	\$ 68,077,187

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TOWN OF ORANGETOWN, NEW YORK

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT - WIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2008

Fund Balances - Total Governmental Funds	\$ 17,507,909
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	128,299,066
Net assets of the internal service funds	331,391
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(874,708)
Bonds payable	(58,418,218)
Compensated absences	(1,658,280)
Retirement incentives and other pension obligations	(1,201,655)
Other post employment benefit obligations payable	(5,717,738)
	(67,870,599)
Net Assets of Governmental Activities	\$ 78,267,767

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, 2008

	General	Town Outside Villages	Sewer	Highway	Debt Service
REVENUES					
Real property taxes	\$ 2,255,785	\$ 21,670,611	\$ 6,600,268	\$ 8,896,936	\$ 2,555,622
Other tax items	32,754	223,525	-	-	-
Non-property taxes	1,979,950	-	-	-	-
Departmental income	573,604	974,636	501,737	-	-
Intergovernmental charges	-	127,214	867,809	121,086	-
Use of money and property	186,127	323,844	116,893	121,477	183,850
Licenses and permits	43,082	-	-	-	-
Fines and forfeitures	367,854	-	-	-	-
Sale of property and compensation for loss	-	26,048	-	51,084	-
Interfund revenues	3,304,531	-	-	71,934	-
State aid	2,081,833	317,263	40,000	331,096	-
Federal aid	-	251,124	-	-	-
Miscellaneous	4,849	49,136	3,371	97,884	181,378
Total Revenues	10,830,369	23,963,401	8,130,078	9,691,497	2,920,850
EXPENDITURES					
Current:					
General government support	4,766,242	2,836,360	942,427	1,155,854	8,304
Public safety	156,967	13,771,523	-	-	-
Health	37,150	-	-	-	-
Transportation	626,846	394,523	-	6,253,010	-
Economic opportunity and development	140,075	-	-	-	-
Culture and recreation	2,314,249	-	-	-	-
Home and community services	180,531	977,004	5,013,007	-	-
Employee benefits	2,021,944	6,053,093	1,158,168	1,551,178	-
Debt service:					
Principal	-	-	-	-	1,405,000
Interest	262,655	-	1,045,528	-	731,492
Capital outlay	-	-	-	-	-
Total Expenditures	10,506,659	24,032,503	8,159,130	8,960,042	2,144,796
Excess (Deficiency) of Revenues Over Expenditures	323,710	(69,102)	(29,052)	731,455	776,054
OTHER FINANCING SOURCES (USES)					
Bonds issued	-	-	-	-	-
Transfers in	-	-	-	19,780	80,000
Transfers out	(287,280)	-	(275,000)	-	(62,143)
Total Other Financing Sources (Uses)	(287,280)	-	(275,000)	19,780	17,857
Net Change in Fund Balances	36,430	(69,102)	(304,052)	751,235	793,911
Fund Balances (Deficits) - Beginning of Year	5,726,944	4,604,727	2,107,291	2,358,522	3,350,710
Fund Balances (Deficits) - End of Year	\$ 5,763,374	\$ 4,535,625	\$ 1,803,239	\$ 3,109,757	\$ 4,144,621

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

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,757,367	\$ 43,736,589
-	-	256,279
-	-	1,979,950
-	197,794	2,247,771
-	-	1,116,109
-	36,048	968,239
-	-	43,082
-	-	367,854
-	-	77,132
-	-	3,376,465
191,375	-	2,961,567
-	-	251,124
57,900	-	394,518
249,275	1,991,209	57,776,679
-	55,384	9,764,571
-	830,956	14,759,446
-	400,000	437,150
-	82,987	7,357,366
-	-	140,075
-	-	2,314,249
-	527,007	6,697,549
-	-	10,784,383
-	-	1,405,000
-	-	2,039,675
22,606,136	-	22,606,136
22,606,136	1,896,334	78,305,600
(22,356,861)	94,875	(20,528,921)
47,423,218	-	47,423,218
542,500	-	642,280
(80,000)	-	(704,423)
47,885,718	-	47,361,075
25,528,857	94,875	26,832,154
(28,121,252)	648,813	(9,324,245)
\$ (2,592,395)	\$ 743,688	\$ 17,507,909

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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, 2008

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 26,832,154</u>
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. This is the amount by which capital outlays exceeded depreciation expense in the current period.	
Capital outlay expenditures	23,178,941
Depreciation expense	<u>(3,369,409)</u>
	<u>19,809,532</u>
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Bonds issued	(47,423,218)
Principal paid on bonds	1,405,000
Amortization of issuance costs, loss on refunding and premium	<u>(847)</u>
	<u>(46,019,065)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	20,691
Compensated absences	(127,296)
Retirement incentives and other pension obligations	346,174
Claims payable	1,747,708
Other post employment benefit obligations	<u>(5,717,738)</u>
	<u>(3,730,461)</u>
Internal service funds are used by management to charge the cost of risk activities to individual funds. The net revenue of the internal service funds is reported within governmental activities.	
	<u>(207,870)</u>
Change in Net Assets of Governmental Activities	<u><u>\$ (3,315,710)</u></u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL, TOWN OUTSIDE VILLAGES, SEWER AND HIGHWAY FUNDS
YEAR ENDED DECEMBER 31, 2008

	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	\$ 2,236,460	\$ 2,236,460	\$ 2,255,785	\$ 19,325	\$ 21,545,334	\$ 21,545,334	\$ 21,670,611	\$ 125,277
Other tax items	50,000	50,000	32,754	(17,246)	203,000	203,000	223,525	20,525
Non-property taxes	1,820,000	1,820,000	1,979,950	159,950	-	-	-	-
Departmental income	617,100	617,100	573,604	(43,496)	990,000	990,000	974,636	(15,364)
Intergovernmental charges	-	-	-	-	95,000	95,000	127,214	32,214
Use of money and property	216,000	216,000	186,127	(29,873)	695,000	695,000	323,844	(371,156)
Licenses and permits	42,020	42,010	43,082	1,072	-	-	-	-
Fines and forfeitures	345,000	345,000	367,854	22,854	-	-	-	-
Sale of property and compensation for loss	-	-	-	-	-	-	26,048	26,048
Interfund revenues	3,304,531	3,304,531	3,304,531	-	-	-	-	-
State aid	2,483,600	2,483,600	2,081,833	(401,767)	155,540	155,540	317,263	161,723
Federal aid	-	-	-	-	111,322	111,322	251,124	139,802
Miscellaneous	20,000	20,000	4,849	(15,151)	12,000	12,000	49,136	37,136
Total Revenues	11,134,711	11,134,701	10,830,369	(304,332)	23,807,196	23,807,196	23,963,401	156,205
EXPENDITURES								
Current:								
General government support	5,171,427	5,145,716	4,766,242	379,474	2,772,500	2,837,919	2,836,360	1,559
Public safety	171,075	193,085	156,967	36,118	13,921,921	14,115,997	13,771,523	344,474
Health	37,000	37,150	37,150	-	-	-	-	-
Transportation	897,611	903,611	626,846	276,765	415,000	395,000	394,523	477
Economic opportunity and development	141,063	141,463	140,075	1,388	-	-	-	-
Culture and recreation	2,273,716	2,378,666	2,314,249	64,417	-	-	-	-
Home and community services	247,508	217,278	180,531	36,747	935,080	1,009,910	977,004	32,906
Employee benefits	2,074,053	2,043,503	2,021,944	21,559	5,926,757	6,278,627	6,053,093	225,534
Debt service- interest	243,369	262,669	262,655	14	-	-	-	-
Total Expenditures	11,256,822	11,323,141	10,506,659	816,482	23,971,258	24,637,453	24,032,503	604,950
Excess (Deficiency) of Rev- enues Over Expenditures	(122,111)	(188,440)	323,710	512,150	(164,062)	(830,257)	(69,102)	761,155
OTHER FINANCING SOURCES (USES)								
Obligations authorized	-	71,104	-	(71,104)	-	684,119	-	(684,119)
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(302,500)	(287,500)	(287,280)	220	-	-	-	-
Total Other Financing Sources (Uses)	(302,500)	(216,396)	(287,280)	(70,884)	-	684,119	-	(684,119)
Net Change in Fund Balances	(424,611)	(404,836)	36,430	441,266	(164,062)	(146,138)	(69,102)	77,036
Fund Balances - Beginning of Year	424,611	404,836	5,726,944	5,322,108	164,062	146,138	4,604,727	4,458,589
Fund Balances - End of Year	\$ -	\$ -	\$ 5,763,374	\$ 5,763,374	\$ -	\$ -	\$ 4,535,625	\$ 4,535,625

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

Sewer				Highway			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 6,596,208	\$ 6,596,208	\$ 6,600,268	\$ 4,060	\$ 8,893,277	\$ 8,893,277	\$ 8,896,936	\$ 3,659
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
570,000	570,000	501,737	(68,263)	-	-	-	-
660,000	1,031,320	867,809	(163,511)	163,600	163,600	121,086	(42,514)
250,000	250,000	116,893	(133,107)	240,000	240,000	121,477	(118,523)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	10,000	10,000	51,084	41,084
-	-	-	-	-	-	71,934	71,934
-	40,000	40,000	-	155,666	190,492	331,096	140,604
-	-	-	-	-	-	-	-
-	-	3,371	3,371	25,500	25,500	97,884	72,384
<u>8,076,208</u>	<u>8,487,528</u>	<u>8,130,078</u>	<u>(357,450)</u>	<u>9,488,043</u>	<u>9,522,869</u>	<u>9,691,497</u>	<u>168,628</u>
898,500	979,936	942,427	37,509	1,234,000	1,155,957	1,155,854	103
-	-	-	-	-	-	-	-
-	-	-	-	6,942,078	7,224,461	6,253,010	971,451
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,395,277	5,499,947	5,013,007	486,940	-	-	-	-
1,231,000	1,160,000	1,158,168	1,832	1,555,500	1,562,000	1,551,178	10,822
<u>787,370</u>	<u>1,045,570</u>	<u>1,045,528</u>	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>8,312,147</u>	<u>8,685,453</u>	<u>8,159,130</u>	<u>526,323</u>	<u>9,731,578</u>	<u>9,942,418</u>	<u>8,980,042</u>	<u>982,376</u>
<u>(235,939)</u>	<u>(197,925)</u>	<u>(29,052)</u>	<u>168,873</u>	<u>(243,535)</u>	<u>(419,549)</u>	<u>731,455</u>	<u>1,151,004</u>
-	208,436	-	(208,436)	-	280,957	-	(280,957)
-	-	-	-	-	-	19,780	19,780
<u>(195,000)</u>	<u>(275,000)</u>	<u>(275,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(195,000)</u>	<u>(66,564)</u>	<u>(275,000)</u>	<u>(208,436)</u>	<u>-</u>	<u>280,957</u>	<u>19,780</u>	<u>(261,177)</u>
<u>(430,939)</u>	<u>(264,489)</u>	<u>(304,052)</u>	<u>(39,563)</u>	<u>(243,535)</u>	<u>(138,592)</u>	<u>751,235</u>	<u>889,827</u>
<u>430,939</u>	<u>264,489</u>	<u>2,107,291</u>	<u>1,842,802</u>	<u>243,535</u>	<u>138,592</u>	<u>2,358,522</u>	<u>2,219,930</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,803,239</u>	<u>\$ 1,803,239</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,109,757</u>	<u>\$ 3,109,757</u>

TOWN OF ORANGETOWN, NEW YORK

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Blue Hill Golf Course	Broad Acres Golf Course	Totals	
ASSETS				
Current Assets:				
Cash and equivalents	\$ 492,667	\$ 43,888	\$ 536,555	\$ -
Receivables:				
Accounts	55,224	-	55,224	392,891
Due from other funds	382,143	1,206,327	1,588,470	984,818
Prepaid expenses	14,281	4,272	18,553	234,412
Total Current Assets	944,315	1,254,487	2,198,802	1,612,121
Other Assets -				
Deferred charges, net of accumulated amortization of \$6,384	12,369	-	12,369	-
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	5,016,840	259,721	5,276,561	-
Machinery and equipment	1,332,343	162,560	1,494,903	-
	10,255,251	3,157,316	13,412,567	-
Less - Accumulated depreciation	(4,321,879)	(236,290)	(4,558,169)	-
	5,933,372	2,921,026	8,854,398	-
Total Assets	6,890,056	4,175,513	11,065,569	1,612,121
LIABILITIES				
Current Liabilities:				
Accounts payable	-	4,676	4,676	7,654
Accrued liabilities	35,211	-	35,211	-
Accrued interest payable	28,280	70,183	98,463	-
Due to other governments	2,197	1,889	4,086	-
Due to other funds	791,839	1,176,235	1,968,074	-
Advances from other funds	1,303,557	1,206,327	2,509,884	-
Current maturities of bonds payable	375,000	69,035	444,035	-
Current portion of compensated absences	5,832	1,504	7,336	-
Current portion of claims payable	-	-	-	684,628
Total Current Liabilities	2,541,916	2,529,849	5,071,765	692,282
Noncurrent Liabilities:				
Bonds payable, less current maturities	2,225,000	2,848,465	5,073,465	-
Compensated absences, less current portion	52,492	13,533	66,025	-
Claims payable, less current portion	-	-	-	588,448
Other post employment benefit obligations payable	200,013	61,152	261,165	-
Total Noncurrent Liabilities	2,477,505	2,923,150	5,400,655	588,448
Total Liabilities	5,019,421	5,452,999	10,472,420	1,280,730
NET ASSETS (DEFICITS)				
Invested in Capital Assets, net of related debt	3,426,697	3,526	3,430,223	-
Unrestricted	(1,556,062)	(1,281,012)	(2,837,074)	331,391
Total Net Assets (Deficits)	\$ 1,870,635	\$ (1,277,486)	\$ 593,149	\$ 331,391

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 ASSETS
 PROPRIETARY FUNDS
 YEAR ENDED DECEMBER 31, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Blue Hill Golf Course	Broad Acres Golf Course	Totals	
Operating Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ 1,485,280
Insurance recoveries	-	-	-	109,180
Greens fees	1,888,742	512,280	2,401,022	-
Cart rental	503,950	97,860	601,810	-
Facility rental	88,441	-	88,441	-
Permit cards	98,003	7,200	105,203	-
Total Operating Revenues	2,579,136	617,340	3,196,476	1,594,460
Operating Expenses:				
Personal services	1,047,290	357,790	1,405,080	-
Landscaping materials	59,661	36,105	95,766	-
Office expenses and printing	4,401	2,155	6,556	-
Rental of equipment	99,697	26,860	126,557	-
Automobile maintenance and supplies	92,700	25,598	118,298	-
Repairs and maintenance	24,703	8,395	33,098	-
Utilities	68,397	22,734	91,131	-
Chemicals	88,619	45,022	133,641	-
Insurance	-	-	-	909,984
Contractual and other	602,703	169,248	771,951	178,578
Employee benefits	550,521	184,761	735,282	324,345
Judgments and claims	-	-	-	398,283
Depreciation and amortization	289,106	48,286	337,392	-
Total Operating Expenses	2,927,798	926,954	3,854,752	1,811,190
Income (Loss) from Operations	(348,662)	(309,614)	(658,276)	(216,730)
Non-Operating Revenues (Expenses):				
Interest income	7,074	556	7,630	8,860
Interest expense	(114,789)	(122,284)	(237,073)	-
Total Non-Operating Revenues (Expenses)	(107,715)	(121,728)	(229,443)	8,860
Loss Before Transfers	(456,377)	(431,342)	(887,719)	(207,870)
Transfers in	-	62,143	62,143	-
Change in Net Assets	(456,377)	(369,199)	(825,576)	(207,870)
Net Assets (Deficits) - Beginning of Year	2,327,012	(908,287)	1,418,725	539,261
Net Assets (Deficits) - End of Year	\$ 1,870,635	\$ (1,277,486)	\$ 593,149	\$ 331,391

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, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Blue Hill Golf Course	Broad Acres Golf Course	Totals	
Cash Flows From Operating Activities:				
Cash received from charges for services	\$ 2,563,386	\$ 413,329	\$ 2,976,715	\$ 622,368
Cash received from insurance recoveries	-	-	-	1,264,860
Cash advanced to other funds	-	-	-	-
Cash advanced from other funds	-	-	-	806,781
Cash payments to vendors	(578,615)	(473,741)	(1,052,356)	-
Cash payments to insurance carriers and claimants	-	-	-	(2,702,869)
Cash payments to employees	(1,420,591)	227,706	(1,192,885)	-
Net Cash Provided by (Used in) Operating Activities	564,180	167,294	731,474	(8,860)
Cash Flows From Non-Capital Financing Activities:				
Transfers in	-	62,143	62,143	-
Cash Flows From Capital and Related Financing Activities:				
Issuance of bonds	-	2,917,500	2,917,500	-
Principal paid on bonds	(375,000)	-	(375,000)	-
Principal paid on bond anticipation notes	-	(2,965,000)	(2,965,000)	-
Interest paid on indebtedness	(118,595)	(176,363)	(294,958)	-
Acquisition and construction of capital assets	(83,373)	(12,347)	(95,720)	-
Net Cash Used in Capital and Related Financing Activities	(576,968)	(236,210)	(813,178)	-
Cash Flows From Investing Activities -				
Interest income	7,074	556	7,630	8,860
Net Decrease in Cash and Equivalents	(5,714)	(6,217)	(11,931)	-
Cash and Equivalents - Beginning of Year	498,381	50,105	548,486	-
Cash and Equivalents - End of Year	\$ 492,667	\$ 43,888	\$ 536,555	\$ -
Reconciliation of Loss from Operations to Net Cash Provided by (Used in) Operating Activities:				
Loss from operations	\$ (348,662)	\$ (309,614)	\$ (658,276)	\$ (216,730)
Adjustments to reconcile loss from operations to net cash provided by (used in) operating activities:				
Depreciation and amortization	289,106	48,286	337,392	-
Changes in assets and liabilities:				
Accounts receivable	(43,224)	-	(43,224)	2,054,256
Due from other funds	-	(204,011)	(204,011)	(984,818)
Prepaid expenses	3,042	905	3,947	2,549
Accounts payable	(107,837)	(36,472)	(144,309)	(468,160)
Accrued liabilities	(21,687)	-	(21,687)	-
Due to other governments	523	1,150	1,673	-
Due to other funds	203,564	389,884	593,448	(345,068)
Advances from other funds	355,237	209,261	564,498	-
Other post employment benefit obligations payable	200,013	61,152	261,165	-
Compensated absences	34,105	6,753	40,858	-
Claims payable	-	-	-	(50,889)
Net Cash Provided by (Used in) Operating Activities	\$ 564,180	\$ 167,294	\$ 731,474	\$ (8,860)

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, 2008

ASSETS

	<u>Agency</u>
Cash - Demand deposits	<u>\$ 1,285,255</u>

LIABILITIES

Accounts Payable	\$ 462,868
Deposits	<u>822,387</u>
	<u>\$ 1,285,255</u>

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

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Note 1 - Summary of Significant Accounting Policies

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

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

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

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, liabilities, fund balances/net assets, 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 page following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Town's resources are reflected in the fund financial statements

Note 1 - Summary of Significant Accounting Policies (Continued)

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 operating fund of the Town in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain defined purposes. 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.

Sewer Fund - The Sewer Fund is used 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 the accumulation of resources to be used for the redemption of principal and interest on long-term debt and certain fiscal agent fees.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

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 the Town.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Broad Acres Golf Course are recorded as major enterprise funds. The Town has established its Workers' Compensation Benefits and Risk Retention funds as internal service funds. The Town applies all applicable Financial Accounting Standards Board ("FASB") pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise operations.
- 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 that are payable to other jurisdictions.

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 reports.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds. The Agency Fund has no measurement focus and 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.

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. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2008

Note 1 - Summary of Significant Accounting Policies (Continued)

expenditures related to compensated absences, certain pension costs 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.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Component Unit

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

E. Assets, Liabilities and Net Assets or Fund Balances

Deposits, Investments and Risk Disclosure

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

The Town's 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.

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, 2008.

The Town was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

Investments - The Town participates in a cooperative investment pool established pursuant to General Municipal Law that meets the definition of a 2a7-like pool. The sponsoring agency of the pool is another governmental unit, which acting through the fiscal officer, is primarily responsible for executing the provisions of the cooperative agreement. The pool is authorized to invest in various securities issued by the United States and its agencies. The amount reported represents the amortized cost of the cooperative shares

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2008

Note 1 - Summary of Significant Accounting Policies (Continued)

and is considered to approximate fair value. Additional information concerning the Cooperative is presented in the annual report of the Cooperative Liquid Assets Securities System (CLASS).

CLASS is rated AAA/V1+ by Fitch Ratings. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

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 and trunk sewer emergency work 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.

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, 2008, 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.

Advances To/From Other Funds - Advances to/from other funds represent loans to other funds, which are not expected to be repaid within the subsequent annual operating cycle. The advances are offset by a fund balance reserve in the fund financial statements which indicates that the funds are not "available" for appropriation and are not expendable available financial resources.

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 - 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 year's budget and/or will benefit such periods. Reported amounts in

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2008

Note 1 - Summary of Significant Accounting Policies (Continued)

governmental funds are equally offset by a reservation of 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

Deferred Charges - Deferred charges in the government-wide financial statements represent the unamortized portion of the cost of issuance of Housing Authority revenue bonds, as well as bonds issued by the Town. These costs are being amortized over the term of the respective bond issues.

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).

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/Deferred Revenues - Unearned/deferred 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Deferred 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 deferred revenues of \$117,440 in the Highway Fund for State aid received in advance. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation 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.

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 Assets. Bond premiums and discounts, as well as issuance costs, 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 amortized over the term of the related debt.

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 the 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 Capital Projects or Debt Service funds expenditures.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their 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 assets on the Statement of Net Assets include, invested in capital assets, net of related debt, restricted for capital projects, law enforcement, D.A.R.E., debt service, workers' compensation benefits, risk retention and special revenue funds. The balance is classified as unrestricted.

Fund Balances - Reserves and Designations - Portions of fund balance are segregated for future use and are therefore not available for future appropriation or expenditure. Amounts reserved for prepaid expenditures, encumbrances, law enforcement, D.A.R.E., debt service, parklands and advances represent portions of fund balance which are required to be segregated in accordance with State law or generally accepted accounting principles. Designations of unreserved fund balance in governmental funds indicate the utilization of these resources in the ensuing year's budget or tentative plans for future use.

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 reported as reservations of 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 and liabilities 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.

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 certain non-major 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 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.
- h) Appropriations in the General, Town Outside Villages, Sewer, Highway, Debt Service and certain non-major 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.

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2008

Note 2 - Stewardship, Compliance and Accountability (Continued)

Budgeted amounts are as originally adopted, or as amended by the Town Board. Individual amendments for the current year were not material in relation to the original appropriations which were amended.

B. Property Tax Limitation

The Town is not limited as to the maximum amount of real property taxes which may be raised.

C. Excess of Actual Expenditures Over Budget

The following projects in the Capital Projects Fund exceeded their budgetary authorizations by the amounts indicated:

Salyer House	\$	2,146
Playground Equipment Replacement		1,256
Steps to a Healthier New York		4,490

D. Fund Deficits

The undesignated deficit in the Capital Projects Fund of \$2,659,284 arises in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes issued are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. These deficits will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits, where no bond anticipation notes were issued or outstanding to the extent of the project deficit, arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

The following funds have unrestricted deficits at December 31, 2008:

Special Districts Fund - South Orangetown Ambulance District:	\$	12,637
Enterprise Funds:		
Blue Hill Golf Course		1,556,062
Broad Acres Golf Course		1,281,012

These deficits will be addressed in the ensuing year.

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2008

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, 2008 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 5,008,768	\$ 4,784,949
Town Outside Villages	1,718,001	3,029,877
Sewer	1,407,624	3,181,776
Highway	6,286,574	4,278,788
Debt Service	2,447,366	9,350,610
Capital Projects	9,820,396	2,630,065
Non-Major Government Funds	70,611	108,489
Blue Hill Golf Course	382,143	791,839
Broad Acres Golf Course	1,206,327	1,176,235
Internal Service Funds	984,818	-
	<u>\$ 29,332,628</u>	<u>\$ 29,332,628</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.

B. Advances to/From Other Funds

The balances reflected as advances to/from other funds at December 31, 2008 were as follows:

<u>Fund</u>	<u>Advance To</u>	<u>Advance From</u>
General	\$ 2,509,884	\$ -
Blue Hill Golf Course	-	1,303,557
Broad Acres Golf Course	-	1,206,327
	<u>\$ 2,509,884</u>	<u>\$ 2,509,884</u>

The outstanding balances between funds represent loans which are not expected to be repaid within the subsequent operating cycle.

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)**C. Capital Assets**

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

	Balance January 1, 2008	Additions	Deletions	Balance December 31, 2008
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 16,945,317	\$ -	\$ -	\$ 16,945,317
Construction-in-progress	27,967,347	22,444,478	7,830,733	42,581,092
Total Capital Assets, not being depreciated	\$ 44,912,664	\$ 22,444,478	\$ 7,830,733	\$ 59,526,409
Capital Assets, being depreciated:				
Land improvements	\$ 2,337,238	\$ -	\$ -	\$ 2,337,238
Buildings and improvements	14,029,575	11,763	-	14,041,338
Infrastructure	105,463,527	7,851,733	-	113,315,260
Machinery and equipment	16,437,109	701,700	516,739	16,622,070
Total Capital Assets, being depreciated	138,267,449	8,565,196	516,739	146,315,906
Less Accumulated Depreciation for:				
Land improvements	1,008,799	50,354	-	1,059,153
Buildings and improvements	7,398,939	256,270	-	7,655,209
Infrastructure	56,344,814	2,035,361	-	58,380,175
Machinery and equipment	9,938,027	1,027,424	516,739	10,448,712
Total Accumulated Depreciation	74,690,579	3,369,409	516,739	77,543,249
Total Capital Assets, being depreciated, net	\$ 63,576,870	\$ 5,195,787	\$ -	\$ 68,772,657
Governmental Activities Capital Assets, net	\$ 108,489,534	\$ 27,640,265	\$ 7,830,733	\$ 128,299,066

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)

	Balance January 1, 2008	Additions	Balance December 31, 2008
Business-type Activities:			
Capital Assets, not being depreciated -			
Land	<u>\$ 5,453,825</u>	<u>\$ -</u>	<u>\$ 5,453,825</u>
Capital Assets, being depreciated:			
Buildings and improvements	\$ 1,187,278	\$ -	\$ 1,187,278
Improvements other than buildings	5,255,546	7,315	5,262,861
Machinery and equipment	<u>1,406,498</u>	<u>88,405</u>	<u>1,494,903</u>
Total Capital Assets, being depreciated	<u>7,849,322</u>	<u>95,720</u>	<u>7,945,042</u>
Less Accumulated Depreciation for:			
Buildings and improvements	661,429	21,887	683,316
Improvements other than buildings	2,334,401	235,996	2,570,397
Machinery and equipment	<u>1,213,641</u>	<u>77,115</u>	<u>1,290,756</u>
		#	
Total Accumulated Depreciation	<u>4,209,471</u>	<u>334,998</u>	<u>4,544,469</u>
Total Capital Assets, being depreciated, net	<u>\$ 3,639,851</u>	<u>\$ (239,278)</u>	<u>\$ 3,400,573</u>
Business-type Activities Capital Assets, net	<u>\$ 9,093,676</u>	<u>\$ (239,278)</u>	<u>\$ 8,854,398</u>

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

Governmental Activities:	
General Government Support	\$ 38,304
Public Safety	282,613
Transportation	1,548,666
Culture and Recreation	142,773
Home and Community Services	<u>1,357,053</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,369,409</u>
Business-type Activities:	
Blue Hill Golf Course	\$ 286,712
Broad Acres Golf Course	<u>48,286</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 334,998</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)**Capital Assets - Component Unit**

Changes in the Housing Authority's (component unit) capital assets are as follows:

	Balance January 1, 2008	Additions	Balance December 31, 2008
Capital assets, not being depreciated - Land	<u>\$ 1,969,055</u>	<u>\$ -</u>	<u>\$ 1,969,055</u>
Capital assets, being depreciated:			
Buildings and improvements	<u>\$ 7,087,920</u>	<u>\$ -</u>	<u>\$ 7,087,920</u>
Machinery and equipment	<u>196,990</u>	<u>3,714</u>	<u>200,704</u>
Total Capital Assets, being depreciated	<u>7,284,910</u>	<u>3,714</u>	<u>7,288,624</u>
Less Accumulated Depreciation for:			
Buildings and improvements	<u>2,959,400</u>	<u>195,016</u>	<u>3,154,416</u>
Machinery and equipment	<u>174,209</u>	<u>7,345</u>	<u>181,554</u>
Total Accumulated Depreciation	<u>3,133,609</u>	<u>202,361</u>	<u>3,335,970</u>
Total Capital Assets, being depreciated, net	<u>\$ 4,151,301</u>	<u>\$ (198,647)</u>	<u>\$ 3,952,654</u>
Housing Authority Capital Assets, net	<u>\$ 6,120,356</u>	<u>\$ (198,647)</u>	<u>\$ 5,921,709</u>

D. Accrued Liabilities

Accrued liabilities at December 31, 2008 were as follows:

	Fund					
	General	Town Outside Villages	Sewer	Highway	Blue Hill Golf Course	Total
Payroll and Employee Benefits	<u>\$ 33,743</u>	<u>\$ 206,641</u>	<u>\$ 14,450</u>	<u>\$ 114,039</u>	<u>\$ 35,211</u>	<u>\$ 404,084</u>

E. Pension Plans

The primary government 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) (Systems). These Systems are cost-sharing multiple-employer defined benefit pension plans. The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)

Funding Policy - The Systems are non-contributory except for employees who joined ERS after July 27, 1976 and have less than ten years of service, who contribute 3% of their salary. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion (GTLI) and a regular pension contribution. Contribution rates for the plan year ended March 31, 2009 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I 41J	10.8%
	2 75I 41J	9.9
	3 A14 41J	8.0
	4 A15 41J	8.0
PFRS	1 384E 3029D	19.7
	2 384E	15.1

Contributions made to the Systems for the current and two preceding years were as follows:

	<u>ERS</u>	<u>PFRS</u>
2008	\$ 1,095,785	\$ 1,669,598
2007	1,231,576	1,411,688
2006	1,314,489	1,536,298

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

The current ERS contribution for the Town was charged to the funds identified below. The current PFRS contribution was charged to the Town Outside Villages Fund - Police.

<u>Fund/Sub-Fund</u>	<u>Amount</u>
General	\$ 331,747
Town Outside Villages - Police	71,783
Town Outside Villages - Other	70,702
Sewer	233,978
Highway - Part-Town	157,801
Highway - Town-Wide	151,613
Blue Hill Golf Course	60,167
Broad Acres Golf Course	17,994
	<u>\$ 1,095,785</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2008**Note 3 - Detailed Notes on All Funds (Continued)****F. Short-Term Non-Capital Borrowings**

The schedule below details the changes in short-term non-capital borrowings.

Type	Original Issue Date	Maturity Date	Interest Rate	Balance January 1, 2008	New Issues	Balance December 31, 2008
Bond Anticipation Note	12/11/2008	12/10/2009	2.50 %	\$ -	\$ 1,300,000	\$ 1,300,000

The bond anticipation note was issued to finance the cost of tax certiorari judgments.

G. Short-Term Capital Borrowings

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance January 1, 2008	New Issues	Redemptions	Balance December 31, 2008
Governmental Type Activities -							
Capital Projects Fund -							
Bond Anticipation Notes:							
Rockland Psychiatric Center:							
Sewer Reconstruction - 2005/2006	03/30/2006	-	- %	\$ 22,100,000	\$ -	\$ 22,100,000	\$ -
Land Purchase	01/15/2003	-	-	1,990,000	-	1,990,000	-
Playing Fields	10/06/2005	10/01/2009	2.75	2,406,450	-	134,200	2,272,250
Playing Fields	12/11/2008	12/10/2009	2.50	-	1,675,000	-	1,675,000
Playing Fields	01/09/2008	01/08/2009	3.25	-	1,675,000	-	1,675,000
Sewer Vehicles - 2005	10/06/2005	10/01/2009	2.75	236,700	-	13,200	223,500
Highway Vehicles - 2005	10/06/2005	10/01/2009	2.75	1,301,850	-	72,600	1,229,250
Cherry Brook Drainage Improvements	01/09/2008	01/08/2009	3.25	-	5,470,000	-	5,470,000
Cherry Brook Drainage Improvements	12/11/2008	12/10/2009	2.50	-	5,470,000	-	5,470,000
				<u>28,035,000</u>	<u>14,290,000</u>	<u>24,310,000</u>	<u>18,015,000</u>
Loans - Rockland Psychiatric Center -							
Sewer Reconstruction - 2005/2006	09/27/2007	-	-	<u>9,030,616</u>	<u>-</u>	<u>9,030,616</u>	<u>-</u>
Business Type Activities -							
Broad Acres Golf Course -							
Bond Anticipation Notes							
Rockland Psychiatric Center -							
Land Purchase	01/12/2005	-	-	<u>2,965,000</u>	<u>-</u>	<u>2,965,000</u>	<u>-</u>
				<u>\$ 40,030,616</u>	<u>\$ 14,290,000</u>	<u>\$ 36,305,616</u>	<u>\$ 18,015,000</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures/expense of \$1,368,324 were recorded in the fund financial statements in the following funds:

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2008**Note 3 - Detailed Notes on All Funds (Continued)**

Fund	Amount
Governmental Funds:	
General	\$ 262,655
Sewer	1,045,528
Enterprise Funds - Broad	
Acres Golf Course	60,141
	<u>\$ 1,368,324</u>

Interest expense of \$768,292 was recorded in the government-wide financial statements for governmental activities and \$60,141 was recorded for business-type activities.

H. Long-Term Indebtedness

The following table summarizes changes in the primary government's and component unit's long-term indebtedness for the year ended December 31, 2008:

	Balance January 1, 2008	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2008	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 12,400,000	\$ 47,423,218	\$ 1,405,000	\$ 58,418,218	\$ 2,255,965
Plus: Deferred Charges	435	-	435	-	-
	<u>12,400,435</u>	<u>47,423,218</u>	<u>1,404,565</u>	<u>58,418,218</u>	<u>2,255,965</u>
Other Noncurrent Liabilities:					
Compensated Absences	1,530,984	280,394	153,098	1,658,280	165,828
Retirement Incentives and					
Other Pension Liabilities	1,547,829	-	346,174	1,201,655	373,868
Claims Payable	1,323,965	722,628	773,517	1,273,076	684,628
Other Post Employment					
Benefit Obligations Payable	-	7,666,863	1,949,125	5,717,738	-
Total Other Noncurrent					
Liabilities	<u>4,402,778</u>	<u>8,669,885</u>	<u>3,221,914</u>	<u>9,850,749</u>	<u>1,224,324</u>
Governmental Activities					
Long-Term Liabilities	<u>\$ 16,803,213</u>	<u>\$ 56,093,103</u>	<u>\$ 4,626,479</u>	<u>\$ 68,268,967</u>	<u>\$ 3,480,289</u>
Business-Type Activities:					
Bonds Payable	\$ 2,975,000	\$ 2,917,500	\$ 375,000	\$ 5,517,500	\$ 444,035
Compensated Absences	32,503	44,108	3,250	73,361	7,336
Other Post Employment					
Benefit Obligations Payable	-	282,952	21,787	261,165	-
Business-Type Activities					
Long-Term Liabilities	<u>\$ 3,007,503</u>	<u>\$ 3,244,560</u>	<u>\$ 400,037</u>	<u>\$ 5,852,026</u>	<u>\$ 451,371</u>
Housing Authority - Component					
Unit - Revenue Bonds Payable	<u>\$ 7,103,835</u>	<u>\$ 458,989</u>	<u>\$ 595,000</u>	<u>\$ 6,967,824</u>	<u>\$ 595,000</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)

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

Bonds Payable

Bonds payable at December 31, 2008 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2008
Public Improvements	1992	\$ 3,487,000	May, 2011	5.875 %	\$ 300,000
Public Improvements	1998	2,039,000	August, 2012	4.4 - 4.500	720,000
Blue Hill Golf Course	2000	2,295,000	November, 2015	4.5 - 5.000	1,335,000
Public Improvements	2001	1,555,000	April, 2013	4.500	750,000
Sewer Improvements	2001	1,759,587	May, 2021	3.664 - 5.154	1,240,000
Sewer Reconstruction	2002	5,775,000	May, 2024	4.8513 - 6.181	4,550,000
Public Improvements	2004	3,925,500	July, 2019	3.5 - 4.000	3,065,000
Refunding Bonds -					
Blue Hill Golf Course	2005	1,885,000	February, 2014	3.25 - 3.750	1,275,000
Public Improvements	2005	880,000	September, 2010	3.500	370,000
Public Improvements	2008	45,480,718	April, 2038	4.270	45,480,718
Public Improvements	2008	1,942,500	January, 2032	4.25 - 4.500	1,942,500
Broad Acres Golf Course	2008	2,917,500	January, 2032	4.25 - 4.500	2,917,500
					<u>\$ 63,945,718</u>

Interest expenditures of \$731,492 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$114,789 and \$62,143 was recorded in the fund financial statements in the Enterprise Funds - Blue Hill Golf Course and Broad Acres Golf Course, respectively, and the government-wide financial statements for business-type activities and interest expense of \$1,250,257 was recorded in the government-wide financial statement for governmental activities.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding of the primary government as of December 31, 2008, including interest payments of \$39,470,355 are as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)

Year Ended December 31,	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 2,255,965	\$ 2,516,571	\$ 444,035	\$ 260,724	\$ 2,700,000	\$ 2,777,295
2010	2,335,679	2,418,369	460,039	238,464	2,795,718	2,656,833
2011	2,196,960	2,320,213	468,040	215,231	2,665,000	2,535,444
2012	2,148,958	2,225,549	486,042	190,849	2,635,000	2,416,398
2013	2,017,955	2,135,359	497,045	165,509	2,515,000	2,300,868
2014-2018	10,043,750	9,379,007	1,121,250	552,638	11,165,000	9,931,645
2019-2023	9,782,693	7,063,934	597,307	392,803	10,380,000	7,456,737
2024-2028	8,719,622	4,966,586	735,378	244,029	9,455,000	5,210,615
2029-2033	9,206,636	3,064,958	708,364	65,299	9,915,000	3,130,257
2034-2038	9,710,000	1,054,263	-	-	9,710,000	1,054,263
	<u>\$ 58,418,218</u>	<u>\$ 37,144,809</u>	<u>\$ 5,517,500</u>	<u>\$ 2,325,546</u>	<u>\$ 63,935,718</u>	<u>\$ 39,470,355</u>

The above general obligation bonds 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, 2008, \$5,045,000 of bonds outstanding are considered defeased.

Component Unit Debt - Revenue Bonds Payable

Long-term indebtedness of the Housing Authority at December 31, 2008 consisted of the following:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at December 31, 2008
Refunding Bonds	1992	8,716,245	2030	6.0 to 6.6 %	<u>\$ 6,967,824</u>

Included in the payment schedule are amounts of \$5,952,856, which represents the future accretion of interest on the bonds. These bonds are obligations of the Housing Authority but are guaranteed by the Town.

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)

The annual requirements to amortize the bonded debt outstanding of the Housing Authority as of December 31, 2008, including accreted interest is as follows:

<u>Year Ended</u>	<u>Amount</u>
2009	\$ 595,000
2010	605,000
2011	600,000
2012	599,920
2013	599,920
2014-2030	<u>9,920,840</u>
	<u>\$ 12,920,680</u>

Compensated Absences

In accordance with the existing collective bargaining agreement, the Town is not required to compensate employees for accumulated sick leave. Vacation time earned by CSEA employees may be accumulated up to 30 days. Vacation 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.

Retirement Incentives and Other Pension Obligations

Legislation approved by the State and adopted by the Town permits police offices to avail themselves of Section 384-E of the Retirement and Social Security law. This section allows Tier 1 PFRS members a maximum pension of 3/4 of final average salary after completing 35 years of allowable service. The maximum pension under this plan for Tier 2 PFRS members is 2/3 of final average salary after completion of 30 years of allowable service. The Town was notified of liabilities for this program of \$3.4 million and has elected to pay this liability over a ten year period, commencing in the 2002 fiscal year, with interest at 8%. The current year cost of \$478,410 was charged to the Town Outside Villages Fund - Police in the fund financial statements. The balance due at December 31, 2008 was \$1,201,655.

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.

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)

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

	2008		2007	
	Workers' Compensation	General Liability	Workers' Compensation	General Liability
Balance - Beginning of Year	\$ 683,392	\$ 640,573	\$ 836,124	\$ 481,286
Provision for Claims and Claims Adjustment Expenses	324,345	398,283	255,520	314,200
Claims and Claims Adjustment Expenses Paid	(389,612)	(383,905)	(408,252)	(154,913)
Balance - End of Year	<u>\$ 618,125</u>	<u>\$ 654,951</u>	<u>\$ 683,392</u>	<u>\$ 640,573</u>
Due Within One Year	<u>\$ 323,901</u>	<u>\$ 360,727</u>	<u>\$ 312,370</u>	<u>\$ 283,495</u>

Post-Employment Health Care Benefits

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees. 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/expense as claims are paid. During the year, \$1,814,367 was paid on behalf of 186 retirees and this amount was recorded as an expenditure and expense.

The Town's annual other postemployment 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 45. GASB Statement 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 annual required contribution (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. For the calendar year ended December 31, 2008, the Town's annual OPEB cost of \$5,978,903 (\$5,717,738 for Governmental Funds and \$261,165 for Enterprise Funds) was equal to the Annual Required Contribution.

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. The actuarial calculations of the OPEB plan reflect a long-term perspective.

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)

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 postretirement benefits are as follows:

<u>Year Ended December 31,</u>	<u>Pre-65 Medical</u>	<u>Post-65 Medical</u>	<u>Prescription Drug</u>
2009	9.00 %	8.00 %	11.00 %
2010	8.00	7.50	10.00
2011	7.00	7.00	9.00
2012	6.50	6.50	8.00
2013	6.00	6.00	7.00
2014	5.50	5.50	6.00
2015+	5.00	5.00	5.00

The amortization basis is the level dollar method with an open amortization approach. The unit credit method was used to determine the actuarial value of the assets of the OPEB plan, however, the Town currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the unit credit method.

The number of participants as of December 31, 2008 was as follows:

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Active Employees	262	13	275
Retired Employees	313	4	317
	<u>575</u>	<u>17</u>	<u>592</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)

	Governmental Funds	Enterprise Funds	Total
Amortization Component:			
Actuarial Accrued Liability as of 1/1/08	\$ 79,866,962	\$ 2,122,505	\$ 81,989,467
Assets at Market Value	-	-	-
Unfunded Actuarial Accrued Liability	<u>\$ 79,866,962</u>	<u>\$ 2,122,505</u>	<u>\$ 81,989,467</u>
Funded Ratio	0.00%	0.00%	0.00%
Covered payroll (active plan members)	25,136,383	1,405,081	26,541,464
UAAL as a percentage of covered payroll	317.73%	151.06%	308.91%
Annual Required Contribution	\$ 7,371,983	\$ 272,069	\$ 7,644,052
Interest on Net OPEB Obligation	<u>294,880</u>	<u>10,883</u>	<u>305,763</u>
Annual OPEB Cost	7,666,863	282,952	7,949,815
Contributions Made	<u>(1,949,125)</u>	<u>(21,787)</u>	<u>(1,970,912)</u>
Increase in Net OPEB Obligation	5,717,738	261,165	5,978,903
Net OPEB Obligation - Beginning of Year	-	-	-
Net OPEB Obligation - End of Year	<u>\$ 5,717,738</u>	<u>\$ 261,165</u>	<u>\$ 5,978,903</u>

I. 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	Highway	Debt Service	Capital Projects	Broad Acres Golf Course	Total
General	\$ 19,780	\$ -	\$ 267,500	\$ -	\$ 287,280
Sewer	-	-	275,000	-	275,000
Debt Service	-	-	-	62,143	62,143
Capital Projects	-	80,000	-	-	80,000
	<u>\$ 19,780</u>	<u>\$ 80,000</u>	<u>\$ 542,500</u>	<u>\$ 62,143</u>	<u>\$ 704,423</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Highway, Debt Service, Capital Projects and Board Acres Golf Course funds expenditures.

J. Net Assets

The components of net assets are detailed below:

Invested in Capital Assets, net of Related Debt - the component of net assets 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 assets 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 assets that has been established pursuant to State authorization for unexpended forfeitures of seized crime properties restricted to use for law enforcement purposes.

Restricted for D.A.R.E. - the component of net assets that has been established pursuant to State authorization for unexpended gifts and donations, which are restricted to use in the Town's Drug Abuse Resistance Education program.

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

Restricted for Workers' Compensation Benefits - the component of net assets that has been established to set aside funds to be used for a specific purpose in accordance with Section 6j of General Municipal Law.

Restricted for Risk Retention - the component of net assets that has been established to set aside funds to be used for a specific purpose in accordance with Section 6n of General Municipal Law.

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

Unrestricted - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

K. Fund Balances

Certain elements of reserved fund balance are described above. Those additional elements, which are not reflected in the statement of net assets but are reported in the governmental funds balance sheet are described below. The unreserved components of fund balance are also detailed below.

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2008

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

The Reserve for Prepaid Expenditures has been established to account for payments made in advance. This reserve indicates that these funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Encumbrances outstanding have been reserved as it is 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.

The Reserve for Parklands has 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. These funds may be used only for recreation purposes.

The Reserve for Advances has been established to indicate the long-term nature of funds advanced to the Enterprise funds. These funds do not represent "available" spendable resources even though they are a component of current assets.

Unreserved - Designations

Designations of fund balance are not legally required segregations but represent intended use for a specific purpose. The Town's designations are detailed below.

	Fund			
	Town Outside Villages	Sewer	Debt Service	Capital Projects
Designated for Subsequent Year's Expenditures	\$ 300,000	\$ 200,000	\$ 800,000	\$ -
Designated for Capital Projects	-	-	-	66,889
	<u>\$ 300,000</u>	<u>\$ 200,000</u>	<u>\$ 800,000</u>	<u>\$ 66,889</u>

The Designated for Subsequent Year's Expenditures represents funds that the Town Board has appropriated for the ensuing year's budget.

The Designation for Capital Projects represents earnings on the investment of capital project funds financed from other governmental funds. Upon Board resolution, these funds are available as a financing source to the project, if needed. Upon project completion, these funds are returned to the financing fund.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town is a defendant in a federal lawsuit in which a former police officer is alleging discrimination and retaliation with respect to certain promotional opportunities. The plaintiff alleges that she was twice passed over for a promotion (in 2001 and 2004) based on gender discrimination and retaliation for challenging these promotions in state court. In July 2004, the complaint was amended to include federal claims for retaliation, hostile work environment and deprivation of due process and equal protection. In October 2004, the Town moved to dismiss the federal complaint. The District Court granted the Town's motion in part, and denied the motion in part. The discrimination and retaliation claims involving the 2004 promotion as well as the political affiliation discrimination claims involving the 2001 promotion survived the motion to dismiss. In December 2006, the Town moved to dismiss all of the remaining claims alleged in the amended complaint. This motion was fully submitted in April 2007. To date, there has been no decision on this motion.

On or about August 11, 2006, this former police officer commenced a third action against the Town, the Police Chief and the Town Supervisor alleging gender and non-political affiliation discrimination, retaliation and abuse of process based on the Town failing to promote her to the rank of lieutenant in January 2005 and based upon the police department prosecuting the disciplinary charges against her in 2004. In October 2007, legal counsel moved to dismiss the majority of the complaint. In May 2008, some, but not all of the allegations were dismissed. The plaintiff filed an objection to the dismissal in June 2008 and legal counsel filed opposition papers to the plaintiff's objections in July 2008. The matter is currently pending before the judge. Legal counsel has indicated that it is too early to assess potential damage.

On or about December 14, 2006, this former police officer commenced a fourth federal action against the Town alleging violations of the Fair Labor Standards Act (the "FLSA"). In this action, she alleges she is entitled to be compensated for the time she spent preparing for and attending the hearing on the disciplinary charges based upon her actions and inactions on or about July 7, 2004. In her Complaint, she alleges her unpaid wages and meal allowances total \$5,343. She seeks an award of these wages, an award of liquidated damages equal to her unpaid wages, injunctive relief and reasonable attorney's fees. On or about February 5, 2007, the Town moved to dismiss this Complaint. The Judge withdrew the motion to dismiss for failing to comply with his requirement for a pre-motion conference. In March 2008, a Report and Recommendation was issued denying the Town's motion to dismiss the case in its entirety. Legal counsel objected, but the decision was upheld. In April 2009, legal counsel sent a proposed discovery plan to the plaintiff's counsel. No response to the proposed plan has been received at this time. Legal counsel has indicated that it is too early to assess potential damage.

In January 2008, this former police officer filed another federal action against the Town, the Town Board, the Town Supervisor and two additional defendants. The claims in this complaint are premised upon the disciplinary proceeding that led to the plaintiff being suspended for ten days without pay. She has asserted the following claims in her latest federal action: denial of equal protection, denial of procedural and substantive due process, certiorari review of the finding of guilt and penalty, denial of the right to petition government for redress, declaration that the Rockland County Police Act as applied to the plaintiff is unconstitutional, retaliation for

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

opposing gender discrimination and other things, retaliation prohibited by New York State Civil Service Law 75-b and violation of the New York State Constitution. The relief requested seeks invalidity of the finding of guilt on the disciplinary charges, invalidity of the penalty, reimbursement for her suspension, an injunction against further disciplinary charges and reasonable attorney fees. On or about April 4, 2008, legal counsel moved to dismiss the complaint. The motion was fully submitted in May 2008, but no decision has been made by the court. Legal counsel believes that the Town has a substantial likelihood of prevailing on the merits of this action.

On or about October 17, 2008, this former police officer filed another federal action against the Town and its Town Board challenging the Town's creation of a certain disciplinary process whereby police officers are prosecuted in connection with the Rockland County Police Act and disciplinary procedures promulgated by the Town Board, acting within its role as police commissioners. The plaintiff seeks declaratory relief and injunctive relief, as well as reasonable attorney's fees and back-pay amounting to twelve days. The complaint was not served upon the Town until February 2009 and, after review of the complaint and applicable case law, the Town has moved to dismiss the complaint. A motion to dismiss is scheduled to be submitted on or about May 1, 2009. Legal counsel has indicated that it is too early to assess potential damages.

The Town is a defendant in lawsuit with a former police officer who suffered work-related injuries in 1995 and never returned to duty. At that time, the officer began receiving disability benefits from the Town pursuant to General Municipal Law section 207-c. These benefits consist of full regular pay and reimbursement of medical expenses associated with the injury. Over the years, disputes arose between the officer and the Town concerning his continued eligibility for Section 207-c benefits. A new dispute arose in 2004 when the Town Board adopted a resolution separating the officer from services pursuant to New York Civil Service Law section 71. The Town Board took this action based on the officer's continuous absence from his position as police officer since 1995. Therefore, on or around May 2005, the Town further determined that the officer was no longer eligible for Section 207-c benefits. In August 2005, the officer commenced a federal action against the Town and Police Chief alleging due process, retaliation and various other state and federal claims. In July 2007, after several objections and appeals, all of the officer's claims were rejected except for his equal protection claim. The parties are presently engaged in discovery. A deposition for the plaintiff is scheduled for April 23, 2009. Legal counsel has stated that, given the early stage of the litigation, it is not possible to accurately predict its outcome or assess potential damages. The police officer, however, is still receiving Section 207-c benefits, thereby mitigating his potential damages.

The Town, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, property damage or personal injury. These claims have been forwarded to the Town's administrator of their self-insured risk retention program (see note below detailing risk management policy limitations). Of the claims pending, the maximum liability expected as a result of adverse settlements is \$600,000. The Town's liability would be limited to their self-insured retention levels.

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.

NOTES TO FINANCIAL STATEMENTS (Concluded)
DECEMBER 31, 2008

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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 has been secured for losses in excess of the self-insured retention up to \$5 million per claim. In addition, there is a \$75,000 self-insured retention for property, contractors, equipment and auto physical damage per claim. Insurance coverage has been secured for losses in excess of the self-insured retention up to \$74 million per claim. The Town's workers' compensation policy has a self-insured retention level of up to \$150,000 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 may be subject to program compliance audits pursuant to the Single Audit Act. 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.

TOWN OF ORANGETOWN, NEW YORK

GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 2,517,733	\$ 3,114,098
Petty cash	1,050	1,050
	<u>2,518,783</u>	<u>3,115,148</u>
Receivables:		
Accounts	413,505	228,468
Due from other governments	457,936	230,220
Due from other funds	5,008,768	4,218,235
Advances to other funds	<u>2,509,884</u>	<u>1,945,386</u>
	<u>8,390,093</u>	<u>6,622,309</u>
Prepaid Expenditures	<u>129,968</u>	<u>192,124</u>
Total Assets	<u>\$ 11,038,844</u>	<u>\$ 9,929,581</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 360,319	\$ 562,342
Accrued liabilities	33,743	115,396
Bond anticipation notes payable	71,104	-
Due to other governments	25,355	26,789
Due to other funds	<u>4,784,949</u>	<u>3,498,110</u>
Total Liabilities	<u>5,275,470</u>	<u>4,202,637</u>
Fund Balance:		
Reserved for prepaid expenditures	129,968	192,124
Reserved for encumbrances	186,397	124,611
Reserved for advances	2,509,884	1,945,386
Unreserved:		
Designated for subsequent year's expenditures	-	300,000
Undesignated	<u>2,937,125</u>	<u>3,164,823</u>
Total Fund Balance	<u>5,763,374</u>	<u>5,726,944</u>
Total Liabilities and Fund Balance	<u>\$ 11,038,844</u>	<u>\$ 9,929,581</u>

TOWN OF ORANGETOWN, NEW YORK

GENERAL FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 2,236,460	\$ 2,236,460	\$ 2,255,785	\$ 19,325
Other tax items	50,000	50,000	32,754	(17,246)
Non-property taxes	1,820,000	1,820,000	1,979,950	159,950
Departmental income	617,100	617,100	573,604	(43,496)
Use of money and property	216,000	216,000	186,127	(29,873)
Licenses and permits	42,020	42,010	43,082	1,072
Fines and forfeitures	345,000	345,000	367,854	22,854
Interfund revenues	3,304,531	3,304,531	3,304,531	-
State aid	2,483,600	2,483,600	2,081,833	(401,767)
Federal aid	-	-	-	-
Miscellaneous	20,000	20,000	4,849	(15,151)
Total Revenues	11,134,711	11,134,701	10,830,369	(304,332)
Expenditures:				
Current:				
General government support	5,171,427	5,145,716	4,766,242	379,474
Public safety	171,075	193,085	156,967	36,118
Health	37,000	37,150	37,150	-
Transportation	897,611	903,611	626,846	276,765
Economic opportunity and development	141,063	141,463	140,075	1,388
Culture and recreation	2,273,716	2,378,666	2,314,249	64,417
Home and community services	247,508	217,278	180,531	36,747
Employee benefits	2,074,053	2,043,503	2,021,944	21,559
Debt service - Interest	243,369	262,669	262,655	14
Total Expenditures	11,256,822	11,323,141	10,506,659	816,482
Excess (Deficiency) of Revenues Over Expenditures	(122,111)	(188,440)	323,710	512,150
Other Financing Sources (Uses):				
Obligations authorized	-	71,104	-	(71,104)
Transfers out	(302,500)	(287,500)	(287,280)	220
Total Other Financing Uses	(302,500)	(216,396)	(287,280)	(70,884)
Net Change in Fund Balance	(424,611)	(404,836)	36,430	441,266
Fund Balance - Beginning of Year	424,611	404,836	5,726,944	5,322,108
Fund Balance - End of Year	\$ -	\$ -	\$ 5,763,374	\$ 5,763,374

2007			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,107,982	\$ 2,107,982	\$ 2,120,931	\$ 12,949
50,000	50,000	56,724	6,724
1,032,000	1,032,000	1,134,009	102,009
576,300	576,300	614,731	38,431
232,020	232,020	235,326	3,306
40,200	40,200	41,514	1,314
350,000	350,000	347,305	(2,695)
3,062,430	3,062,430	3,096,287	33,857
2,924,430	2,924,430	2,761,081	(163,349)
-	37,542	20,522	(17,020)
62,000	62,000	107,690	45,690
10,437,362	10,474,904	10,536,120	61,216
4,694,429	4,734,099	4,553,688	180,411
188,375	187,475	130,517	56,958
37,000	37,000	37,000	-
840,720	862,920	610,025	252,895
131,063	132,063	131,904	159
2,362,572	2,434,984	2,226,536	208,448
269,508	241,868	192,311	49,557
2,101,908	2,032,708	2,020,799	11,909
263,937	274,937	253,218	21,719
10,889,512	10,938,054	10,155,998	782,056
(452,150)	(463,150)	380,122	843,272
-	-	-	-
(223,500)	(287,500)	(280,746)	6,754
(223,500)	(287,500)	(280,746)	6,754
(675,650)	(750,650)	99,376	850,026
675,650	750,650	5,627,568	4,876,918
\$ -	\$ -	\$ 5,726,944	\$ 5,726,944

TOWN OF ORANGETOWN, NEW YORK

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2008
(With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
REAL PROPERTY TAXES	\$ 2,236,460	\$ 2,236,460	\$ 2,255,785	\$ 19,325	\$ 2,120,931
OTHER TAX ITEMS					
Interest and penalties on real property taxes	50,000	50,000	32,754	(17,246)	56,724
NON-PROPERTY TAXES					
Franchise fees	380,000	380,000	525,490	145,490	460,775
Non-property tax distribution from County	1,440,000	1,440,000	1,454,460	14,460	673,234
	1,820,000	1,820,000	1,979,950	159,950	1,134,009
DEPARTMENTAL INCOME					
Town Clerk fees	17,000	17,000	19,289	2,289	16,439
Engineering fees	33,000	33,000	17,246	(15,754)	27,981
Parks and recreation charges	567,000	567,000	536,859	(30,141)	570,181
Public safety fees	100	100	210	110	130
	617,100	617,100	573,604	(43,496)	614,731
USE OF MONEY AND PROPERTY					
Earnings on investments	90,000	90,000	65,198	(24,802)	116,662
Rental of real property	126,000	126,000	120,929	(5,071)	118,664
	216,000	216,000	186,127	(29,873)	235,326

LICENSES AND PERMITS

Games of chance	20	10	-	(10)	10
Bingo licenses	3,000	3,000	4,068	1,068	3,285
Dog licenses	3,000	3,000	3,039	39	3,144
Permits	23,000	23,000	24,675	1,675	22,625
Sanitation licenses	13,000	13,000	11,300	(1,700)	12,450

FINES AND FORFEITURES

Fines and forfeited bail	345,000	345,000	367,854	22,854	347,305
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INTERFUND REVENUES

	3,304,531	3,304,531	3,304,531	-	3,096,287
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STATE AID

Per capita	202,000	202,000	204,578	2,578	196,173
Mortgage tax	2,250,000	2,250,000	1,849,229	(400,771)	2,524,483
Youth programs	18,600	18,600	18,592	(8)	9,683
School Tax Relief Program	13,000	13,000	8,754	(4,246)	13,379
Other	-	-	680	680	17,363

FEDERAL AID

Federal Emergency Management Assistance	-	-	-	-	20,522
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MISCELLANEOUS

Other	20,000	20,000	4,849	(15,151)	107,690
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TOTAL REVENUES

	11,134,711	11,134,701	10,830,369	(304,332)	10,536,120
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OTHER FINANCING SOURCES

Obligations authorized	-	71,104	-	(71,104)	-
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TOTAL REVENUES AND OTHER FINANCING SOURCES

	\$ 11,134,711	\$ 11,205,805	\$ 10,830,369	\$ (375,436)	\$ 10,536,120
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TOWN OF ORANGETOWN, NEW YORK

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
 COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2008
 (With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 94,971	\$ 96,571	\$ 95,522	\$ 1,049	\$ 92,831
Town Justice	455,931	455,931	436,243	19,688	446,248
Supervisor	256,686	271,856	270,762	1,094	245,763
Finance	375,989	402,989	395,009	7,980	362,215
Independent audit	50,000	50,000	50,000	-	50,000
Receiver of Taxes	223,693	226,593	225,817	776	217,620
Assessor	448,957	596,061	555,507	40,554	462,006
Board of Assessment Review	9,100	9,100	8,125	975	9,025
Town Clerk	355,435	387,255	377,708	9,547	373,927
Town Attorney	784,427	748,307	618,006	130,301	558,849
Engineer	259,666	309,166	271,025	38,141	232,627
Elections	-	-	-	-	32,179
Buildings	499,961	522,776	492,973	29,803	479,427
Bond issuance costs	30,000	79,000	78,722	278	45,509
Special items:					
Unallocated insurance	878,139	511,039	417,600	93,439	522,000
Shared services	444,072	474,672	471,474	3,198	420,934
Municipal association dues	1,800	1,800	1,749	51	1,650
Taxes and licenses	-	-	-	-	878
Defensive driving	2,600	2,600	-	2,600	-
	5,171,427	5,145,716	4,766,242	379,474	4,553,688
PUBLIC SAFETY					
Traffic control	102,000	124,010	97,188	26,822	57,097
Control of animals	69,075	69,075	59,779	9,296	73,420
	171,075	193,085	156,967	36,118	130,517

HEALTH

Substance Abuse Council

37,000	37,150	37,150	-	37,000
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TRANSPORTATION

Superintendent of Highways

349,312	355,312	350,059	5,253	342,401
147,500	138,500	118,495	20,005	126,348
400,799	409,799	158,292	251,507	141,276

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Veterans' services

11,000	11,000	11,000	-	11,000
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Senior citizens programs

130,063	130,463	129,075	1,388	120,904
141,063	141,463	140,075	1,388	131,904

CULTURE AND RECREATION

Recreation administration

378,000	376,500	364,410	12,090	344,482
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Parks

829,795	860,895	852,286	8,609	815,909
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Youth recreation

656,000	691,000	685,717	5,283	686,844
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Special recreation facilities

135,000	143,000	125,157	17,843	58,025
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Community based programs

55,000	67,500	67,250	250	55,000
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Town Historian

6,855	7,765	6,754	1,011	10,107
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Town Museum

100,566	110,006	101,951	8,055	158,316
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Celebrations

59,000	68,500	66,312	2,188	48,392
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Adult recreation

53,500	53,500	44,412	9,088	49,461
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2,273,716	2,378,666	2,314,249	64,417	2,226,536
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HOME AND COMMUNITY SERVICES

Sanitation

162,508	127,278	126,242	1,036	138,947
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Community beautification

20,000	20,000	7,240	12,760	2,816
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Land acquisition costs - Rockland County State Hospital

25,000	25,000	2,143	22,857	10,897
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Orangetown Housing Authority

40,000	45,000	44,906	94	39,651
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247,508	217,278	180,531	36,747	192,311
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(Continued)

TOWN OF ORANGETOWN, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)

YEAR ENDED DECEMBER 31, 2008

(With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 330,213	\$ 331,753	\$ 331,747	\$ 6	\$ 382,878
Social security	360,081	385,081	379,293	5,788	341,496
Hospitalization and dental insurance	1,294,759	1,248,659	1,248,294	365	1,211,072
Workers' compensation benefits	77,000	77,000	61,600	15,400	77,000
Unemployment benefits	12,000	1,010	1,010	-	8,353
	<u>2,074,053</u>	<u>2,043,503</u>	<u>2,021,944</u>	<u>21,559</u>	<u>2,020,799</u>
DEBT SERVICE					
Interest - Bond anticipation notes	<u>243,369</u>	<u>262,669</u>	<u>262,655</u>	<u>14</u>	<u>253,218</u>
TOTAL EXPENDITURES	<u>11,256,822</u>	<u>11,323,141</u>	<u>10,506,659</u>	<u>816,482</u>	<u>10,155,998</u>
OTHER FINANCING USES					
Transfers out:					
Capital Projects Fund	282,500	267,500	267,500	-	267,500
Highway Fund	20,000	20,000	19,780	220	13,246
	<u>302,500</u>	<u>287,500</u>	<u>287,280</u>	<u>220</u>	<u>280,746</u>
TOTAL OTHER FINANCING USES					
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 11,559,322</u>	<u>\$ 11,610,641</u>	<u>\$ 10,793,939</u>	<u>\$ 816,482</u>	<u>\$ 10,436,744</u>

TOWN OF ORANGETOWN, NEW YORK

TOWN OUTSIDE VILLAGES FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 612,549	\$ 190,853
Petty cash	300	300
	<u>612,849</u>	<u>191,153</u>
Investments	<u>4,506,266</u>	<u>5,868,363</u>
Receivables:		
Accounts	686,323	38,315
State and Federal aid	3,260	3,260
Due from other governments	212,840	312,108
Due from other funds	<u>1,718,001</u>	<u>1,456,248</u>
	<u>2,620,424</u>	<u>1,809,931</u>
Prepaid Expenditures	<u>879,712</u>	<u>378,602</u>
Total Assets	<u>\$ 8,619,251</u>	<u>\$ 8,248,049</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 162,989	\$ 272,607
Accrued liabilities	206,641	469,552
Bond anticipation notes payable	684,119	-
Due to other funds	3,029,877	2,874,650
Deferred revenues	<u>-</u>	<u>26,513</u>
Total Liabilities	<u>4,083,626</u>	<u>3,643,322</u>
Fund Balance:		
Reserved for prepaid expenditures	879,712	378,602
Reserved for encumbrances	122,429	164,062
Reserved for law enforcement	10,916	10,916
Reserved for D.A.R.E.	20,841	32,736
Unreserved:		
Designated for subsequent year's expenditures	300,000	-
Undesignated	<u>3,201,727</u>	<u>4,018,411</u>
Total Fund Balance	<u>4,535,625</u>	<u>4,604,727</u>
Total Liabilities and Fund Balance	<u>\$ 8,619,251</u>	<u>\$ 8,248,049</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, 2008
 (With Comparative Totals for 2007)

			Totals	
			2008	2007
Revenues:				
Real property taxes	\$ 19,679,652	\$ 1,990,959	\$ 21,670,611	\$ 20,988,821
Other tax items	173,252	50,273	223,525	265,093
Non-property taxes	-	-	-	299,285
Departmental income	142,388	832,248	974,636	722,205
Intergovernmental charges	25,119	102,095	127,214	104,406
Use of money and property	278,506	45,338	323,844	761,757
Sale of property and compensation for loss	26,048	-	26,048	-
Fines and forfeitures	-	-	-	141
State aid	214,899	102,364	317,263	277,580
Federal aid	251,124	-	251,124	107,113
Miscellaneous	22,623	26,513	49,136	17,739
Total Revenues	20,813,611	3,149,790	23,963,401	23,544,140
Expenditures -				
Current:				
General government support	2,402,894	433,466	2,836,360	2,099,713
Public safety	12,699,189	1,072,334	13,771,523	13,529,352
Transportation	-	394,523	394,523	387,196
Home and community services	-	977,004	977,004	845,329
Employee benefits	5,611,447	441,646	6,053,093	5,719,273
Total Expenditures	20,713,530	3,318,973	24,032,503	22,580,863
Excess (Deficiency) of Revenues Over Expenditures	100,081	(169,183)	(69,102)	963,277
Fund Balances - Beginning of Year	4,262,779	341,948	4,604,727	3,641,450
Fund Balances - End of Year	\$ 4,362,860	\$ 172,765	\$ 4,535,625	\$ 4,604,727

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, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 19,556,028	\$ 19,556,028	\$ 19,679,652	\$ 123,624
Other tax items	161,000	161,000	173,252	12,252
Non-property taxes	-	-	-	-
Departmental income	50,000	50,000	142,388	92,388
Intergovernmental charges	-	-	25,119	25,119
Use of money and property	600,000	600,000	278,506	(321,494)
Sale of property and compensation for loss	-	-	26,048	26,048
Fines and forfeitures	-	-	-	-
State aid	71,540	71,540	214,899	143,359
Federal aid	111,322	111,322	251,124	139,802
Miscellaneous	12,000	12,000	22,623	10,623
Total Revenues	20,561,890	20,561,890	20,813,611	251,721
Expenditures -				
Current:				
General government support	2,366,000	2,403,795	2,402,894	901
Public safety	12,903,195	13,014,771	12,699,189	315,582
Employee benefits	5,456,757	5,836,757	5,611,447	225,310
Total Expenditures	20,725,952	21,255,323	20,713,530	541,793
Excess (Deficiency) of Revenues Over Expenditures	(164,062)	(693,433)	100,081	793,514
Other Financing Sources -				
Obligations authorized	-	547,295	-	(547,295)
Net Change in Fund Balance	(164,062)	(146,138)	100,081	246,219
Fund Balance - Beginning of Year	164,062	146,138	4,262,779	4,116,641
Fund Balance - End of Year	\$ -	\$ -	\$ 4,362,860	\$ 4,362,860

2007			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 19,025,095	\$ 19,025,095	\$ 19,051,782	\$ 26,687
126,114	126,114	207,955	81,841
-	-	299,285	299,285
35,000	115,000	69,170	(45,830)
6,000	6,000	-	(6,000)
500,000	500,000	655,110	155,110
-	-	-	-
-	-	141	141
67,000	67,000	168,580	101,580
31,616	94,054	107,113	13,059
11,710	11,710	17,041	5,331
19,802,535	19,944,973	20,576,177	631,204
2,223,883	1,824,783	1,822,933	1,850
11,946,700	12,861,138	12,546,966	314,172
5,739,989	5,367,089	5,269,886	97,203
19,910,572	20,053,010	19,639,785	413,225
(108,037)	(108,037)	936,392	1,044,429
-	-	-	-
(108,037)	(108,037)	936,392	1,044,429
108,037	108,037	3,326,387	3,218,350
\$ -	\$ -	\$ 4,262,779	\$ 4,262,779

TOWN OF ORANGETOWN, NEW YORK

TOWN OUTSIDE VILLAGES FUND - POLICE
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2008
 (With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
REAL PROPERTY TAXES	\$ 19,556,028	\$ 19,556,028	\$ 19,679,652	\$ 123,624	\$ 19,051,782
OTHER TAX ITEMS					
Payments in lieu of taxes	146,000	146,000	89,736	(56,264)	146,102
Interest and penalties on real property taxes	15,000	15,000	83,516	68,516	61,853
	161,000	161,000	173,252	12,252	207,955
NON-PROPERTY TAXES					
Non-property tax distribution from County	-	-	-	-	299,285
DEPARTMENTAL INCOME					
Police fees	50,000	50,000	142,388	92,388	67,466
Other public safety	-	-	-	-	1,704
	50,000	50,000	142,388	92,388	69,170
INTERGOVERNMENTAL CHARGES					
Gasoline for other governments	-	-	25,119	25,119	-
USE OF MONEY AND PROPERTY					
Earnings on investments	600,000	600,000	278,506	(321,494)	655,110

SALE OF PROPERTY AND COMPENSATION
FOR LOSS

Sale of equipment	-	-	26,048	26,048	-
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FINES AND FORFEITURES

Forfeiture of crime proceeds	-	-	-	-	141
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STATE AID

Law enforcement	67,000	67,000	196,478	129,478	140,371
D.W.I. Program	-	-	18,421	18,421	-
Division of criminal justice	4,540	4,540	-	(4,540)	28,209

FEDERAL AID

COPS in Schools Grant	111,322	111,322	246,233	134,911	92,848
Bulletproof Vest Partnership Grant	-	-	4,891	4,891	14,265

MISCELLANEOUS

Gifts and donations	12,000	12,000	14,807	2,807	17,041
Other	-	-	7,816	7,816	-
TOTAL REVENUES	20,561,890	20,561,890	20,813,611	251,721	20,576,177

OTHER FINANCING SOURCES

Obligations authorized	-	547,295	-	(547,295)	-
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TOTAL REVENUES AND OTHER
FINANCING SOURCES

\$ 20,561,890	\$ 21,109,185	\$ 20,813,611	\$ (295,574)	\$ 20,576,177
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TOWN OF ORANGETOWN, NEW YORK

TOWN OUTSIDE VILLAGES FUND - POLICE
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2008
 (With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
GENERAL GOVERNMENT SUPPORT					
Independent audit	\$ 22,000	\$ 22,000	\$ 21,900	\$ 100	\$ 21,050
Unallocated insurance	388,000	311,000	310,400	600	388,000
Judgments and claims	-	547,295	547,295	-	-
Reimbursement to General Fund for services	1,956,000	1,523,500	1,523,299	201	1,413,883
	2,366,000	2,403,795	2,402,894	901	1,822,933
PUBLIC SAFETY					
Police	12,898,995	13,008,323	12,692,741	315,582	12,539,578
Auxiliary police	4,200	6,448	6,448	-	7,388
	12,903,195	13,014,771	12,699,189	315,582	12,546,966
EMPLOYEE BENEFITS					
State retirement	1,920,000	2,402,000	2,219,791	182,209	1,964,989
Social security	810,000	787,000	760,697	26,303	716,532
Life insurance	70,000	70,000	55,202	14,798	57,082
Hospitalization and dental insurance	2,500,757	2,442,757	2,442,169	588	2,370,232
Workers' compensation benefits	153,500	123,500	122,800	700	153,500
Unemployment benefits	2,500	11,500	10,788	712	7,551
	5,456,757	5,836,757	5,611,447	225,310	5,269,886
TOTAL EXPENDITURES	\$ 20,725,952	\$ 21,255,323	\$ 20,713,530	\$ 541,793	\$ 19,639,785

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, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 1,989,306	\$ 1,989,306	\$ 1,990,959	\$ 1,653
Other tax items	42,000	42,000	50,273	8,273
Departmental income	940,000	940,000	832,248	(107,752)
Intergovernmental charges	95,000	95,000	102,095	7,095
Use of money and property	95,000	95,000	45,338	(49,662)
State aid	84,000	84,000	102,364	18,364
Miscellaneous	-	-	26,513	26,513
Total Revenues	3,245,306	3,245,306	3,149,790	(95,516)
Expenditures -				
Current:				
General government support	406,500	434,124	433,466	658
Public safety	1,018,726	1,101,226	1,072,334	28,892
Transportation	415,000	395,000	394,523	477
Home and community services	935,080	1,009,910	977,004	32,906
Employee benefits	470,000	441,870	441,646	224
Total Expenditures	3,245,306	3,382,130	3,318,973	63,157
Excess (Deficiency) of Revenues Over Expenditures	-	(136,824)	(169,183)	(32,359)
Other Financing Sources -				
Obligations authorized	-	136,824	-	(136,824)
Net Change in Fund Balance	-	-	(169,183)	(169,183)
Fund Balance - Beginning of Year	-	-	341,948	341,948
Fund Balance - End of Year	\$ -	\$ -	\$ 172,765	\$ 172,765

2007			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,937,039	\$ 1,937,039	\$ 1,937,039	\$ -
32,778	32,778	57,138	24,360
1,040,000	1,040,000	653,035	(386,965)
-	-	104,406	104,406
85,000	85,000	106,647	21,647
84,000	84,000	109,000	25,000
-	-	698	698
3,178,817	3,178,817	2,967,963	(210,854)
316,280	300,280	276,780	23,500
1,102,791	1,118,931	982,386	136,545
415,000	408,860	387,196	21,664
858,327	876,362	845,329	31,033
486,419	474,384	449,387	24,997
3,178,817	3,178,817	2,941,078	237,739
-	-	26,885	26,885
-	-	-	-
-	-	26,885	26,885
-	-	315,063	315,063
\$ -	\$ -	\$ 341,948	\$ 341,948

TOWN OF ORANGETOWN, NEW YORK

TOWN OUTSIDE VILLAGES FUND - OTHER
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2008
(With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
REAL PROPERTY TAXES	\$ 1,989,306	\$ 1,989,306	\$ 1,990,959	\$ 1,653	\$ 1,937,039
OTHER TAX ITEMS					
Payments in lieu of taxes	37,000	37,000	22,434	(14,566)	36,525
Interest and penalties on real property taxes	5,000	5,000	27,839	22,839	20,613
DEPARTMENTAL INCOME	42,000	42,000	50,273	8,273	57,138
Building permit fees	890,000	890,000	798,328	(91,672)	597,353
Zoning fees	15,000	15,000	12,800	(2,200)	13,725
Planning Board fees	35,000	35,000	21,120	(13,880)	41,957
INTERGOVERNMENTAL CHARGES	940,000	940,000	832,248	(107,752)	653,035
Recycling services for other governments	95,000	95,000	102,095	7,095	104,406
USE OF MONEY AND PROPERTY					
Earnings on investments	95,000	95,000	45,338	(49,662)	106,647
STATE AID					
Per capita	84,000	84,000	84,000	-	84,000
Youth programs	-	-	1,340	1,340	-
Other	-	-	17,024	17,024	25,000
	84,000	84,000	102,364	18,364	109,000

MISCELLANEOUS

Refund of prior year's expenditures	-	-	26,513	26,513	698
TOTAL REVENUES	3,245,306	3,245,306	3,149,790	(95,516)	2,967,963
OTHER FINANCING SOURCES					
Obligations authorized	-	136,824	-	(136,824)	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 3,245,306	\$ 3,382,130	\$ 3,149,790	\$ (232,340)	\$ 2,967,963

TOWN OF ORANGETOWN, NEW YORK

TOWN OUTSIDE VILLAGES FUND - OTHER
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2008
 (With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
GENERAL GOVERNMENT SUPPORT					
Independent audit	\$ 4,500	\$ 4,500	\$ 4,000	\$ 500	\$ 4,000
Unallocated insurance	56,000	44,800	44,800	-	56,000
Judgments and claims	-	136,824	136,824	-	-
Contingency	45,000	-	-	-	-
Reimbursement to General Fund for services	301,000	248,000	247,842	158	216,780
	406,500	434,124	433,466	658	276,780
PUBLIC SAFETY					
Safety inspection	1,018,726	1,101,226	1,072,334	28,892	982,386
TRANSPORTATION					
Street lighting	415,000	395,000	394,523	477	387,196
HOME AND COMMUNITY SERVICES					
Zoning Board of Appeals	118,925	120,625	118,604	2,021	108,661
Historic Area Board of Review	10,916	12,136	12,131	5	10,802
Planning Board	149,224	154,634	152,423	2,211	141,863
Architecture and Community Board of Review	21,976	23,976	23,841	135	21,160
Refuse and garbage	589,039	657,539	654,269	3,270	547,776
Shade trees	45,000	41,000	15,736	25,264	15,067
	935,080	1,009,910	977,004	32,906	845,329

EMPLOYEE BENEFITS

State retirement	78,000	70,800	70,702	98	84,071
Social security	93,000	90,000	89,982	18	88,222
Hospitalization and dental insurance	276,000	263,470	263,362	108	255,094
Workers' compensation benefits	22,000	17,600	17,600	-	22,000
Unemployment benefits	1,000	-	-	-	-
	<u>470,000</u>	<u>441,870</u>	<u>441,646</u>	<u>224</u>	<u>449,387</u>
TOTAL EXPENDITURES	<u>\$ 3,245,306</u>	<u>\$ 3,382,130</u>	<u>\$ 3,318,973</u>	<u>\$ 63,157</u>	<u>\$ 2,941,078</u>

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TOWN OF ORANGETOWN, NEW YORK

SEWER FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash - Demand deposits	\$ 3,635,852	\$ 3,633,151
Receivables:		
Accounts, net of allowance for uncollectible amounts of \$145,434 in 2008	154,845	209,617
State and Federal aid	40,000	12,000
Due from other governments	-	7,003
Due from other funds	1,407,624	1,078,722
	<u>1,602,469</u>	<u>1,307,342</u>
Prepaid Expenditures	<u>55,523</u>	<u>67,407</u>
Total Assets	<u>\$ 5,293,844</u>	<u>\$ 5,007,900</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 85,943	\$ 218,221
Accrued liabilities	14,450	97,813
Bond anticipation notes payable	208,436	-
Due to other funds	3,181,776	2,584,575
Total Liabilities	<u>3,490,605</u>	<u>2,900,609</u>
Fund Balance:		
Reserved for prepaid expenditures	55,523	67,407
Reserved for encumbrances	596,155	230,939
Unreserved:		
Designated for subsequent year's expenditures	200,000	200,000
Undesignated	951,561	1,608,945
Total Fund Balance	<u>1,803,239</u>	<u>2,107,291</u>
Total Liabilities and Fund Balance	<u>\$ 5,293,844</u>	<u>\$ 5,007,900</u>

TOWN OF ORANGETOWN, NEW YORK

SEWER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 6,596,208	\$ 6,596,208	\$ 6,600,268	\$ 4,060
Departmental income	570,000	570,000	501,737	(68,263)
Intergovernmental charges	660,000	1,031,320	867,809	(163,511)
Use of money and property	250,000	250,000	116,893	(133,107)
Interfund revenues	-	-	-	-
State aid	-	40,000	40,000	-
Federal aid	-	-	-	-
Miscellaneous	-	-	3,371	3,371
Total Revenues	8,076,208	8,487,528	8,130,078	(357,450)
Expenditures:				
Current:				
General government support:				
Independent audit	8,500	8,500	8,000	500
Unallocated insurance	182,000	182,000	145,600	36,400
Judgments and claims	-	208,436	208,436	-
Reimbursement to the General Fund for services	708,000	581,000	580,391	609
	898,500	979,936	942,427	37,509
Home and community services:				
Sewer administration	510,379	635,979	624,132	11,847
Sewage collection and industrial pre-treatment	2,007,341	1,790,541	1,711,420	79,121
Sewage treatment and disposal	2,877,557	3,073,427	2,677,455	395,972
	5,395,277	5,499,947	5,013,007	486,940
Employee benefits:				
State retirement	284,094	234,094	233,978	116
Social security	218,616	216,616	215,961	655
Hospitalization and dental insurance	681,290	671,290	670,629	661
Workers' compensation benefits	47,000	38,000	37,600	400
	1,231,000	1,160,000	1,158,168	1,832
Debt service -				
Interest - Bond anticipation notes	787,370	1,045,570	1,045,528	42
Total Expenditures	8,312,147	8,685,453	8,159,130	526,323
Deficiency of Revenues Over Expenditures	(235,939)	(197,925)	(29,052)	168,873
Other Financing Sources (Uses):				
Obligations authorized	-	208,436	-	(208,436)
Transfers in	-	-	-	-
Transfers out	(195,000)	(275,000)	(275,000)	-
Total Other Financing Sources (Uses)	(195,000)	(66,564)	(275,000)	(208,436)
Net Change in Fund Balance	(430,939)	(264,489)	(304,052)	(39,563)
Fund Balance - Beginning of Year	430,939	264,489	2,107,291	1,842,802
Fund Balance - End of Year	\$ -	\$ -	\$ 1,803,239	\$ 1,803,239

2007			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 6,097,797	\$ 6,097,797	\$ 6,099,417	\$ 1,620
570,000	570,000	492,047	(77,953)
660,000	660,000	518,990	(141,010)
160,000	160,000	269,934	109,934
60,000	60,000	35,018	(24,982)
-	54,000	116,168	62,168
-	85,809	85,810	1
-	-	8,069	8,069
7,547,797	7,687,606	7,625,453	(62,153)
8,500	7,500	7,350	150
182,000	182,000	182,000	-
-	-	-	-
668,848	608,848	608,848	-
859,348	798,348	798,198	150
378,855	515,763	474,174	41,589
2,163,904	2,082,293	1,790,125	292,168
2,990,726	3,191,238	2,765,612	425,626
5,533,485	5,789,294	5,029,911	759,383
369,321	314,321	284,724	29,597
234,131	234,131	201,971	32,160
689,681	680,265	617,516	62,749
47,000	47,000	47,000	-
1,340,133	1,275,717	1,151,211	124,506
994,500	1,354,500	994,500	360,000
8,727,466	9,217,859	7,973,820	1,244,039
(1,179,669)	(1,530,253)	(348,367)	1,181,886
-	-	-	-
994,500	1,354,500	634,622	(719,878)
-	(9,416)	(9,416)	-
994,500	1,345,084	625,206	(719,878)
(185,169)	(185,169)	276,839	462,008
185,169	185,169	1,830,452	1,645,283
\$ -	\$ -	\$ 2,107,291	\$ 2,107,291

TOWN OF ORANGETOWN, NEW YORK

HIGHWAY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash - Demand deposits	\$ 1,114,742	\$ 453,004
Investments	712,042	1,650,929
Receivables:		
Accounts	50,872	1,708
State and Federal aid	105,399	30,907
Due from other governments	554	23,346
Due from other funds	6,286,574	5,432,252
	6,443,399	5,488,213
Prepaid Expenditures	73,467	89,013
Total Assets	\$ 8,343,650	\$ 7,681,159
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 442,669	\$ 1,970,770
Accrued liabilities	114,039	129,498
Bond anticipation notes payable	280,957	-
Due to other funds	4,278,788	3,108,903
Deferred revenues	117,440	113,466
Total Liabilities	5,233,893	5,322,637
Fund Balance:		
Reserved for prepaid expenditures	73,467	89,013
Reserved for encumbrances	741,224	243,535
Unreserved and undesignated	2,295,066	2,025,974
Total Fund Balance	3,109,757	2,358,522
Total Liabilities and Fund Balance	\$ 8,343,650	\$ 7,681,159

TOWN OF ORANGETOWN, NEW YORK

HIGHWAY FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCES - SUB-FUNDS

YEAR ENDED DECEMBER 31, 2008

(With Comparative Totals for 2007)

	Part-Town	Town-Wide	Totals	
			2008	2007
Revenues:				
Real property taxes	\$ 4,393,069	\$ 4,503,867	\$ 8,896,936	\$ 8,153,963
Intergovernmental charges	48,237	72,849	121,086	64,558
Use of money and property	75,774	45,703	121,477	250,869
Sale of property and compensation for loss	-	51,084	51,084	58,566
Interfund revenues	-	71,934	71,934	30,112
State aid	174,178	156,918	331,096	210,851
Miscellaneous	89,439	8,445	97,884	48,814
Total Revenues	<u>4,780,697</u>	<u>4,910,800</u>	<u>9,691,497</u>	<u>8,817,733</u>
Expenditures -				
Current:				
General government support	569,384	586,470	1,155,854	832,920
Transportation	3,511,761	2,741,249	6,253,010	6,247,932
Employee benefits	807,333	743,845	1,551,178	1,525,071
Total Expenditures	<u>4,888,478</u>	<u>4,071,564</u>	<u>8,960,042</u>	<u>8,605,923</u>
Excess (Deficiency) of Revenues Over Expenditures	(107,781)	839,236	731,455	211,810
Other Financing Sources - Transfers in	<u>-</u>	<u>19,780</u>	<u>19,780</u>	<u>13,246</u>
Net Change in Fund Balances	(107,781)	859,016	751,235	225,056
Fund Balances - Beginning of Year	<u>449,672</u>	<u>1,908,850</u>	<u>2,358,522</u>	<u>2,133,466</u>
Fund Balances - End of Year	<u>\$ 341,891</u>	<u>\$ 2,767,866</u>	<u>\$ 3,109,757</u>	<u>\$ 2,358,522</u>

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, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 4,389,614	\$ 4,389,614	\$ 4,393,069	\$ 3,455
Intergovernmental charges	15,000	15,000	48,237	33,237
Use of money and property	130,000	130,000	75,774	(54,226)
State aid	155,666	190,492	174,178	(16,314)
Miscellaneous	15,000	15,000	89,439	74,439
Total Revenues	4,705,280	4,740,106	4,780,697	40,591
Expenditures -				
Current:				
General government support:				
Unallocated insurance	217,000	85,600	85,600	-
Judgments and claims	-	126,431	126,431	-
Reimbursement to General Fund for services	424,000	357,400	357,353	47
	641,000	569,431	569,384	47
Transportation:				
General repairs	3,159,505	3,345,162	3,350,035	(4,873)
Permanent improvements	174,287	162,287	161,726	561
	3,333,792	3,507,449	3,511,761	(4,312)
Employee benefits:				
State retirement	170,000	152,000	157,801	(5,801)
Social security	162,000	171,100	171,012	88
Hospitalization and dental insurance	444,000	452,200	452,120	80
Workers' compensation benefits	33,000	33,000	26,400	6,600
	809,000	808,300	807,333	967
Total Expenditures	4,783,792	4,885,180	4,888,478	(3,298)
Deficiency of Revenues Over Expenditures	(78,512)	(145,074)	(107,781)	37,293
Other Financing Sources - Obligations authorized	-	126,431	-	(126,431)
Net Change in Fund Balance	(78,512)	(18,643)	(107,781)	(89,138)
Fund Balance - Beginning of Year	78,512	18,643	449,672	431,029
Fund Balance - End of Year	\$ -	\$ -	\$ 341,891	\$ 341,891

2007			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,059,543	\$ 4,059,543	\$ 4,059,543	\$ -
35,000	35,000	13,740	(21,260)
120,000	120,000	137,980	17,980
155,666	155,666	83,234	(72,432)
10,000	10,000	41,444	31,444
4,380,209	4,380,209	4,335,941	(44,268)
107,000	107,000	107,000	-
-	-	-	-
394,922	328,922	328,922	-
501,922	435,922	435,922	-
3,177,750	3,354,250	3,269,312	84,938
172,992	172,992	159,458	13,534
3,350,742	3,527,242	3,428,770	98,472
208,000	195,000	188,096	6,904
156,000	168,000	167,202	798
435,465	423,465	416,379	7,086
33,000	33,000	33,000	-
832,465	819,465	804,677	14,788
4,685,129	4,782,629	4,669,369	113,260
(304,920)	(402,420)	(333,428)	68,992
-	-	-	-
(304,920)	(402,420)	(333,428)	68,992
304,920	402,420	783,100	380,680
\$ -	\$ -	\$ 449,672	\$ 449,672

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, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 4,503,663	\$ 4,503,663	\$ 4,503,867	\$ 204
Intergovernmental charges	148,600	148,600	72,849	(75,751)
Use of money and property	110,000	110,000	45,703	(64,297)
Sale of property and compensation for loss	10,000	10,000	51,084	41,084
Interfund revenues	-	-	71,934	71,934
State aid	-	-	156,918	156,918
Miscellaneous	10,500	10,500	8,445	(2,055)
Total Revenues	4,782,763	4,782,763	4,910,800	128,037
Expenditures -				
Current:				
General government support:				
Unallocated insurance	178,000	70,400	70,400	-
Judgments and claims	-	154,526	154,526	-
Reimbursement to General Fund for services	415,000	361,600	361,544	56
	593,000	586,526	586,470	56
Transportation:				
General repairs	25,000	53,600	25,110	28,490
Machinery	1,109,033	1,124,959	596,892	528,067
Brush and weeds	1,335,404	1,694,294	1,466,987	227,307
Snow removal	1,138,849	844,159	652,260	191,899
	3,608,286	3,717,012	2,741,249	975,763
Employee benefits:				
State retirement	163,000	154,000	151,613	2,387
Social security	131,000	143,200	143,173	27
Unemployment benefits	7,500	7,500	6,651	849
Hospitalization and dental insurance	415,000	419,000	418,408	592
Workers' compensation benefits	30,000	30,000	24,000	6,000
	746,500	753,700	743,845	9,855
Total Expenditures	4,947,786	5,057,238	4,071,564	985,674
Excess (Deficiency) of Revenues Over Expenditures	(165,023)	(274,475)	839,236	1,113,711
Other Financing Sources:				
Obligations authorized	-	154,526	-	(154,526)
Transfers in	-	-	19,780	19,780
Total Other Financing Sources	-	154,526	19,780	(134,746)
Net Change in Fund Balance	(165,023)	(119,949)	859,016	978,965
Fund Balance - Beginning of Year	165,023	119,949	1,908,850	1,788,901
Fund Balance - End of Year	\$ -	\$ -	\$ 2,767,866	\$ 2,767,866

2007			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,094,235	\$ 4,094,235	\$ 4,094,420	\$ 185
148,600	148,600	50,818	(97,782)
100,000	100,000	112,889	12,889
10,000	10,000	58,566	48,566
-	-	30,112	30,112
-	-	127,617	127,617
10,500	10,500	7,370	(3,130)
4,363,335	4,363,335	4,481,792	118,457
88,000	88,000	88,000	-
-	-	-	-
362,998	362,998	308,998	54,000
450,998	450,998	396,998	54,000
20,000	20,200	10,133	10,067
1,016,308	1,033,308	840,413	(192,895)
1,196,857	1,179,657	1,088,644	91,013
990,978	1,024,978	879,972	879,972
3,224,143	3,258,143	2,819,162	788,157
208,000	181,000	180,703	297
126,000	126,000	119,473	6,527
7,500	7,500	3,165	4,335
403,002	396,002	387,053	8,949
30,000	30,000	30,000	-
774,502	740,502	720,394	20,108
4,449,643	4,449,643	3,936,554	513,089
(86,308)	(86,308)	545,238	631,546
-	-	-	-
-	-	13,246	13,246
-	-	13,246	13,246
(86,308)	(86,308)	558,484	644,792
86,308	86,308	1,350,366	1,264,058
\$ -	\$ -	\$ 1,908,850	\$ 1,908,850

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TOWN OF ORANGETOWN, NEW YORK

DEBT SERVICE FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash - Demand deposits	\$ 11,047,865	\$ 212,078
Due from Other Funds	2,447,366	4,760,127
Total Assets	<u>\$ 13,495,231</u>	<u>\$ 4,972,205</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Due to other funds	\$ 9,350,610	\$ 1,524,295
Deferred revenues	-	97,200
Total Liabilities	<u>9,350,610</u>	<u>1,621,495</u>
Fund Balance:		
Reserved for debt service	3,344,621	2,795,710
Unreserved - Designated for subsequent year's expenditures	800,000	555,000
Total Fund Balance	<u>4,144,621</u>	<u>3,350,710</u>
Total Liabilities and Fund Balance	<u>\$ 13,495,231</u>	<u>\$ 4,972,205</u>

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, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 2,553,976	\$ 2,553,976	\$ 2,555,622	\$ 1,646
Use of money and property	50,000	50,000	183,850	133,850
Miscellaneous	-	-	181,378	181,378
Total Revenues	2,603,976	2,603,976	2,920,850	316,874
Expenditures:				
Current -				
General government support	10,000	10,000	8,304	1,696
Debt service -				
Serial bonds:				
Principal	2,030,000	2,030,000	1,405,000	625,000
Interest	1,056,833	1,056,833	731,492	325,341
Total Expenditures	3,096,833	3,096,833	2,144,796	952,037
Excess (Deficiency) of Revenues Over Expenditures	(492,857)	(492,857)	776,054	1,268,911
Other Financing Sources (Uses):				
Transfers in	-	-	80,000	80,000
Transfers out	(62,143)	(62,143)	(62,143)	-
Total Other Financing Sources (Uses)	(62,143)	(62,143)	17,857	80,000
Net Change in Fund Balance	(555,000)	(555,000)	793,911	1,348,911
Fund Balance - Beginning of Year	555,000	555,000	3,350,710	2,795,710
Fund Balance - End of Year	\$ -	\$ -	\$ 4,144,621	\$ 4,144,621

2007			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,218,113 60,000 -	\$ 2,218,113 60,000 -	\$ 2,218,113 605,224 137,336	\$ - 545,224 137,336
2,278,113	2,278,113	2,960,673	682,560
11,200	11,200	8,728	2,472
1,550,000 1,016,913	1,550,000 1,016,913	1,550,000 463,072	- 553,841
2,578,113	2,578,113	2,021,800	556,313
(300,000)	(300,000)	938,873	1,238,873
- -	- (435,000)	75,000 (634,622)	75,000 (199,622)
-	(435,000)	(559,622)	(124,622)
(300,000)	(735,000)	379,251	1,114,251
300,000	735,000	2,971,459	2,236,459
\$ -	\$ -	\$ 3,350,710	\$ 3,350,710

TOWN OF ORANGETOWN, NEW YORK

CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash - Demand deposits	\$ 810,586	\$ 15,439,997
Restricted Investments	9,671,117	156,332
Receivables:		
State and Federal aid	58,993	-
Due from other funds	9,820,396	2,781,830
	9,879,389	2,781,830
Total Assets	\$ 20,361,092	\$ 18,378,159
<u>LIABILITIES AND FUND DEFICIT</u>		
Liabilities:		
Accounts payable	\$ 703,142	\$ 2,748,012
Retained percentages payable	1,605,280	929,437
Bond anticipation notes payable	18,015,000	28,035,000
Loan payable	-	9,030,616
Due to other funds	2,630,065	5,756,346
Total Liabilities	22,953,487	46,499,411
Fund Balance (Deficit):		
Unreserved:		
Designated for capital projects	66,889	66,889
Undesignated	(2,659,284)	(28,188,141)
Total Fund Deficit	(2,592,395)	(28,121,252)
Total Liabilities and Fund Deficit	\$ 20,361,092	\$ 18,378,159

TOWN OF ORANGETOWN, NEW YORK

CAPITAL PROJECTS FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
Revenues:		
State aid	\$ 191,375	\$ 50,000
Miscellaneous	57,900	156,000
Total Revenues	249,275	206,000
Expenditures - Capital outlay	22,606,136	20,103,511
Deficiency of Revenues Over Expenditures	(22,356,861)	(19,897,511)
Other Financing Sources (Uses):		
Bonds issued	47,423,218	-
Transfers in	542,500	276,916
Transfers out	(80,000)	(75,000)
Total Other Financing Sources	47,885,718	201,916
Net Change in Fund Balance	25,528,857	(19,695,595)
Fund Deficit - Beginning of Year	(28,121,252)	(8,425,657)
Fund Deficit - End of Year	\$ (2,592,395)	\$ (28,121,252)

TOWN OF ORANGETOWN, NEW YORK

CAPITAL PROJECTS FUND

PROJECT-LENGTH SCHEDULE

INCEPTION OF PROJECT THROUGH DECEMBER 31, 2007

Project	Project Budget	Expenditures and Transfers	Unexpended Balance
Sewer Reconstruction	\$ 9,693,000	\$ 9,535,305	\$ 157,695
Emergency Generator	992,489	625,934	366,555
Nyack Trunk Sewer Emergency Work	1,115,222	1,115,222	-
Building Department Renovations	380,000	144,254	235,746
Pearl River Revitalization	473,898	466,369	7,529
Park Improvements	790,000	601,686	188,314
Municipal Swimming Facility/Community Center	880,000	871,058	8,942
Shadyside Avenue Sewer	395,000	335,425	59,575
Tappan Traffic Light	110,000	38,934	71,066
Rockland Psychiatric Center Playing Fields	6,832,900	6,367,426	465,474
Salyer House	187,000	189,146	(2,146)
Sewer Reconstruction - 2005/2006	47,520,718	37,467,321	10,053,397
Highway Vehicles - 2005	1,470,000	1,426,384	43,616
Sewer Vehicles - 2005	250,000	197,725	52,275
Cherry Brook Drainage Improvements	5,787,500	4,615,554	1,171,946
Tappan Hamlet Improvement	643,500	5,234	638,266
Highway Vehicles - 2006	610,000	556,724	53,276
Sewer Vehicles - 2006	200,000	158,090	41,910
Playground Equipment Replacement	50,000	51,256	(1,256)
Steps to a Healthier New York	14,500	18,990	(4,490)
Totals	<u>\$ 78,395,727</u>	<u>\$ 64,788,037</u>	<u>\$ 13,607,690</u>

Methods of Financing					Fund Balance (Deficit) at December 31, 2008	Bond Anticipation Notes Outstanding at December 31, 2008
Proceeds of Obligations	Interfund Transfers	State and Federal Aid	Miscellaneous	Total		
\$ 9,536,309	\$ -	\$ -	\$ -	\$ 9,536,309	\$ 1,004	\$ -
201,000	201,000	457,831	-	859,831	233,897	-
1,035,222	80,000	-	-	1,115,222	-	-
380,000	-	-	-	380,000	235,746	-
-	153,283	240,000	80,615	473,898	7,529	-
550,000	-	-	-	550,000	(51,686)	-
880,000	-	-	-	880,000	8,942	-
162,500	-	-	-	162,500	(172,925)	-
110,000	-	-	-	110,000	71,066	-
277,750	-	-	1,107,900	1,385,650	(4,981,776)	3,947,250
-	-	187,000	-	187,000	(2,146)	-
45,675,718	-	-	500,000	46,175,718	8,708,397	-
125,750	-	-	-	125,750	(1,300,634)	1,229,250
26,500	-	-	-	26,500	(171,225)	223,500
-	-	4,375	96,000	100,375	(4,515,179)	5,470,000
-	-	-	-	-	(5,234)	-
-	-	-	-	-	(556,724)	-
-	-	-	-	-	(158,090)	-
-	-	50,000	-	50,000	(1,256)	-
-	-	10,000	-	10,000	(8,990)	-
<u>\$ 58,960,749</u>	<u>\$ 434,283</u>	<u>\$ 949,206</u>	<u>\$ 1,784,515</u>	<u>\$ 62,128,753</u>	<u>\$ (2,659,284)</u>	<u>\$ 10,870,000</u>

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TOWN OF ORANGETOWN, NEW YORK

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2008
 (With Comparative Totals for 2007)

				Total Non-Major Governmental Funds	
	Special Districts	Pearl River Parking	Special Purpose	2008	2007
<u>ASSETS</u>					
Cash - Demand deposits	\$ 119,142	\$ 152,001	\$ 535,322	\$ 806,465	\$ 676,970
Receivables:					
Accounts	-	2,241	-	2,241	70,000
Due from other funds	70,611	-	-	70,611	63,189
	70,611	2,241	-	72,852	133,189
Prepaid Expenditures	45,958	-	-	45,958	-
Total Assets	\$ 235,711	\$ 154,242	\$ 535,322	\$ 925,275	\$ 810,159
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ 400	\$ -	\$ 400	\$ 42,524
Bond anticipation notes payable	55,384	-	-	55,384	-
Due to other governments	17,314	-	-	17,314	10,333
Due to other funds	-	108,489	-	108,489	108,489
Total Liabilities	72,698	108,889	-	181,587	161,346
Fund Balances:					
Reserved for prepaid expenditures	45,958	-	-	45,958	-
Reserved for parklands	-	-	535,322	535,322	448,582
Unreserved and undesignated	117,055	45,353	-	162,408	200,231
Total Fund Balances	163,013	45,353	535,322	743,688	648,813
Total Liabilities and Fund Balances	\$ 235,711	\$ 154,242	\$ 535,322	\$ 925,275	\$ 810,159

TOWN OF ORANGETOWN, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2008
 (With Comparative Totals for 2007)

	Special Districts	Pearl River Parking	Special Purpose
Revenues:			
Real property taxes	\$ 1,757,367	\$ -	\$ -
Departmental income	-	117,794	80,000
Use of money and property	26,996	2,312	6,740
Total Revenues	1,784,363	120,106	86,740
Expenditures -			
Current:			
General government support	55,384	-	-
Public safety	830,956	-	-
Health	400,000	-	-
Transportation	-	82,987	-
Home and community services	527,007	-	-
Total Expenditures	1,813,347	82,987	-
Excess (Deficiency) of Revenues Over Expenditures	(28,984)	37,119	86,740
Fund Balances - Beginning of Year	191,997	8,234	448,582
Fund Balances - End of Year	\$ 163,013	\$ 45,353	\$ 535,322

Total Non-Major Governmental Funds	
2008	2007
\$ 1,757,367	\$ 1,715,508
197,794	146,240
36,048	68,455
<u>1,991,209</u>	<u>1,930,203</u>
55,384	-
830,956	807,123
400,000	400,000
82,987	83,067
<u>527,007</u>	<u>518,988</u>
<u>1,896,334</u>	<u>1,809,178</u>
94,875	121,025
<u>648,813</u>	<u>527,788</u>
<u>\$ 743,688</u>	<u>\$ 648,813</u>

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TOWN OF ORANGETOWN, NEW YORK

SPECIAL DISTRICTS FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 119,142	\$ 111,445
Receivables:		
Accounts	-	70,000
Due from other funds	70,611	63,189
	<u>70,611</u>	<u>133,189</u>
Prepaid expenditures	45,958	-
Total Assets	<u>\$ 235,711</u>	<u>\$ 244,634</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ -	\$ 42,304
Bond anticipation notes payable	55,384	-
Due to other governments	17,314	10,333
Total Liabilities	<u>72,698</u>	<u>52,637</u>
Fund Balance:		
Reserved for prepaid expenditures	45,958	-
Unreserved and undesignated	117,055	191,997
Total Fund Balance	<u>163,013</u>	<u>191,997</u>
Total Liabilities and Fund Balance	<u>\$ 235,711</u>	<u>\$ 244,634</u>

TOWN OF ORANGETOWN, NEW YORK

SPECIAL DISTRICTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCES - SUB-FUNDS

YEAR ENDED DECEMBER 31, 2008

(With Comparative Totals for 2007)

	Water	Blauvelt Fire Protection	South Orangetown Ambulance
Revenues:			
Real property taxes	\$ 519,534	\$ 837,833	\$ 400,000
Use of money and property	26,996	-	-
Total Revenues	546,530	837,833	400,000
Expenditures -			
Current:			
General government support	16,279	26,468	12,637
Public safety	-	830,956	-
Health	-	-	400,000
Home and community services	527,007	-	-
Total Expenditures	543,286	857,424	412,637
Excess (Deficiency) of Revenues Over Expenditures	3,244	(19,591)	(12,637)
Fund Balances - Beginning of Year	129,171	62,826	-
Fund Balances (Deficits) - End of Year	\$ 132,415	\$ 43,235	\$ (12,637)

Totals	
2008	2007
\$ 1,757,367	\$ 1,715,508
26,996	42,606
<u>1,784,363</u>	<u>1,758,114</u>
55,384	-
830,956	807,123
400,000	400,000
<u>527,007</u>	<u>518,988</u>
<u>1,813,347</u>	<u>1,726,111</u>
(28,984)	32,003
<u>191,997</u>	<u>159,994</u>
<u>\$ 163,013</u>	<u>\$ 191,997</u>

TOWN OF ORANGETOWN, NEW YORK

SPECIAL DISTRICTS FUND - WATER DISTRICT
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 515,199	\$ 515,199	\$ 519,534	\$ 4,335
Use of money and property	-	-	26,996	26,996
Total Revenues	515,199	515,199	546,530	31,331
Expenditures -				
Current:				
General government support	-	16,279	16,279	-
Home and community services	515,199	527,007	527,007	-
Total Expenditures	515,199	543,286	543,286	-
Excess (Deficiency) of Revenues Over Expenditures	-	(28,087)	3,244	31,331
Other Financing Sources -				
Obligations authorized	-	16,279	-	(16,279)
Net Change in Fund Balance	-	(11,808)	3,244	15,052
Fund Balance - Beginning of Year	-	11,808	129,171	117,363
Fund Balance - End of Year	\$ -	\$ -	\$ 132,415	\$ 132,415

2007			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 519,058	\$ 519,058	\$ 519,058	\$ -
-	-	42,606	42,606
519,058	519,058	561,664	42,606
-	-	-	-
519,058	519,058	518,988	70
519,058	519,058	518,988	70
-	-	42,676	42,676
-	-	-	-
-	-	42,676	42,676
-	-	86,495	86,495
\$ -	\$ -	\$ 129,171	\$ 129,171

TOWN OF ORANGETOWN, NEW YORK

SPECIAL DISTRICTS FUND - BLAUVELT FIRE PROTECTION DISTRICT
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues -				
Real property taxes	\$ 837,800	\$ 837,800	\$ 837,833	\$ 33
Expenditures -				
Current:				
General government support	-	26,468	26,468	-
Public safety	837,800	837,800	830,956	6,844
Total Expenditures	837,800	864,268	857,424	6,844
Deficiency of Revenues Over Expenditures	-	(26,468)	(19,591)	6,877
Other Financing Sources -				
Obligations authorized	-	26,468	-	(26,468)
Net Change in Fund Balance	-	-	(19,591)	(19,591)
Fund Balance - Beginning of Year	-	-	62,826	62,826
Fund Balance - End of Year	\$ -	\$ -	\$ 43,235	\$ 43,235

2007			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 796,450	\$ 796,450	\$ 796,450	\$ -
-	-	-	-
796,450	796,450	807,123	(10,673)
796,450	796,450	807,123	(10,673)
-	-	(10,673)	(10,673)
-	-	-	-
-	-	(10,673)	(10,673)
-	-	73,499	73,499
\$ -	\$ -	\$ 62,826	\$ 62,826

TOWN OF ORANGETOWN, NEW YORK

SPECIAL DISTRICTS FUND - SOUTH ORANGETOWN AMBULANCE DISTRICT
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues - Real property taxes	\$ 400,000	\$ 400,000	\$ 400,000	\$ -
Expenditures -				
Current:				
General government support	-	12,637	12,637	-
Health	400,000	400,000	400,000	-
Total Expenditures	400,000	412,637	412,637	-
Deficiency of Revenues Over Expenditures	-	(12,637)	(12,637)	-
Other Financing Sources -				
Obligations authorized	-	12,637	-	(12,637)
Net Change in Fund Balance	-	-	(12,637)	(12,637)
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance (Deficit) - End of Year	\$ -	\$ -	\$ (12,637)	\$ (12,637)

2007			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 400,000	\$ 400,000	\$ 400,000	\$ -
-	-	-	-
400,000	400,000	400,000	-
400,000	400,000	400,000	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

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TOWN OF ORANGETOWN, NEW YORK

PEARL RIVER PARKING FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2008 AND 2007

<u>ASSETS</u>		<u>2008</u>	<u>2007</u>
Cash - Demand deposits	\$	152,001	\$ 116,943
Accounts Receivable		2,241	-
Total Assets	\$	<u>154,242</u>	<u>\$ 116,943</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts payable	\$	400	\$ 220
Due to other funds		108,489	108,489
Total Liabilities		108,889	108,709
Fund Balance - Unreserved and undesignated		<u>45,353</u>	<u>8,234</u>
Total Liabilities and Fund Balance	\$	<u>154,242</u>	<u>\$ 116,943</u>

TOWN OF ORANGETOWN, NEW YORK

PEARL RIVER PARKING FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Departmental income	\$ 131,350	\$ 131,350	\$ 117,794	\$ (13,556)
Use of money and property	1,500	1,500	2,312	812
Total Revenues	132,850	132,850	120,106	(12,744)
Expenditures - Current - Transportation	132,850	132,850	82,987	49,863
Excess of Revenues Over Expenditures	-	-	37,119	37,119
Fund Balance (Deficit) - Beginning of Year	-	-	8,234	8,234
Fund Balance - End of Year	\$ -	\$ -	\$ 45,353	\$ 45,353

2007

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 172,773 1,500	\$ 172,773 1,500	\$ 127,443 4,349	\$ (45,330) 2,849
174,273	174,273	131,792	(42,481)
174,273	174,273	83,067	91,206
-	-	48,725	48,725
-	-	(40,491)	(40,491)
\$ -	\$ -	\$ 8,234	\$ 8,234

TOWN OF ORANGETOWN, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash - Demand deposits	<u>\$ 535,322</u>	<u>\$ 448,582</u>
<u>FUND BALANCE</u>		
Reserved for Parklands	<u>\$ 535,322</u>	<u>\$ 448,582</u>

TOWN OF ORANGETOWN, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
Revenues:		
Departmental income	\$ 80,000	\$ 18,797
Use of money and property	6,740	21,500
Total Revenues	86,740	40,297
Expenditures	-	-
Excess of Revenues Over Expenditures	86,740	40,297
Fund Balance - Beginning of Year	448,582	408,285
Fund Balance - End of Year	\$ 535,322	\$ 448,582

TOWN OF ORANGETOWN, NEW YORK

ENTERPRISE FUND - BLUE HILL GOLF COURSE
 COMPARATIVE STATEMENT OF NET ASSETS
 DECEMBER 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Current Assets:		
Cash - Demand deposits	\$ 492,667	\$ 498,381
Accounts receivable	55,224	12,000
Due from other funds	382,143	382,143
Prepaid expenses	14,281	17,323
Total Current Assets	944,315	909,847
Other Assets -		
Deferred charges, net of accumulated amortization of \$6,383 in 2007 and \$3,989 in 2006	12,369	14,763
Noncurrent Assets -		
Capital assets:		
Land	3,071,006	3,071,006
Buildings and improvements	835,062	835,062
Improvements other than buildings	5,016,840	5,009,525
Machinery and equipment	1,332,343	1,256,285
	10,255,251	10,171,878
Less - Accumulated depreciation	(4,321,879)	(4,035,167)
	5,933,372	6,136,711
Total Assets	6,890,056	7,061,321
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	-	107,837
Accrued liabilities	35,211	56,898
Accrued interest payable	28,280	32,086
Due to other governments	2,197	1,674
Due to other funds	791,839	588,275
Advances from other funds	1,303,557	948,320
Current maturities of bonds payable	375,000	375,000
Current portion of compensated absences	5,832	2,422
Total Current Liabilities	2,541,916	2,112,512
Noncurrent Liabilities:		
Bonds payable, less current maturities	2,225,000	2,600,000
Compensated absences, less current portion	52,492	21,797
Other post employment benefit obligations payable	200,013	-
Total Noncurrent Liabilities	2,477,505	2,621,797
Total Liabilities	5,019,421	4,734,309
<u>NET ASSETS (DEFICIT)</u>		
Invested in Capital Assets, net of related debt	3,426,697	3,275,332
Deficit	(1,556,062)	(948,320)
Total Net Assets	\$ 1,870,635	\$ 2,327,012

TOWN OF ORANGETOWN, NEW YORK

ENTERPRISE FUND - BLUE HILL GOLF COURSE
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
Operating Revenues:		
Greens fees	\$ 1,888,742	\$ 1,883,121
Cart rental	503,950	490,799
Facility rental	88,441	41,359
Permit cards	98,003	102,245
Other income	-	1,395
Total Operating Revenues	2,579,136	2,518,919
Operating Expenses:		
Personal services	1,047,290	999,023
Landscaping materials	59,661	46,848
Office expenses and printing	4,401	4,551
Rental of equipment	99,697	75,875
Automobile maintenance and supplies	92,700	84,111
Repairs and maintenance	24,703	29,883
Utilities	68,397	81,720
Chemicals	88,619	123,466
Contractual and other	602,703	595,811
Employee benefits	550,521	366,050
Depreciation and amortization	289,106	305,865
Total Operating Expenses	2,927,798	2,713,203
Loss from Operations	(348,662)	(194,284)
Non-Operating Revenues (Expenses):		
Interest income	7,074	27,643
Interest expense	(114,789)	(129,773)
Total Non-Operating Expenses	(107,715)	(102,130)
Change in Net Assets	(456,377)	(296,414)
Net Assets - Beginning of Year	2,327,012	2,623,426
Net Assets - End of Year	\$ 1,870,635	\$ 2,327,012

TOWN OF ORANGETOWN, NEW YORK

ENTERPRISE FUND - BLUE HILL GOLF COURSE
 COMPARATIVE STATEMENT OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
Cash Flows From Operating Activities:		
Cash received from charges for services	\$ 2,563,386	\$ 2,423,288
Cash payments to vendors	(578,615)	(640,758)
Cash payments to employees	(1,420,591)	(1,341,784)
Net Cash Provided by Operating Activities	564,180	440,746
Cash Flows From Capital and Related Financing Activities:		
Principal paid on bonds	(375,000)	(360,000)
Interest paid on indebtedness	(118,595)	(132,333)
Acquisition and construction of capital assets	(83,373)	(197,089)
Net Cash Used in Capital and Related Financing Activities	(576,968)	(689,422)
Cash Flows From Investing Activities -		
Interest income	7,074	27,643
Net Decrease in Cash	(5,714)	(221,033)
Cash - Beginning of Year	498,381	719,414
Cash - End of Year	\$ 492,667	\$ 498,381
Reconciliation of Loss from Operations to Net Cash Provided by Operating Activities:		
Loss from operations	\$ (348,662)	\$ (194,284)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Depreciation and amortization	289,106	305,865
Changes in assets and liabilities:		
Accounts receivable	(43,224)	10,369
Due from other funds	-	(106,000)
Prepaid expenses	3,042	1,137
Accounts payable	(107,837)	89,855
Accrued liabilities	(21,687)	18,688
Due to other governments	523	102
Due to other funds	203,564	(256,104)
Advances from other funds	355,237	566,517
Compensated absences	34,105	4,601
Other post employment benefit obligations payable	200,013	-
Net Cash Provided by Operating Activities	\$ 564,180	\$ 440,746

TOWN OF ORANGETOWN, NEW YORK

ENTERPRISE FUND - BROAD ACRES GOLF COURSE
 COMPARATIVE STATEMENT OF NET ASSETS
 DECEMBER 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Current Assets:		
Cash - Demand deposits	\$ 43,888	\$ 50,105
Due from other funds	1,206,327	1,002,316
Prepaid expenses	4,272	5,177
Total Current Assets	1,254,487	1,057,598
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	162,560	150,213
	3,157,316	3,144,969
Less - Accumulated depreciation	(236,290)	(188,004)
	2,921,026	2,956,965
Total Assets	4,175,513	4,014,563
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	4,676	41,148
Accrued interest payable	70,183	124,262
Bond anticipation notes payable	-	2,965,000
Due to other funds	1,176,235	786,351
Due to other governments	1,889	739
Advances from other funds	1,206,327	997,066
Current maturities of bonds payable	69,035	-
Current portion of compensated absences	1,504	828
Total Current Liabilities	2,529,849	4,915,394
Noncurrent Liabilities:		
Bonds payable, less current maturities	2,848,465	-
Compensated absences, less current portion	13,533	7,456
Other post employment benefit obligations payable	61,152	-
Total Noncurrent Liabilities	2,923,150	7,456
Total Liabilities	5,452,999	4,922,850
<u>DEFICIT</u>		
Invested in Capital Assets, net of related debt	3,526	88,779
Unrestricted	(1,281,012)	(997,066)
Total Deficit	\$ (1,277,486)	\$ (908,287)

TOWN OF ORANGETOWN, NEW YORK

ENTERPRISE FUND - BROAD ACRES GOLF COURSE
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
Operating Revenues:		
Greens fees	\$ 512,280	\$ 485,858
Cart rental	97,860	84,496
Permit cards	7,200	7,050
Total Operating Revenues	617,340	577,404
Operating Expenses:		
Personal services	357,790	337,815
Landscaping materials	36,105	32,953
Office expenses and printing	2,155	2,861
Rental of equipment	26,860	26,745
Automobile maintenance and supplies	25,598	26,445
Repairs and maintenance	8,395	7,840
Utilities	22,734	20,626
Chemicals	45,022	35,363
Contractual and other	169,248	152,255
Employee benefits	184,761	120,728
Depreciation	48,286	43,250
Total Operating Expenses	926,954	806,881
Loss from Operations	(309,614)	(229,477)
Non-Operating Revenues (Expenses):		
Interest income	556	4,174
Interest expense	(122,284)	(128,738)
Total Non-Operating Expenses	(121,728)	(124,564)
Loss Before Transfers	(431,342)	(354,041)
Transfers In	62,143	-
Change in Net Assets	(369,199)	(354,041)
Deficit - Beginning of Year	(908,287)	(554,246)
Deficit - End of Year	\$ (1,277,486)	\$ (908,287)

TOWN OF ORANGETOWN, NEW YORK

ENTERPRISE FUND - BROAD ACRES GOLF COURSE
 COMPARATIVE STATEMENT OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
Cash Flows From Operating Activities:		
Cash received from charges for services	\$ 413,329	\$ 664,510
Cash payments to vendors	(473,741)	(45,141)
Cash payments to employees	227,706	(457,221)
Net Cash Provided by Operating Activities	167,294	162,148
Cash Flows From Non-Capital Financing Activities -		
Transfers in	62,143	-
Cash Flows From Capital and Related Financing Activities:		
Issuance of bonds	2,917,500	-
Principal paid on bond anticipation notes	(2,965,000)	(57,500)
Interest paid on indebtedness	(176,363)	(130,791)
Acquisition and construction of capital assets	(12,347)	(25,655)
Net Cash Used in Capital and Related Financing Activities	(236,210)	(213,946)
Cash Flows From Investing Activities -		
Interest income	556	4,174
Net Decrease in Cash	(6,217)	(47,624)
Cash - Beginning of Year	50,105	97,729
Cash - End of Year	\$ 43,888	\$ 50,105
Reconciliation of Loss from Operations to Net Cash		
Provided by Operating Activities:		
Loss from operations	\$ (309,614)	\$ (229,477)
Adjustments to reconcile loss from operations to		
net cash provided by operating activities:		
Depreciation	48,286	43,250
Changes in assets and liabilities:		
Accounts receivable	-	1,218
Due from other funds	(204,011)	(911,178)
Prepaid expenses	905	440
Accounts payable	(36,472)	28,490
Due to other funds	389,884	786,351
Due to other governments	1,150	(649)
Advances from other funds	209,261	442,820
Other post employment benefit obligations payable	61,152	-
Compensated absences	6,753	883
Net Cash Provided by Operating Activities	\$ 167,294	\$ 162,148

TOWN OF ORANGETOWN, NEW YORK

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF NET ASSETS
 DECEMBER 31, 2008
 (With Comparative Totals for 2007)

	Workers' Compensation Benefits	Risk Retention	Totals	
			2008	2007
<u>ASSETS</u>				
Accounts Receivable	\$ -	\$ 392,891	\$ 392,891	\$ 2,447,147
Due from Other funds	837,138	147,680	984,818	-
Prepaid Expenses	27,562	206,850	234,412	236,961
Total Assets	864,700	747,421	1,612,121	2,684,108
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts payable	-	7,654	7,654	475,814
Due to other funds	-	-	-	345,068
Current portion of claims payable	323,901	360,727	684,628	595,865
Total Current Liabilities	323,901	368,381	692,282	1,416,747
Claims payable, less current portion	294,224	294,224	588,448	728,100
Total Liabilities	618,125	662,605	1,280,730	2,144,847
<u>NET ASSETS</u>				
Unrestricted	\$ 246,575	\$ 84,816	\$ 331,391	\$ 539,261

TOWN OF ORANGETOWN, NEW YORK

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2008
(With Comparative Totals for 2007)

	Workers' Compensation Benefits	Risk Retention	Totals	
			2008	2007
Operating Revenues:				
Charges for services	\$ 329,600	\$ 1,155,680	\$ 1,485,280	\$ 1,831,850
Insurance recoveries	11,479	97,701	109,180	164,346
Total Operating Revenues	341,079	1,253,381	1,594,460	1,996,196
Operating Expenses:				
Insurance	217,670	692,314	909,984	898,385
Contractual	2,797	175,781	178,578	325,974
Employee benefits	324,345	-	324,345	255,520
Judgments and claims	-	398,283	398,283	314,200
Total Operating Expenses	544,812	1,266,378	1,811,190	1,794,079
Income (Loss) from Operations	(203,733)	(12,997)	(216,730)	202,117
Non-Operating Revenues -				
Interest income	3,794	5,066	8,860	38,707
Change in Net Assets	(199,939)	(7,931)	(207,870)	240,824
Net Assets - Beginning of Year	446,514	92,747	539,261	298,437
Net Assets - End of Year	\$ 246,575	\$ 84,816	\$ 331,391	\$ 539,261

TOWN OF ORANGETOWN, NEW YORK

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2008
 (With Comparative Totals for 2007)

	Workers' Compensation Benefits	Risk Retention	Totals	
			2008	2007
Cash Flows From Operating Activities:				
Cash received from charges for services	\$ 622,368	\$ -	\$ 622,368	\$ 437,577
Cash received from insurance recoveries	11,479	1,253,381	1,264,860	1,608,946
Cash advanced to other funds	-	-	-	(708,961)
Cash advanced from other funds	-	806,781	806,781	-
Cash payments to insurance carriers and claimants	(637,641)	(2,065,228)	(2,702,869)	(1,376,269)
Net Cash Used in Operating Activities	(3,794)	(5,066)	(8,860)	(38,707)
Cash Flows From Investing Activities -				
Interest income	3,794	5,066	8,860	38,707
Net Increase in Cash and Equivalents	-	-	-	-
Cash - Beginning of Year	-	-	-	-
Cash - End of Year	\$ -	\$ -	\$ -	\$ -
Reconciliation of Income (Loss) from Operations to				
Net Cash Used in Operating Activities:				
Income (loss) from operations	\$ (203,733)	\$ (12,997)	\$ (216,730)	\$ 202,117
Adjustments to reconcile income (loss) from				
operations to net cash used in operating activities:				
Changes in assets and liabilities:				
Accounts receivable	1,129,906	924,350	2,054,256	(494,927)
Due from other funds	(837,138)	(147,680)	(984,818)	-
Prepaid expenses	(27,562)	30,111	2,549	(163,707)
Accounts payable	-	(468,160)	(468,160)	417,878
Due to other funds	-	(345,068)	(345,068)	(6,623)
Claims payable	(65,267)	14,378	(50,889)	6,555
Net Cash Used in Operating Activities	\$ (3,794)	\$ (5,066)	\$ (8,860)	\$ (38,707)

TOWN OF ORANGETOWN, NEW YORK

INTERNAL SERVICE FUND - WORKERS' COMPENSATION BENEFITS FUND
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Accounts Receivable	\$ -	\$ 1,129,906
Due from Other Funds	837,138	-
Prepaid Expenses	27,562	-
	<u>864,700</u>	<u>1,129,906</u>
Total Assets		
<u>LIABILITIES</u>		
Current Portion of Claims Payable	323,901	312,370
Claims Payable, less current portion	294,224	371,022
	<u>618,125</u>	<u>683,392</u>
Total Liabilities		
<u>NET ASSETS</u>		
Unrestricted	<u>\$ 246,575</u>	<u>\$ 446,514</u>

TOWN OF ORANGETOWN, NEW YORK

INTERNAL SERVICE FUND - WORKERS' COMPENSATION BENEFITS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS
YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
Operating Revenues:		
Charges for services	\$ 329,600	\$ 387,250
Insurance recoveries	11,479	47,323
Total Operating Revenues	341,079	434,573
Operating Expenses:		
Insurance	217,670	83,347
Contractual	2,797	9,890
Employee benefits	324,345	255,520
Total Operating Expenses	544,812	348,757
Income (Loss) from Operations	(203,733)	85,816
Non-Operating Revenues - Interest income	3,794	16,589
Change in Net Assets	(199,939)	102,405
Net Assets - Beginning of Year	446,514	344,109
Net Assets - End of Year	\$ 246,575	\$ 446,514

TOWN OF ORANGETOWN, NEW YORK

INTERNAL SERVICE FUND - WORKERS' COMPENSATION BENEFITS FUND
 COMPARATIVE STATEMENT OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
Cash Flows From Operating Activities:		
Cash received from charges for services	\$ 622,368	\$ 437,577
Cash received from insurance recoveries	11,479	47,323
Cash payments to insurance carriers and claimants	(637,641)	(501,489)
Net Cash Used In Operating Activities	(3,794)	(16,589)
Cash Flows From Investing Activities -		
Interest income	3,794	16,589
Net Increase in Cash and Equivalents	-	-
Cash - Beginning of Year	-	-
Cash - End of Year	\$ -	\$ -
Reconciliation of Income (Loss) from Operations to Net Cash Used in Operating Activities:		
Income (loss) from operations	\$ (203,733)	\$ 85,816
Adjustments to reconcile income (loss) from operations to net cash used in operating activities:		
Changes in assets and liabilities:		
Accounts receivable	1,129,906	50,327
Due from other funds	(837,138)	-
Prepaid expenses	(27,562)	-
Claims payable	(65,267)	(152,732)
Net Cash Used In Operating Activities	\$ (3,794)	\$ (16,589)

TOWN OF ORANGETOWN, NEW YORK

INTERNAL SERVICE FUND - RISK RETENTION FUND
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Accounts Receivable	\$ 392,891	\$ 1,317,241
Due from Other Funds	147,680	-
Prepaid Expenses	<u>206,850</u>	<u>236,961</u>
Total Assets	<u>747,421</u>	<u>1,554,202</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	7,654	475,814
Due to other funds	-	345,068
Current portion of claims payable	<u>360,727</u>	<u>283,495</u>
Total Current Liabilities	368,381	1,104,377
Claims Payable, less current portion	<u>294,224</u>	<u>357,078</u>
Total Liabilities	<u>662,605</u>	<u>1,461,455</u>
<u>NET ASSETS</u>		
Unrestricted	<u>\$ 84,816</u>	<u>\$ 92,747</u>

TOWN OF ORANGETOWN, NEW YORK

INTERNAL SERVICE FUND - RISK RETENTION FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET ASSETS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
Operating Revenues:		
Charges for services	\$ 1,155,680	\$ 1,444,600
Insurance recoveries	97,701	117,023
Total Operating Revenues	1,253,381	1,561,623
Operating Expenses:		
Insurance	692,314	815,038
Contractual	175,781	316,084
Judgments and claims	398,283	314,200
Total Operating Expenses	1,266,378	1,445,322
Income (Loss) from Operations	(12,997)	116,301
Non-Operating Revenues - Interest income	5,066	22,118
Change in Net Assets	(7,931)	138,419
Net Assets (Deficit) - Beginning of Year	92,747	(45,672)
Net Assets - End of Year	\$ 84,816	\$ 92,747

TOWN OF ORANGETOWN, NEW YORK

INTERNAL SERVICE FUND - RISK RETENTION FUND
 COMPARATIVE STATEMENT OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
Cash Flows From Operating Activities:		
Cash received from insurance recoveries	\$ 1,253,381	\$ 1,561,623
Cash advanced to other funds	-	(708,961)
Cash advanced from other funds	806,781	-
Cash payments to insurance carriers and claimants	(2,065,228)	(874,780)
Net Cash Used In Operating Activities	(5,066)	(22,118)
Cash Flows From Investing Activities -		
Interest income	5,066	22,118
Net Increase in Cash and Equivalents	-	-
Cash - Beginning of Year	-	-
Cash - End of Year	\$ -	\$ -
Reconciliation of Income (Loss) from Operations to Net Cash Used in Operating Activities:		
Income (loss) from operations	\$ (12,997)	\$ 116,301
Adjustments to reconcile income (loss) from operations to net cash used in operating activities:		
Changes in assets and liabilities:		
Accounts receivable	924,350	(545,254)
Due from other funds	(147,680)	-
Prepaid expenses	30,111	(163,707)
Accounts payable	(468,160)	417,878
Due to other funds	(345,068)	(6,623)
Claims payable	14,378	159,287
Net Cash Used In Operating Activities	\$ (5,066)	\$ (22,118)

TOWN OF ORANGETOWN, NEW YORK

FIDUCIARY FUND - AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED DECEMBER 31, 2008

	Balance January 1, 2008	Increases	Decreases	Balance December 31, 2008
<u>ASSETS</u>				
Cash - Demand deposits	\$ 1,395,499	\$ 89,137,597	\$ 89,247,841	\$ 1,285,255
<u>LIABILITIES</u>				
Accounts Payable	\$ 561,984	\$ 91,040,653	\$ 91,139,769	\$ 462,868
Net Payroll	-	9,637,780	9,637,780	-
Deposits	833,515	439,791	450,919	822,387
Total Liabilities	\$ 1,395,499	\$ 101,118,224	\$ 101,228,468	\$ 1,285,255

APPENDIX C

FORM OF BOND COUNSEL OPINION

DRAFT

December 8, 2009

Town of Orangetown,
County of Rockland,
State of New York

Re: Town of Orangetown, Rockland County, New York
\$7,025,000 Bond Anticipation Note, 2009

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a \$7,025,000 Bond Anticipation Note, 2009 (the "Obligation"), of the Town of Orangetown, Rockland County, New York (the "Obligor"), dated December 8, 2009, numbered 1, of the denomination of \$7,025,000, bearing interest at the rate of _____% per annum, payable at maturity, and maturing December 7, 2010.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes; and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed the accuracy and

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Town of Orangetown

December 8, 2009

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truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, nor is it included in adjusted current earnings when calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof.

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Town of Orangetown

December 8, 2009

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Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/zmt

DRAFT

December 8, 2009

Town of Orangetown,
County of Rockland,
State of New York

Re: Town of Orangetown, Rockland County, New York
\$1,255,000 Public Improvement (Serial) Bonds, 2009

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$1,255,000 Public Improvement (Serial) Bonds, 2009 (the "Obligations"), of the Town of Orangetown, Rockland County, State of New York (the "Obligor"), dated December 8, 2009, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of _____ (_____%) per annum as to bonds maturing in each of the years 2010 to 20_____, both inclusive, and at the rate of _____ (_____%) per annum as to bonds maturing in each of the years 2010 to 20_____, both inclusive, payable on June 1, 2010 and semi-annually thereafter on December 1 and June 1, and maturing in the amount of \$105,000 on December 1, 2010, \$110,000 on December 1, 2011, \$115,000 on December 1, 2012, \$120,000 on December 1 in each of the years 2013 and 2014, \$125,000 on December 1, 2015, \$130,000 on December 1, 2016, \$135,000 on December 1, 2017, \$145,000 on December 1, 2018, and \$150,000 on December 1, 2019.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

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Town of Orangetown

December 8, 2009

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(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, nor is it included in adjusted current earnings when calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Obligations.

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Town of Orangetown

December 8, 2009

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Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,