

BOOK-ENTRY ONLY

**RATING: Moody's Investors Service
Bonds—"Aa2"
Notes—"MIG-1"
(SEE "RATINGS" HEREIN)**

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 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 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. 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 Bonds and Notes. See "TAX MATTERS."

The Bonds 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**

\$9,995,000 PUBLIC IMPROVEMENT (SERIAL) BONDS, 2010

DATED: Date of Delivery

DUE: September 15, 2011—2006

**\$1,200,000 BOND ANTICIPATION NOTES, 2010 (RENEWALS)
[BOOK-ENTRY-ONLY NOTES]**

DATED: Date of Delivery

DUE: September 29, 2011

\$ _____ @ _____ %

The \$9,995,000 Public Improvement (Serial) Bonds, 2010 (the "Bonds") and the \$1,200,000 Bond Anticipation Notes, 2010 (Renewals) (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 Bonds 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.

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.

Interest on the Bonds will be payable on March 15, 2011 and semiannually thereafter on September 15 and March 15 until maturity.

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 on the Bonds and Notes 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" under "DESCRIPTION OF THE BONDS" herein.

The Bonds are subject to redemption prior to maturity as more fully described under "DESCRIPTION OF THE BONDS—Optional Redemption" herein.

The Bonds and Notes are offered for delivery when, as and if issued and received by the purchasers, subject to the receipt of the respective approving legal opinions of Orrick, Herrington & 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 September 29, 2010.

Orrick, Herrington & 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.

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

\$9,995,000 PUBLIC IMPROVEMENT (SERIAL) BONDS, 2010

Dated: Date of Delivery	Principal Due: September 15, as shown below
	Interest Due: March 15, 2011 and September 15 and March 15 of each year thereafter until maturity

Maturity (September 15)	<u>Amount</u>	Interest <u>Rate</u>	Price or <u>Yield</u>	<u>Cusip</u>
2011	505,000			
2012	510,000			
2013	525,000			
2014	540,000			
2015	560,000			
2016	575,000			
2017	590,000			
2018	610,000			
2019	630,000			
2020	645,000			
2021	665,000			
2022	685,000			
2023	705,000			
2024	730,000			
2025	750,000			
2026	770,000			

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

Town Board

Paul Whalen	Supervisor
Thomas Diviny.....	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 & 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 Bonds and 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
\$9,995,000 Public Improvement (Serial) Bonds, 2010
and
\$1,200,000 Bond Anticipation Notes, 2010 (Renewals)
[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 \$9,995,000 Public Improvement (Serial) Bonds, 2010 (the "Bonds") the \$1,200,000 Bond Anticipation Notes, 2010 (Renewals) (the "Notes").

The factors affecting the Town's financial condition and the Bonds and Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the Town tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Bonds and Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and 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 March 15, 2011 and semi-annually thereafter on each September 15 and March 15 until maturity or redemption. 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 be subject to redemption prior to maturity as described herein. The Record Date for the Bonds is the last business day of the calendar month preceding each interest payment date.

Authority for and the Purpose of Issues

The Bonds are issued pursuant to the Constitution and laws of the State, including among others, the Town Law and the Local Finance Law and bond resolutions duly adopted by the Town Board on various dates as shown below, authorizing the issuance of bonds for the purposes set forth below. The proceeds from the sale of the Bonds plus cash on hand from the Town will be used to redeem \$10,715,000 in bond anticipation notes previously issued and currently outstanding pursuant to such authorization and to provide an additional \$1,300,000 in funds for purposes as set forth below:

<u>Project</u>	<u>Amount</u>
Recreation Area	\$1,991,199.25
Various Types of Machinery	\$1,253,283.75
Recreation Area Improvements	\$1,498,497.88
Various Cherry Brook Drainage Improvements	\$3,410,151.56
Acquisition of Property at Crooked Hill	\$541,867.56
Renovation Work at the Blue Hill Golf Course Clubhouse	\$1,300,000.00
Total	<u>\$9,995,000.00</u>

Optional Redemption

The Bonds maturing on or before September 15, 2020 will not be subject to redemption prior to maturity. The Bonds maturing on September 15, 2021 and thereafter, will be subject to redemption prior to maturity, at the option of the Town, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity) on any date on or after September 15, 2020 at par plus accrued interest to the redemption date.

If less than all the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by lot in any customary manner of selection as determined by the Supervisor of the Town. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date and the redemption premium. Interest shall cease to be paid thereon after such redemption date (See "Book-Entry-Only System" for additional information concerning redemptions).

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 September 29, 2011 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 a bond resolution duly adopted by the Town Board on July 18, 2005, as amended on November 28, 2005 and June 26, 2006 and July 10, 2007 authorizing the issuance of \$46,922,000 serial bonds for sewer system reconstruction. The proceeds from the sale of the Notes will be used to redeem \$1,200,000 in notes previously issued and currently outstanding pursuant to such authorization.

BOOK-ENTRY-ONLY SYSTEM

The information in this Section concerning DTC and DTC's book-entry only system has been obtained from DTC. Neither the Town nor the Purchaser makes any representation or warranty regarding the accuracy or completeness thereof.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds and Notes. The Bonds and Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other nominee as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds and will be deposited with DTC. One fully-registered note certificate will be issued for Notes bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC 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 securities that its 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"). The DTC rules applicable to Participants are on file with the Securities and Exchange Commission.

Purchases of the Bonds and Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and Notes on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 bond certificates representing their ownership interests in the Bonds and Notes, except in the event that the use of the book-entry system for the Bonds and 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 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. Beneficial Owners of the Bonds and Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds and Notes, such as redemptions, tenders, defaults and proposed amendments to the Bonds and Notes documents. For example, Beneficial Owners of the Bonds and Notes may wish to ascertain that the nominee holding the Bonds and Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

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

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

Principal and interest payments 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 the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with 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, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town. Disbursement of such payments to Direct Participants shall be the responsibility of DTC and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities 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 securities depository is not obtained, Bond and Note certificates are required to be printed and delivered. The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Bond and Note certificates will be printed and delivered.

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

Each person for whom a Participant acquires an interest in the Bonds and Notes, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications to DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NEITHER THE TOWN NOR THE PURCHASERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE BONDS AND NOTES.

So long as Cede & Co. is the registered owner of the Bonds and Notes, as nominee for DTC, references herein to Bondholders or registered owners of the Bonds and Notes (other than under the heading "TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds and Notes.

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 Pfizer, a pharmaceutical maker and the Town's largest employer.

The population estimate for the Town as of July 1, 2009 is 48,792 representing a 2.3% increase since 2000 (U.S. Census Bureau). The Town's median household income is \$87,696 and per capita income is \$39,828, both well above the State income levels (2006—2008 American Community Survey by the U.S. Census Bureau). 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 each elected to two-year terms. 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 277 full-time and 35 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>
90	Orangetown Policemen's Benevolent Associations	12/31/2010
155	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 members 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.

In 2003, pension reform was enacted in New York State 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 2010 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	1,167,213	1,353,707
2010 (Budgeted)	1,824,000	1,980,000

Other Post Employment Benefits

The Town's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retiree's medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities

over a period not to exceed thirty years. For the calendar year ended December 31, 2009, the Town's annual OPEB cost of \$8,230,486. The Town's unfunded actuarial accrued liability is equal to \$12,365,644 for the fiscal year.

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.

The Town is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed increases in postretirement benefits are as follows:

<u>Year End December 31</u>	<u>Pre-65 Medical</u>	<u>Post-65 Medical</u>	<u>Prescription Drug</u>
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 projected 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 post employment benefits.

The number of participants entitled to OPEB benefits as of December 31, 2009 was as follows:

Active Employees	275
Retired Employees	<u>317</u>
Total	592
Amortization Component	
Actuarial Accrued Liability as of 1/1/09	\$91,607,137
Assets at Market Value	-
Unfunded Actuarial Accrued Liability ("UAAL")	91,607,137
Covered Payroll (Active Plan Members)	26,198,702
UAAL as a Percentage of Covered Payroll	349.66%
Annual Required Contribution	
Amortization of Unfunded Accrued Liability	\$8,337,090
Interest on Net OPEB Obligation	239,156
Adjustment to Annual Required Contribution	(345,760)
Annual OPEB Cost	8,230,486
Contributions Made	(1,843,745)
NET OPEB Cost at December 31, 2009	\$12,365,644

FINANCIAL FACTORS

Independent Audit

The Town's annual audited financial statements for the fiscal year ended December 31, 2009 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, 2005 through December 31, 2009 and a summary of the Adopted Budget for 2010.

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

Real Property Tax. 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 71.0% of total operating revenues for the fiscal year ended December 31, 2009. 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 2010:

TABLE 2
Property Taxes
(General Fund and Part-Town Fund)

<u>Fiscal Year</u>	<u>Total</u> <u>Revenues</u>	<u>Real Property</u> <u>Taxes</u>	<u>Real Property</u> <u>Taxes to</u> <u>Revenues</u>
2005	\$31,935,127	\$21,986,826	68.8%
2006	33,318,852	21,867,556	65.6
2007	34,080,260	23,109,752	67.8
2008	34,793,770	23,926,396	68.8
2009	35,194,410	24,996,200	71.0
2010 (Adopted Budget)	37,824,999	27,072,286	71.6

Source: Source: Town of Orangetown Audited Financial Statements Fiscal Year Ending 12/31 (2005-2009) and the 2010 Adopted Budget for the Town. This summary itself is not audited.

State Aid. The Town also receives a portion of its revenues in the form of State aid. For the fiscal year ended December 31, 2009, State aid represented approximately 4.9% 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; this would require 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 2010:

TABLE 3
State Aid
(General Fund and Part-Town Fund)

<u>Fiscal Year</u>	<u>Total</u> <u>Revenues</u>	<u>State Aid</u>	<u>State Aid</u> <u>to Revenues</u>
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	35,194,410	1,738,181	4.9
2010 (Adopted Budget)	37,824,999	1,619,600	4.3

Source: Town of Orangetown Audited Financial Statements Fiscal Year Ending 12/31 (2005-2009) and the 2010 Adopted Budget for the Town. This 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.

2010 Adopted Budget

The Town's 2010 Budget was adopted on November 9, 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 monies 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 and 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 American; (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 band 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
County and State:					
Homestead	\$2.50	\$2.89	\$3.51	\$3.33	\$3.33
Town:					
Homestead	1.45	1.77	1.84	1.78	1.87
Non-Homestead	1.61	1.85	2.15	1.98	2.19
Part-Town: (Part Town I & II*)					
Homestead	5.92	6.00	6.01	6.24	6.48
Non-Homestead	6.20	5.94	6.55	6.47	7.04
Highway Part-Town:					
Homestead	1.25	1.26	1.32	1.38	1.44
Non-Homestead	1.33	1.27	1.48	1.45	1.59
Special Districts:					
Fire Districts ¹	1.40	1.61	1.78	1.78	1.80
Hydrant Districts ¹	0.23	0.23	0.28	0.29	0.30
Library District	1.67	1.72	1.81	1.80	1.85
South Orangetown Ambulance	0.23	0.23	0.23	0.23	0.23
Nyack Ambulance	0.60	0.66	0.68	0.74	0.78
Paramedic Service	0.24	0.24	0.26	0.27	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 September 1, 2010

TABLE 5
Taxable Assessments¹

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Taxable Assessed</u>
Pfizer	Pharmaceuticals	\$384,127,700	9.52 %
NYS / Palisades Interstate Park	State Lands	66,622,019	1.65%
Glorious Sun / Robert Martin	Office Complex	51,336,000	1.27%
Orange & Rockland Utilities	Public Utility	49,198,460	1.22%
United Water	Water Company	36,869,489	0.91%
Verizon / Cellco	Communications	35,556,706	0.88%
International Business Machines	Education Facility	34,000,000	0.84%
Pontiac Holdings/ Bradley Industrial	Industrial / Warehousing	24,915,113	0.62%
New Car Co. Acquisitions	Distribution Warehouse	9,760,700	0.24%
Clarins USA Inc.	<u>Lt. Manu. / Warehousing</u>	<u>8,660,000</u>	<u>0.21%</u>
	Totals:	\$701,046,187	17.37%

(1) The Town's total assessed value is \$4,035,817,076 (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 Bonds and 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 year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose 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:

TABLE 6
Constitutional Debt Limit

<u>Taxable Year</u>	<u>Assessed Valuation</u>	<u>Equalization Ratio</u>	<u>Full Valuation</u>
2010	\$4,035,817,076	48.95%	\$8,244,774,415
2009	4,036,014,548	43.75	9,225,176,110
2008	4,006,744,645	43.30	9,253,451,836
2007	4,004,618,515	41.35	9,684,688,065
2006	4,000,280,840	44.75	<u>8,939,175,061</u>
Total Five-Year Valuation			\$45,347,265,487
Average Five-Year Valuation			\$9,069,453,097
Debt Limit - 7% of Average Full Valuation			\$634,861,717

Source: Town of Orangetown - Assessors Office

Statement of Debt Contracting Power

TABLE 7
Statutory Debt Limit and Net Indebtedness
(as of September 1, 2010)

Debt Contracting Limitation	\$634,861,717
Inclusions:	
Serial Bonds	59,900,000
Bond Anticipation Notes	11,715,000
Total Net Indebtedness	<u>\$71,615,000</u>
Net Debt-Contracting Margin	\$563,246,717
Percentage of Debt-Contracting Margin Exhausted	<u>11.28%</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 Bonds and Notes in the event of a default in the payment of the principal of or interest on the Bonds and 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>
9/29/2010	Sewer Reconstruction-2005/2006	1,200,000
9/29/2010	Sewer Vehicles-2005	209,988
9/29/2010	Highway Vehicles-2005	1,138,135
9/29/2010	Rockland Psychiatric Hospital	\$2,141,877
12/7/2010	Rockland Psychiatric Hospital	\$1,646,868
12/7/2010	Cherry Brook Drainage Improvements	<u>5,378,132</u>
		\$11,715,000

* Outstanding Bond Anticipation Notes will be refunded with a portion of the proceeds of the Bonds and Notes in addition to certain funds provided by the Town

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Serial Bonds	\$20,195,000	\$17,285,000	\$15,375,000	\$63,935,718	\$62,490,718
Revenue Bonds (Housing)*	7,360,505	7,235,730	7,103,835	6,967,824	6,814,799
Bond Anticipation Notes	<u>10,800,000</u>	<u>31,325,000</u>	<u>31,325,000</u>	<u>12,170,000</u>	<u>11,715,000</u>
Totals	\$38,355,505	\$55,845,730	\$53,803,835	\$83,073,542	\$81,020,517

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

Source: Town of Orangetown, Fiscal Year End December 31, 2009 Comprehensive Annual Financial Report.

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
(as of December 31, 2009)

<u>Overlapping Debt</u>			Amount
<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>Town Share</u>	<u>Applicable To Town</u>
Rockland County	\$306,376,000	20.00%	61,275,200
Villages (as of May 31, 2009):			
Grand View-on-Hudson	-	100.00%	-
Nyack	2,075,000	96.20%	1,996,150
Piermont	3,118,400	100.00%	3,118,400
South Nyack	1,185,000	100.00%	1,185,000
School Districts (as of June 30, 2009):			
Nanuet UFSD	39,230,000	45.34%	17,786,882
Nyack UFSD	11,215,000	39.45%	4,583,571
Pearl River CSD	28,630,000	100.00%	28,630,000
South Orangetown CSD	31,235,000	100.00%	<u>31,235,000</u>
Total Net Overlapping Debt			\$149,810,203

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

Debt Ratios

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

TABLE 11
Debt Ratios
(as of December 31, 2009)

	<u>Amount</u>	<u>Debt Per Capita¹</u>	<u>Debt to Full Value²</u>
Net Direct Debt (As of December 31, 2009)	\$62,490,718	\$1,281	0.76%
Net Overlapping Debt	<u>\$149,810,203</u>	<u>\$3,070</u>	<u>1.82%</u>
Net Direct and Overlapping Debt	\$212,300,921	\$4,351	2.57%

(1) The population of the Town is estimated at 48,792 as of July 1, 2009 by the U.S. Census Bureau.

(2) The Town's full value of taxable real property for 2010 is \$8,244,774,415.

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 Principal	Total New Principal
	Principal	Interest	Total Debt Service		
2010	2,900,718	2,661,412	5,562,130		2,900,718
2011	2,775,000	2,543,895	5,318,895	505,000	3,280,000
2012	2,750,000	2,428,124	5,178,124	510,000	3,260,000
2013	2,635,000	2,316,081	4,951,081	525,000	3,160,000
2014	2,530,000	2,207,989	4,737,989	540,000	3,070,000
2015	2,390,000	2,103,058	4,493,058	560,000	2,950,000
2016	2,235,000	1,997,943	4,232,943	575,000	2,810,000
2017	2,300,000	1,899,452	4,199,452	590,000	2,890,000
2018	2,365,000	1,797,597	4,162,597	610,000	2,975,000
2019	2,440,000	1,692,171	4,132,171	630,000	3,070,000
2020	2,000,000	1,583,191	3,583,191	645,000	2,645,000
2021	2,055,000	1,489,448	3,544,448	665,000	2,720,000
2022	1,990,000	1,404,807	3,394,807	685,000	2,675,000
2023	2,045,000	1,301,620	3,346,620	705,000	2,750,000
2024	2,100,000	1,205,690	3,305,690	730,000	2,830,000
2025	1,775,000	1,118,894	2,893,894	750,000	2,525,000
2026	1,815,000	1,041,695	2,856,695	770,000	2,585,000
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	\$62,490,718	\$36,821,920	\$99,312,638	\$9,995,000	\$72,485,718

(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

<u>December 31:</u>	<u>Total Debt Service</u>
2010	605,000
2011	600,000
2012	599,920
2013	603,210
2014	603,210
2015-2030	<u>9,314,340</u>
Total	\$12,325,680

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>2009</u>	<u>Percentage Change 2000/2009</u>
Town	46,742	47,711	48,792	2.3%
County	265,475	286,753	300,173	4.7%
State	17,990,455	18,976,457	19,541,453	3.0%

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>2006-2008</u>	<u>Percentage Change 2000/2006-2008</u>
Town	\$21,325	\$33,170	\$39,828	55.5%
County	20,195	28,082	\$35,269	39.0
State	16,501	23,389	\$30,804	41.7

Source: New York State Department of Commerce; New York State Empire Development Corporation. 2006-2008 American Community Survey, US Census Bureau

Median Family Income

	<u>1990</u>	<u>2000</u>	<u>2006-2008</u>
Town:	\$60,710	\$87,341	\$109,498
County:	60,479	78,806	98,595
State:	39,741	51,691	67,229

Source: 2006-2008 American Community Survey, 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>
Pfizer	Pharmaceuticals	2,850
Nyack Hospital	Hospital	1,500
Verizon Wireless	Communications	1,000
Rockland Psychiatric Center		900
Orange & Rockland Utilities	Public Utility	766
Nice-Pak	Paper Manufacturing	815
Camp Venture, Inc.	Health Services	600
Chromalloy New York	Fabricated Metal Products	440
Lamont-Doherty Geological Observatory	Earth Sciences Research	480
Dominican College		445

Source: Rockland County Development Corporation December 31, 2009.

TABLE 18
Civilian Labor Force

	<u>2000</u>	<u>2006-2008</u>
Town	24,993	25,304
County	140,476	145,545
State	9,023,096	9,832,511

Source: New York State Department of Labor, Bureau of Labor Statistics.
2006-2008 American Community Survey, US Census Bureau.
Information not seasonally adjusted.

TABLE 19
Yearly Average Unemployment Rates

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2002	4.2%	4.4%	6.2%
2003	4.4	4.7	6.4
2004	4.0	4.4	5.8
2005	3.8	4.0	5.0
2006	3.5	3.8	4.6
2007	3.6	3.9	4.5
2008	4.3	4.7	5.3
2009	6.3	6.9	8.4

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

TABLE 20
Monthly Unemployment Rates for 2010

<u>Month</u>	<u>Town</u>	<u>County</u>	<u>State</u>
January	7.0%	7.5%	9.4%
February	6.9	7.5	9.2
March	6.3	6.9	8.8
April	5.9	6.5	8.1
May	6.1	6.6	8.0
June	6.3	6.8	8.1
July	6.6	7.1	8.4

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

Over the course of the last year, Pfizer Pharmaceuticals has announced plans to significantly reduce the size of its on-going work force at the former Wyeth facility in Pearl River, New York. The announced lay-offs that were 600 at the beginning of 2010 increased this spring to over 1800, leaving a future Pfizer work force of about 1,000 at the Pearl River facility. That being said, the facilities being vacated are modern and Pfizer is working to market the facilities with Rockland Economic Development Corporation, which is optimistic about their re-use.

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 TD 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. 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. However, the amount of state aid is not expected to be significant enough to present large difficulties in maintaining sufficient fund balances.

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.

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—NOTES

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—BONDS

In accordance with the provisions 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 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 Town”, “Tax Information”, “Town Indebtedness”, “Litigation” and all Appendices (other than related to bond insurance) and a copy of the audited financial statements (prepared in accordance with generally accepted accounting principals in effect at the time of the audit) for the preceding 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 Town 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 Town may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the Town determines that any such other event is material with respect to the Bonds; but the Town does not undertake to commit to provide any such notice of the occurrence of any 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 Town 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 Town no longer remains an obligated person with respect to the Bonds within 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 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 Town's obligations under its continuing disclosure undertaking and any failure by the Town 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 Town 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 Town; provided that, the Town 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 Town 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 Bonds and Notes. The Financial Advisor will not engage in any underwriting activities with regard to the issuance and sale of the Bonds and 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 "Aa2" to the Bonds and a rating of "MIG-1" to the Notes. 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 Bonds and 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 Bonds and Notes.

This Official Statement is submitted only in connection with the sale of the Bonds and 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/ Paul Whalen
Town Supervisor

Dated: September 17, 2010

APPENDIX A1

2008, 2009 AND 2010 BUDGET SUMMARIES AND SUMMARY OF FINANCIAL STATEMENTS*

Statement of Budgeted Revenues and Expenditures - General Fund Fiscal Year Ending December 31:

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

Source: Adopted Budgets for the Town.

* Summary itself not audited

Comparative Balance Sheets - General Fund
Fiscal Year Ended December 31

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assets:					
Cash and Equivalents	\$6,308,848	\$2,930,073	\$3,115,148	\$2,518,783	\$3,723,610
Investments	-	-	-	-	-
Accounts Receivable	176,441	203,139	228,468	413,505	360,293
Due From State and Federal Governments	-	-	-	-	-
Due From Other Governments	224,679	226,146	230,220	457,936	465,179
Due From Other Funds	1,577,921	4,570,925	4,218,235	5,008,768	4,979,925
Advances to Other Funds	809,697	976,540	1,945,386	2,509,884	2,957,613
Prepaid Expenditures	175,908	191,600	192,124	129,968	141,541
Allowance for Uncollectible Accounts	-	-	-	-	-
Total Assets	\$9,273,494	\$9,098,423	\$9,929,581	\$11,038,844	\$12,628,161
Liabilities and Fund Balance:					
Liabilities					
Accounts Payable	\$207,335	\$226,284	\$562,342	\$360,319	\$286,545
Bond Anticipation Notes Payable	-	-	-	71,104	-
Due to Other Governments	47,581	17,670	26,789	25,355	56,464
Due To Other Funds	2,489,099	3,207,743	3,498,110	4,784,949	6,212,177
Accrued Liabilities	-	19,158	115,396	33,743	-
Deferred Revenues	-	-	-	-	-
Retained Percentages Payable	-	-	-	-	-
Total Liabilities	\$2,744,015	\$3,470,855	\$4,202,637	\$5,275,470	\$6,555,186
Fund Balance					
Reserved for Encumbrances	\$144,884	\$191,600	\$192,124	\$186,397	\$18,510
Reserved for Prepaid Expenditures	175,908	175,650	124,611	129,968	141,541
Reserved for Parking Improvements	-	-	-	-	-
Reserved for Long-Term Receivables	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-
Reserved for Advances	809,697	976,540	1,945,386	2,509,884	2,957,613
Unreserved:					
General Fund	5,398,990	4,283,778	3,464,823	2,937,125	-
Designated for Capital Improvements	-	-	-	-	153,799
Designated for Subsequent Years Expenditures	-	-	-	-	-
Undesignated	-	-	-	-	2,801,512
Total Fund Balance	\$6,529,479	\$5,627,568	\$5,726,944	\$5,763,374	\$6,072,975
Total Liabilities and Fund Balance	\$9,273,494	\$9,098,423	\$9,929,581	\$11,038,844	\$12,628,161

Source: Town of Orangetown, Audited Financial Statements Fiscal Year Ending 12/31 (2005-2009).

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Revenues:</u>					
Real Property Taxes	\$1,628,745	\$1,125,201	\$2,120,931	\$2,255,785	\$2,722,734
Other Tax Items	49,916	47,350	56,724	32,754	21,818
Non Property Taxes	1,005,217	1,037,401	1,134,009	1,979,950	1,947,063
Departmental Income	562,505	586,131	614,731	573,604	616,618
Use of Money and Property	230,565	244,430	235,326	186,127	155,203
Licenses and Permits	42,185	44,537	41,514	43,082	36,846
Fines and Forfeitures	345,590	345,064	347,305	367,854	354,445
Sale of Property and Compensation for Loss	-	-	-	-	260,284
Miscellaneous	22,589	124,036	107,690	4,849	11,039
Interfund Revenues	2,890,070	3,062,430	3,096,287	3,304,531	3,629,264
Federal Aid	-	-	20,522	-	-
State Aid	3,259,256	3,430,505	2,761,081	2,081,833	1,478,360
Total Revenues	<u>10,036,256</u>	<u>10,047,067</u>	<u>10,536,120</u>	<u>10,830,369</u>	<u>11,233,674</u>
<u>Expenditures:</u>					
General Government Support:	\$4,378,958	\$3,839,877	\$4,553,688	\$4,766,242	\$4,891,140
Public Safety	108,652	126,532	130,517	156,967	174,085
Health	34,621	39,000	37,000	37,150	50,800
Transportation	458,398	728,279	610,025	626,846	551,841
Economic Opportunity and Development	116,445	118,704	131,904	140,075	145,840
Culture and Recreation	1,923,393	2,107,566	2,226,536	2,314,249	2,085,729
Home and Community Services	287,175	217,276	192,311	180,531	168,544
Employee Benefits	1,940,108	1,852,768	2,020,799	2,021,944	2,008,381
Debt Service	39,939	319,201	253,218	262,655	527,204
Total Expenditures	<u>9,287,689</u>	<u>9,349,203</u>	<u>10,155,998</u>	<u>10,506,659</u>	<u>10,603,564</u>
Excess (Def) of Revenues & Other Sources Over Expenditures	<u>\$748,949</u>	<u>\$697,864</u>	<u>\$380,122</u>	<u>\$323,710</u>	<u>\$630,110</u>
<u>Other Financing Sources (Uses):</u>					
Proceeds from Serial Bonds	-	-	-	-	68,643
Sale of Real Property	1,717,800	10,000	-	-	-
Operating Transfers In	-	1,923	-	-	-
Operating Transfers Out	(303,739)	(1,611,698)	(280,746)	(287,280)	(389,152)
Total Other Financing Sources (Use)	<u>1,414,061</u>	<u>(1,599,775)</u>	<u>(280,746)</u>	<u>(287,280)</u>	<u>(320,509)</u>
Excess (Def) of Rev. and Other Sources Over Expenditures and Other Uses	<u>2,163,010</u>	<u>(901,911)</u>	<u>99,376</u>	<u>36,430</u>	<u>309,601</u>
Fund Balance-Beginning of Year	<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>
Fund Balance-End of Year	<u>\$6,529,479</u>	<u>\$5,627,568</u>	<u>\$5,726,944</u>	<u>\$5,763,374</u>	<u>\$6,072,975</u>

Source: Town of Orangetown, Audited Financial Statements Fiscal Year Ending 12/31 (2005-2009).

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues:					
Real Property Taxes	\$20,086,756	\$20,742,355	\$20,988,821	\$21,670,611	\$22,273,466
Other Tax Items	221,409	213,028	265,093	223,525	202,193
Non Property Taxes	-	-	299,285	-	-
Departmental Income	855,487	1,182,141	722,205	974,636	981,307
Intergovernmental charges	110,676	94,569	104,406	127,214	101,797
Use of Money and Property	328,114	592,615	761,757	323,844	68,332
Fines and Forfeitures	3,653	3,115	141	-	-
Sale of Property and Compensation for Loss	-	-	-	26,048	-
Miscellaneous	27,409	220,380	17,729	49,136	8,988
Interfund Revenues	-	-	-	-	-
Federal Aid	74,287	14,317	107,113	251,124	64,832
State Aid	190,698	199,265	277,580	317,263	259,821
Total Revenues	21,898,489	23,261,785	23,544,130	23,963,401	23,960,736
Expenditures					
General Government Support:	\$2,121,990	\$1,735,576	\$2,099,713	\$2,836,360	\$2,418,843
Public Safety	12,530,847	13,125,184	13,529,352	13,771,523	13,693,109
Health	-	-	-	-	-
Transportation	375,465	397,237	387,196	394,523	510,623
Culture and Recreation	-	-	-	-	-
Home and Community Services	810,574	829,467	845,329	977,004	1,038,176
Employee Benefits	5,073,898	5,478,149	5,719,273	6,053,093	6,322,027
Debt Service - Interest	-	-	-	-	17,055
Total Expenditures	20,912,744	21,565,613	22,580,863	24,032,503	23,999,833
Excess (Def) of Revenues & Other Sources Over Expenditures	985,715	1,696,172	963,267	(69,102)	(39,097)
Other Financing Sources (Uses):					
Bonds issued	-	-	-	-	660,438
Operating Transfers in	-	-	-	-	-
Operating Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-	660,438
Fund Balance_Beginning of Year	959,563	1,945,278	3,641,450	4,604,727	4,535,625
Fund Balance-End of Year	\$1,945,278	\$3,641,450	\$4,604,717	\$4,535,625	\$5,156,966

APPENDIX A2

2009 Audited Financial Statements

TOWN OF ORANGETOWN, NEW YORK

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2009

Prepared by

Charles J. Richardson
Director of Finance

TOWN OF ORANGETOWN, NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2009
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TOWN OF ORANGETOWN, NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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STATISTICAL SECTION (Unaudited)
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This part of the Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information reveals about the Town's overall financial health.

This section includes the following schedules:

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

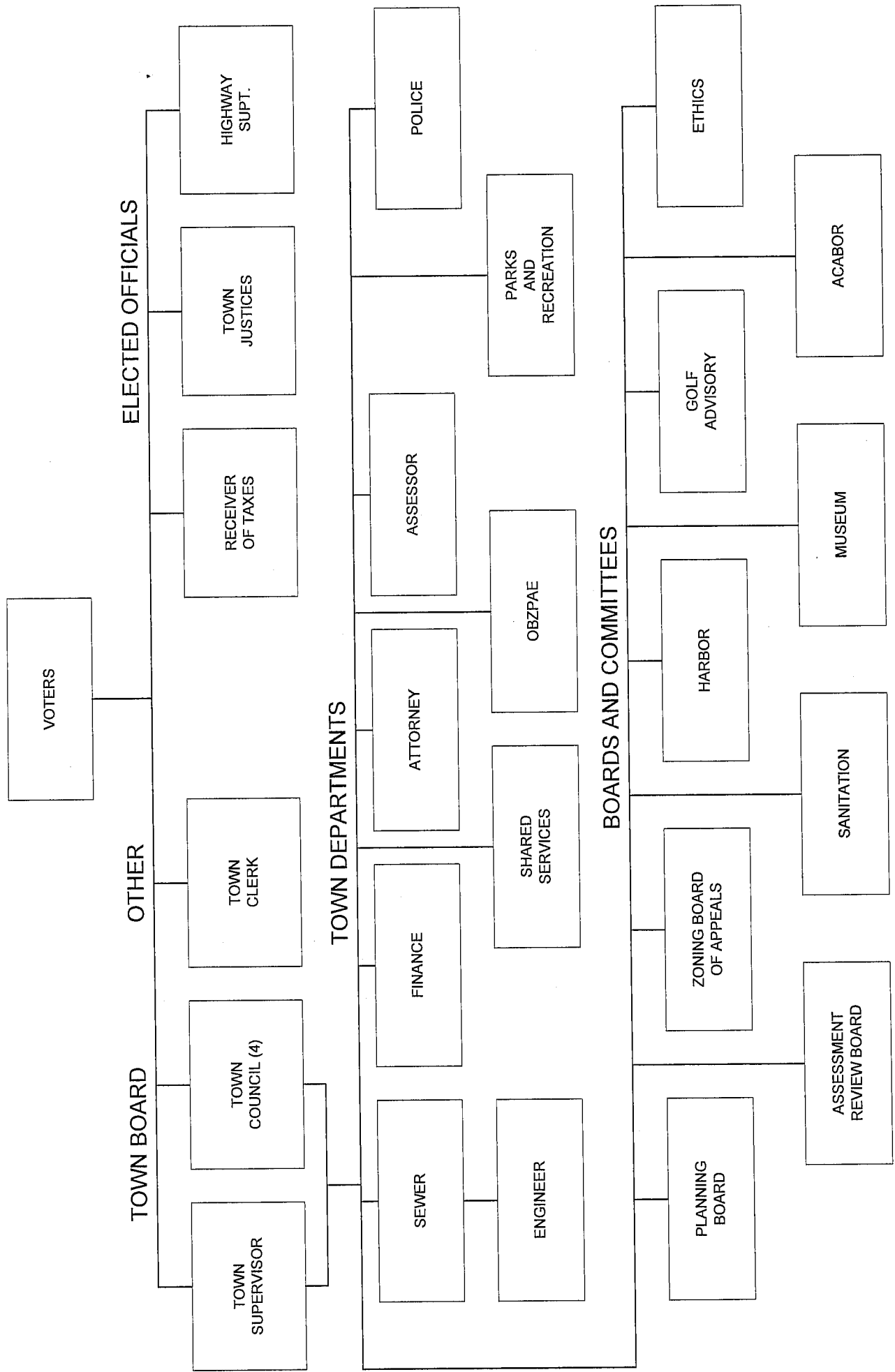
INTRODUCTORY
SECTION

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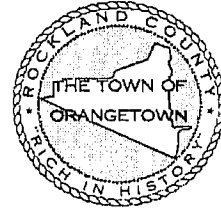
**TOWN OF ORANGETOWN,
NEW YORK
PRINCIPAL OFFICIALS
2009**

SUPERVISOR:	Thom Kleiner
TOWN BOARD:	Nancy Low-Hogan Marie Manning Michael Maturo Denis Troy
TOWN CLERK:	Charlotte Madigan
DIRECTOR OF FINANCE:	Charles J. Richardson

STRUCTURE OF ORANGETOWN GOVERNMENT



TOWN OF ORANGETOWN
FINANCE OFFICE



May 20, 2010

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

The Comprehensive Annual Financial Report ("CAFR") for the Town of Orangetown, New York ("Town") for the fiscal year ended December 31, 2009 is herewith submitted. The New York State Comptroller's Office requires the Town to submit an annual report of the financial records and transactions presented in conformity with generally accepted accounting principles ("GAAP"). The Town has elected to have these statements audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This CAFR is issued pursuant to this requirement and Town Board policy.

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

The Town's financial statements have been audited by O'Connor Davis Munns & Dobbins, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town for the year ended December 31, 2009 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town's financial statements, for the year ended December 31, 2009, are fairly presented in conformity with GAAP. The independent auditor's

report is presented as the first component of the financial section of this report. The financial section also includes a narrative introduction, overview and analysis of the December 31, 2009 financial statements to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditor.

Profile of the Town

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

The Town's population was estimated to be 48,421 in 2009, up 1.5% from the 2000 Census population of 47,711. Median household income in the 2000 Census was \$70,477; roughly 4% higher than Rockland County's overall level.

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

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

The Town workforce consists of 277 full-time positions and 35 part-time positions with the largest number of employees in the police, highway, sewer and parks departments. There are 91 sworn police officer positions. The Town maintains 145 miles of Town roads and 200 miles of sewer lines. The sewer system also consists of 49 pumping stations and a sewer plant with a capacity of 12.75 million gallons per day. The Town has one 27-hole golf course ("Blue Hill"), and acquired an existing nine-hole course ("Broad Acres"), in January 2003.

The Town has one fire protection district ("Blauvelt") and six independent fire districts that are located at least partly within the Town. The Town also collects

taxes for four school districts, five library districts, two ambulance districts, one paramedic district, and six water districts.

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

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

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

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

Factors Affecting Financial Condition

Like all communities, the Town is affected by the national, State, and regional economy, all of which were in significant decline by the fall of 2008. The Town's annual unemployment rate increased from 4.9% in December 2008 to 6.2% in December 2009. The Town's December 2009 unemployment rate is the highest it has been since 1992. It is estimated that at the end of 2009, 24,500 residents were employed while 1,600 were unemployed.

The acquisition of Wyeth pharmaceuticals, the Town's largest employer and taxpayer, by Pfizer in 2009 has been a cause of job losses. By the end of 2009 over 400 of the 3,000 employees at the Orangetown facility had been laid-off. The manufacturing portion of the facility is phased out, leaving the site as a regional research facility. Total job losses are expected to reach 650.

The economy had a significant effect on Town revenues related to housing sales. Town mortgage tax revenues dropped from \$1.8 million in 2008 to \$1.2 million in 2009. At the same time record low interest rates caused interest earnings to fall from \$0.7 million in 2008 to \$0.2 million in 2009.

The Town's purchase of 348 acres at Rockland Psychiatric Center ("RPC") from the State of New York in January of 2003 for \$6.75 million remains the most significant factor affecting the economic future of the Town. Under a covenant to the purchase agreement, 216 acres of the 348 acres must be reserved for recreation.

The Town offered 130 acres for commercial redevelopment and received a number of redevelopment plans submitted by developers. Eventually, the Town signed a contract with a senior housing developer in 2007, planning to sell 80 acres for \$24 million. Unfortunately, the developer, K. Hovnanian, exercised an option to opt out of the contract during the environmental review period in January, 2010. The Town will now wait for an upturn in the economy to re-market the property.

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

Development plans are still proceeding on a 100 unit active adult housing to be located on a site overlooking Lake Tappan, and near the Blue Hill Golf Course. An existing historic building will be restored for community use. An adjacent site, located between the housing and the Blue Hill Commons office complex, is still slated to be a regional headquarters for a firm currently located in New Jersey.

Long Term Financial Planning

The unexpected decision by K. Hovnanian to opt out of the purchase of Town land at RPC is a major blow to the Town's financial long term financial plans as articulated in prior year financial reports. The Town had delayed converting bond anticipation notes into bonds on the assumption that land sale proceeds would be used to eliminate short-term debt. Since timing of the redevelopment of Town owned land at RPC is now speculative, the Town will convert existing notes to long term debt as the notes become due in 2010, resulting in new long term debt costs.

At the same time, the New York State Comptroller's Office has indicated that the long term costs of the State pension plan, in which the Town contributes its share, will continue to rise to offset stock market losses.

While the long term impact of health care reform on costs is uncertain, the New York State Department of Civil Service has recently indicated that local governments should expect a return to double-digit increases in 2011, because reserves used in the two prior years to reduce rate increase were no longer available.

Both of the Town's multi-year agreements with the Orangetown Police Benevolent Association and the Orangetown Civil Service Employment Association expire at the end of 2010. Given the impact of what is likely to be a slow economic recovery, new long term debt, and increases in fringe benefit costs, the Town will need to ensure that both of the new union contracts are affordable in both the short and long term.

Relevant Financial Policies

With the new financial realities facing local governments in general, and in New York in particular, the Town Supervisor plans to implement two immediate financial policies. The first is to create an economic development committee composed of local business leaders, council members and relevant Town department heads.

A second new financial policy to be implemented by the Town Board will be to develop a Town multi-year capital budget for the first time. The goal will be to catalog existing needs for infrastructure and balance them against debt affordability.

Awards

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Orangetown, New York, for its comprehensive annual financial report for the fiscal year ended December 31, 2008. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

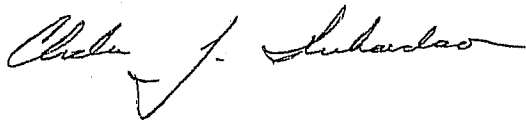
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal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

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

Acknowledgements

I would like to thank Margaret Modugno, Marcy Moskowitz and the other members of the O'Connor Davies Munns & Dobbins, LLP audit team for their usual professionalism. I would also like to thank the Finance Office staff members Natalie Schutter, Janice Ganley, Rosemarie Fornario, and Donna Salvatoriello for their diligence and accuracy. I especially owe thanks to Ann Maestri who assumed the role of Supervisor of Fiscal Services in 2004, and continues to greatly improve the way Town government works.

Respectfully submitted,

A handwritten signature in cursive script, reading "Charles J. Richardson".

Charles J. Richardson
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Orangetown
New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enen".

Executive Director

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**FINANCIAL
SECTION**

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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, 2009, 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, 2009. Those financial statements were audited by another auditor 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 auditor.

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, 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 auditor, provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Orangetown, New York as of December 31, 2009 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 and the Schedule of Funding Progress – Other Post Employment Benefits are not required parts of the basic financial statements, but are 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

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 by us and the other auditor in the audit of the basic financial statements and, in our opinion, based on our audit and the report of the other auditor, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information listed in the statistical section of the table of contents has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP

May 13, 2010

**Town of Orangetown, New York
Management's Discussion and Analysis (MD&A)
December 31, 2009**

Introduction

On behalf of Town Supervisor Paul Whalen 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, 2009. 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 2009

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 \$74.234 million, excluding the Orangetown Housing Authority. Of this amount, \$74.209 million represents governmental net assets and \$0.025 million are business type net assets for the Town's two golf courses. Total net assets for both types of activities declined by \$4.6 million with governmental activities reduced by \$4.0 million and business-type activities declining by \$0.6 million. The loss in the governmental activities reflect the unfunded costs of the other post employment benefits (OPEB) for health insurance benefits for present and future retirees. The 2009 required cost for the governmental funds grew from \$5.7 million in 2008 to \$11.8 million in 2009, an increase of \$6.1 million.
- The Town's General Fund ended 2009 with fund balance of \$6.1 million, while the ending fund balance of the Town Outside Villages, Sewer and Highway funds was \$10.3 million. The 2009 General, Town Outside Villages, Sewer and Highway funds fund balances increased by \$1.2 million with bonds replacing notes issued for tax certiorari payments, equaling the overall increase. Ending 2009 funding balance of \$16.4 million equaled 32% of 2009 spending for those funds, while unreserved fund balances equaled 22% of 2009 spending. The Town was able to largely offset revenue shortfall in these funds with spending reductions through a hiring freeze and reduced purchases of vehicles and equipment.
- In addition, the Town has a fund balance of \$3.3 million in the Debt Service Fund which is gradually being drawn down to offset the debt service costs of a \$49.9 sewer renovation project.
- The Town's business entities, the Blue Hill Golf Course and the Broad Acres Golf Course had total net assets of only \$25,325. Unfortunately, both the Blue Hill Golf

Course and Broad Acres have been running deficits in recent years, with a combined 2009 loss of \$567,824.

- The Town's total outstanding debt was \$62.5 million in bonds as of December 31, 2009, with an additional \$11.7 million in outstanding bond anticipation notes. The outstanding debt includes \$44.4 million in borrowings from the New York State Environmental Facilities Corporation for the ongoing sewer renovation project.

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 2009 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 2009 were \$74.234 million. Of this amount, \$74.209 million were assets of governmental activities and \$25,325 were assets of business-type activities - the Blue Hill and Broad Acres golf courses.

Total assets were \$170.9 million at the end of 2009, with capital assets, net of depreciation accounting for \$143.7 million of this amount. This latter amount includes infrastructure of \$54.0 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 \$27.2 million and consist primarily of \$19.9 million in cash and equivalents, \$3.3 million in restricted investments (primarily capital project and lease borrowings) and \$4.0 million in receivables.

Total liabilities are \$96.6 million with capital construction bonds outstanding at \$61.2 million and bond anticipation notes for capital projects and other purposes at \$11.7 million. Other long-term liabilities of the Town include compensated absences, claims payable and other post employment benefit obligations payable that are funded over a number of years.

Net Assets December 31, 2009 (In millions of dollars)

	Governmental Activities		Business Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current Assets	\$ 26.417	\$ 39.435	\$ 0.786	\$ 0.622	\$ 27.203	\$ 40.057
Capital Assests (depreciated)	135.083	128.299	8.570	8.855	143.653	137.154
Total Assets	161.500	167.734	9.356	9.477	170.856	177.211
Current Liabilities	12.655	21.198	3.642	3.032	16.297	24.230
Long Term Liabilities	74.636	68.269	5.688	5.852	80.324	74.121
Total Liabilities	87.291	89.467	9.330	8.884	96.621	98.351
Invested in Capital Assets (net of debt)	69.577	61.298	3.589	3.430	73.166	64.728
Restricted Assets	7.231	8.399	-	-	7.231	8.399
Unrestricted Assets	-2.599	8.570	-3.564	-2.837	-6.163	5.733
Total Net Assets	\$ 74.209	\$ 78.267	\$ 0.025	\$ 0.593	\$ 74.234	\$ 78.860

When liabilities are subtracted from assets the resulting net assets are \$74.2 million, consisting of \$73.2 million in invested in capital assets net of related debt, \$7.2 million in restricted assets, and a negative \$6.2 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 \$3.3 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 \$58.7 million. Real property taxes (including sewer unit charges included on property tax bills) made up \$44.2 million of this amount or 75%. Charges for services were \$7.9 million or 13%, primarily from the Blue Hill and Broad Acres golf courses; and recreation, building inspection and sewer charges for industrial users and non-Town users. Operating grants and contributions were \$2.0 million or 3%. Unrestricted State aid totaled \$1.5 million or 3%, although nearly all of that (\$1.246 million) was from mortgage tax revenue that was generated in the Town.

Change in Net Assets
Fiscal Year Ended December 31, 2009
(in millions of dollars)

	Governmental Activities		Business Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues						
Charges for Services	\$ 4.531	\$ 4.122	\$ 3.325	\$ 3.196	\$ 7.856	\$ 7.318
Operating Grants and Contributions	1.964	1.583	-	-	1.964	1.583
Capital Grants and Contributions	0.671	0.614	-	-	0.671	0.614
General Revenues						
Real Property Taxes	44.152	43.737	-	-	44.152	43.737
Other Tax Items	0.224	0.256	-	-	0.224	0.256
Non-Property Taxes	1.947	1.980	-	-	1.947	1.980
Unrestricted Use of Money and Property	0.027	0.074	0.003	0.008	0.030	0.082
Sale of Property and Compensation for Loss	0.325	0.077	-	-	0.325	0
Unrestricted State Aid	1.535	2.138	-	-	1.535	2.138
Miscellaneous	0.020	0.054	-	-	0.020	0.054
Total Revenues	55.396	54.635	3.328	3.204	58.724	57.839
Program Expenses						
General Government Support	8.007	7.051	-	-	8.007	7.051
Public Safety	22.862	23.420	-	-	22.862	23.420
Health	0.451	0.437	-	-	0.451	0.437
Transportation	11.899	11.301	-	-	11.899	11.301
Economic Opportunity and Development	0.136	0.153	-	-	0.136	0.153
Culture and Recreation	3.009	3.361	-	-	3.009	3.361
Home and Community Services	11.185	10.148	-	-	11.185	10.148
Interest	1.707	2.019	-	-	1.707	2.019
Golf Courses	-	-	4.094	4.091	4.094	4.091
Total Expenses	59.256	57.890	4.094	4.091	63.350	61.981
Increase in Net Assets before Transfers	(3.861)	(3.254)	(0.766)	(0.887)	(4.627)	(4.141)
Transfers	-0.198	-0.062	0.198	0.062	-	-
Increase in Net Assets	(4.059)	(3.316)	(0.568)	(0.825)	(4.627)	(4.141)
Net Assets Beginning of Year	78.268	81.583	0.593	1.419	78.861	83.002
Net Assets End of Year	\$ 74.209	\$ 78.268	\$ 0.025	\$ 0.593	\$ 74.234	\$ 78.861

Program expenses totaled \$63.4 million, with governmental programs accounting for \$59.3 million of that amount. The cost of operating the golf courses was \$4.1 million. Public safety expenses, mainly police expenses, totaled \$22.9 million or 36% of Town spending. Home and community services were \$11.2 million or 18%. Sewer service costs account for the majority of the latter amount. Transportation spending, primarily by the Highway Department was \$11.9 million, or 19% 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 2009, the increase in this amount was \$6.1 million for the governmental funds. The individual governmental funds exclude these costs.

The resulting net change in total net assets in 2009 was a \$4.6 million decrease. Governmental activities decreased by \$4.1 million, while the assets of the two golf courses declined by \$0.5 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 \$52.1 million. Expenditures were \$51.7. Bonds issued for certiorari expenses were \$1.2 million. Transfers out were \$0.5 million, leaving a \$1.2 million increase in fund balances. Of the total fund balance of these funds of \$16.4 million, \$11.4 million is unreserved.
- Total expenditures for the selected governmental funds remained stable at \$51.7 million. Total revenues for these selected government funds grew by declined by \$0.5 million. Property taxes and unit charges were kept level at \$39.4 million in 2009 in order to not increase financial pressures on taxpayers. Other revenues declined because of the impact of the economy on the housing sector, particularly the mortgage tax.

Selected Governmental Operating Funds in 2009
Revenues, Expenditures and Changes in Fund Balances
(in millions of dollars)

	2009					2008
	General	Town Outside Villages	Sewer	Combined Highway	Total	Total
Revenues:						
Property Taxes and Unit Charges \$	2.723	22.274	\$ 5.749	\$ 8.650	\$ 39.396	\$ 39.424
Other Revenues	8.510	1.687	1.920	0.621	12.738	13.190
Total Revenues	11.233	23.961	7.669	9.271	52.134	52.614
Expenditures	10.603	24.000	7.664	9.436	51.703	51.658
Revenues Net of Expenditures	0.630	(0.039)	0.005	(0.165)	0.431	0.956
Bonds Issued	0.069	0.660	0.201	0.271	1.201	-
Transfers In	-	-	-	0.034	0.034	0.002
Transfers Out	(0.389)	-	(0.076)	-	(0.465)	(0.562)
Net Changes in Fund Balances	0.310	0.621	0.130	0.140	1.201	0.414
Beginning Fund Balances	5.763	4.536	1.803	3.110	15.212	14.798
Ending Fund Balances	\$ 6.073	\$ 5.157	\$ 1.933	\$ 3.250	\$ 16.413	\$ 15.212
Ending Fund Balances as % of Expenditures	57%	21%	25%	34%	32%	29%
Unreserved Fund Balances	2.955	4.015	1.221	3.136	11.327	9.886
Unreserved Fund Balances as % of Expenditures	28%	17%	16%	33%	22%	19%

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 \$11.2 million in 2009 and expenditures totaled \$10.6 million. An additional \$0.4 was transferred out; nearly all of this was to pay for bond anticipation note principal and interest for the Broad Acres golf course.
- The Town's General Fund ended 2009 with a slightly unfavorable outcome on the revenue and a more favorable outcome on the expenditure side. Revenues were \$0.2 million below the final budget with mortgage taxes again accounting for that result. Expenditures were \$0.7 million below the final budget with most General Fund departments below the original budget
- Fund balance increased from a beginning level of \$5.58 million to an ending level of \$6.07 million. Unreserved fund balance was unchanged at nearly \$3.0 million because of the on-going losses at the two golf courses.
- Although economically sensitive revenues were budgeted conservatively, the continuing recession continued to cause reductions in revenue, particularly for the mortgage tax which fell from \$1.849 million in 2008 to \$1.246 million in 2009, a reduction of 48%. Interest income went from \$65,000 in 2008 to \$24,000 in 2009, a reduction of roughly two-thirds. The drop in sales tax was more modest, from \$1.455 million in 2008 to \$1.426 million in 2009; a reduction of 2%. Sales tax, contrary to the other revenues, exceeded the budget by \$44,000.

Town Outside Villages Fund

The Town Outside Villages (TOV) Fund is actually two sub-funds that provide services outside village boundaries, and, therefore, village residents are not taxed to fund these services. Police services are provided by the Town outside of village boundaries, with the exception of Nyack which receives Town of Orangetown police protection. All villages in the Town 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 and planning board revenues increased slightly from \$0.8 million in 2008 to \$0.9 million in 2009, despite the continuing recession. The Town has benefited from a State's Empire Zone program which provides economic incentives for businesses re-location from other States. In Orangetown, this often means businesses re-locating from office and light-industrial space across the border in northern New Jersey.
- Fringe benefits costs for the TOV funds were \$6.3 million in 2009 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 roughly 50% of payroll costs.

- Of the \$1.2 million in bonds issued for tax certiorari costs in 2009, \$660,000 went to replenish fund balance used for that purpose in 2008 in the TOV funds. As a result, TOV fund balance rose from \$4.5 million in 2008 to \$5.2 million in 2009.

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 Borough of Rockleigh in Bergen County, New Jersey.

Beginning in 2008, 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. For example, banks have a small amount of units while restaurants would have much larger units based on seating capacity. In 2009 the unit charge was \$166.37 per unit. The unit charge raised \$5.1 million and accounted for 67% of total revenues. Property taxes for pay-as-you go capital improvements and repairs were \$0.7 million and made 10% 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 \$1.9 million in 2009 or 25% of total revenues.

- The Sewer Fund's costs are likely to grow in the future as a result of a \$49.9 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.
- The collection and treatment of waste water is a 24 hour a day function. Both public and employee safety require adequate staffing, while increasing State credential requirements have limited the number of qualified staff for key functions. The resulting overtime in excess of \$400,000 for 30 staff in 2009 has caused the Town to increase employee training so that qualified staff are available for regular staffing 24 hours a day.

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 93% of Highway Fund revenues in 2009. 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.

- The Town's Highway Department is constantly seeking to make its activities more environmentally friendly. The Department creates its own salt brine which is less damaging than the use of rock salt, and is considering green alternatives in replacing the highway garage roof.

Capital Assets and Debt Administration

Capital Assets

The Town of Orangetown's capital assets had values, net of accumulated depreciation, of \$143.7 million at the end of 2009. This is an increase of \$6.5 million over 2008 with this increase caused by \$8.4 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. Depreciation costs part offset the increase in construction in progress.

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

Capital Assets
December 31, 2009
(In millions of dollars, net of accumulated depreciation)

	Governmental Activities		Business Type		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 16.945	\$ 16.945	\$ 5.454	\$ 5.454	\$ 22.399	\$ 22.399
Land Improvements	1.234	1.278	-	-	1.234	1.278
Buildings and Improvements	6.132	6.386	0.482	0.504	6.614	6.890
Golf Course Facility	-	-	2.443	2.692	2.443	2.692
Machinery and Equipment	5.869	6.173	0.191	0.204	6.060	6.377
Infrastructure	53.959	54.935	-	-	53.959	54.935
Construction-In-Progress	50.944	42.581	-	-	50.944	42.581
Total Capital Assets	\$ 135.083	\$ 128.298	\$ 8.570	\$ 8.854	\$ 143.653	\$ 137.152

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 2009 was \$62.5 million, of which \$57.4 was for governmental activities, and \$5.1 million was for the Blue Hill Golf Course and Broad Acres Golf Course, both business type activities. The Town also had \$11.7 million in bond anticipation notes (BANs) for capital purposes.

The decline in bond anticipation notes from \$19.3 million in 2008 to \$11.7 million in 2009 reflects timing of note issuances. In 2008 an issue was advanced from January to December, temporarily overstating the amount of debt outstanding in December 2008.

In 2008 and 2009, the Town was delaying converting BANs into long-term debt because of a pending land sale to developer under which the Town would have received \$24 million, allowing the Town to pay down existing notes. (See economic factors below.) The developer opted out of the land purchase in February, 2010 which means the Town will likely convert the notes into bonds later in 2010.

In November, 2009 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	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ 57.417	\$ 58.418	\$ 5.073	\$ 5.518	\$ 62.490	\$ 63.936
Bond Anticipation Notes	11.715	19.315	-	-	11.715	19.315
Total Outstanding Debt	<u>\$ 69.132</u>	<u>\$ 77.733</u>	<u>\$ 5.073</u>	<u>\$ 5.518</u>	<u>\$ 74.205</u>	<u>\$ 83.251</u>

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

Economic Factors

Resources and Challenges

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 recession. The Town finances weathered 2009 because of

conservative budget practices including a hiring freeze and reductions in capital outlay purchases.

In addition to the economy in general, there is considerable concern that Wyeth Pharmaceuticals, the Town's major employer and taxpayer, was acquired by Pfizer in 2009. As of now, announced plans are to maintain the Orangetown facility as a major research pharmaceutical facility, but to eliminate plant operations. Roughly 400 lay-offs have been announced to date. Additional impacts will likely affect the Town's tax base.

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

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

Transportation also is critical. The State of New York is 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. Given the effects of the recession on New York State's finances, the timing of the bridge replacement is speculative.

With the completion of the Town's master plan, it is likely that several hundred units of senior housing will be constructed. Some 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. One small senior housing development is complete; a second larger development is under construction, while a third is waiting on final land use board approval.

Surplus Lands at the Rockland Psychiatric Center

In January 2003, the Town purchased 350 acres of surplus Rockland Psychiatric Center land from New York State, including the existing Broad Acres Golf Course. The Town is completing a \$6.5 million recreation project on previously vacant lands at the site. In 2005, the Town offered 130 acres for redevelopment, roughly half of which is occupied by vacant hospital dormitories. In 2007 the Town signed a contract with K. Hovnanian builders for the sale of roughly 80 acres for a purchase price of \$24 million. However in February 2010, K. Hovnanian exercised an option during the environmental review period not to finalize the sale, citing the higher than anticipated cost of remediating the site, as well as the economy.

The Town, at this point, plans to again offer portions of the land for sale, though no schedule has been developed.

Next Year's Budgets and Tax Rates

The 2010 the Town's property tax rate increased by 4% driven in large part by investment losses by the State pension plan, which the Town participates in. Pension costs paid to the State pension fund rose by 35%.

Both the Town's contracts with the police union and its non-police union expire at the end of 2010. The 2011 Town tax rate will depend on these contracts as well as future costs of employee pensions. The tax rate will also depend on the timing of an economic recovery.

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

**BASIC FINANCIAL
STATEMENTS**

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TOWN OF ORANGETOWN, NEW YORK

STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Orangetown Housing Authority
ASSETS				
Cash and equivalents	\$ 19,234,407	\$ 674,341	\$ 19,908,748	\$ 4,055
Investments	670	-	670	-
Restricted investments	3,277,606	-	3,277,606	1,303,725
Receivables:				
Accounts, net	1,586,904	79,946	1,666,850	3,886
State and Federal aid	161,163	-	161,163	-
Due from other governments	669,032	-	669,032	-
Prepaid expenses	1,486,994	21,568	1,508,562	27,056
Deferred charges, net	-	9,975	9,975	46,680
Capital assets (net of accumulated depreciation):				
Land	16,945,317	5,453,825	22,399,142	1,969,055
Land improvements	1,233,887	-	1,233,887	-
Buildings and improvements	6,132,292	482,077	6,614,369	3,738,488
Improvements other than buildings	-	2,443,272	2,443,272	-
Infrastructure	53,958,842	-	53,958,842	-
Machinery and equipment	5,869,175	190,738	6,059,913	14,749
Construction-in-progress	50,943,862	-	50,943,862	-
Total Assets	161,500,151	9,355,742	170,855,893	7,107,694
LIABILITIES				
Accounts payable	2,000,301	39,134	2,039,435	23,891
Accrued liabilities	227,509	-	227,509	-
Accrued interest payable	619,624	86,892	706,516	-
Retained percentages	1,432,327	-	1,432,327	-
Bond anticipation notes payable	11,715,000	-	11,715,000	-
Due to other governments	56,464	3,116	59,580	-
Unearned revenues	117,440	-	117,440	810
Deposits	-	-	-	91,261
Internal balances	(3,513,219)	3,513,219	-	-
Non-current liabilities:				
Due within one year:				
Bonds payable - Capital construction	2,335,679	460,039	2,795,718	-
Bonds payable - Judgments and claims	105,000	-	105,000	-
Revenue bonds payable	-	-	-	605,000
Compensated absences	209,689	7,757	217,446	-
Claims payable	602,577	-	602,577	-
Due in more than one year:				
Bonds payable - Capital construction	53,826,574	4,613,426	58,440,000	-
Bonds payable - Judgments and claims	1,150,000	-	1,150,000	-
Energy performance contract payable	2,100,000	-	2,100,000	-
Revenue bonds payable	-	-	-	6,209,799
Compensated absences	1,887,203	69,809	1,957,012	-
Claims payable	590,301	-	590,301	-
Other post employment benefit obligations payable	11,828,619	537,025	12,365,644	-
Total Liabilities	87,291,088	9,330,417	96,621,505	6,930,761
NET ASSETS				
Invested in capital assets, net of related debt	69,576,680	3,589,772	73,166,452	152,392
Restricted for:				
Capital projects	1,366,251	-	1,366,251	-
Law enforcement	10,916	-	10,916	-
Debt service	3,326,295	-	3,326,295	-
Risk retention	583,828	-	583,828	-
Special Revenue Funds:				
Highway	1,084,984	-	1,084,984	-
Special Districts	222,887	-	222,887	-
Parking	83,664	-	83,664	-
Special Purpose	552,326	-	552,326	-
Unrestricted	(2,598,768)	(3,564,447)	(6,163,215)	24,541
Total Net Assets	\$ 74,209,063	\$ 25,325	\$ 74,234,388	\$ 176,933

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, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government support	\$ 8,007,220	\$ 439,465	\$ 37,551	\$ 12,500
Public safety	22,861,695	1,187,928	281,004	-
Health	450,800	-	-	-
Transportation	11,898,894	185,484	450,243	-
Economic opportunity and development	136,075	-	-	-
Culture and recreation	3,009,313	613,925	20,753	-
Home and community services	11,185,481	2,103,784	1,174,604	511,950
Interest	1,706,901	-	-	146,325
Total Governmental Activities	59,256,379	4,530,586	1,964,155	670,775
Business-type activities:				
Blue Hill Golf Course	3,065,960	2,688,905	-	-
Broad Acres Golf Course	1,027,888	636,414	-	-
Total Business-type Activities	4,093,848	3,325,319	-	-
Total	\$ 63,350,227	\$ 7,855,905	\$ 1,964,155	\$ 670,775
Component unit - Orangetown Housing Authority	\$ 936,023	\$ 955,085	\$ 14,204	\$ -
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
\$ (7,517,704)	\$ -	\$ (7,517,704)	\$ -
(21,392,763)	-	(21,392,763)	-
(450,800)	-	(450,800)	-
(11,263,167)	-	(11,263,167)	-
(136,075)	-	(136,075)	-
(2,374,635)	-	(2,374,635)	-
(7,395,143)	-	(7,395,143)	-
(1,560,576)	-	(1,560,576)	-
(52,090,863)	-	(52,090,863)	-
-	(377,055)	(377,055)	-
-	(391,474)	(391,474)	-
-	(768,529)	(768,529)	-
(52,090,863)	(768,529)	(52,859,392)	-
-	-	-	33,266
44,152,419	-	44,152,419	-
102,223	-	102,223	-
121,788	-	121,788	-
521,109	-	521,109	-
1,425,954	-	1,425,954	-
27,075	3,066	30,141	57,769
324,662	-	324,662	-
1,534,541	-	1,534,541	-
20,027	-	20,027	-
(197,639)	197,639	-	-
48,032,159	200,705	48,232,864	57,769
(4,058,704)	(567,824)	(4,626,528)	91,035
78,267,767	593,149	78,860,916	85,898
\$ 74,209,063	\$ 25,325	\$ 74,234,388	\$ 176,933

TOWN OF ORANGETOWN, NEW YORK

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	General	Town Outside Villages	Sewer	Highway	Debt Service
ASSETS					
Cash and Equivalents	\$ 3,723,610	\$ 5,301,962	\$ 2,546,083	\$ 1,642,689	\$ 2,852,695
Investments	-	248	-	422	-
Restricted Investments	-	-	-	-	-
Receivables:					
Accounts, net	360,293	761,403	202,675	260,187	-
State and Federal aid	-	-	85,000	56,163	-
Due from other governments	465,179	203,299	-	554	-
Due from other funds	4,979,925	1,863,710	1,513,781	6,085,744	473,600
Advances to other funds	2,957,613	-	-	-	-
	8,763,010	2,828,412	1,801,456	6,402,648	473,600
Prepaid Expenditures	141,541	970,680	64,545	85,404	-
Total Assets	\$ 12,628,161	\$ 9,101,302	\$ 4,412,084	\$ 8,131,163	\$ 3,326,295
LIABILITIES AND FUND BALANCES (DEFICITS)					
Liabilities:					
Accounts payable	\$ 286,545	\$ 210,025	\$ 169,035	\$ 233,971	\$ -
Accrued liabilities	-	150,951	-	76,558	-
Retained percentages	-	-	-	-	-
Bond anticipation notes payable	-	-	-	-	-
Due to other governments	56,464	-	-	-	-
Due to other funds	6,212,177	3,583,360	2,310,231	4,452,508	-
Deferred revenues	-	-	-	117,440	-
Total Liabilities	6,555,186	3,944,336	2,479,266	4,880,477	-
Fund Balances (Deficits):					
Reserved for prepaid expenditures	141,541	970,680	64,545	85,404	-
Reserved for encumbrances	18,510	70,582	647,192	28,745	-
Reserved for law enforcement	-	10,916	-	-	-
Reserved for debt service	-	-	-	-	2,326,295
Reserved for parklands	-	-	-	-	-
Reserved for advances	2,957,613	-	-	-	-
Unreserved, reported in:					
General Fund	2,955,311	-	-	-	-
Special Revenue Funds	-	4,104,788	1,221,081	3,136,537	-
Debt Service Fund	-	-	-	-	1,000,000
Capital Projects Fund	-	-	-	-	-
Total Fund Balances (Deficits)	6,072,975	5,156,966	1,932,818	3,250,686	3,326,295
Total Liabilities and Fund Balances (Deficits)	\$ 12,628,161	\$ 9,101,302	\$ 4,412,084	\$ 8,131,163	\$ 3,326,295

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

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 1,041,516	\$ 987,278	\$ 18,095,833
-	-	670
3,277,606	-	3,277,606
-	2,346	1,586,904
20,000	-	161,163
-	-	669,032
1,296,494	70,611	16,283,865
-	-	2,957,613
1,316,494	72,957	21,658,577
-	-	1,262,170
\$ 5,635,616	\$ 1,060,235	\$ 44,294,856
\$ 471,754	\$ 45,940	\$ 1,417,270
-	-	227,509
1,432,327	-	1,432,327
11,715,000	-	11,715,000
-	-	56,464
-	155,418	16,713,694
-	-	117,440
13,619,081	201,358	31,679,704
-	-	1,262,170
-	-	765,029
-	-	10,916
-	-	2,326,295
-	552,326	552,326
-	-	2,957,613
-	-	2,955,311
-	306,551	8,768,957
-	-	1,000,000
(7,983,465)	-	(7,983,465)
(7,983,465)	858,877	12,615,152
\$ 5,635,616	\$ 1,060,235	\$ 44,294,856

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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, 2009

Fund Balances - Total Governmental Funds	\$ 12,615,152
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.	135,083,375
Net assets of the internal service funds	572,924
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(619,624)
Bonds payable	(57,417,253)
Energy performance contract payable	(2,100,000)
Compensated absences	(2,096,892)
Other post employment benefit obligations payable	(11,828,619)
	(74,062,388)
Net Assets of Governmental Activities	\$ 74,209,063

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, 2009

	General	Town Outside Villages	Sewer	Highway	Debt Service
REVENUES					
Real property taxes	\$ 2,722,734	\$ 22,273,466	\$ 5,748,707	\$ 8,649,964	\$ 2,957,188
Other tax items	21,818	202,193	-	-	-
Non-property taxes	1,947,063	-	-	-	-
Departmental income	616,618	981,307	664,044	-	-
Intergovernmental charges	-	101,797	1,190,029	78,798	-
Use of money and property	155,203	68,332	21,240	30,366	21,350
Licenses and permits	36,846	-	-	-	-
Fines and forfeitures	354,445	-	-	-	-
Sale of property and compensation for loss	260,284	-	-	64,378	-
Interfund revenues	3,629,264	-	-	28,220	-
State aid	1,478,360	259,821	45,000	288,915	-
Federal aid	-	64,832	-	-	-
Miscellaneous	11,039	8,988	-	130,423	124,975
Total Revenues	11,233,674	23,960,736	7,669,020	9,271,064	3,103,513
EXPENDITURES					
Current:					
General government support	4,891,140	2,418,843	781,992	916,634	126,841
Public safety	174,085	13,693,109	-	-	-
Health	50,800	-	-	-	-
Transportation	551,841	510,623	-	6,919,220	-
Economic opportunity and development	145,840	-	-	-	-
Culture and recreation	2,085,729	-	-	-	-
Home and community services	168,544	1,038,176	5,684,488	-	-
Employee benefits	2,008,381	6,322,027	1,197,850	1,599,665	-
Debt service:					
Principal	-	-	-	-	2,255,965
Interest	527,204	17,055	-	-	1,417,726
Capital outlay	-	-	-	-	-
Total Expenditures	10,603,564	23,999,833	7,664,330	9,435,519	3,800,532
Excess (Deficiency) of Revenues Over Expenditures	630,110	(39,097)	4,690	(164,455)	(697,019)
OTHER FINANCING SOURCES (USES)					
Bonds issued	68,643	660,438	201,221	271,232	-
Energy performance debt issued	-	-	-	-	-
Transfers in	-	-	-	34,152	76,332
Transfers out	(389,152)	-	(76,332)	-	(197,639)
Total Other Financing Sources (Uses)	(320,509)	660,438	124,889	305,384	(121,307)
Net Change in Fund Balances	309,601	621,341	129,579	140,929	(818,326)
Fund Balances (Deficits) - Beginning of Year	5,763,374	4,535,625	1,803,239	3,109,757	4,144,621
Fund Balances (Deficits) - End of Year	\$ 6,072,975	\$ 5,156,966	\$ 1,932,818	\$ 3,250,686	\$ 3,326,295

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

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,800,360	\$ 44,152,419
-	-	224,011
-	-	1,947,063
-	124,686	2,386,655
-	-	1,370,624
-	6,727	303,218
-	-	36,846
-	-	354,445
-	-	324,662
-	-	3,657,484
50,850	-	2,122,946
-	-	64,832
473,600	-	749,025
<u>524,450</u>	<u>1,931,773</u>	<u>57,694,230</u>
-	-	9,135,450
-	851,331	14,718,525
-	400,000	450,800
-	68,914	8,050,598
-	-	145,840
-	3,500	2,089,229
-	546,305	7,437,513
-	-	11,127,923
-	-	2,255,965
-	-	1,961,985
8,370,520	-	8,370,520
<u>8,370,520</u>	<u>1,870,050</u>	<u>65,744,348</u>
<u>(7,846,070)</u>	<u>61,723</u>	<u>(8,050,118)</u>
-	53,466	1,255,000
2,100,000	-	2,100,000
431,332	-	541,816
(76,332)	-	(739,455)
<u>2,455,000</u>	<u>53,466</u>	<u>3,157,361</u>
(5,391,070)	115,189	(4,892,757)
<u>(2,592,395)</u>	<u>743,688</u>	<u>17,507,909</u>
<u>\$ (7,983,465)</u>	<u>\$ 858,877</u>	<u>\$ 12,615,152</u>

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TOWN OF ORANGETOWN, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (4,892,757)</u>
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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	9,143,549
Depreciation expense	<u>(3,463,920)</u>

5,679,629

The effect of donations involving capital assets is to increase net assets	<u>1,104,680</u>
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Bonds issued	(1,255,000)
Energy performance debt issued	(2,100,000)
Principal paid on bonds	<u>2,255,965</u>

(1,099,035)

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	255,084
Compensated absences	(438,612)
Retirement incentives and other pension obligations	1,201,655
Other post employment benefit obligations	<u>(6,110,881)</u>

(5,092,754)

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.

241,533

Change in Net Assets of Governmental Activities	<u><u>\$ (4,058,704)</u></u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF ORANGETOWN, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL, TOWN OUTSIDE VILLAGES, SEWER AND HIGHWAY FUNDS
YEAR ENDED DECEMBER 31, 2009

	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	\$ 2,712,418	\$ 2,712,418	\$ 2,722,734	\$ 10,316	\$ 22,193,853	\$ 22,193,853	\$ 22,273,466	\$ 79,613
Other tax items	32,000	32,000	21,818	(10,182)	144,302	144,302	202,193	57,891
Non-property taxes	1,842,000	1,842,000	1,947,063	105,063	-	-	-	-
Departmental income	669,160	669,160	616,618	(52,542)	1,052,000	1,052,000	981,307	(70,693)
Intergovernmental charges	-	-	-	-	125,000	125,000	101,797	(23,203)
Use of money and property	199,000	199,000	155,203	(43,797)	375,000	375,000	68,332	(306,668)
Licenses and permits	42,000	42,000	36,846	(5,154)	-	-	-	-
Fines and forfeitures	345,000	345,000	354,445	9,445	-	-	-	-
Sale of property and compensation for loss	-	-	260,284	260,284	10,000	10,000	-	(10,000)
Interfund revenues	3,629,265	3,629,265	3,629,264	(1)	-	-	-	-
State aid	1,983,600	1,983,600	1,478,360	(505,240)	252,300	252,300	259,821	7,521
Federal aid	-	-	-	-	95,000	95,000	64,832	(30,168)
Miscellaneous	20,000	20,000	11,039	(8,961)	12,000	12,000	8,988	(3,012)
Total Revenues	11,474,443	11,474,443	11,233,674	(240,769)	24,259,455	24,259,455	23,960,736	(298,719)
EXPENDITURES								
Current:								
General government support	5,078,859	5,170,194	4,891,140	279,054	2,383,426	2,418,876	2,418,843	33
Public safety	206,183	206,183	174,085	32,098	14,696,699	14,234,655	13,693,109	541,546
Health	37,000	50,800	50,800	-	-	-	-	-
Transportation	977,663	686,559	551,841	134,718	410,000	510,623	510,623	-
Economic opportunity and development	146,266	147,866	145,840	2,026	-	-	-	-
Culture and recreation	2,281,761	2,261,761	2,085,729	176,032	-	-	-	-
Home and community services	182,508	184,508	168,544	15,964	1,043,159	1,063,570	1,038,176	25,394
Employee benefits	2,171,600	2,033,340	2,008,381	24,959	6,148,600	6,504,258	6,322,027	182,231
Debt service-								
Interest	334,000	527,204	527,204	-	-	17,055	17,055	-
Total Expenditures	11,415,840	11,268,415	10,603,564	664,851	24,681,884	24,749,037	23,999,833	749,204
Excess (Deficiency) of Re- venues Over Expenditures	58,603	206,028	630,110	424,082	(422,429)	(489,582)	(39,097)	450,485
OTHER FINANCING SOURCES (USES)								
Bonds issued	-	-	68,643	68,643	-	-	660,438	660,438
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(245,000)	(389,200)	(389,152)	48	-	-	-	-
Total Other Financing Sources (Uses)	(245,000)	(389,200)	(320,509)	68,691	-	-	660,438	660,438
Net Change in Fund Balances	(186,397)	(183,172)	309,601	492,773	(422,429)	(489,582)	621,341	1,110,923
Fund Balances - Beginning of Year	186,397	183,172	5,763,374	5,580,202	422,429	489,582	4,535,625	4,046,043
Fund Balances - End of Year	\$ -	\$ -	\$ 6,072,975	\$ 6,072,975	\$ -	\$ -	\$ 5,156,966	\$ 5,156,966

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)
\$ 5,746,785	\$ 5,746,785	\$ 5,748,707	\$ 1,922	\$ 8,649,603	\$ 8,649,603	\$ 8,649,964	\$ 361
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
570,000	570,000	664,044	94,044	-	-	-	-
875,000	875,000	1,190,029	315,029	193,600	193,600	78,798	(114,802)
180,000	180,000	21,240	(158,760)	145,000	145,000	30,366	(114,634)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	30,000	30,000	64,378	34,378
105,000	105,000	-	(105,000)	-	-	28,220	28,220
-	-	45,000	45,000	213,550	213,550	288,915	75,365
-	-	-	-	-	-	-	-
-	-	-	-	50,000	50,000	130,423	80,423
7,476,785	7,476,785	7,669,020	192,235	9,281,753	9,281,753	9,271,064	(10,689)
773,339	782,039	781,992	47	905,167	916,647	916,634	13
-	-	-	-	-	-	-	-
-	-	-	-	7,484,410	7,333,246	6,919,220	414,026
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,272,164	5,933,748	5,684,488	249,260	-	-	-	-
1,227,437	1,207,437	1,197,850	9,587	1,633,400	1,641,400	1,599,665	41,735
-	-	-	-	-	-	-	-
8,272,940	7,923,224	7,664,330	258,894	10,022,977	9,891,293	9,435,519	455,774
(796,155)	(446,439)	4,690	451,129	(741,224)	(609,540)	(164,455)	445,085
-	-	201,221	201,221	-	-	271,232	271,232
-	-	-	-	-	-	34,152	34,152
-	(76,332)	(76,332)	-	-	-	-	-
-	(76,332)	124,889	201,221	-	-	305,384	305,384
(796,155)	(522,771)	129,579	652,350	(741,224)	(609,540)	140,929	750,469
796,155	522,771	1,803,239	1,280,468	741,224	609,540	3,109,757	2,500,217
\$ -	\$ -	\$ 1,932,818	\$ 1,932,818	\$ -	\$ -	\$ 3,250,686	\$ 3,250,686

TOWN OF ORANGETOWN, NEW YORK

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2009

	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	\$ 674,341	\$ -	\$ 674,341	\$ 1,138,574
Receivables:				
Accounts	79,946	-	79,946	-
Due from other funds	414,303	163,284	577,587	1,057,562
Prepaid expenses	16,601	4,967	21,568	224,824
Total Current Assets	1,185,191	168,251	1,353,442	2,420,960
Noncurrent Assets:				
Deferred charges, net of accumulated amortization of \$11,172	9,975	-	9,975	-
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	1,396,696	162,560	1,559,256	-
	10,319,604	3,157,316	13,476,920	-
Less - Accumulated depreciation	(4,627,603)	(279,405)	(4,907,008)	-
	5,692,001	2,877,911	8,569,912	-
Total Noncurrent Assets	5,701,976	2,877,911	8,579,887	-
Total Assets	6,887,167	3,046,162	9,933,329	2,420,960
LIABILITIES				
Current Liabilities:				
Accounts payable	25,681	13,453	39,134	583,031
Accrued interest payable	23,321	63,571	86,892	-
Due to other governments	607	2,509	3,116	-
Due to other funds	1,045,879	87,314	1,133,193	72,127
Advances from other funds	1,595,255	1,362,358	2,957,613	-
Current maturities of bonds payable	385,000	75,039	460,039	-
Current portion of compensated absences	6,353	1,404	7,757	-
Current portion of claims payable	-	-	-	602,577
Total Current Liabilities	3,082,096	1,605,648	4,687,744	1,257,735
Noncurrent Liabilities:				
Bonds payable, less current maturities	1,840,000	2,773,426	4,613,426	-
Compensated absences, less current portion	57,178	12,631	69,809	-
Claims payable, less current portion	-	-	-	590,301
Other post employment benefit obligations payable	411,420	125,605	537,025	-
Total Noncurrent Liabilities	2,308,598	2,911,662	5,220,260	590,301
Total Liabilities	5,390,694	4,517,310	9,908,004	1,848,036
NET ASSETS (DEFICITS)				
Invested in Capital Assets, net of related debt	3,560,326	29,446	3,589,772	-
Unrestricted	(2,063,853)	(1,500,594)	(3,564,447)	572,924
Total Net Assets (Deficits)	\$ 1,496,473	\$ (1,471,148)	\$ 25,325	\$ 572,924

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, 2009

	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	-	-	-	399,170
Greens fees	1,927,127	523,749	2,450,876	-
Cart rental	527,861	101,708	629,569	-
Facility rental	90,424	-	90,424	-
Permit cards	139,855	8,145	148,000	-
Other income	3,638	2,812	6,450	-
Total Operating Revenues	2,688,905	636,414	3,325,319	1,884,450
Operating Expenses:				
Personal services	1,022,793	357,208	1,380,001	-
Landscaping materials	50,320	19,872	70,192	-
Office expenses and printing	6,000	2,260	8,260	-
Rental of equipment	74,520	21,000	95,520	-
Automobile maintenance and supplies	63,496	15,586	79,082	-
Repairs and maintenance	18,340	6,233	24,573	-
Utilities	57,889	26,804	84,693	-
Chemicals	119,925	52,545	172,470	-
Insurance	-	-	-	1,032,583
Contractual and other	583,701	159,171	742,872	54,664
Employee benefits	661,184	196,952	858,136	483,924
Judgments and claims	-	-	-	75,101
Depreciation and amortization	308,118	43,115	351,233	-
Total Operating Expenses	2,966,286	900,746	3,867,032	1,646,272
Income (Loss) from Operations	(277,381)	(264,332)	(541,713)	238,178
Non-Operating Revenues (Expenses):				
Interest income	2,893	173	3,066	3,355
Interest expense	(99,674)	(127,142)	(226,816)	-
Total Non-Operating Revenues (Expenses)	(96,781)	(126,969)	(223,750)	3,355
Income (Loss) Before Transfers	(374,162)	(391,301)	(765,463)	241,533
Transfers in	-	197,639	197,639	-
Change in Net Assets	(374,162)	(193,662)	(567,824)	241,533
Net Assets (Deficits) - Beginning of Year	1,870,635	(1,277,486)	593,149	331,391
Net Assets (Deficits) - End of Year	\$ 1,496,473	\$ (1,471,148)	\$ 25,325	\$ 572,924

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, 2009

	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	\$ 2,632,023	\$ 1,679,457	\$ 4,311,480	\$ 1,815,015
Cash received from insurance recoveries	-	-	-	399,170
Cash advanced from other funds	-	-	-	-
Cash payments to vendors	(441,893)	(1,226,964)	(1,668,857)	-
Cash payments to insurance carriers and claimants	-	-	-	(1,078,966)
Cash payments to employees	(1,467,363)	(491,404)	(1,958,767)	-
Net Cash Provided by (Used in) Operating Activities	722,767	(38,911)	683,856	1,135,219
Cash Flows From Non-Capital Financing Activities - Transfers in	-	197,639	197,639	-
Cash Flows From Capital and Related Financing Activities:				
Principal paid on bonds	(375,000)	(69,035)	(444,035)	-
Interest paid on indebtedness	(104,633)	(133,754)	(238,387)	-
Acquisition and construction of capital assets	(64,353)	-	(64,353)	-
Net Cash Used in Capital and Related Financing Activities	(543,986)	(202,789)	(746,775)	-
Cash Flows From Investing Activities - Interest income	2,893	173	3,066	3,355
Net Increase (Decrease) in Cash and Equivalents	181,674	(43,888)	137,786	1,138,574
Cash and Equivalents - Beginning of Year	492,667	43,888	536,555	-
Cash and Equivalents - End of Year	\$ 674,341	\$ -	\$ 674,341	\$ 1,138,574
Reconciliation of Income (Loss) from Operations to Net Cash Provided by (Used in) Operating Activities:				
Income (loss) from operations	\$ (277,381)	\$ (264,332)	\$ (541,713)	\$ 238,178
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:				
Depreciation and amortization	308,118	43,115	351,233	-
Changes in assets and liabilities:				
Accounts receivable	(24,722)	-	(24,722)	392,891
Due from other funds	(32,160)	1,043,043	1,010,883	(72,744)
Prepaid expenses	(2,320)	(695)	(3,015)	9,588
Accounts payable	(9,530)	8,777	(753)	575,377
Due to other governments	(1,590)	620	(970)	-
Due to other funds	254,040	(1,088,921)	(834,881)	72,127
Advances from other funds	291,698	156,031	447,729	-
Compensated absences	5,207	(1,002)	4,205	-
Claims payable	-	-	-	(80,198)
Other post employment benefit obligations payable	211,407	64,453	275,860	-
Net Cash Provided by (Used in) Operating Activities	\$ 722,767	\$ (38,911)	\$ 683,856	\$ 1,135,219

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, 2009

	Agency
ASSETS	
Cash - Demand deposits	\$ 185,233
Accounts Receivable	<u>626,904</u>
	<u>\$ 812,137</u>
LIABILITIES	
Deposits	<u>\$ 812,137</u>

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

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Note 1 - Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

The Orangetown Housing Authority ("Housing Authority") was organized in 1989 as a municipal housing authority created and established for the Town under the Public Housing Law of the State of New York for the purpose of providing decent, safe and sanitary housing for persons of low income and other related purposes. The five members of the Housing Authority's Board are appointed by the Town Board. Consequently, the Town is able to impose its will on the Housing Authority. Bonds issued by the Housing Authority are guaranteed by the Town 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, 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 expenditures related to compensated absences 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, and accordingly, the Town's policy provides for no credit risk on investments.

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, 2009.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Investments - The Town participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to General Municipal Law that meets the definition of a 2a7-like pool. In accordance with the provisions of General Municipal Law, Article 3A, CLASS has designated MBIA, Inc. as its registered investment advisor. MBIA, Inc. is registered with the Securities and Exchange Commission ("SEC"), and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies. The amount represents the amortized cost of the cooperative shares and is considered to approximate fair value. The Town's position in the pool is equal to the value of the pool shares. Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from MBIA Municipal Investors Service Corporation, 113 King Street, Armonk, NY 10504.

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.

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

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.

Restricted investments in the Capital Projects Fund also consist of energy performance contract debt proceeds held by an escrow agent. The proceeds are to be used for the Town's installation and maintenance of energy systems. The funds are not subject to risk categorization.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2009, 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 inventorable 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 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.

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

<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.

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.

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 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.

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

Net 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,

Note 1 - Summary of Significant Accounting Policies (Continued)

law enforcement, debt service, 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, 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.

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.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is May 13, 2010.

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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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.

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

B. Property Tax Limitation

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

C. Excess of Actual Expenditures Over Budget

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

Rockland Psychiatric Center Playing Fields	\$	243,438
Salzer House		9,896
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 \$8,050,354 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

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2009

Note 2 - Stewardship, Compliance and Accountability (Continued)

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, 2009:

Enterprise Funds:	
Blue Hill Golf Course	\$ 2,063,853
Broad Acres Golf Course	1,500,594
Internal Service Fund -	
Workers' Compensation Benefits	10,904

These deficits will be addressed in the ensuing year.

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, 2009 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 4,979,925	\$ 6,212,177
Town Outside Villages	1,863,710	3,583,360
Sewer	1,513,781	2,310,231
Highway	6,085,744	4,452,508
Debt Service	473,600	-
Capital Projects	1,296,494	-
Non-Major Government Funds	70,611	155,418
Blue Hill Golf Course	414,303	1,045,879
Broad Acres Golf Course	163,284	87,314
Internal Service Funds	1,057,562	72,127
	<u>\$ 17,919,014</u>	<u>\$ 17,919,014</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.

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2009**Note 3 - Detailed Notes on All Funds (Continued)****B. Advances To/From Other Funds**

The balances reflected as advances to/from other funds at December 31, 2009 were as follows:

<u>Fund</u>	<u>Advance To</u>	<u>Advance From</u>
General	\$ 2,957,613	\$ -
Blue Hill Golf Course	-	1,595,255
Broad Acres Golf Course	-	1,362,358
	<u>\$ 2,957,613</u>	<u>\$ 2,957,613</u>

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

C. Capital Assets

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

	<u>Balance January 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2009</u>
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 16,945,317	\$ -	\$ -	\$ 16,945,317
Construction-in-progress	42,581,092	8,362,770	-	50,943,862
Total Capital Assets, not being depreciated	<u>\$ 59,526,409</u>	<u>\$ 8,362,770</u>	<u>\$ -</u>	<u>\$ 67,889,179</u>
Capital Assets, being depreciated:				
Land improvements	\$ 2,337,238	\$ 6,480	\$ -	\$ 2,343,718
Buildings and improvements	14,041,338	-	-	14,041,338
Infrastructure	113,315,260	1,104,680	-	114,419,940
Machinery and equipment	16,622,070	774,299	569,700	16,826,669
Total Capital Assets, being depreciated	<u>146,315,906</u>	<u>1,885,459</u>	<u>569,700</u>	<u>147,631,665</u>
Less Accumulated Depreciation for:				
Land improvements	1,059,153	50,678	-	1,109,831
Buildings and improvements	7,655,209	253,837	-	7,909,046
Infrastructure	58,380,175	2,080,923	-	60,461,098
Machinery and equipment	10,448,712	1,078,482	569,700	10,957,494
Total Accumulated Depreciation	<u>77,543,249</u>	<u>3,463,920</u>	<u>569,700</u>	<u>80,437,469</u>
Total Capital Assets, being depreciated, net	<u>\$ 68,772,657</u>	<u>\$ (1,578,461)</u>	<u>\$ -</u>	<u>\$ 67,194,196</u>
Governmental Activities Capital Assets, net	<u>\$ 128,299,066</u>	<u>\$ 6,784,309</u>	<u>\$ -</u>	<u>\$ 135,083,375</u>

TOWN OF ORANGETOWN, NEW YORK

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2009Note 3 - Detailed Notes on All Funds (Continued)

	Balance January 1, 2009	Additions	Balance December 31, 2009
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	5,276,561	-	5,276,561
Machinery and equipment	<u>1,494,903</u>	<u>64,353</u>	<u>1,559,256</u>
Total Capital Assets, being depreciated	<u>7,958,742</u>	<u>64,353</u>	<u>8,023,095</u>
Less Accumulated Depreciation for:			
Buildings and improvements	683,316	21,885	705,201
Improvements other than buildings	2,584,097	249,192	2,833,289
Machinery and equipment	<u>1,290,756</u>	<u>77,762</u>	<u>1,368,518</u>
Total Accumulated Depreciation	<u>4,558,169</u>	<u>348,839</u>	<u>4,907,008</u>
Total Capital Assets, being depreciated, net	<u>\$ 3,400,573</u>	<u>\$ (284,486)</u>	<u>\$ 3,116,087</u>
Business-type Activities			
Capital Assets, net	<u>\$ 8,854,398</u>	<u>\$ (284,486)</u>	<u>\$ 8,569,912</u>

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

Governmental Activities:	
General Government Support	\$ 11,607
Public Safety	365,236
Transportation	1,523,499
Culture and Recreation	137,494
Home and Community Services	<u>1,426,084</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,463,920</u>
Business-type Activities:	
Blue Hill Golf Course	\$ 305,724
Broad Acres Golf Course	<u>43,115</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 348,839</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2009**Note 3 - Detailed Notes on All Funds (Continued)****Capital Assets - Component Unit**

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

	Balance January 1, 2009	Additions	Balance December 31, 2009
Capital Assets, not being depreciated - Land	\$ 1,969,055	\$ -	\$ 1,969,055
Capital Assets, being depreciated:			
Buildings and improvements	\$ 7,087,920	\$ -	\$ 7,087,920
Machinery and equipment	200,704	2,713	203,417
Total Capital Assets, being depreciated	7,288,624	2,713	7,291,337
Less Accumulated Depreciation for:			
Buildings and improvements	3,154,416	195,016	3,349,432
Machinery and equipment	181,554	7,114	188,668
Total Accumulated Depreciation	3,335,970	202,130	3,538,100
Total Capital Assets, being depreciated, net	\$ 3,952,654	\$ (199,417)	\$ 3,753,237
Housing Authority Capital Assets, net	\$ 5,921,709	\$ (199,417)	\$ 5,722,292

D. Accrued Liabilities

Accrued liabilities at December 31, 2009 were as follows:

	Fund	
	Town Outside Villages	Highway
		Total
Payroll and Employee Benefits	\$ 150,951	\$ 76,558
		\$ 227,509

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, 2009

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 and a regular pension contribution. Contribution rates for the plan year ended March 31, 2010 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I 41J	9.3%
	2 75I 41J	8.6
	3 A14 41J	7.0
	4 A15 41J	7.0
PFRS	1 384E 3029D	19.1
	2 384E	14.5

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

	<u>ERS</u>	<u>PFRS</u>
2009	\$ 1,167,213	\$ 1,353,707
2008	1,095,785	1,669,598
2007	1,231,576	1,411,688

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	\$ 353,370
Town Outside Villages - Police	76,452
Town Outside Villages - Other	75,300
Sewer	249,157
Highway - Part-Town	168,135
Highway - Town-Wide	161,541
Blue Hill Golf Course	64,086
Broad Acres Golf Course	19,172
	<u>\$ 1,167,213</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2009**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	Balance January 1, 2009	Redemptions	Balance December 31, 2009
Bond Anticipation Note	<u>\$ 1,300,000</u>	<u>\$ 1,300,000</u>	<u>\$ -</u>

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

Interest expenditures/expense of \$32,409 were recorded in the government-wide financial statements and the fund financial statements in the following funds:

Fund	Amount
Governmental Funds:	
General	\$ 15,354
Town Outside Villages - Police	13,644
Town Outside Villages - Other	<u>3,411</u>
	<u>\$ 32,409</u>

G. Short-Term Capital Borrowings

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance January 1, 2009	New Issues	Redemptions	Balance December 31, 2009
Governmental Type Activities -							
Capital Projects Fund -							
Bond Anticipation Notes:							
Rockland Psychiatric Center:							
Playing Fields	10/06/2005	09/29/2010	1.50 %	\$ 2,272,250	\$ -	\$ 130,373	\$ 2,141,877
Playing Fields	12/11/2008	12/07/2010	1.50	1,675,000	-	28,132	1,646,868
Playing Fields	-	-	-	1,675,000	-	1,675,000	-
Sewer Reconstruction - 2005/2006	09/30/2009	09/29/2010	1.50	-	1,200,000	-	1,200,000
Sewer Vehicles - 2005	10/06/2005	09/29/2010	1.50	223,500	-	13,512	209,988
Highway Vehicles - 2005	10/06/2005	09/29/2010	1.50	1,229,250	-	91,115	1,138,135
Cherry Brook Drainage Improvements	-	-	-	5,470,000	-	5,470,000	-
Cherry Brook Drainage Improvements	12/11/2008	12/07/2010	1.50	5,470,000	-	91,868	5,378,132
				<u>\$ 18,015,000</u>	<u>\$ 1,200,000</u>	<u>\$ 7,500,000</u>	<u>\$ 11,715,000</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.

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2009**Note 3 - Detailed Notes on All Funds (Continued)**

Interest expenditures of \$511,850 were recorded in the fund financial statements in the General fund.

Interest expense of \$271,510 was recorded in the government-wide financial statements for governmental 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, 2009:

	Balance January 1, 2009	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2009	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 58,418,218	\$ 1,255,000	\$ 2,255,965	\$ 57,417,253	\$ 2,440,679
Energy Performance Contract Payable	-	2,100,000	-	2,100,000	-
	<u>58,418,218</u>	<u>3,355,000</u>	<u>2,255,965</u>	<u>59,517,253</u>	<u>2,440,679</u>
Other Noncurrent Liabilities:					
Compensated Absences	1,658,280	604,440	165,828	2,096,892	209,689
Retirement Incentives and Other Pension Liabilities	1,201,655	-	1,201,655	-	-
Claims Payable	1,273,076	559,025	639,223	1,192,878	602,577
Other Post Employment Benefit Obligations Payable	5,717,738	7,932,893	1,822,012	11,828,619	-
Total Other Noncurrent Liabilities	<u>9,850,749</u>	<u>9,096,358</u>	<u>3,828,718</u>	<u>15,118,389</u>	<u>812,266</u>
Governmental Activities Long-Term Liabilities	<u>\$ 68,268,967</u>	<u>\$ 12,451,358</u>	<u>\$ 6,084,683</u>	<u>\$ 74,635,642</u>	<u>\$ 3,252,945</u>
Business-Type Activities:					
Bonds Payable	\$ 5,517,500	\$ -	\$ 444,035	\$ 5,073,465	\$ 460,039
Compensated Absences	73,361	11,541	7,336	77,566	7,757
Other Post Employment Benefit Obligations Payable	261,165	297,593	21,733	537,025	-
Business-Type Activities Long-Term Liabilities	<u>\$ 5,852,026</u>	<u>\$ 309,134</u>	<u>\$ 473,104</u>	<u>\$ 5,688,056</u>	<u>\$ 467,796</u>
Housing Authority - Component Unit - Revenue Bonds Payable	<u>\$ 6,967,824</u>	<u>\$ 441,975</u>	<u>\$ 595,000</u>	<u>\$ 6,814,799</u>	<u>\$ 605,000</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2009**Note 3 - Detailed Notes on All Funds (Continued)**

Each governmental funds' liability for compensated absences, 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 and energy performance contract debt is satisfied by the Debt Service Fund.

Bonds Payable

Bonds payable at December 31, 2009 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2009
Public Improvements	1992	\$ 3,487,000	May, 2011	5.875 %	\$ 200,000
Public Improvements	1998	2,039,000	August, 2012	4.4 - 4.500	550,000
Blue Hill Golf Course	2000	2,295,000	November, 2015	4.6 - 5.000	1,170,000
Public Improvements	2001	1,555,000	April, 2013	4.500	615,000
Sewer Improvements	2001	1,759,587	May, 2021	5.154	1,160,000
Sewer Reconstruction	2002	5,775,000	May, 2024	5.0313 - 6.181	4,330,000
Public Improvements	2004	3,925,500	July, 2019	3.5 - 4.000	2,835,000
Refunding Bonds -					
Blue Hill Golf Course	2005	1,885,000	February, 2014	3.5 - 3.750	1,055,000
Public Improvements	2005	880,000	September, 2010	3.500	190,000
Public Improvements	2008	45,480,718	April, 2038	4.270	44,385,718
Public Improvements	2008	1,942,500	January, 2032	4.375 - 4.500	1,896,535
Broad Acres Golf Course	2008	2,917,500	January, 2032	4.375 - 4.500	2,848,465
Tax Certiorari Refunds	2009	1,255,000	December, 2019	1.5 - 3.000	1,255,000
					<u>\$ 62,490,718</u>

Interest expenditures of \$1,417,726 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$99,674 and \$127,142 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 \$1,402,982 was recorded in the government-wide financial statement for governmental activities.

Energy Performance Contract Payable

The Town, during 2009, entered into a \$2,100,000 contractual agreement to install energy saving equipment and/or to upgrade existing facilities to enhance performance. The agreement provides for annual payments of \$53,828, including interest at 4.84% through June 2024. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. There were no interest expenditures/expense charged in the fund financial statements or in the government-wide financial statements. The balance due at December 31, 2009 was \$2,100,000.

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2009**Note 3 - Detailed Notes on All Funds (Continued)****Payments to Maturity**

The annual requirements to amortize all bonded and energy performance contract debt outstanding of the primary government as of December 31, 2009, including interest payments of \$37,726,056 are as follows:

Year Ended December 31,	Bonds							
	Governmental Activities		Business-type Activities		Energy Performance Contract		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 2,440,679	\$ 2,445,604	\$ 460,039	\$ 236,828	\$ -	\$ 132,285	\$ 2,900,718	\$ 2,814,717
2011	2,306,960	2,346,413	468,040	213,529	89,845	100,839	2,864,845	2,660,781
2012	2,263,958	2,250,099	486,042	189,082	120,119	95,193	2,870,119	2,534,374
2013	2,137,955	2,158,184	497,045	163,611	126,043	89,269	2,761,043	2,411,064
2014	2,024,954	2,071,472	505,046	137,034	132,260	83,053	2,662,260	2,291,559
2015-2019	11,002,739	8,987,518	727,261	491,383	765,817	310,750	12,495,817	9,789,651
2020-2024	9,568,681	6,609,284	621,319	351,537	865,916	102,995	11,055,916	7,063,816
2025-2029	8,539,606	4,593,308	765,394	193,204	-	-	9,305,000	4,786,512
2030-2034	9,281,721	2,669,183	543,279	25,042	-	-	9,825,000	2,694,225
2035-2038	7,850,000	679,357	-	-	-	-	7,850,000	679,357
	<u>\$ 57,417,253</u>	<u>\$ 34,810,422</u>	<u>\$ 5,073,465</u>	<u>\$ 2,001,250</u>	<u>\$ 2,100,000</u>	<u>\$ 914,384</u>	<u>\$ 64,590,718</u>	<u>\$ 37,726,056</u>

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

Prior Year Defeasance of Debt

In prior years, the Town defeased certain bonds by placing the proceeds of new bonds or certain defined revenues in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At December 31, 2009, \$4,360,000 of bonds outstanding are considered defeased.

Component Unit Debt - Revenue Bonds Payable

Long-term indebtedness of the Housing Authority at December 31, 2009 consisted of the following:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at December 31, 2009
Refunding Bonds	1992	8,716,245	2030	6.0 - 6.6 %	<u>\$ 6,814,799</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2009

Note 3 - Detailed Notes on All Funds (Continued)

Included in the payment schedule are amounts of \$5,510,881, which represents the future accretion of interest on the bonds. These bonds are obligations of the Housing Authority but are guaranteed by the Town.

The annual requirements to amortize the bonded debt outstanding of the Housing Authority as of December 31, 2009, including accreted interest is as follows:

<u>Year Ended</u>	<u>Amount</u>
2010	\$ 605,000
2011	600,000
2012	599,920
2013	603,210
2014	603,210
2015-2030	<u>9,314,340</u>
	<u>\$ 12,325,680</u>

Compensated Absences

The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. Vacation time earned by the CSEA employees is paid out at separation. CSEA employees can also receive payments for any unused sick leave credits in excess of the hourly equivalent of 165 days up to 30 days. Vacation and sick time may be accumulated by the 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 \$868,794, which included an early pay-off of the final two years, was charged to the Town Outside Villages Fund - Police in the fund financial statements.

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

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2009

Note 3 - Detailed Notes on All Funds (Continued)

recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

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

	2009		2008	
	Workers' Compensation	General Liability	Workers' Compensation	General Liability
Balance - Beginning of Year	\$ 618,125	\$ 654,951	\$ 683,392	\$ 640,573
Provision for Claims and Claims Adjustment Expenses	483,924	75,101	324,345	398,283
Claims and Claims Adjustment Expenses Paid	(418,942)	(220,281)	(389,612)	(383,905)
Balance - End of Year	<u>\$ 683,107</u>	<u>\$ 509,771</u>	<u>\$ 618,125</u>	<u>\$ 654,951</u>
Due Within One Year	<u>\$ 355,247</u>	<u>\$ 247,330</u>	<u>\$ 323,901</u>	<u>\$ 360,727</u>

Other Post Employment Benefit Obligations

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

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

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2009

Note 3 - Detailed Notes on All Funds (Continued)

projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

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

<u>Year Ended December 31,</u>	<u>Pre-65 Medical</u>	<u>Post-65 Medical</u>	<u>Prescription Drug</u>
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 with 28 years remaining in the amortization period. The actuarial assumptions included in 4.0% investment rate of return and a 3.0% inflation rate. The Town currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of December 31, 2009 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>

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Amortization Component:			
Actuarial Accrued Liability as of January 1, 2009	\$ 89,006,378	\$ 2,600,759	\$ 91,607,137
Assets at Market Value	-	-	-
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 89,006,378</u>	<u>\$ 2,600,759</u>	<u>\$ 91,607,137</u>
Funded Ratio	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 24,818,700</u>	<u>\$ 1,380,002</u>	<u>\$ 26,198,702</u>
UAAL as a Percentage of Covered Payroll	<u>358.63%</u>	<u>188.46%</u>	<u>349.66%</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2009**Note 3 - Detailed Notes on All Funds (Continued)**

	Governmental Funds	Enterprise Funds	Total
Annual Required Contribution	\$ 8,034,841	\$ 302,249	\$ 8,337,090
Interest on Net OPEB Obligation	228,709	10,447	239,156
Adjustments to Annual Required Contribution	(330,657)	(15,103)	(345,760)
Annual OPEB Cost	7,932,893	297,593	8,230,486
Contributions Made	(1,822,012)	(21,733)	(1,843,745)
Increase in Net OPEB Obligation	6,110,881	275,860	6,386,741
Net OPEB Obligation - Beginning of Year	5,717,738	261,165	5,978,903
Net OPEB Obligation - End of Year	<u>\$ 11,828,619</u>	<u>\$ 537,025</u>	<u>\$ 12,365,644</u>

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

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 8,230,486	22.40 %	\$ 12,365,644
2008	7,949,815	24.79	5,978,903

The Town implemented the provisions of GASB Statement No. 45 for the fiscal year ended December 31, 2008.

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	Transfers In				Total
	Highway	Debt Service	Capital Projects	Broad Acres Golf Course	
General	\$ 34,152	\$ -	\$ 355,000	\$ -	\$ 389,152
Sewer	-	-	76,332	-	76,332
Debt Service	-	-	-	197,639	197,639
Capital Projects	-	76,332	-	-	76,332
	<u>\$ 34,152</u>	<u>\$ 76,332</u>	<u>\$ 431,332</u>	<u>\$ 197,639</u>	<u>\$ 739,455</u>

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/expenses.

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 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 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.

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.

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2009

Note 3 - Detailed Notes on All Funds (Continued)

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					
	General	Town Outside Villages	Sewer	Highway	Debt Service	Capital Projects
Designated for Subsequent Year's Expenditures	\$ -	\$ 500,000	\$ 300,000	\$ -	\$ 1,000,000	\$ -
Designated for Capital Improvements	153,799	-	-	42,690	-	66,889
	<u>\$ 153,799</u>	<u>\$ 500,000</u>	<u>\$ 300,000</u>	<u>\$ 42,690</u>	<u>\$ 1,000,000</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 Improvements represents funds that the Town will use for various sidewalk and drainage improvements or earnings on the investment of capital project funds financed from other governmental funds. 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. As of May 2010, most of the claims have been dismissed. The gender discrimination and retaliation could not be dismissed.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The case is ready to proceed with discovery and, eventually, a summary judgment motion. Legal counsel believes the Town has a substantial likelihood of prevailing on the pending motion and at trial, if the remaining claims survive the summary judgment motion. If the summary judgment motion fails to dismiss the plaintiff's remaining claims in this action, then at trial, any recovery for back-pay should be limited to the differential between a sergeant's and lieutenant's pay for two years (assuming the political affiliation discrimination case is dismissed; if not, then for five years) plus interest, since the plaintiff was promoted to the rank of lieutenant in January 2006. The plaintiff also seeks compensatory damages for mental anguish, however, during discovery she refused to undergo an independent medical examination. As a result, it is expected that she will be barred from pursuing these damages if the action proceeds to trial. If she prevails, she would also be entitled to recover reasonable attorney's fees and disbursements.

On or about August 11, 2006, this former police officer commenced a third action against the Town, the Police Chief and the former 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. In May 2010, it was decided that the Police Chief and former Town Supervisor were completely dismissed of any liability. In addition, all of the claims that were challenged were dismissed. The gender discrimination, retaliation and equal protection claims were not yet challenged, but they too will be subject to a motion for summary judgment after discovery. Without any discovery or depositions, any estimate of loss would be purely speculative, but the police officer is seeking \$1 million in compensatory damages, \$3 million in punitive damages and reasonable attorney fees. The police officer was promoted to the rank of lieutenant in January 2006, so any recovery for back-pay should be limited to the differential between a sergeant's and lieutenant's pay for one year plus interest (provided she has not already recovered this back-pay through her first federal action against the Town, described above). If she prevails, she would also be entitled to recover reasonable attorney's fees and disbursements.

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. Discovery has been completed and the parties are presently conferring with respect to a briefing schedule for summary judgment motions. Legal counsel has indicated that, if the plaintiff prevails, she would also be entitled to recover reasonable attorney's fees.

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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 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, but believes that at this preliminary stage, it is too early to assess potential damages.

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. The motion to dismiss was fully submitted to the court on June 22, 2009. Legal counsel believes that the Town has a substantial likelihood of prevailing on the merits of this action, but believes that at this preliminary stage, it is too early to assess potential damages.

The Town is a defendant in a 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 have completed discovery and the Town has moved for a summary judgment. The motion was fully submitted to the court on November 4, 2009 and a decision is currently awaited. Legal counsel believes there is a strong likelihood that the motion submitted by the Town will be granted. It should be noted that the police officer is still receiving Section 207-c benefits, thereby mitigating his potential damages.

The Town is a defendant in a counter-lawsuit with a School District in which the District is claiming breach of contract related to the use of the District's pool. The Town had initially commenced a case against the District, seeking a declaratory judgment and injunctive relief, relating to a use agreement between the Town and the District, and allowing the Town to use the pool for the Town's recreational purposes. The District is seeking judgment in the amount of \$950,000, plus increased user fees, alleging that the Town was responsible for one half of the

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

costs incurred by the District to renovate and re-build the pool. The Rockland County Supreme Court preliminarily concluded that the installation of a completely new pool and attendant falls outside the language of the agreement. Legal counsel believes that the final determination of the lawsuit will result in dismissal of the District's claim.

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 \$500,000. 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.

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 \$6 million per claim. In addition, there is a \$50,000 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 \$90 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

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
LAST THREE FISCAL YEARS

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
January 1, 2009 (1)	\$ -	\$ 91,607,137	\$ 91,607,137	- %	\$ 26,198,702	349.66 %
January 1, 2008	-	81,989,467	81,989,467	-	26,541,464	308.91

(1) The Town first implemented the provisions of GASB Statement No. 45 for the fiscal year ended December 31, 2008.

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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

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

DEBT SERVICE FUND

- The Debt Service Fund is provided to account for 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.

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TOWN OF ORANGETOWN, NEW YORK

GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 3,722,560	\$ 2,517,733
Petty cash	1,050	1,050
	<u>3,723,610</u>	<u>2,518,783</u>
Receivables:		
Accounts	360,293	413,505
Due from other governments	465,179	457,936
Due from other funds	4,979,925	5,008,768
Advances to other funds	<u>2,957,613</u>	<u>2,509,884</u>
	<u>8,763,010</u>	<u>8,390,093</u>
Prepaid Expenditures	<u>141,541</u>	<u>129,968</u>
Total Assets	<u>\$ 12,628,161</u>	<u>\$ 11,038,844</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 286,545	\$ 360,319
Accrued liabilities	-	33,743
Bond anticipation notes payable	-	71,104
Due to other governments	56,464	25,355
Due to other funds	<u>6,212,177</u>	<u>4,784,949</u>
Total Liabilities	<u>6,555,186</u>	<u>5,275,470</u>
Fund Balance:		
Reserved for prepaid expenditures	141,541	129,968
Reserved for encumbrances	18,510	186,397
Reserved for advances	2,957,613	2,509,884
Unreserved:		
Designated for capital improvements	153,799	-
Undesignated	<u>2,801,512</u>	<u>2,937,125</u>
Total Fund Balance	<u>6,072,975</u>	<u>5,763,374</u>
Total Liabilities and Fund Balance	<u>\$ 12,628,161</u>	<u>\$ 11,038,844</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, 2009 AND 2008

	2009			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 2,712,418	\$ 2,712,418	\$ 2,722,734	\$ 10,316
Other tax items	32,000	32,000	21,818	(10,182)
Non-property taxes	1,842,000	1,842,000	1,947,063	105,063
Departmental income	669,160	669,160	616,618	(52,542)
Use of money and property	199,000	199,000	155,203	(43,797)
Licenses and permits	42,000	42,000	36,846	(5,154)
Fines and forfeitures	345,000	345,000	354,445	9,445
Sale of property and compensation for loss	-	-	260,284	260,284
Interfund revenues	3,629,265	3,629,265	3,629,264	(1)
State aid	1,983,600	1,983,600	1,478,360	(505,240)
Miscellaneous	20,000	20,000	11,039	(8,961)
Total Revenues	11,474,443	11,474,443	11,233,674	(240,769)
Expenditures:				
Current:				
General government support	5,078,859	5,170,194	4,891,140	279,054
Public safety	206,183	206,183	174,085	32,098
Health	37,000	50,800	50,800	-
Transportation	977,663	686,559	551,841	134,718
Economic opportunity and development	146,266	147,866	145,840	2,026
Culture and recreation	2,281,761	2,261,761	2,085,729	176,032
Home and community services	182,508	184,508	168,544	15,964
Employee benefits	2,171,600	2,033,340	2,008,381	24,959
Debt service - Interest	334,000	527,204	527,204	-
Total Expenditures	11,415,840	11,268,415	10,603,564	664,851
Excess (Deficiency) of Revenues Over Expenditures	58,603	206,028	630,110	424,082
Other Financing Sources (Uses):				
Bonds issued	-	-	68,643	68,643
Obligations authorized	-	-	-	-
Transfers out	(245,000)	(389,200)	(389,152)	48
Total Other Financing Uses	(245,000)	(389,200)	(320,509)	68,691
Net Change in Fund Balance	(186,397)	(183,172)	309,601	492,773
Fund Balance - Beginning of Year	186,397	183,172	5,763,374	5,580,202
Fund Balance - End of Year	\$ -	\$ -	\$ 6,072,975	\$ 6,072,975

2008			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,236,460	\$ 2,236,460	\$ 2,255,785	\$ 19,325
50,000	50,000	32,754	(17,246)
1,820,000	1,820,000	1,979,950	159,950
617,100	617,100	573,604	(43,496)
216,000	216,000	186,127	(29,873)
42,020	42,010	43,082	1,072
345,000	345,000	367,854	22,854
-	-	-	-
3,304,531	3,304,531	3,304,531	-
2,483,600	2,483,600	2,081,833	(401,767)
20,000	20,000	4,849	(15,151)
11,134,711	11,134,701	10,830,369	(304,332)
5,171,427	5,145,716	4,766,242	379,474
171,075	193,085	156,967	36,118
37,000	37,150	37,150	-
897,611	903,611	626,846	276,765
141,063	141,463	140,075	1,388
2,273,716	2,378,666	2,314,249	64,417
247,508	217,278	180,531	36,747
2,074,053	2,043,503	2,021,944	21,559
243,369	262,669	262,655	14
11,256,822	11,323,141	10,506,659	816,482
(122,111)	(188,440)	323,710	512,150
-	-	-	-
-	71,104	-	(71,104)
(302,500)	(287,500)	(287,280)	220
(302,500)	(216,396)	(287,280)	(70,884)
(424,611)	(404,836)	36,430	441,266
424,611	404,836	5,726,944	5,322,108
\$ -	\$ -	\$ 5,763,374	\$ 5,763,374

TOWN OF ORANGETOWN, NEW YORK

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2009
(With Comparative Actuals for 2008)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2008 Actual
REAL PROPERTY TAXES	\$ 2,712,418	\$ 2,712,418	\$ 2,722,734	\$ 10,316	\$ 2,255,785
OTHER TAX ITEMS					
Interest and penalties on real property taxes	32,000	32,000	21,818	(10,182)	32,754
NON-PROPERTY TAXES					
Franchise fees	460,000	460,000	521,109	61,109	525,490
Non-property tax distribution from County	1,382,000	1,382,000	1,425,954	43,954	1,454,460
	1,842,000	1,842,000	1,947,063	105,063	1,979,950
DEPARTMENTAL INCOME					
Town Clerk fees	17,000	17,000	16,531	(469)	19,289
Engineering fees	33,000	33,000	4,072	(28,928)	17,246
Parks and recreation charges	619,000	619,000	595,925	(23,075)	536,859
Public safety fees	160	160	90	(70)	210
	669,160	669,160	616,618	(52,542)	573,604
USE OF MONEY AND PROPERTY					
Earnings on investments	70,000	70,000	23,720	(46,280)	65,198
Rental of real property	129,000	129,000	131,483	2,483	120,929
	199,000	199,000	155,203	(43,797)	186,127

LICENSES AND PERMITS

Bingo licenses	3,000	3,000	3,361	361	4,068
Dog licenses	3,000	3,000	3,051	51	3,039
Permits	23,000	23,000	23,084	84	24,675
Sanitation licenses	13,000	13,000	7,350	(5,650)	11,300

FINES AND FORFEITURES

Fines and forfeited bail	42,000	42,000	36,846	(5,154)	43,082
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of equipment	-	-	10,284	10,284	-
Other - litigation settlement	-	-	250,000	250,000	-

INTERFUND REVENUES

	-	-	260,284	260,284	-
	3,629,265	3,629,265	3,629,264	(1)	3,304,531

STATE AID

Per capita	202,000	202,000	204,578	2,578	204,578
Mortgage tax	1,750,000	1,750,000	1,245,963	(504,037)	1,849,229
Youth programs	18,600	18,600	17,749	(851)	18,592
School Tax Relief Program	13,000	13,000	-	(13,000)	8,754
Other	-	-	10,070	10,070	680

MISCELLANEOUS

Other	20,000	20,000	11,039	(8,961)	4,849
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TOTAL REVENUES

OTHER FINANCING SOURCES

Bonds issued	11,474,443	11,474,443	11,233,674	(240,769)	10,830,369
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TOTAL REVENUES AND OTHER FINANCING SOURCES

	-	-	68,643	68,643	-
	\$ 11,474,443	\$ 11,474,443	\$ 11,302,317	\$ (172,126)	\$ 10,830,369

TOWN OF ORANGETOWN, NEW YORK

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2009
(With Comparative Actuals for 2008)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2008 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 94,971	\$ 94,971	\$ 94,421	\$ 550	\$ 95,522
Town Justice	517,369	517,369	436,683	80,686	436,243
Supervisor	270,336	270,336	252,853	17,483	270,762
Finance	440,053	452,053	451,618	435	395,009
Independent audit	50,500	50,500	50,000	500	50,000
Receiver of Taxes	232,020	235,520	232,986	2,534	225,817
Assessor	483,631	483,631	438,104	45,527	555,507
Board of Assessment Review	9,100	10,300	10,300	-	8,125
Town Clerk	402,723	402,723	388,328	14,395	377,708
Town Attorney	725,183	725,183	692,990	32,193	618,006
Engineer	314,833	314,833	289,125	25,708	271,025
Buildings	555,391	576,287	556,274	20,013	492,973
Bond issuance costs	60,000	52,500	50,933	1,567	78,722
Special items:					
Unallocated insurance	417,600	417,600	417,600	-	417,600
Shared services	500,899	543,778	511,124	32,654	471,474
Municipal association dues	1,650	20,010	17,801	2,209	1,749
Defensive driving	2,600	2,600	-	2,600	-
	5,078,859	5,170,194	4,891,140	279,054	4,766,242
PUBLIC SAFETY					
Traffic control	134,000	134,000	104,741	29,259	97,188
Control of animals	72,183	72,183	69,344	2,839	59,779
	206,183	206,183	174,085	32,098	156,967

HEALTH					
Substance Abuse Council	37,000	50,800	50,800	-	37,150
TRANSPORTATION					
Superintendent of Highways	373,764	373,764	360,440	13,324	350,059
Highway garage	150,100	179,800	170,129	9,671	118,495
Sidewalks	453,799	132,995	21,272	111,723	158,292
	977,663	686,559	551,841	134,718	626,846
ECONOMIC OPPORTUNITY AND DEVELOPMENT					
Veterans' services	11,000	11,000	9,000	2,000	11,000
Senior citizens programs	135,266	136,866	136,840	26	129,075
	146,266	147,866	145,840	2,026	140,075
CULTURE AND RECREATION					
Recreation administration	361,010	361,010	318,439	42,571	364,410
Parks	888,495	866,495	780,051	86,444	852,286
Youth recreation	640,000	640,000	620,167	19,833	685,717
Special recreation facilities	115,000	115,000	100,632	14,368	125,157
Community based programs	50,000	50,000	45,750	4,250	67,250
Town Historian	-	-	-	-	6,754
Town Museum	109,256	111,256	109,646	1,610	101,951
Celebrations	64,500	64,500	61,539	2,961	66,312
Adult recreation	53,500	53,500	49,505	3,995	44,412
	2,281,761	2,261,761	2,085,729	176,032	2,314,249
HOME AND COMMUNITY SERVICES					
Sanitation	142,508	144,508	128,787	15,721	126,242
Community beautification	-	-	-	-	7,240
Land acquisition costs - Rockland County State Hospital	-	-	-	-	2,143
Orangetown Housing Authority	40,000	40,000	39,757	243	44,906
	182,508	184,508	168,544	15,964	180,531

(Continued)

TOWN OF ORANGETOWN, NEW YORK

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)
YEAR ENDED DECEMBER 31, 2009
(With Comparative Actuals for 2008)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2008 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 298,700	\$ 353,700	\$ 353,370	\$ 330	\$ 331,747
Social security	400,000	400,000	386,040	13,960	379,293
Hospitalization and dental insurance	1,402,300	1,209,040	1,206,137	2,903	1,248,294
Workers' compensation benefits	61,600	61,600	61,600	-	61,600
Unemployment benefits	9,000	9,000	1,234	7,766	1,010
	2,171,600	2,033,340	2,008,381	24,959	2,021,944
DEBT SERVICE					
Interest - Bond anticipation notes	334,000	527,204	527,204	-	262,655
TOTAL EXPENDITURES	11,415,840	11,268,415	10,603,564	664,851	10,506,659
OTHER FINANCING USES					
Transfers out:					
Capital Projects Fund	235,000	355,000	355,000	-	267,500
Highway Fund	10,000	34,200	34,152	48	19,780
	245,000	389,200	389,152	48	287,280
TOTAL OTHER FINANCING USES					
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 11,660,840	\$ 11,657,615	\$ 10,992,716	\$ 664,851	\$ 10,793,939

TOWN OF ORANGETOWN, NEW YORK

TOWN OUTSIDE VILLAGES FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 5,301,662	\$ 612,549
Petty cash	300	300
	<u>5,301,962</u>	<u>612,849</u>
Investments	<u>248</u>	<u>4,506,266</u>
Receivables:		
Accounts	761,403	686,323
State and Federal aid	-	3,260
Due from other governments	203,299	212,840
Due from other funds	<u>1,863,710</u>	<u>1,718,001</u>
	<u>2,828,412</u>	<u>2,620,424</u>
Prepaid Expenditures	<u>970,680</u>	<u>879,712</u>
Total Assets	<u>\$ 9,101,302</u>	<u>\$ 8,619,251</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 210,025	\$ 162,989
Accrued liabilities	150,951	206,641
Bond anticipation notes payable	-	684,119
Due to other funds	<u>3,583,360</u>	<u>3,029,877</u>
Total Liabilities	<u>3,944,336</u>	<u>4,083,626</u>
Fund Balance:		
Reserved for prepaid expenditures	970,680	879,712
Reserved for encumbrances	70,582	122,429
Reserved for law enforcement	10,916	10,916
Reserved for D.A.R.E.	-	20,841
Unreserved:		
Designated for subsequent year's expenditures	500,000	300,000
Undesignated	<u>3,604,788</u>	<u>3,201,727</u>
Total Fund Balance	<u>5,156,966</u>	<u>4,535,625</u>
Total Liabilities and Fund Balance	<u>\$ 9,101,302</u>	<u>\$ 8,619,251</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, 2009
 (With Comparative Totals for 2008)

			Totals	
			2009	2008
Revenues:				
Real property taxes	\$ 20,218,732	\$ 2,054,734	\$ 22,273,466	\$ 21,670,611
Other tax items	162,475	39,718	202,193	223,525
Departmental income	68,901	912,406	981,307	974,636
Intergovernmental charges	-	101,797	101,797	127,214
Use of money and property	59,625	8,707	68,332	323,844
Sale of property and compensation for loss	-	-	-	26,048
State aid	148,916	110,905	259,821	317,263
Federal aid	64,832	-	64,832	251,124
Miscellaneous	8,988	-	8,988	49,136
Total Revenues	<u>20,732,469</u>	<u>3,228,267</u>	<u>23,960,736</u>	<u>23,963,401</u>
Expenditures:				
Current:				
General government support	2,097,133	321,710	2,418,843	2,836,360
Public safety	12,661,516	1,031,593	13,693,109	13,771,523
Transportation	-	510,623	510,623	394,523
Home and community services	-	1,038,176	1,038,176	977,004
Employee benefits	5,847,605	474,422	6,322,027	6,053,093
Debt service - Interest	13,644	3,411	17,055	-
Total Expenditures	<u>20,619,898</u>	<u>3,379,935</u>	<u>23,999,833</u>	<u>24,032,503</u>
Excess (Deficiency) of Revenues Over Expenditures	112,571	(151,668)	(39,097)	(69,102)
Other Financing Sources - Bonds issued	<u>528,350</u>	<u>132,088</u>	<u>660,438</u>	<u>-</u>
Net Change in Fund Balances	640,921	(19,580)	621,341	(69,102)
Fund Balances - Beginning of Year	<u>4,362,860</u>	<u>172,765</u>	<u>4,535,625</u>	<u>4,604,727</u>
Fund Balances - End of Year	<u>\$ 5,003,781</u>	<u>\$ 153,185</u>	<u>\$ 5,156,966</u>	<u>\$ 4,535,625</u>

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, 2009 AND 2008

	2009			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 20,139,119	\$ 20,139,119	\$ 20,218,732	\$ 79,613
Other tax items	114,442	114,442	162,475	48,033
Departmental income	80,000	80,000	68,901	(11,099)
Intergovernmental charges	30,000	30,000	-	(30,000)
Use of money and property	315,000	315,000	59,625	(255,375)
Sale of property and compensation for loss	10,000	10,000	-	(10,000)
State aid	168,300	168,300	148,916	(19,384)
Federal aid	95,000	95,000	64,832	(30,168)
Miscellaneous	12,000	12,000	8,988	(3,012)
Total Revenues	20,963,861	20,963,861	20,732,469	(231,392)
Expenditures:				
Current:				
General government support	2,065,258	2,097,158	2,097,133	25
Public safety	13,624,032	13,203,062	12,661,516	541,546
Employee benefits	5,672,000	6,029,656	5,847,605	182,051
Debt service - Interest	-	13,644	13,644	-
Total Expenditures	21,361,290	21,343,520	20,619,898	723,622
Excess (Deficiency) of Revenues Over Expenditures	(397,429)	(379,659)	112,571	492,230
Other Financing Sources:				
Bonds issued	-	-	528,350	528,350
Obligations authorized	-	-	-	-
Total Other Financing Sources	-	-	528,350	528,350
Net Change in Fund Balance	(397,429)	(379,659)	640,921	1,020,580
Fund Balance - Beginning of Year	397,429	379,659	4,362,860	3,983,201
Fund Balance - End of Year	\$ -	\$ -	\$ 5,003,781	\$ 5,003,781

2008			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 19,556,028	\$ 19,556,028	\$ 19,679,652	\$ 123,624
161,000	161,000	173,252	12,252
50,000	50,000	142,388	92,388
-	-	25,119	25,119
600,000	600,000	278,506	(321,494)
-	-	26,048	26,048
71,540	71,540	214,899	143,359
111,322	111,322	251,124	139,802
12,000	12,000	22,623	10,623
20,561,890	20,561,890	20,813,611	251,721
2,366,000	2,403,795	2,402,894	901
12,903,195	13,014,771	12,699,189	315,582
5,456,757	5,836,757	5,611,447	225,310
-	-	-	-
20,725,952	21,255,323	20,713,530	541,793
(164,062)	(693,433)	100,081	793,514
-	-	-	-
-	547,295	-	(547,295)
-	547,295	-	(547,295)
(164,062)	(146,138)	100,081	246,219
164,062	146,138	4,262,779	4,116,641
\$ -	\$ -	\$ 4,362,860	\$ 4,362,860

TOWN OF ORANGETOWN, NEW YORK

TOWN OUTSIDE VILLAGES FUND - POLICE
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2009
 (With Comparative Actuals for 2008)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2008 Actual
REAL PROPERTY TAXES	\$ 20,139,119	\$ 20,139,119	\$ 20,218,732	\$ 79,613	\$ 19,679,652
OTHER TAX ITEMS					
Payments in lieu of taxes	99,442	99,442	81,779	(17,663)	89,736
Interest and penalties on real property taxes	15,000	15,000	80,696	65,696	83,516
	114,442	114,442	162,475	48,033	173,252
DEPARTMENTAL INCOME					
Police fees	80,000	80,000	68,901	(11,099)	142,388
INTERGOVERNMENTAL CHARGES					
Gasoline for other governments	30,000	30,000	-	(30,000)	25,119
USE OF MONEY AND PROPERTY					
Earnings on investments	315,000	315,000	59,625	(255,375)	278,506

SALE OF PROPERTY AND COMPENSATION
FOR LOSS

Sale of equipment	10,000	10,000	-	(10,000)	26,048
STATE AID					
Law enforcement	160,000	160,000	147,840	(12,160)	196,478
D.W.I. Program	8,300	8,300	-	(8,300)	18,421
Other	-	-	1,076	1,076	-
FEDERAL AID	168,300	168,300	148,916	(19,384)	214,899
COPS in Schools Grant	95,000	95,000	59,941	(35,059)	246,233
Bulletproof Vest Partnership Grant	-	-	4,891	4,891	4,891
MISCELLANEOUS	95,000	95,000	64,832	(30,168)	251,124
Gifts and donations	12,000	12,000	8,983	(3,017)	14,807
Other	-	-	5	5	7,816
	12,000	12,000	8,988	(3,012)	22,623
TOTAL REVENUES	20,963,861	20,963,861	20,732,469	(231,392)	20,813,611
OTHER FINANCING SOURCES					
Bonds issued	-	-	528,350	528,350	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 20,963,861	\$ 20,963,861	\$ 21,260,819	\$ 296,958	\$ 20,813,611

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TOWN OF ORANGETOWN, NEW YORK

TOWN OUTSIDE VILLAGES FUND - POLICE
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2009
 (With Comparative Actuals for 2008)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2008 Actual
GENERAL GOVERNMENT SUPPORT					
Independent audit	\$ 22,000	\$ 22,000	\$ 22,000	\$ -	\$ 21,900
Unallocated insurance	310,400	310,400	310,400	-	310,400
Judgments and claims	-	-	-	-	547,295
Metropolitan commuter transportation mobility tax	-	31,900	31,875	25	-
Reimbursement to General Fund for services	1,732,858	1,732,858	1,732,858	-	1,523,299
	2,065,258	2,097,158	2,097,133	25	2,402,894
PUBLIC SAFETY					
Police	13,619,272	13,198,302	12,658,951	539,351	12,692,741
Auxiliary police	4,760	4,760	2,565	2,195	6,448
	13,624,032	13,203,062	12,661,516	541,546	12,699,189
EMPLOYEE BENEFITS					
State retirement	1,967,000	2,442,356	2,298,953	143,403	2,219,791
Social security	810,000	803,000	764,827	38,173	760,697
Life insurance	60,000	69,200	69,113	87	55,202
Hospitalization and dental insurance	2,709,700	2,579,700	2,579,454	246	2,442,169
Workers' compensation benefits	122,800	122,800	122,800	-	122,800
Unemployment benefits	2,500	12,600	12,458	142	10,788
	5,672,000	6,029,656	5,847,605	182,051	5,611,447
DEBT SERVICE					
Interest - Bond anticipation notes	-	13,644	13,644	-	-
TOTAL EXPENDITURES	\$ 21,361,290	\$ 21,343,520	\$ 20,619,898	\$ 723,622	\$ 20,713,530

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, 2009 AND 2008

	2009			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 2,054,734	\$ 2,054,734	\$ 2,054,734	\$ -
Other tax items	29,860	29,860	39,718	9,858
Departmental income	972,000	972,000	912,406	(59,594)
Intergovernmental charges	95,000	95,000	101,797	6,797
Use of money and property	60,000	60,000	8,707	(51,293)
State aid	84,000	84,000	110,905	26,905
Miscellaneous	-	-	-	-
Total Revenues	3,295,594	3,295,594	3,228,267	(67,327)
Expenditures:				
Current:				
General government support	318,168	321,718	321,710	8
Public safety	1,072,667	1,031,593	1,031,593	-
Transportation	410,000	510,623	510,623	-
Home and community services	1,043,159	1,063,570	1,038,176	25,394
Employee benefits	476,600	474,602	474,422	180
Debt service - Interest	-	3,411	3,411	-
Total Expenditures	3,320,594	3,405,517	3,379,935	25,582
Deficiency of Revenues Over Expenditures	(25,000)	(109,923)	(151,668)	(41,745)
Other Financing Sources:				
Bonds issued	-	-	132,088	132,088
Obligations authorized	-	-	-	-
Total Other Financing Sources	-	-	132,088	132,088
Net Change in Fund Balance	(25,000)	(109,923)	(19,580)	90,343
Fund Balance - Beginning of Year	25,000	109,923	172,765	62,842
Fund Balance - End of Year	\$ -	\$ -	\$ 153,185	\$ 153,185

2008			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,989,306	\$ 1,989,306	\$ 1,990,959	\$ 1,653
42,000	42,000	50,273	8,273
940,000	940,000	832,248	(107,752)
95,000	95,000	102,095	7,095
95,000	95,000	45,338	(49,662)
84,000	84,000	102,364	18,364
-	-	26,513	26,513
3,245,306	3,245,306	3,149,790	(95,516)
406,500	434,124	433,466	658
1,018,726	1,101,226	1,072,334	28,892
415,000	395,000	394,523	477
935,080	1,009,910	977,004	32,906
470,000	441,870	441,646	224
-	-	-	-
3,245,306	3,382,130	3,318,973	63,157
-	(136,824)	(169,183)	(32,359)
-	-	-	-
-	136,824	-	(136,824)
-	136,824	-	(136,824)
-	-	(169,183)	(169,183)
-	-	341,948	341,948
\$ -	\$ -	\$ 172,765	\$ 172,765

TOWN OF ORANGETOWN, NEW YORK

TOWN OUTSIDE VILLAGES FUND - OTHER
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET

YEAR ENDED DECEMBER 31, 2009

(With Comparative Actuals for 2008)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2008 Actual
REAL PROPERTY TAXES	\$ 2,054,734	\$ 2,054,734	\$ 2,054,734	\$ -	\$ 1,990,959
OTHER TAX ITEMS					
Payments in lieu of taxes	24,860	24,860	20,444	(4,416)	22,434
Interest and penalties on real property taxes	5,000	5,000	19,274	14,274	27,839
DEPARTMENTAL INCOME	29,860	29,860	39,718	9,858	50,273
Building permit fees	940,000	940,000	764,492	(175,508)	798,328
Zoning fees	12,000	12,000	22,700	10,700	12,800
Planning Board fees	20,000	20,000	125,214	105,214	21,120
INTERGOVERNMENTAL CHARGES	972,000	972,000	912,406	(59,594)	832,248
Recycling services for other governments	95,000	95,000	101,797	6,797	102,095
USE OF MONEY AND PROPERTY					
Earnings on investments	60,000	60,000	8,707	(51,293)	45,338
STATE AID					
Per capita	84,000	84,000	84,000	-	84,000
Youth programs	-	-	500	500	1,340
Other	-	-	26,405	26,405	17,024
	84,000	84,000	110,905	26,905	102,364

MISCELLANEOUS

Refund of prior year's expenditures

-	-	-	-	26,513
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TOTAL REVENUES

3,295,594	3,295,594	3,228,267	(67,327)	3,149,790
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OTHER FINANCING SOURCES

Bonds issued

-	-	132,088	132,088	-
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TOTAL REVENUES AND OTHER
FINANCING SOURCES

\$ 3,295,594	\$ 3,295,594	\$ 3,360,355	\$ 64,761	\$ 3,149,790
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TOWN OF ORANGETOWN, NEW YORK

TOWN OUTSIDE VILLAGES FUND - OTHER
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2009
 (With Comparative Actuals for 2008)

	Original Budget	\$	Final Budget	\$	Actual	Variance with Final Budget Positive (Negative)	2008 Actual
GENERAL GOVERNMENT SUPPORT							
Independent audit	\$ 4,500	\$	4,500	\$	4,500	-	\$ 4,000
Unallocated insurance	44,800		44,800		44,800	-	44,800
Judgments and claims	-		-		-	-	136,824
Metropolitan commuter transportation mobility tax	-		3,550		3,542	8	-
Reimbursement to General Fund for services	268,868		268,868		268,868	-	247,842
	318,168		321,718		321,710	8	433,466
PUBLIC SAFETY							
Safety inspection	1,072,667		1,031,593		1,031,593	-	1,072,334
TRANSPORTATION							
Street lighting	410,000		510,623		510,623	-	394,523
HOME AND COMMUNITY SERVICES							
Zoning Board of Appeals	140,454		140,454		124,859	15,595	118,604
Historic Area Board of Review	10,458		11,758		11,661	97	12,131
Planning Board	170,520		172,720		172,638	82	152,423
Architecture and Community Board of Review	17,728		24,528		24,447	81	23,841
Refuse and garbage	653,999		681,476		681,476	-	654,269
Shade trees	50,000		32,634		23,095	9,539	15,736
	1,043,159		1,063,570		1,038,176	25,394	977,004

EMPLOYEE BENEFITS

State retirement	63,700	75,300	75,300	-	70,702
Social security	98,000	101,402	101,402	-	89,982
Hospitalization and dental insurance	294,800	279,800	279,780	20	263,362
Workers' compensation benefits	17,600	17,600	17,600	-	17,600
Unemployment benefits	2,500	500	340	160	-

	476,600	474,602	474,422	180	441,646
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DEBT SERVICE

Interest - Bond anticipation notes	-	3,411	3,411	-	-
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TOTAL EXPENDITURES	\$ 3,320,594	\$ 3,405,517	\$ 3,379,935	\$ 25,582	\$ 3,318,973
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TOWN OF ORANGETOWN, NEW YORK

SEWER FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 2,546,083	\$ 3,635,852
Receivables:		
Accounts, net of allowance for uncollectible amounts of \$145,434 in 2009	202,675	154,845
State and Federal aid	85,000	40,000
Due from other funds	1,513,781	1,407,624
	<u>1,801,456</u>	<u>1,602,469</u>
Prepaid Expenditures	<u>64,545</u>	<u>55,523</u>
Total Assets	<u>\$ 4,412,084</u>	<u>\$ 5,293,844</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 169,035	\$ 85,943
Accrued liabilities	-	14,450
Bond anticipation notes payable	-	208,436
Due to other funds	2,310,231	3,181,776
Total Liabilities	<u>2,479,266</u>	<u>3,490,605</u>
Fund Balance:		
Reserved for prepaid expenditures	64,545	55,523
Reserved for encumbrances	647,192	596,155
Unreserved:		
Designated for subsequent year's expenditures	300,000	200,000
Undesignated	921,081	951,561
Total Fund Balance	<u>1,932,818</u>	<u>1,803,239</u>
Total Liabilities and Fund Balance	<u>\$ 4,412,084</u>	<u>\$ 5,293,844</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, 2009 AND 2008

	2009			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 5,746,785	\$ 5,746,785	\$ 5,748,707	\$ 1,922
Departmental income	570,000	570,000	664,044	94,044
Intergovernmental charges	875,000	875,000	1,190,029	315,029
Use of money and property	180,000	180,000	21,240	(158,760)
Interfund revenues	105,000	105,000	-	(105,000)
State aid	-	-	45,000	45,000
Miscellaneous	-	-	-	-
Total Revenues	7,476,785	7,476,785	7,669,020	192,235
Expenditures:				
Current:				
General government support:				
Independent audit	8,000	8,000	8,000	-
Unallocated insurance	145,600	145,600	145,600	-
Judgments and claims	-	-	-	-
Reimbursement to the General Fund for services	619,739	628,439	628,392	47
	773,339	782,039	781,992	47
Home and community services:				
Sewer administration	809,965	850,965	849,023	1,942
Sewage collection and industrial pre-treatment	2,105,443	1,778,484	1,777,460	1,024
Sewage treatment and disposal	3,356,756	3,304,299	3,058,005	246,294
	6,272,164	5,933,748	5,684,488	249,260
Employee benefits:				
State retirement	210,800	249,800	249,157	643
Social security	238,337	223,337	220,564	2,773
Hospitalization and dental insurance	740,700	695,485	689,314	6,171
Workers' compensation benefits	37,600	37,600	37,600	-
Unemployment benefits	-	1,215	1,215	-
	1,227,437	1,207,437	1,197,850	9,587
Debt service -				
Interest - Bond anticipation notes	-	-	-	-
Total Expenditures	8,272,940	7,923,224	7,664,330	258,894
Excess (Deficiency) of Revenues Over Expenditures	(796,155)	(446,439)	4,690	451,129
Other Financing Sources (Uses):				
Bonds issued	-	-	201,221	201,221
Obligations authorized	-	-	-	-
Transfers out	-	(76,332)	(76,332)	-
Total Other Financing Sources (Uses)	-	(76,332)	124,889	201,221
Net Change in Fund Balance	(796,155)	(522,771)	129,579	652,350
Fund Balance - Beginning of Year	796,155	522,771	1,803,239	1,280,468
Fund Balance - End of Year	\$ -	\$ -	\$ 1,932,818	\$ 1,932,818

2008			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 6,596,208	\$ 6,596,208	\$ 6,600,268	\$ 4,060
570,000	570,000	501,737	(68,263)
660,000	1,031,320	867,809	(163,511)
250,000	250,000	116,893	(133,107)
-	-	-	-
-	40,000	40,000	-
-	-	3,371	3,371
8,076,208	8,487,528	8,130,078	(357,450)
8,500	8,500	8,000	500
182,000	182,000	145,600	36,400
-	208,436	208,436	-
708,000	581,000	580,391	609
898,500	979,936	942,427	37,509
510,379	635,979	624,132	11,847
2,007,341	1,790,541	1,711,420	79,121
2,877,557	3,073,427	2,677,455	395,972
5,395,277	5,499,947	5,013,007	486,940
284,094	234,094	233,978	116
218,616	216,616	215,961	655
681,290	671,290	670,629	661
47,000	38,000	37,600	400
-	-	-	-
1,231,000	1,160,000	1,158,168	1,832
787,370	1,045,570	1,045,528	42
8,312,147	8,685,453	8,159,130	526,323
(235,939)	(197,925)	(29,052)	168,873
-	-	-	-
-	208,436	-	(208,436)
(195,000)	(275,000)	(275,000)	-
(195,000)	(66,564)	(275,000)	(208,436)
(430,939)	(264,489)	(304,052)	(39,563)
430,939	264,489	2,107,291	1,842,802
\$ -	\$ -	\$ 1,803,239	\$ 1,803,239

TOWN OF ORANGETOWN, NEW YORK

HIGHWAY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
Cash - Demand deposits	\$ 1,642,689	\$ 1,114,742
Investments	422	712,042
Receivables:		
Accounts	260,187	50,872
State and Federal aid	56,163	105,399
Due from other governments	554	554
Due from other funds	6,085,744	6,286,574
	6,402,648	6,443,399
Prepaid Expenditures	85,404	73,467
Total Assets	<u>\$ 8,131,163</u>	<u>\$ 8,343,650</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 233,971	\$ 442,669
Accrued liabilities	76,558	114,039
Bond anticipation notes payable	-	280,957
Due to other funds	4,452,508	4,278,788
Deferred revenues	117,440	117,440
Total Liabilities	4,880,477	5,233,893
Fund Balance:		
Reserved for prepaid expenditures	85,404	73,467
Reserved for encumbrances	28,745	741,224
Unreserved:		
Designated for capital improvements	42,690	-
Unreserved and undesignated	3,093,847	2,295,066
Total Fund Balance	3,250,686	3,109,757
Total Liabilities and Fund Balance	<u>\$ 8,131,163</u>	<u>\$ 8,343,650</u>

TOWN OF ORANGETOWN, NEW YORK

HIGHWAY FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCES - SUB-FUNDS

YEAR ENDED DECEMBER 31, 2009

(With Comparative Totals for 2008)

	Part-Town	Town-Wide	Totals	
			2009	2008
Revenues:				
Real property taxes	\$ 4,504,519	\$ 4,145,445	\$ 8,649,964	\$ 8,896,936
Intergovernmental charges	18,050	60,748	78,798	121,086
Use of money and property	16,701	13,665	30,366	121,477
Sale of property and compensation for loss	-	64,378	64,378	51,084
Interfund revenues	-	28,220	28,220	71,934
State aid	113,631	175,284	288,915	331,096
Miscellaneous	124,363	6,060	130,423	97,884
Total Revenues	<u>4,777,264</u>	<u>4,493,800</u>	<u>9,271,064</u>	<u>9,691,497</u>
Expenditures -				
Current:				
General government support	482,025	434,609	916,634	1,155,854
Transportation	3,428,628	3,490,592	6,919,220	6,253,010
Employee benefits	832,345	767,320	1,599,665	1,551,178
Total Expenditures	<u>4,742,998</u>	<u>4,692,521</u>	<u>9,435,519</u>	<u>8,960,042</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>34,266</u>	<u>(198,721)</u>	<u>(164,455)</u>	<u>731,455</u>
Other Financing Sources:				
Bonds issued	122,054	149,178	271,232	-
Transfers in	-	34,152	34,152	19,780
Total Other Financing Sources	<u>122,054</u>	<u>183,330</u>	<u>305,384</u>	<u>19,780</u>
Net Change in Fund Balances	156,320	(15,391)	140,929	751,235
Fund Balances - Beginning of Year	<u>341,891</u>	<u>2,767,866</u>	<u>3,109,757</u>	<u>2,358,522</u>
Fund Balances - End of Year	<u>\$ 498,211</u>	<u>\$ 2,752,475</u>	<u>\$ 3,250,686</u>	<u>\$ 3,109,757</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, 2009 AND 2008

	2009			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 4,504,519	\$ 4,504,519	\$ 4,504,519	\$ -
Intergovernmental charges	45,000	45,000	18,050	(26,950)
Use of money and property	90,000	90,000	16,701	(73,299)
State aid	213,550	213,550	113,631	(99,919)
Miscellaneous	-	-	124,363	124,363
Total Revenues	4,853,069	4,853,069	4,777,264	(75,805)
Expenditures -				
Current:				
General government support:				
Unallocated insurance	85,600	85,600	85,600	-
Judgments and claims	-	-	-	-
Metropolitan commuter transportation mobility tax	-	5,170	5,160	10
Reimbursement to General Fund for services	391,265	391,265	391,265	-
	476,865	482,035	482,025	10
Transportation:				
General repairs	3,345,400	3,354,997	3,354,997	-
Permanent improvements	231,018	173,977	73,631	100,346
	3,576,418	3,528,974	3,428,628	100,346
Employee benefits:				
State retirement	142,000	169,000	168,135	865
Social security	215,000	213,000	173,729	39,271
Hospitalization and dental insurance	487,600	464,600	464,081	519
Workers' compensation benefits	26,400	26,400	26,400	-
	871,000	873,000	832,345	40,655
Total Expenditures	4,924,283	4,884,009	4,742,998	141,011
Excess (Deficiency) of Revenues Over Expenditures	(71,214)	(30,940)	34,266	65,206
Other Financing Sources:				
Bonds issued	-	-	122,054	122,054
Obligations authorized	-	-	-	-
Total Other Financing Sources	-	-	122,054	122,054
Net Change in Fund Balance	(71,214)	(30,940)	156,320	187,260
Fund Balance - Beginning of Year	71,214	30,940	341,891	310,951
Fund Balance - End of Year	\$ -	\$ -	\$ 498,211	\$ 498,211

2008			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,389,614	\$ 4,389,614	\$ 4,393,069	\$ 3,455
15,000	15,000	48,237	33,237
130,000	130,000	75,774	(54,226)
155,666	190,492	174,178	(16,314)
15,000	15,000	89,439	74,439
<u>4,705,280</u>	<u>4,740,106</u>	<u>4,780,697</u>	<u>40,591</u>
217,000	85,600	85,600	-
-	126,431	126,431	-
-	-	-	-
<u>424,000</u>	<u>357,400</u>	<u>357,353</u>	<u>47</u>
<u>641,000</u>	<u>569,431</u>	<u>569,384</u>	<u>47</u>
3,159,505	3,345,162	3,350,035	(4,873)
174,287	162,287	161,726	561
<u>3,333,792</u>	<u>3,507,449</u>	<u>3,511,761</u>	<u>(4,312)</u>
170,000	152,000	157,801	(5,801)
162,000	171,100	171,012	88
444,000	452,200	452,120	80
33,000	33,000	26,400	6,600
<u>809,000</u>	<u>808,300</u>	<u>807,333</u>	<u>967</u>
<u>4,783,792</u>	<u>4,885,180</u>	<u>4,888,478</u>	<u>(3,298)</u>
<u>(78,512)</u>	<u>(145,074)</u>	<u>(107,781)</u>	<u>37,293</u>
-	-	-	-
-	126,431	-	(126,431)
-	126,431	-	(126,431)
(78,512)	(18,643)	(107,781)	(89,138)
<u>78,512</u>	<u>18,643</u>	<u>449,672</u>	<u>431,029</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 341,891</u>	<u>\$ 341,891</u>

TOWN OF ORANGETOWN, NEW YORK

HIGHWAY FUND - TOWN-WIDE
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 4,145,084	\$ 4,145,084	\$ 4,145,445	\$ 361
Intergovernmental charges	148,600	148,600	60,748	(87,852)
Use of money and property	55,000	55,000	13,665	(41,335)
Sale of property and compensation for loss	30,000	30,000	64,378	34,378
Interfund revenues	-	-	28,220	28,220
State aid	-	-	175,284	175,284
Miscellaneous	50,000	50,000	6,060	(43,940)
Total Revenues	4,428,684	4,428,684	4,493,800	65,116
Expenditures -				
Current:				
General government support:				
Unallocated insurance	70,400	70,400	70,400	-
Judgments and claims	-	-	-	-
Metropolitan commuter transportation mobility tax	-	6,310	6,307	3
Reimbursement to General Fund for services	357,902	357,902	357,902	-
	428,302	434,612	434,609	3
Transportation:				
General repairs	50,600	38,400	19,771	18,629
Machinery	1,178,725	1,118,615	912,014	206,601
Brush and weeds	1,426,646	1,427,236	1,403,791	23,445
Snow removal	1,252,021	1,220,021	1,155,016	65,005
	3,907,992	3,804,272	3,490,592	313,680
Employee benefits:				
State retirement	136,400	162,400	161,541	859
Social security	143,000	150,160	150,160	-
Unemployment benefits	7,000	3,200	3,200	-
Hospitalization and dental insurance	452,000	428,640	428,419	221
Workers' compensation benefits	24,000	24,000	24,000	-
	762,400	768,400	767,320	1,080
Total Expenditures	5,098,694	5,007,284	4,692,521	314,763
Excess (Deficiency) of Revenues Over Expenditures	(670,010)	(578,600)	(198,721)	379,879
Other Financing Sources:				
Bonds issued	-	-	149,178	149,178
Obligations authorized	-	-	-	-
Transfers in	-	-	34,152	34,152
Total Other Financing Sources	-	-	183,330	183,330
Net Change in Fund Balance	(670,010)	(578,600)	(15,391)	563,209
Fund Balance - Beginning of Year	670,010	578,600	2,767,866	2,189,266
Fund Balance - End of Year	\$ -	\$ -	\$ 2,752,475	\$ 2,752,475

2008			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,503,663	\$ 4,503,663	\$ 4,503,867	\$ 204
148,600	148,600	72,849	(75,751)
110,000	110,000	45,703	(64,297)
10,000	10,000	51,084	41,084
-	-	71,934	71,934
-	-	156,918	156,918
10,500	10,500	8,445	(2,055)
4,782,763	4,782,763	4,910,800	128,037
178,000	70,400	70,400	-
-	154,526	154,526	-
-	-	-	-
415,000	361,600	361,544	56
593,000	586,526	586,470	56
25,000	53,600	25,110	28,490
1,109,033	1,124,959	596,892	528,067
1,335,404	1,694,294	1,466,987	227,307
1,138,849	844,159	652,260	652,260
3,608,286	3,717,012	2,741,249	1,436,124
163,000	154,000	151,613	2,387
131,000	143,200	143,173	27
7,500	7,500	6,651	849
415,000	419,000	418,408	592
30,000	30,000	24,000	6,000
746,500	753,700	743,845	9,855
4,947,786	5,057,238	4,071,564	985,674
(165,023)	(274,475)	839,236	1,113,711
-	-	-	-
-	154,526	-	(154,526)
-	-	19,780	19,780
-	154,526	19,780	(134,746)
(165,023)	(119,949)	859,016	978,965
165,023	119,949	1,908,850	1,788,901
\$ -	\$ -	\$ 2,767,866	\$ 2,767,866

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TOWN OF ORANGETOWN, NEW YORK

DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 2,852,695	\$ 11,047,865
Due from Other Funds	<u>473,600</u>	<u>2,447,366</u>
Total Assets	<u>\$ 3,326,295</u>	<u>\$ 13,495,231</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities - Due to other funds	<u>\$ -</u>	<u>\$ 9,350,610</u>
Fund Balance:		
Reserved for debt service	2,326,295	3,144,621
Unreserved - Designated for subsequent year's expenditures	<u>1,000,000</u>	<u>1,000,000</u>
Total Fund Balance	<u>3,326,295</u>	<u>4,144,621</u>
Total Liabilities and Fund Balance	<u>\$ 3,326,295</u>	<u>\$ 13,495,231</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, 2009 AND 2008

	2009			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 2,957,188	\$ 2,957,188	\$ 2,957,188	\$ -
Use of money and property	60,000	60,000	21,350	(38,650)
Miscellaneous	-	-	124,975	124,975
Total Revenues	3,017,188	3,017,188	3,103,513	86,325
Expenditures:				
Current -				
General government support	10,000	126,841	126,841	-
Debt service -				
Serial bonds:				
Principal	2,255,965	2,255,965	2,255,965	-
Interest	1,553,584	1,436,743	1,417,726	19,017
Total Expenditures	3,819,549	3,819,549	3,800,532	19,017
Excess (Deficiency) of Revenues Over Expenditures	(802,361)	(802,361)	(697,019)	105,342
Other Financing Sources (Uses):				
Transfers in	-	-	76,332	76,332
Transfers out	(197,639)	(197,639)	(197,639)	-
Total Other Financing Sources (Uses)	(197,639)	(197,639)	(121,307)	76,332
Net Change in Fund Balance	(1,000,000)	(1,000,000)	(818,326)	181,674
Fund Balance - Beginning of Year	1,000,000	1,000,000	4,144,621	3,144,621
Fund Balance - End of Year	\$ -	\$ -	\$ 3,326,295	\$ 3,326,295

2008			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,553,976	\$ 2,553,976	\$ 2,555,622	\$ 1,646
50,000	50,000	183,850	133,850
-	-	181,378	181,378
2,603,976	2,603,976	2,920,850	316,874
10,000	10,000	8,304	1,696
2,030,000	2,030,000	1,405,000	625,000
1,056,833	1,056,833	731,492	325,341
3,096,833	3,096,833	2,144,796	952,037
(492,857)	(492,857)	776,054	1,268,911
-	-	80,000	80,000
(62,143)	(62,143)	(62,143)	-
(62,143)	(62,143)	17,857	80,000
(555,000)	(555,000)	793,911	1,348,911
555,000	555,000	3,350,710	2,795,710
\$ -	\$ -	\$ 4,144,621	\$ 4,144,621

TOWN OF ORANGETOWN, NEW YORK

CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
Cash - Demand deposits	\$ 1,041,516	\$ 810,586
Restricted Investments	3,277,606	9,671,117
Receivables:		
State and Federal aid	20,000	58,993
Due from other funds	1,296,494	9,820,396
	1,316,494	9,879,389
Total Assets	\$ 5,635,616	\$ 20,361,092
<u>LIABILITIES AND FUND DEFICIT</u>		
Liabilities:		
Accounts payable	\$ 471,754	\$ 703,142
Retained percentages	1,432,327	1,605,280
Bond anticipation notes payable	11,715,000	18,015,000
Due to other funds	-	2,630,065
Total Liabilities	13,619,081	22,953,487
Fund Balance (Deficit):		
Unreserved:		
Designated for capital improvements	66,889	66,889
Undesignated	(8,050,354)	(2,659,284)
Total Fund Deficit	(7,983,465)	(2,592,395)
Total Liabilities and Fund Deficit	\$ 5,635,616	\$ 20,361,092

TOWN OF ORANGETOWN, NEW YORK

CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
Revenues:		
State aid	\$ 50,850	\$ 191,375
Miscellaneous	473,600	57,900
Total Revenues	524,450	249,275
Expenditures - Capital outlay	8,370,520	22,606,136
Deficiency of Revenues Over Expenditures	(7,846,070)	(22,356,861)
Other Financing Sources (Uses):		
Bonds issued	-	47,423,218
Energy performance debt issued	2,100,000	-
Transfers in	431,332	542,500
Transfers out	(76,332)	(80,000)
Total Other Financing Sources	2,455,000	47,885,718
Net Change in Fund Balance	(5,391,070)	25,528,857
Fund Deficit - Beginning of Year	(2,592,395)	(28,121,252)
Fund Deficit - End of Year	\$ (7,983,465)	\$ (2,592,395)

TOWN OF ORANGETOWN, NEW YORK

CAPITAL PROJECTS FUND

PROJECT-LENGTH SCHEDULE

INCEPTION OF PROJECT THROUGH DECEMBER 31, 2009

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
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	6,225,000	6,468,438	(243,438)
Salter House	187,000	196,896	(9,896)
Sewer Reconstruction - 2005/2006	48,759,068	45,101,955	3,657,113
Highway Vehicles - 2005	1,470,000	1,426,384	43,616
Sewer Vehicles - 2005	250,000	197,725	52,275
Cherry Brook Drainage Improvements	6,057,100	4,619,555	1,437,545
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)
Energy Performance Project	2,475,000	623,123	1,851,877
Steps to a Healthier New York	14,500	18,990	(4,490)
Totals	<u>\$ 80,655,555</u>	<u>\$ 72,043,335</u>	<u>\$ 8,612,220</u>

Methods of Financing					Fund Balance (Deficit) at December 31, 2009	Bond Anticipation Notes Outstanding at December 31, 2009
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	-
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	-
472,845	-	-	1,107,900	1,580,745	(4,887,693)	3,788,745
-	-	187,000	-	187,000	(9,896)	-
45,675,718	-	38,350	500,000	46,214,068	1,112,113	1,200,000
179,835	-	-	-	179,835	(1,246,549)	1,138,135
39,388	-	-	-	39,388	(158,337)	209,988
92,932	-	4,375	569,600	666,907	(3,952,648)	5,378,132
-	-	-	-	-	(5,234)	-
-	-	-	-	-	(556,724)	-
-	-	-	-	-	(158,090)	-
-	-	50,000	-	50,000	(1,256)	-
2,100,000	-	12,500	-	2,112,500	1,489,377	-
-	-	10,000	-	10,000	(8,990)	-
<u>\$ 60,380,527</u>	<u>\$ 354,283</u>	<u>\$ 1,000,056</u>	<u>\$ 2,258,115</u>	<u>\$ 63,992,981</u>	<u>\$ (8,050,354)</u>	<u>\$ 11,715,000</u>

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NON-MAJOR GOVERNMENTAL FUNDS

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

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

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

TOWN OF ORANGETOWN, NEW YORK

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009
(With Comparative Totals for 2008)

	Special Districts	Pearl River Parking	Special Purpose
<u>ASSETS</u>			
Cash - Demand deposits	\$ 245,145	\$ 189,807	\$ 552,326
Receivables:			
Accounts	-	2,346	-
Due from other funds	70,611	-	-
	70,611	2,346	-
Prepaid Expenditures	-	-	-
Total Assets	\$ 315,756	\$ 192,153	\$ 552,326
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 45,940	\$ -	\$ -
Bond anticipation notes payable	-	-	-
Due to other governments	-	-	-
Due to other funds	46,929	108,489	-
Total Liabilities	92,869	108,489	-
Fund Balances:			
Reserved for prepaid expenditures	-	-	-
Reserved for parklands	-	-	552,326
Unreserved and undesignated	222,887	83,664	-
Total Fund Balances	222,887	83,664	552,326
Total Liabilities and Fund Balances	\$ 315,756	\$ 192,153	\$ 552,326

Total Non-Major Governmental Funds	
2009	2008
\$ 987,278	\$ 806,465
2,346	2,241
70,611	70,611
72,957	72,852
-	45,958
\$ 1,060,235	\$ 925,275

\$ 45,940	\$ 400
-	55,384
-	17,314
155,418	108,489
201,358	181,587
-	45,958
552,326	535,322
306,551	162,408
858,877	743,688
\$ 1,060,235	\$ 925,275

TOWN OF ORANGETOWN, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2009
 (With Comparative Totals for 2008)

	Special Districts	Pearl River Parking	Special Purpose
Revenues:			
Real property taxes	\$ 1,800,360	\$ -	\$ -
Departmental income	-	106,686	18,000
Use of money and property	3,684	539	2,504
Total Revenues	1,804,044	107,225	20,504
Expenditures -			
Current:			
General government support	-	-	-
Public safety	851,331	-	-
Health	400,000	-	-
Transportation	-	68,914	-
Culture and recreation	-	-	3,500
Home and community services	546,305	-	-
Total Expenditures	1,797,636	68,914	3,500
Excess of Revenues Over Expenditures	6,408	38,311	17,004
Other Financing Sources -			
Bonds issued	53,466	-	-
Net Change in Fund Balances	59,874	38,311	17,004
Fund Balances - Beginning of Year	163,013	45,353	535,322
Fund Balances - End of Year	\$ 222,887	\$ 83,664	\$ 552,326

Total Non-Major Governmental Funds	
2009	2008
\$ 1,800,360	\$ 1,757,367
124,686	197,794
6,727	36,048
<u>1,931,773</u>	<u>1,991,209</u>
-	55,384
851,331	830,956
400,000	400,000
68,914	82,987
3,500	-
<u>546,305</u>	<u>527,007</u>
<u>1,870,050</u>	<u>1,896,334</u>
61,723	94,875
<u>53,466</u>	<u>-</u>
115,189	94,875
<u>743,688</u>	<u>648,813</u>
<u>\$ 858,877</u>	<u>\$ 743,688</u>

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TOWN OF ORANGETOWN, NEW YORK

SPECIAL DISTRICTS FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
Cash - Demand deposits	\$ 245,145	\$ 119,142
Due from Other Funds	70,611	70,611
Prepaid Expenditures	-	45,958
Total Assets	<u>\$ 315,756</u>	<u>\$ 235,711</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 45,940	\$ -
Bond anticipation notes payable	-	55,384
Due to other funds	46,929	-
Due to other governments	-	17,314
Total Liabilities	<u>92,869</u>	<u>72,698</u>
Fund Balance:		
Reserved for prepaid expenditures	-	45,958
Unreserved and undesignated	<u>222,887</u>	<u>117,055</u>
Total Fund Balance	<u>222,887</u>	<u>163,013</u>
Total Liabilities and Fund Balance	<u>\$ 315,756</u>	<u>\$ 235,711</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, 2009

(With Comparative Totals for 2008)

	Water	Blauvelt Fire Protection	South Orangetown Ambulance
Revenues:			
Real property taxes	\$ 554,961	\$ 845,399	\$ 400,000
Use of money and property	3,684	-	-
Total Revenues	558,645	845,399	400,000
Expenditures -			
Current:			
General government support	-	-	-
Public safety	-	851,331	-
Health	-	-	400,000
Home and community services	546,305	-	-
Total Expenditures	546,305	851,331	400,000
Excess (Deficiency) of Revenues Over Expenditures	12,340	(5,932)	-
Other Financing Sources -			
Bonds issued	15,505	25,664	12,297
Net Change in Fund Balances	27,845	19,732	12,297
Fund Balances (Deficits) - Beginning of Year	132,415	43,235	(12,637)
Fund Balances (Deficits) - End of Year	\$ 160,260	\$ 62,967	\$ (340)

Totals	
2009	2008
\$ 1,800,360	\$ 1,757,367
3,684	26,996
<u>1,804,044</u>	<u>1,784,363</u>
-	55,384
851,331	830,956
400,000	400,000
546,305	527,007
<u>1,797,636</u>	<u>1,813,347</u>
6,408	(28,984)
<u>53,466</u>	<u>-</u>
59,874	(28,984)
<u>163,013</u>	<u>191,997</u>
<u>\$ 222,887</u>	<u>\$ 163,013</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, 2009 AND 2008

	2009			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 535,807	\$ 535,807	\$ 554,961	\$ 19,154
Use of money and property	-	-	3,684	3,684
Total Revenues	535,807	535,807	558,645	22,838
Expenditures -				
Current:				
General government support	-	-	-	-
Home and community services	535,807	546,305	546,305	-
Total Expenditures	535,807	546,305	546,305	-
Excess (Deficiency) of Revenues Over Expenditures	-	(10,498)	12,340	22,838
Other Financing Sources:				
Bonds issued	-	-	15,505	15,505
Obligations authorized	-	-	-	-
Total Other Financing Sources	-	-	15,505	15,505
Net Change in Fund Balance	-	(10,498)	27,845	38,343
Fund Balance - Beginning of Year	-	10,498	132,415	121,917
Fund Balance - End of Year	\$ -	\$ -	\$ 160,260	\$ 160,260

2008			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 515,199	\$ 515,199	\$ 519,534	\$ 4,335
-	-	26,996	26,996
515,199	515,199	546,530	31,331
-	16,279	16,279	-
515,199	527,007	527,007	-
515,199	543,286	543,286	-
-	(28,087)	3,244	31,331
-	-	-	-
-	16,279	-	(16,279)
-	16,279	-	(16,279)
-	(11,808)	3,244	15,052
-	11,808	129,171	117,363
\$ -	\$ -	\$ 132,415	\$ 132,415

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, 2009 AND 2008

	2009			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues -				
Real property taxes	\$ 845,375	\$ 845,375	\$ 845,399	\$ 24
Expenditures -				
Current:				
General government support	-	-	-	-
Public safety	845,375	851,331	851,331	-
Total Expenditures	845,375	851,331	851,331	-
Deficiency of Revenues Over Expenditures	-	(5,956)	(5,932)	24
Other Financing Sources:				
Bonds issued	-	-	25,664	25,664
Obligations authorized	-	-	-	-
Total Other Financing Sources	-	-	25,664	25,664
Net Change in Fund Balance	-	(5,956)	19,732	25,688
Fund Balance - Beginning of Year	-	5,956	43,235	37,279
Fund Balance - End of Year	\$ -	\$ -	\$ 62,967	\$ 62,967

2008			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 837,800	\$ 837,800	\$ 837,833	\$ 33
-	26,468	26,468	-
837,800	837,800	830,956	6,844
837,800	864,268	857,424	6,844
-	(26,468)	(19,591)	6,877
-	-	-	-
-	26,468	-	(26,468)
-	26,468	-	(26,468)
-	-	(19,591)	(19,591)
-	-	62,826	62,826
\$ -	\$ -	\$ 43,235	\$ 43,235

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, 2009 AND 2008

	2009			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	-	-	-	-
Health	400,000	400,000	400,000	-
Total Expenditures	400,000	400,000	400,000	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Other Financing Sources:				
Bonds issued	-	-	12,297	12,297
Obligations authorized	-	-	-	-
Total Other Financing Sources	-	-	12,297	12,297
Net Change in Fund Balance	-	-	12,297	12,297
Fund Deficit - Beginning of Year	-	-	(12,637)	(12,637)
Fund Deficit - End of Year	\$ -	\$ -	\$ (340)	\$ (340)

2008			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 400,000	\$ 400,000	\$ 400,000	\$ -
-	12,637	12,637	-
400,000	400,000	400,000	-
400,000	412,637	412,637	-
-	(12,637)	(12,637)	-
-	-	-	-
-	12,637	-	(12,637)
-	12,637	-	(12,637)
-	-	(12,637)	(12,637)
-	-	-	-
\$ -	\$ -	\$ (12,637)	\$ (12,637)

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TOWN OF ORANGETOWN, NEW YORK

PEARL RIVER PARKING FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2009 AND 2008

<u>ASSETS</u>		
	<u>2009</u>	<u>2008</u>
Cash - Demand deposits	\$ 189,807	\$ 152,001
Accounts Receivable	<u>2,346</u>	<u>2,241</u>
Total Assets	<u>\$ 192,153</u>	<u>\$ 154,242</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ -	\$ 400
Due to other funds	<u>108,489</u>	<u>108,489</u>
Total Liabilities	108,489	108,889
Fund Balance - Unreserved and undesignated	<u>83,664</u>	<u>45,353</u>
Total Liabilities and Fund Balance	<u>\$ 192,153</u>	<u>\$ 154,242</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, 2009 AND 2008

	2009			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Departmental income	\$ 95,499	\$ 95,499	\$ 106,686	\$ 11,187
Use of money and property	2,300	2,300	539	(1,761)
Total Revenues	97,799	97,799	107,225	9,426
Expenditures - Current - Transportation	97,799	97,799	68,914	28,885
Excess of Revenues Over Expenditures	-	-	38,311	38,311
Fund Balance - Beginning of Year	-	-	45,353	45,353
Fund Balance - End of Year	\$ -	\$ -	\$ 83,664	\$ 83,664

2008

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 131,350	\$ 131,350	\$ 117,794	\$ (13,556)
1,500	1,500	2,312	812
132,850	132,850	120,106	(12,744)
132,850	132,850	82,987	49,863
-	-	37,119	37,119
-	-	8,234	8,234
\$ -	\$ -	\$ 45,353	\$ 45,353

TOWN OF ORANGETOWN, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash - Demand deposits	<u>\$ 552,326</u>	<u>\$ 535,322</u>
<u>FUND BALANCE</u>		
Reserved for Parklands	<u>\$ 552,326</u>	<u>\$ 535,322</u>

TOWN OF ORANGETOWN, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Revenues:		
Departmental income	\$ 18,000	\$ 80,000
Use of money and property	<u>2,504</u>	<u>6,740</u>
Total Revenues	20,504	86,740
Expenditures - Culture and recreation	<u>3,500</u>	<u>-</u>
Excess of Revenues Over Expenditures	17,004	86,740
Fund Balance - Beginning of Year	<u>535,322</u>	<u>448,582</u>
Fund Balance - End of Year	<u>\$ 552,326</u>	<u>\$ 535,322</u>

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ENTERPRISE FUNDS

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

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TOWN OF ORANGETOWN, NEW YORK

ENTERPRISE FUND - BLUE HILL GOLF COURSE
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
Current Assets:		
Cash - Demand deposits	\$ 674,341	\$ 492,667
Accounts receivable	79,946	55,224
Due from other funds	414,303	382,143
Prepaid expenses	16,601	14,281
Total Current Assets	1,185,191	944,315
Noncurrent Assets:		
Deferred charges, net of accumulated amortization of \$11,172 in 2009 and \$8,778 in 2008	9,975	12,369
Capital assets:		
Land	3,071,006	3,071,006
Buildings and improvements	835,062	835,062
Improvements other than buildings	5,016,840	5,016,840
Machinery and equipment	1,396,696	1,332,343
	10,319,604	10,255,251
Less - Accumulated depreciation	(4,627,603)	(4,321,879)
	5,692,001	5,933,372
Total Noncurrent Assets	5,701,976	5,945,741
Total Assets	6,887,167	6,890,056
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	25,681	35,211
Accrued interest payable	23,321	28,280
Due to other governments	607	2,197
Due to other funds	1,045,879	791,839
Advances from other funds	1,595,255	1,303,557
Current maturities of bonds payable	385,000	375,000
Current portion of compensated absences	6,353	5,832
Total Current Liabilities	3,082,096	2,541,916
Noncurrent Liabilities:		
Bonds payable, less current maturities	1,840,000	2,225,000
Compensated absences, less current portion	57,178	52,492
Other post employment benefit obligations payable	411,420	200,013
Total Noncurrent Liabilities	2,308,598	2,477,505
Total Liabilities	5,390,694	5,019,421
<u>NET ASSETS (DEFICIT)</u>		
Invested in Capital Assets, net of related debt	3,560,326	3,426,697
Deficit	(2,063,853)	(1,556,062)
Total Net Assets	\$ 1,496,473	\$ 1,870,635

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, 2009 AND 2008

	2009	2008
Operating Revenues:		
Greens fees	\$ 1,927,127	\$ 1,888,742
Cart rental	527,861	503,950
Facility rental	90,424	88,441
Permit cards	139,855	98,003
Other income	3,638	-
Total Operating Revenues	<u>2,688,905</u>	<u>2,579,136</u>
Operating Expenses:		
Personal services	1,022,793	1,047,290
Landscaping materials	50,320	59,661
Office expenses and printing	6,000	4,401
Rental of equipment	74,520	99,697
Automobile maintenance and supplies	63,496	92,700
Repairs and maintenance	18,340	24,703
Utilities	57,889	68,397
Chemicals	119,925	88,619
Contractual and other	583,701	602,703
Employee benefits	661,184	550,521
Depreciation and amortization	308,118	289,106
Total Operating Expenses	<u>2,966,286</u>	<u>2,927,798</u>
Loss from Operations	<u>(277,381)</u>	<u>(348,662)</u>
Non-Operating Revenues (Expenses):		
Interest income	2,893	7,074
Interest expense	(99,674)	(114,789)
Total Non-Operating Expenses	<u>(96,781)</u>	<u>(107,715)</u>
Change in Net Assets	(374,162)	(456,377)
Net Assets - Beginning of Year	<u>1,870,635</u>	<u>2,327,012</u>
Net Assets - End of Year	<u>\$ 1,496,473</u>	<u>\$ 1,870,635</u>

TOWN OF ORANGETOWN, NEW YORK

ENTERPRISE FUND - BLUE HILL GOLF COURSE
 COMPARATIVE STATEMENT OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
Cash Flows From Operating Activities:		
Cash received from charges for services	\$ 2,632,023	\$ 2,563,386
Cash payments to vendors	(441,893)	(578,615)
Cash payments to employees	(1,467,363)	(1,420,591)
Net Cash Provided by Operating Activities	<u>722,767</u>	<u>564,180</u>
Cash Flows From Capital and Related Financing Activities:		
Principal paid on bonds	(375,000)	(375,000)
Interest paid on indebtedness	(104,633)	(118,595)
Acquisition and construction of capital assets	(64,353)	(83,373)
Net Cash Used in Capital and Related Financing Activities	<u>(543,986)</u>	<u>(576,968)</u>
Cash Flows From Investing Activities -		
Interest income	<u>2,893</u>	<u>7,074</u>
Net Increase (Decrease) in Cash	181,674	(5,714)
Cash - Beginning of Year	<u>492,667</u>	<u>498,381</u>
Cash - End of Year	<u>\$ 674,341</u>	<u>\$ 492,667</u>
Reconciliation of Loss from Operations to Net Cash Provided by Operating Activities:		
Loss from operations	\$ (277,381)	\$ (348,662)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Depreciation and amortization	308,118	289,106
Changes in assets and liabilities:		
Accounts receivable	(24,722)	(43,224)
Due from other funds	(32,160)	-
Prepaid expenses	(2,320)	3,042
Accounts payable	(9,530)	(129,524)
Due to other governments	(1,590)	523
Due to other funds	254,040	203,564
Advances from other funds	291,698	355,237
Compensated absences	5,207	34,105
Other post employment benefit obligations payable	<u>211,407</u>	<u>200,013</u>
Net Cash Provided by Operating Activities	<u>\$ 722,767</u>	<u>\$ 564,180</u>

TOWN OF ORANGETOWN, NEW YORK

ENTERPRISE FUND - BROAD ACRES GOLF COURSE
 COMPARATIVE STATEMENT OF NET ASSETS
 DECEMBER 31, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
Current Assets:		
Cash - Demand deposits	\$ -	\$ 43,888
Due from other funds	163,284	1,206,327
Prepaid expenses	4,967	4,272
Total Current Assets	168,251	1,254,487
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	162,560
	3,157,316	3,157,316
Less - Accumulated depreciation	(279,405)	(236,290)
	2,877,911	2,921,026
Total Assets	3,046,162	4,175,513
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	13,453	4,676
Accrued interest payable	63,571	70,183
Due to other funds	87,314	1,176,235
Due to other governments	2,509	1,889
Advances from other funds	1,362,358	1,206,327
Current maturities of bonds payable	75,039	69,035
Current portion of compensated absences	1,404	1,504
Total Current Liabilities	1,605,648	2,529,849
Noncurrent Liabilities:		
Bonds payable, less current maturities	2,773,426	2,848,465
Compensated absences, less current portion	12,631	13,533
Other post employment benefit obligations payable	125,605	61,152
Total Noncurrent Liabilities	2,911,662	2,923,150
Total Liabilities	4,517,310	5,452,999
<u>NET ASSETS (DEFICIT)</u>		
Invested in Capital Assets, net of related debt	29,446	3,526
Unrestricted	(1,500,594)	(1,281,012)
Total Deficit	\$ (1,471,148)	\$ (1,277,486)

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, 2009 AND 2008

	2009	2008
Operating Revenues:		
Greens fees	\$ 523,749	\$ 512,280
Cart rental	101,708	97,860
Permit cards	8,145	7,200
Other income	2,812	-
Total Operating Revenues	636,414	617,340
Operating Expenses:		
Personal services	357,208	357,790
Landscaping materials	19,872	36,105
Office expenses and printing	2,260	2,155
Rental of equipment	21,000	26,860
Automobile maintenance and supplies	15,586	25,598
Repairs and maintenance	6,233	8,395
Utilities	26,804	22,734
Chemicals	52,545	45,022
Contractual and other	159,171	169,248
Employee benefits	196,952	184,761
Depreciation	43,115	48,286
Total Operating Expenses	900,746	926,954
Loss from Operations	(264,332)	(309,614)
Non-Operating Revenues (Expenses):		
Interest income	173	556
Interest expense	(127,142)	(122,284)
Total Non-Operating Expenses	(126,969)	(121,728)
Loss Before Transfers	(391,301)	(431,342)
Transfers In	197,639	62,143
Change in Net Assets	(193,662)	(369,199)
Deficit - Beginning of Year	(1,277,486)	(908,287)
Deficit - End of Year	\$ (1,471,148)	\$ (1,277,486)

TOWN OF ORANGETOWN, NEW YORK

ENTERPRISE FUND - BROAD ACRES GOLF COURSE
 COMPARATIVE STATEMENT OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
Cash Flows From Operating Activities:		
Cash received from charges for services	\$ 1,679,457	\$ 413,329
Cash payments to vendors	(1,226,964)	(473,741)
Cash payments to employees	(491,404)	227,706
Net Cash Provided by (Used in) Operating Activities	(38,911)	167,294
Cash Flows From Non-Capital Financing Activities -		
Transfers in	197,639	62,143
Cash Flows From Capital and Related Financing Activities:		
Issuance of bonds	-	2,917,500
Principal paid on bonds	(69,035)	-
Principal paid on bond anticipation notes	-	(2,965,000)
Interest paid on indebtedness	(133,754)	(176,363)
Acquisition and construction of capital assets	-	(12,347)
Net Cash Used in Capital and Related Financing Activities	(202,789)	(236,210)
Cash Flows From Investing Activities -		
Interest income	173	556
Net Decrease in Cash	(43,888)	(6,217)
Cash - Beginning of Year	43,888	50,105
Cash - End of Year	\$ -	\$ 43,888
Reconciliation of Loss from Operations to Net Cash		
Provided by (Used in) Operating Activities:		
Loss from operations	\$ (264,332)	\$ (309,614)
Adjustments to reconcile loss from operations to		
net cash provided by (used in) operating activities:		
Depreciation	43,115	48,286
Changes in assets and liabilities:		
Due from other funds	1,043,043	(204,011)
Prepaid expenses	(695)	905
Accounts payable	8,777	(36,472)
Due to other funds	(1,088,921)	389,884
Due to other governments	620	1,150
Advances from other funds	156,031	209,261
Compensated absences	(1,002)	6,753
Other post employment benefit obligations payable	64,453	61,152
Net Cash Provided by (Used in) Operating Activities	\$ (38,911)	\$ 167,294

INTERNAL SERVICE FUNDS

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

TOWN OF ORANGETOWN, NEW YORK

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2009
(With Comparative Totals for 2008)

(With Comparative Totals for 2008)

	Workers'	Risk	Totals	
	Compensation	Retention	2009	2008
	Benefits			
<u>ASSETS</u>				
Cash - Demand deposits	\$ 888,088	\$ 250,486	\$ 1,138,574	\$ -
Accounts Receivable	-	-	-	392,891
Due from Other Funds	257,046	800,516	1,057,562	984,818
Prepaid Expenses	18,138	206,686	224,824	234,412
Total Assets	<u>1,163,272</u>	<u>1,257,688</u>	<u>2,420,960</u>	<u>1,612,121</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts payable	418,942	164,089	583,031	7,654
Due to other funds	72,127	-	72,127	-
Current portion of claims payable	<u>355,247</u>	<u>247,330</u>	<u>602,577</u>	<u>684,628</u>
Total Current Liabilities	846,316	411,419	1,257,735	692,282
Noncurrent Liabilities -				
Claims payable, less current portion	<u>327,860</u>	<u>262,441</u>	<u>590,301</u>	<u>588,448</u>
Total Liabilities	<u>1,174,176</u>	<u>673,860</u>	<u>1,848,036</u>	<u>1,280,730</u>
<u>NET ASSETS (DEFICIT)</u>				
Unrestricted	<u>\$ (10,904)</u>	<u>\$ 583,828</u>	<u>\$ 572,924</u>	<u>\$ 331,391</u>

TOWN OF ORANGETOWN, NEW YORK

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2009
(With Comparative Totals for 2008)

	Workers' Compensation Benefits	Risk Retention	Totals	
			2009	2008
Operating Revenues:				
Charges for services	\$ 329,600	\$ 1,155,680	\$ 1,485,280	\$ 1,485,280
Insurance recoveries	191,348	207,822	399,170	109,180
Total Operating Revenues	520,948	1,363,502	1,884,450	1,594,460
Operating Expenses:				
Insurance	295,886	736,697	1,032,583	909,984
Contractual	-	54,664	54,664	178,578
Employee benefits	483,924	-	483,924	324,345
Judgments and claims	-	75,101	75,101	398,283
Total Operating Expenses	779,810	866,462	1,646,272	1,811,190
Income (Loss) from Operations	(258,862)	497,040	238,178	(216,730)
Non-Operating Revenues - Interest income	1,383	1,972	3,355	8,860
Change in Net Assets	(257,479)	499,012	241,533	(207,870)
Net Assets - Beginning of Year	246,575	84,816	331,391	539,261
Net Assets (Deficit) - End of Year	\$ (10,904)	\$ 583,828	\$ 572,924	\$ 331,391

TOWN OF ORANGETOWN, NEW YORK

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009
(With Comparative Totals for 2008)

	Workers' Compensation Benefits	Risk Retention
Cash Flows From Operating Activities:		
Cash received from charges for services	\$ 919,116	\$ 895,899
Cash received from insurance recoveries	191,348	207,822
Cash payments to insurance carriers and claimants	(223,759)	(855,207)
Net Cash Provided by (Used in) Operating Activities	886,705	248,514
Cash Flows From Non-Capital Financing Activities -		
Cash advanced from other funds	-	-
Cash Flows From Investing Activities -		
Interest income	1,383	1,972
Net Increase in Cash	888,088	250,486
Cash - Beginning of Year	-	-
Cash - End of Year	\$ 888,088	\$ 250,486
Reconciliation of Income (Loss) from Operations to		
Net Cash Provided by (Used in) Operating Activities:		
Income (loss) from operations	\$ (258,862)	\$ 497,040
Adjustments to reconcile income (loss) from		
operations to net cash provided by (used in)		
operating activities		
Changes in assets and liabilities:		
Accounts receivable	-	392,891
Due from other funds	580,092	(652,836)
Prepaid expenses	9,424	164
Accounts payable	418,942	156,435
Due to other funds	72,127	-
Claims payable	64,982	(145,180)
Net Cash Provided by (Used in) Operating Activities	\$ 886,705	\$ 248,514

Totals	
2009	2008
\$ 1,815,015	\$ 1,778,048
399,170	109,180
(1,078,966)	(1,896,088)
1,135,219	(8,860)
-	806,781
3,355	8,860
1,138,574	806,781
-	-
<u>\$ 1,138,574</u>	<u>\$ 806,781</u>
\$ 238,178	\$ (216,730)
392,891	2,054,256
(72,744)	(984,818)
9,588	2,549
575,377	(468,160)
72,127	(345,068)
(80,198)	(50,889)
<u>\$ 1,135,219</u>	<u>\$ (8,860)</u>

TOWN OF ORANGETOWN, NEW YORK

INTERNAL SERVICE FUND - WORKERS' COMPENSATION BENEFITS FUND
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
Cash - Demand deposits	\$ 888,088	\$ -
Due from Other Funds	257,046	837,138
Prepaid Expenses	18,138	27,562
Total Assets	<u>1,163,272</u>	<u>864,700</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	418,942	-
Due to other funds	72,127	-
Current portion of claims payable	<u>355,247</u>	<u>323,901</u>
Total Current Liabilities	846,316	323,901
Noncurrent Liabilities - Claims payable, less current portion	<u>327,860</u>	<u>294,224</u>
Total Liabilities	<u>1,174,176</u>	<u>618,125</u>
<u>NET ASSETS (DEFICIT)</u>		
Unrestricted	<u>\$ (10,904)</u>	<u>\$ 246,575</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, 2009 AND 2008

	2009	2008
Operating Revenues:		
Charges for services	\$ 329,600	\$ 329,600
Insurance recoveries	191,348	11,479
Total Operating Revenues	520,948	341,079
Operating Expenses:		
Insurance	295,886	217,670
Contractual	-	2,797
Employee benefits	483,924	324,345
Total Operating Expenses	779,810	544,812
Loss from Operations	(258,862)	(203,733)
Non-Operating Revenues - Interest income	1,383	3,794
Change in Net Assets	(257,479)	(199,939)
Net Assets - Beginning of Year	246,575	446,514
Net Assets (Deficit) - End of Year	\$ (10,904)	\$ 246,575

TOWN OF ORANGETOWN, NEW YORK

INTERNAL SERVICE FUND - WORKERS' COMPENSATION BENEFITS FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
Cash Flows From Operating Activities:		
Cash received from charges for services	\$ 919,116	\$ 622,368
Cash received from insurance recoveries	191,348	11,479
Cash payments to insurance carriers and claimants	(223,759)	(637,641)
Net Cash Provided by (Used in) Operating Activities	886,705	(3,794)
Cash Flows From Investing Activities -		
Interest income	1,383	3,794
Net Increase in Cash	888,088	-
Cash - Beginning of Year	-	-
Cash - End of Year	\$ 888,088	\$ -
Reconciliation of Loss from Operations to Net Cash		
Provided by (Used in) Operating Activities:		
Loss from operations	\$ (258,862)	\$ (203,733)
Adjustments to reconcile loss from operations to		
net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Accounts receivable	-	1,129,906
Due from other funds	580,092	(837,138)
Prepaid expenses	9,424	(27,562)
Accounts payable	418,942	-
Due to other funds	72,127	-
Claims payable	64,982	(65,267)
Net Cash Provided by (Used In) Operating Activities	\$ 886,705	\$ (3,794)

TOWN OF ORANGETOWN, NEW YORK

INTERNAL SERVICE FUND - RISK RETENTION FUND
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
Cash - Demand deposits	\$ 250,486	\$ -
Accounts Receivable	-	392,891
Due from Other Funds	800,516	147,680
Prepaid Expenses	206,686	206,850
Total Assets	1,257,688	747,421
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	164,089	7,654
Current portion of claims payable	247,330	360,727
Total Current Liabilities	411,419	368,381
Noncurrent Liabilities - Claims Payable, less current portion	262,441	294,224
Total Liabilities	673,860	662,605
<u>NET ASSETS</u>		
Unrestricted	\$ 583,828	\$ 84,816

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, 2009 AND 2008

	2009	2008
Operating Revenues:		
Charges for services	\$ 1,155,680	\$ 1,155,680
Insurance recoveries	207,822	97,701
Total Operating Revenues	1,363,502	1,253,381
Operating Expenses:		
Insurance	736,697	692,314
Contractual	54,664	175,781
Judgments and claims	75,101	398,283
Total Operating Expenses	866,462	1,266,378
Income (Loss) from Operations	497,040	(12,997)
Non-Operating Revenues - Interest income	1,972	5,066
Change in Net Assets	499,012	(7,931)
Net Assets - Beginning of Year	84,816	92,747
Net Assets - End of Year	\$ 583,828	\$ 84,816

TOWN OF ORANGETOWN, NEW YORK

INTERNAL SERVICE FUND - RISK RETENTION FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
Cash Flows From Operating Activities:		
Cash received from charges for services	\$ 895,899	\$ 1,155,680
Cash received from insurance recoveries	207,822	97,701
Cash payments to insurance carriers and claimants	(855,207)	(1,258,447)
Net Cash Provided by (Used in) Operating Activities	248,514	(5,066)
Cash Flows From Non-Capital Financing Activities -		
Cash advanced from other funds	-	806,781
Cash Flows From Investing Activities -		
Interest income	1,972	5,066
Net Increase in Cash	250,486	806,781
Cash - Beginning of Year	-	-
Cash - End of Year	\$ 250,486	\$ -
Reconciliation of Income (Loss) from Operations to Net Cash Provided by (Used in) Operating Activities:		
Income (loss) from operations	\$ 497,040	\$ (12,997)
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Accounts receivable	392,891	924,350
Due from other funds	(652,836)	(147,680)
Prepaid expenses	164	30,111
Accounts payable	156,435	(468,160)
Due to other funds	-	(345,068)
Claims payable	(145,180)	14,378
Net Cash Provided by (Used in) Operating Activities	\$ 248,514	\$ (5,066)

TOWN OF ORANGETOWN, NEW YORK

FIDUCIARY FUND - AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED DECEMBER 31, 2009

	Balance January 1, 2009	Increases	Decreases	Balance December 31, 2009
<u>ASSETS</u>				
Cash - Demand deposits	\$ 1,285,255	\$ 80,870,462	\$ 81,970,484	\$ 185,233
Accounts Receivable	-	42,204,309	41,577,405	626,904
Total Assets	<u>\$ 1,285,255</u>	<u>\$ 123,074,771</u>	<u>\$ 123,547,889</u>	<u>\$ 812,137</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 462,868	\$ 42,726,214	\$ 43,189,082	\$ -
Employee Payroll Deductions	-	11,013,592	11,013,592	-
Deposits	822,387	455,459	465,709	812,137
Total Liabilities	<u>\$ 1,285,255</u>	<u>\$ 54,195,265</u>	<u>\$ 54,668,383</u>	<u>\$ 812,137</u>

**STATISTICAL
SECTION**

(Unaudited)

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Financial Trends

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

Net Assets by Component

Changes in Net Assets

Fund Balances of Governmental Funds

Changes in Fund Balances of Governmental Funds

TOWN OF ORANGETOWN, NEW YORK

NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS

	2003	2004	2005	2006
Governmental Activities:				
Invested in Capital Assets,				
Net of Related Debt	\$ 68,957,513	\$ 73,049,840	\$ 68,698,046	\$ 70,358,555
Restricted	5,368,529	5,573,349	6,585,186	9,146,110
Unrestricted	(2,825,945)	(4,042,026)	2,029,113	2,185,922
Total Governmental Activities				
Net Assets	<u>\$ 71,500,097</u>	<u>\$ 74,581,163</u>	<u>\$ 77,312,345</u>	<u>\$ 81,690,587</u>
Business - Type Activities:				
Invested in Capital Assets,				
Net of Related Debt	\$ 2,829,777	\$ 2,907,617	\$ 2,968,627	\$ 3,054,103
Unrestricted	209,146	(174,721)	(734,236)	(984,923)
Total Business - Type Activities				
Net Assets	<u>\$ 3,038,923</u>	<u>\$ 2,732,896</u>	<u>\$ 2,234,391</u>	<u>\$ 2,069,180</u>
Primary Government:				
Invested in Capital Assets,				
Net of Related Debt	\$ 71,787,290	\$ 75,957,457	\$ 71,666,673	\$ 73,412,658
Restricted	5,368,529	5,573,349	6,585,186	9,146,110
Unrestricted	(2,616,799)	(4,216,747)	1,294,877	1,200,999
Total Primary Government				
Net Assets	<u>\$ 74,539,020</u>	<u>\$ 77,314,059</u>	<u>\$ 79,546,736</u>	<u>\$ 83,759,767</u>

Note: Data not available prior to fiscal 2003 implementation of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 75,713,624	\$ 61,297,724	\$ 69,576,680
10,618,819	8,400,205	7,231,151
<u>(4,748,966)</u>	<u>8,569,838</u>	<u>(2,598,768)</u>
<u>\$ 81,583,477</u>	<u>\$ 78,267,767</u>	<u>\$ 74,209,063</u>
\$ 3,364,111	\$ 3,430,223	\$ 3,589,772
<u>(1,945,386)</u>	<u>(2,837,074)</u>	<u>(3,564,447)</u>
<u>\$ 1,418,725</u>	<u>\$ 593,149</u>	<u>\$ 25,325</u>
\$ 79,077,735	\$ 64,727,947	\$ 73,166,452
10,618,819	8,400,205	7,231,151
<u>(6,694,352)</u>	<u>5,732,764</u>	<u>(6,163,215)</u>
<u>\$ 83,002,202</u>	<u>\$ 78,860,916</u>	<u>\$ 74,234,388</u>

TOWN OF ORANGETOWN, NEW YORK

CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS

	2003	2004	2005	2006
Expenses				
Governmental Activities:				
General government support	\$ 6,175,223	\$ 5,786,163	\$ 5,916,443	\$ 5,290,033
Public safety	16,002,316	17,728,233	19,617,613	19,843,138
Health	300,832	394,156	431,221	435,600
Transportation	8,914,999	8,767,397	8,166,449	9,436,875
Economic opportunity and development	115,017	117,062	116,549	120,813
Culture and recreation	2,211,020	2,337,950	3,915,744	3,275,083
Home and community services	7,237,567	7,526,178	9,170,755	8,997,976
Interest	753,582	663,713	822,965	1,592,584
Total Governmental Activities Expenses	<u>41,710,556</u>	<u>43,320,852</u>	<u>48,157,739</u>	<u>48,992,102</u>
Business-type Activities:				
Blue Hill Golf Course	2,557,600	2,732,238	2,731,870	2,541,425
Broad Acres Golf Course	-	574,729	724,783	821,615
Total Business-type Activities Expenses	<u>2,557,600</u>	<u>3,306,967</u>	<u>3,456,653</u>	<u>3,363,040</u>
Total Primary Government Expenses	<u>\$ 44,268,156</u>	<u>\$ 46,627,819</u>	<u>\$ 51,614,392</u>	<u>\$ 52,355,142</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
General government support	\$ 597,130	\$ 378,253	\$ 396,134	\$ 437,495
Public safety	987,262	1,177,720	1,217,021	1,492,247
Transportation	135,567	106,129	145,449	203,588
Culture and recreation	482,259	486,085	650,946	638,757
Home and community services	1,649,828	1,744,425	2,000,016	2,660,856
Operating Grants and Contributions	1,070,368	629,695	1,615,391	1,650,727
Capital Grants and Contributions	584,199	25,237	932,289	2,333,060
Total Governmental Activities Program Revenues	<u>5,506,613</u>	<u>4,547,544</u>	<u>6,957,246</u>	<u>9,416,730</u>
Business-type Activities -				
Charges for Services				
Blue Hill Golf Course	2,368,652	2,521,404	2,423,309	2,608,827
Broad Acres Golf Course	-	475,459	522,567	562,518
Total Business-type Activities Program Revenues	<u>2,368,652</u>	<u>2,996,863</u>	<u>2,945,876</u>	<u>3,171,345</u>
Total Primary Government Program Revenues	<u>\$ 7,875,265</u>	<u>\$ 7,544,407</u>	<u>\$ 9,903,122</u>	<u>\$ 12,588,075</u>

2007	2008	2009
\$ 8,442,981	\$ 7,050,815	\$ 8,007,220
20,692,756	23,419,577	22,861,695
437,000	437,150	450,800
10,114,162	11,300,971	11,898,894
123,947	153,119	136,075
2,763,572	3,361,186	3,009,313
8,756,525	10,147,576	11,185,481
1,604,291	2,018,549	1,706,901
52,935,234	57,888,943	59,256,379
2,842,976	3,042,587	3,065,960
935,619	1,049,238	1,027,888
3,778,595	4,091,825	4,093,848
\$ 56,713,829	\$ 61,980,768	\$ 63,350,227

\$ 410,481	\$ 426,848	\$ 439,465
1,014,099	1,308,780	1,187,928
192,001	238,880	185,484
588,978	616,859	613,925
1,169,404	1,530,680	2,103,784
2,367,283	1,583,026	1,964,155
948,560	614,503	670,775
6,690,806	6,319,576	7,165,516
2,518,919	2,579,136	2,688,905
577,404	617,340	636,414
3,096,323	3,196,476	3,325,319
\$ 9,787,129	\$ 9,516,052	\$ 10,490,835

(Continued)

TOWN OF ORANGETOWN, NEW YORK

CHANGES IN NET ASSETS (Continued)
LAST SEVEN FISCAL YEARS

	<u>2004</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Net Expense/Revenue:				
Governmental Activities	\$ (36,203,943)	\$ (38,773,308)	\$ (41,200,493)	\$ (39,575,372)
Business-type Activities	<u>(188,948)</u>	<u>(310,104)</u>	<u>(510,777)</u>	<u>(191,695)</u>
Total Primary Government Net Expense	<u>\$ (36,392,891)</u>	<u>\$ (39,083,412)</u>	<u>\$ (41,711,270)</u>	<u>\$ (39,767,067)</u>
General Revenues				
Governmental Activities:				
Taxes				
Real Property Taxes	32,310,226	35,821,410	37,476,800	38,677,884
Other Tax Items	263,833	220,730	271,325	260,378
Non-Property Taxes	912,488	953,508	1,005,217	1,037,401
Unrestricted Use of Money and Property	259,948	303,891	152,560	146,170
Sale of Property and				
Compensation for Loss	-	-	-	-
Unrestricted State aid	3,619,023	3,132,643	3,285,384	3,477,365
Sale of Real Property	-	-	1,717,800	-
Miscellaneous	11,306	1,422,192	22,589	354,416
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>37,376,824</u>	<u>41,854,374</u>	<u>43,931,675</u>	<u>43,953,614</u>
Business-type Activities:				
Unrestricted Use of Money and Property	9,138	4,076	12,272	26,484
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>9,138</u>	<u>4,076</u>	<u>12,272</u>	<u>26,484</u>
Total Primary Government				
General Revenues	<u>\$ 37,385,962</u>	<u>\$ 41,858,450</u>	<u>\$ 43,943,947</u>	<u>\$ 43,980,098</u>
Change in Net Assets				
Governmental Activities	\$ 1,172,881	\$ 3,081,066	\$ 2,731,182	\$ 4,378,242
Business-type Activities	<u>(179,810)</u>	<u>(306,028)</u>	<u>(498,505)</u>	<u>(165,211)</u>
Total Primary Government	<u>\$ 993,071</u>	<u>\$ 2,775,038</u>	<u>\$ 2,232,677</u>	<u>\$ 4,213,031</u>

Note: Data not available prior to fiscal 2003 implementation of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ (46,244,428)	\$ (51,569,367)	\$ (52,090,863)
<u>(682,272)</u>	<u>(895,349)</u>	<u>(768,529)</u>
<u>\$ (46,926,700)</u>	<u>\$ (52,464,716)</u>	<u>\$ (52,859,392)</u>
41,296,753	43,736,589	44,152,419
321,817	256,279	224,011
1,433,294	1,979,950	1,947,063
155,369	74,058	27,075
-	77,132	324,662
2,804,656	2,137,807	1,534,541
-	-	-
125,429	53,985	20,027
-	(62,143)	(197,639)
<u>46,137,318</u>	<u>48,253,657</u>	<u>48,032,159</u>
31,817	7,630	3,066
-	62,143	197,639
<u>31,817</u>	<u>69,773</u>	<u>200,705</u>
<u>\$ 46,169,135</u>	<u>\$ 48,323,430</u>	<u>\$ 48,232,864</u>
\$ (107,110)	\$ (3,315,710)	\$ (4,058,704)
<u>(650,455)</u>	<u>(825,576)</u>	<u>(567,824)</u>
<u>\$ (757,565)</u>	<u>\$ (4,141,286)</u>	<u>\$ (4,626,528)</u>

TOWN OF ORANGETOWN, NEW YORK

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS

	2003	2004	2005	2006
General Fund				
Reserved	\$ 236,895	\$ 261,561	\$ 1,130,489	\$ 1,343,790
Unreserved	<u>3,428,780</u>	<u>4,104,908</u>	<u>5,398,990</u>	<u>4,283,778</u>
Total General Fund	<u>\$ 3,665,675</u>	<u>\$ 4,366,469</u>	<u>\$ 6,529,479</u>	<u>\$ 5,627,568</u>
All Other Governmental Funds				
Reserved	\$ 3,291,716	\$ 2,611,969	\$ 5,633,324	\$ 6,525,435
Unreserved, Reported In:				
Special Revenue Funds	2,259,076	2,197,731	3,270,479	6,763,431
Capital Projects Fund	(8,020,192)	(1,719,354)	(7,428,571)	(10,909,908)
Debt Service Fund	<u>534,117</u>	<u>574,000</u>	<u>300,000</u>	<u>300,000</u>
Total All Other Governmental Funds	<u>\$ (1,935,283)</u>	<u>\$ 3,664,346</u>	<u>\$ 1,775,232</u>	<u>\$ 2,678,958</u>
Total Governmental Funds	<u>\$ 1,730,392</u>	<u>\$ 8,030,815</u>	<u>\$ 8,304,711</u>	<u>\$ 8,306,526</u>

Note: Data presented for only seven years so as to coincide with the periods presented in the statistical section for the Town's government-wide financial statements.

2007	2008	2009
\$ 2,262,121	\$ 2,826,249	\$ 3,117,664
3,464,823	2,937,125	2,955,311
<u>\$ 5,726,944</u>	<u>\$ 5,763,374</u>	<u>\$ 6,072,975</u>
\$ 30,681,170	\$ 6,426,168	\$ 4,756,685
8,053,561	7,110,762	8,768,957
(54,335,920)	(2,592,395)	(7,983,465)
550,000	800,000	1,000,000
<u>\$ (15,051,189)</u>	<u>\$ 11,744,535</u>	<u>\$ 6,542,177</u>
<u>\$ (9,324,245)</u>	<u>\$ 17,507,909</u>	<u>\$ 12,615,152</u>

TOWN OF ORANGETOWN, NEW YORK

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS

	2003	2004	2005	2006
Revenues				
Real property taxes	\$ 32,310,226	\$ 35,821,410	\$ 37,476,800	\$ 38,677,884
Other tax items	263,833	220,730	271,325	260,378
Non-property taxes	912,488	953,508	1,005,217	1,037,401
Departmental income	2,186,897	2,418,834	2,803,234	3,836,220
Intergovernmental charges	725,324	755,572	840,004	859,750
Use of money and property	600,954	436,298	902,470	2,336,926
Licenses and permits	51,491	35,746	42,185	44,537
Fines and forfeitures	369,107	366,009	349,243	348,161
Sale of property and compensation for loss	11,154	56,808	13,029	71,447
Interfund revenues	3,192,440	2,535,037	2,932,370	3,174,420
State aid	4,669,926	3,559,790	3,632,601	3,905,850
Federal aid	414,462	94,384	199,287	14,317
Miscellaneous	343,993	54,318	911,115	1,660,964
Total Revenues	46,052,295	47,308,444	51,378,880	56,228,255
Expenditures				
Current:				
General government support	7,877,906	7,225,745	7,974,316	6,731,293
Public safety	12,730,981	13,123,161	13,358,406	14,002,004
Health	300,832	394,156	431,221	435,600
Transportation	6,364,096	6,177,303	6,466,919	6,419,782
Economic opportunity and development	113,292	114,896	116,445	118,704
Culture and recreation	1,774,112	1,707,210	1,960,063	2,107,566
Home and community services	5,456,220	5,366,700	6,656,664	6,267,548
Employee benefits	7,017,991	9,350,649	9,562,036	9,914,224
Debt Service:				
Principal	2,154,587	2,375,000	2,330,500	2,575,000
Interest	641,447	657,564	701,369	917,993
Capital Outlay	9,115,725	1,516,137	4,144,845	6,736,726
Total Expenditures	53,547,189	48,008,521	53,702,784	56,226,440
Excess (Deficiency) of Revenues Over Expenditures	(7,494,894)	(700,077)	(2,323,904)	1,815
Other Financing Sources (Uses)				
Bonds issued	700,000	3,925,500	880,000	-
Refunding bonds issued	-	-	510,000	-
Issuance premium	-	-	5,228	-
Payment to refunded bond escrow agent	-	-	(499,830)	-
Sale of real property	-	-	1,717,800	-
Energy performance debt issued	-	-	-	-
Transfers in	332,817	3,358,314	303,739	1,890,968
Transfers out	(332,817)	(283,314)	(303,739)	(1,890,968)
Total Other Financing Sources	700,000	7,000,500	2,613,198	-
Net Change in Fund Balances	\$ (6,794,894)	\$ 6,300,423	\$ 289,294	\$ 1,815
Debt Service as a Percentage of Non-Capital Expenditures	6.3%	6.6%	6.2%	7.1%

Note: Data presented for only seven years so as to coincide with the periods presented in the statistical section for the Town's government-wide financial statements.

	2007	2008	2009
\$	41,296,753	\$ 43,736,589	\$ 44,152,419
	321,817	256,279	224,011
	1,433,294	1,979,950	1,947,063
	1,975,223	2,247,771	2,386,655
	687,954	1,116,109	1,370,624
	2,191,565	968,239	303,218
	41,514	43,082	36,846
	347,446	367,854	354,445
	58,566	77,132	324,662
	3,161,417	3,376,465	3,657,484
	3,415,680	2,961,567	2,122,946
	213,445	251,124	64,832
	475,648	394,518	749,025
	<u>55,620,322</u>	<u>57,776,679</u>	<u>57,694,230</u>
	8,293,247	9,764,571	9,135,450
	14,466,992	14,759,446	14,718,525
	437,000	437,150	450,800
	7,328,220	7,357,366	8,050,598
	131,904	140,075	145,840
	2,226,536	2,314,249	2,089,229
	6,586,539	6,697,549	7,437,513
	10,416,354	10,784,383	11,127,923
	1,550,000	1,405,000	2,255,965
	1,710,790	2,039,675	1,961,985
	20,103,511	22,606,136	8,370,520
	<u>73,251,093</u>	<u>78,305,600</u>	<u>65,744,348</u>
	<u>(17,630,771)</u>	<u>(20,528,921)</u>	<u>(8,050,118)</u>
	-	47,423,218	1,255,000
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	2,100,000
	999,784	642,280	541,816
	<u>(999,784)</u>	<u>(704,423)</u>	<u>(739,455)</u>
	-	47,361,075	3,157,361
\$	<u>(17,630,771)</u>	<u>\$ 26,832,154</u>	<u>\$ (4,892,757)</u>
	6.3%	6.2%	7.5%

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Revenue Capacity

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

Assessed Value and Estimated Actual Value
of Taxable Property

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

Principal Taxpayers

Property Tax Levies and Collections

TOWN OF ORANGETOWN, NEW YORK

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Year	Residential Property	Commercial Property	Total Taxable Assessed Value	State Special Equalization Rate (1)
2000	\$ 2,631,192,166	\$ 1,310,013,796	\$ 3,941,205,962	86.63 %
2001	2,677,107,378	1,305,951,902	3,983,059,280	79.69
2002	2,709,978,723	1,296,693,142	4,006,671,865	70.47
2003	2,732,140,845	1,269,342,179	4,001,483,024	63.54
2004	2,749,735,009	1,264,799,659	4,014,534,668	57.50
2005	2,776,093,702	1,247,789,260	4,023,882,962	49.50
2006	2,766,818,446	1,233,462,394	4,000,280,840	44.75
2007	2,801,261,842	1,203,356,673	4,004,618,515	41.35
2008	2,824,291,936	1,182,452,709	4,006,744,645	43.30
2009	2,834,816,979	1,201,197,569	4,036,014,548	43.75

Source: Town of Orangetown Assessor's Office

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

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

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

Estimated Actual Taxable Value		Total Effective Tax Rate (2)	
\$	4,549,470,117	\$	6.7402
	4,998,192,094		7.0986
	5,685,641,926		7.8011
	6,297,581,089		8.0746
	6,981,799,423		8.9229
	8,129,056,489		9.3136
	8,939,175,061		9.6688
	9,684,688,065		10.3123
	9,253,451,836		10.9157
	9,225,176,110		10.9396

TOWN OF ORANGETOWN, NEW YORK

DIRECT AND OVERLAPPING PROPERTY TAX RATES,
PER \$1,000 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS

Year	Total Effective Tax Rate (1)	School Districts - Range	
		Homestead	Non-Homestead
2000	\$ 6.7402	\$ 15.8103 - \$ 23.9702	\$ 25.8383 - \$ 32.8300
2001	7.0986	16.7152 - 24.7741	27.2677 - 32.7198
2002	7.8011	18.4969 - 26.3819	30.0242 - 34.8142
2003	8.0746	20.5069 - 29.1903	31.3275 - 38.5087
2004	8.9229	21.6195 - 30.4055	35.2036 - 40.1077
2005	9.3136	24.2035 - 32.3692	38.0271 - 42.6474
2006	9.6688	23.1311 - 30.1821	37.8253 - 39.7330
2007	10.3123	25.2791 - 32.7840	39.6200 - 42.4660
2008	10.9157	28.0407 - 38.6669	44.6672 - 50.4921
2009	10.9396	29.4293 - 38.6619	44.6672 - 50.7815

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

Non-Homestead: All other properties

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

Rockland County			
Homestead		Non-Homestead	
\$	2.3170	\$	2.3170
	2.2859		2.2859
	2.9488		2.9488
	2.7935		2.7935
	2.7935		2.7935
	2.8044		2.8044
	2.4980		2.4980
	2.8870		2.8865
	3.5060		3.5060
	3.3264		3.3264

TOWN OF ORANGETOWN, NEW YORK

PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

2009				
Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Taxable Assessed Valuation
1	Wyeth (formerly known as American Cyanamid)	Pharmaceuticals	\$ 387,706,500	9.61 %
2	Palisades Interstate Park	State Lands	67,780,698	1.68
3	Glorious Sun Robert f/k/a Blue Hill Plaza, Inc.	Office Complex	51,336,000	1.27
4	Orange & Rockland Utilities, Inc.	Public Utility	43,366,417	1.07
5	Verizon - Cellco	Public Utility	35,247,382	0.87
6	International Business Machine	Commercial	34,000,000	0.84
7	Spring Valley Water Co.	Public Utility	32,447,159	0.80
8	Pontiac Holdings / Bradley Ind. Park	Industrial	20,627,853	0.51
9	Clarins USA Inc.	Perfume	12,175,100	0.30
10	New Car Company Acquisitions	Vehicle Manufacturer	9,760,700	0.24
Total			<u>\$ 694,447,809</u>	<u>17.19 %</u>

2000				
Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Taxable Assessed Valuation
1	American Home Products f/k/a American Cyanamid	Industrial	\$ 386,978,500	9.82 %
2	Glorious Sun Robert f/k/a Blue Hill Plaza, Inc.	Office Complex	87,500,000	2.22
3	Palisades Interstate Park	State Lands	84,710,721	2.15
4	Orange & Rockland Utilities, Inc.	Public Utility	53,898,285	1.37
5	International Business Machines	Commercial	51,000,000	1.29
6	NYNEX (Cellco Partnership)	Public Utility	39,106,113	0.99
7	Spring Valley Water Co.	Public Utility	21,548,966	0.55
8	Manhattan Woods f/k/a Lee Partners, LP	Commercial	18,892,800	0.48
9	Bradley Industrial Park	Industrial	14,939,163	0.38
10	Orangeburg Salisbury Corp f/k/a World Wide Holdings	Holding Corp.	9,294,400	0.24
Total			<u>\$ 767,868,948</u>	<u>19.49 %</u>

TOWN OF ORANGETOWN, NEW YORK

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 26,564,565	\$ 26,564,565	100.00 %	\$ -	\$ 26,564,565	100.00 %
2001	28,274,201	28,274,201	100.00	-	28,274,201	100.00
2002	31,256,624	31,256,624	100.00	-	31,256,624	100.00
2003	32,310,226	32,310,226	100.00	-	32,310,226	100.00
2004	35,821,410	35,821,410	100.00	-	35,821,410	100.00
2005	37,476,800	37,476,800	100.00	-	37,476,800	100.00
2006	38,677,884	38,677,884	100.00	-	38,677,884	100.00
2007	41,296,753	41,296,753	100.00	-	41,296,753	100.00
2008	43,736,589	43,736,589	100.00	-	43,736,589	100.00
2009	44,152,420	44,152,420	100.00	-	44,152,420	100.00

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

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

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Debt Capacity

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

Ratios of Outstanding Debt by Type

Direct and Overlapping Governmental Activities Debt

Legal Debt Margin Information

TOWN OF ORANGETOWN, NEW YORK

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Percentage of Actual Taxable Value of Property	Per Capita (1)
	General Obligation Bonds	Less Debt Service Funds Available	Net		
2000	\$ 18,880,000	\$ 1,997,339	\$ 16,882,661	0.37 %	\$ 353.85
2001	20,169,587	1,995,646	18,173,941	0.36	379.29
2002	17,869,587	1,976,523	15,893,064	0.28	330.27
2003	16,415,000	2,354,159	14,060,841	0.22	292.52
2004	17,965,500	1,949,476	16,016,024	0.23	331.84
2005	16,525,000	1,730,992	14,794,008	0.18	305.55
2006	13,950,000	2,971,459	10,978,541	0.12	226.31
2007	12,400,000	3,350,710	9,049,290	0.09	186.63
2008	58,418,218	4,144,621	54,273,597	0.59	1,120.87
2009	57,417,253	3,326,295	54,090,958	0.59	1,117.10

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

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

Business- type Activities		Total Primary Government	Percentage of Personal Income (1)		Per Capita (1)	
General Obligation Bonds						
\$	5,025,000	\$	21,907,661	1.38 %	\$	459.17
	4,855,000		23,028,941	1.45		480.61
	4,565,000		20,458,064	1.28		425.14
	4,270,000		18,330,841	1.15		381.35
	3,960,000		19,976,024	1.25		413.88
	3,670,000		18,464,008	1.15		381.35
	3,335,000		14,313,541	0.89		295.05
	2,975,000		12,024,290	0.75		247.98
	5,517,500		59,791,097	3.72		1,234.82
	5,073,465		59,164,423	3.68		1,221.88

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TOWN OF ORANGETOWN, NEW YORK

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2009

<u>Government Unit</u>	<u>Net Long-Term Debt Outstanding (1)</u>	<u>Percentage Applicable to Orangetown</u>	<u>Amount Applicable to Orangetown</u>
County of Rockland	\$ 306,376,000	20.00 %	\$ 61,275,200
School Districts (June 30, 2009):			
Nanuet UFSD	39,230,000	45.34	17,786,882
Nyack UFSD	11,215,000	40.87	4,583,571
Pearl River UFSD	28,630,000	100.00	28,630,000
South Orangetown CSD	31,235,000	100.00	31,235,000
Villages (May 31, 2009):			
Grand View-on-Hudson	-	100.00	-
Nyack	2,075,000	96.20	1,996,150
Piermont	3,118,400	100.00	3,118,400
South Nyack	1,185,000	100.00	1,185,000
Net Overlapping Debt			149,810,203
Net Direct Debt (2)			54,090,958
Net Direct and Overlapping Debt			<u>\$ 203,901,161</u>

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

(2) Represents governmental activities debt only

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Town. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account.

TOWN OF ORANGETOWN, NEW YORK

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2000	2001	2002	2003
Debt Limit	\$ 288,154,941	\$ 302,092,633	\$ 325,359,215	\$ 356,667,881
Total Net Debt Applicable to Limit	24,065,000	22,434,587	19,550,000	18,000,000
Legal Debt Margin	<u>\$ 264,089,941</u>	<u>\$ 279,658,046</u>	<u>\$ 305,809,215</u>	<u>\$ 338,667,881</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.35%	7.43%	6.01%	5.05%

Legal Debt Margin Calculation for Fiscal Year 2009

Assessment Roll			State Special Equalization Ratio	Full Valuation
Year	Budget Year	Assessed Valuation		
2008	2009	\$ 4,036,014,548	43.75 %	\$ 9,225,176,110
2007	2008	4,006,744,645	43.30	9,253,451,836
2006	2007	4,004,618,515	41.35	9,684,688,065
2005	2006	4,000,280,840	44.75	8,939,175,061
2004	2005	4,023,882,962	49.50	8,129,056,489
Total Five Year Full Valuation				<u>\$ 45,231,547,561</u>
Five Year Average Full Valuation of Taxable Real Property				<u>9,046,309,512</u>
Debt Limit - 7% of Five Year Average Full Valuation				<u>633,241,666</u>
Outstanding Town Debt -				
	Serial Bonds		\$ 62,490,718	
	Bond Anticipation Notes		<u>11,715,000</u>	74,205,718
Less - Appropriations in 2010 Budget				<u>3,419,696</u>
Net Indebtedness Subject to Debt Limit				<u>70,786,022</u>
Net Debt Contracting Margin				<u>\$ 562,455,644</u>

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 397,143,678	\$ 448,244,444	\$ 504,465,556	\$ 560,452,202	\$ 601,834,392	\$ 633,241,666
<u>19,280,000</u>	<u>28,085,000</u>	<u>46,700,000</u>	<u>53,625,616</u>	<u>79,015,718</u>	<u>70,786,022</u>
<u>\$ 377,863,678</u>	<u>\$ 420,159,444</u>	<u>\$ 457,765,556</u>	<u>\$ 506,826,586</u>	<u>\$ 522,818,674</u>	<u>\$ 562,455,644</u>
4.85%	6.27%	9.26%	9.57%	13.13%	11.18%

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Demographic and Economic Information

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

Demographic Statistics

TOWN OF ORANGETOWN, NEW YORK

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Income (2)</u>	<u>Town Unemployment Rate (3)</u>
2000	47,711	\$ 1,582,573,870	\$ 33,170	3.1 %
2001	47,916	1,589,373,720	33,170	3.4
2002	48,121	1,596,173,570	33,170	4.2
2003	48,068	1,594,415,560	33,170	4.4
2004	48,265	1,600,950,050	33,170	4.0
2005	48,418	1,606,025,060	33,170	3.7
2006	48,512	1,609,143,040	33,170	3.5
2007	48,489	1,608,380,130	33,170	3.6
2008	48,421	1,606,124,570	33,170	4.4
2009	48,421	1,606,124,570	33,170	6.3

Sources:

(1) Source: New York State Empire Development (Latest data is 2008)

(2) U.S. Census Bureau (2000 Census Data, annual Town estimates are not available)

(3) NYS Department of Labor

Operating Information

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

Principal Employers

Town Government Employees by Function

Operating Indicators by Function/Program

Capital Asset Statistics by Function/Program

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TOWN OF ORANGETOWN, NEW YORK

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

<u>EMPLOYER</u>	2009	
	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL EMPLOYMENT</u>
Pfizer	2,850	11.35 %
Nyack Hospital	1,500	5.98
Verizon Wireless	1,000	3.98
Rockland Psychiatric Center	900	3.59
Orange and Rockland Utilities	766	3.05
Nice-Pak	815	3.25
Camp Venture	600	2.39
Chromalloy New York	440	1.75
Lamont-Doherty Earth Observatory	480	1.91
Dominican College	445	1.77
	<u>9,796</u>	<u>39.02 %</u>

<u>EMPLOYER</u>	2000	
	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL EMPLOYMENT</u>
Wyeth	2,800	10.57 %
Nyack Hospital	1,478	5.58
Orange and Rockland Utilities	1,196	4.51
Bell Atlantic NYNEX Mobile	843	3.18
Materials Research Corporation	600	2.26
Lamont-Doherty Earth Observatory	600	2.26
Chromalloy New York	490	1.85
Pavion, Ltd.	450	1.70
Insurances Services Office	450	1.70
St. Dominics Home	400	1.51
	<u>9,307</u>	<u>35.12 %</u>

Sources: Rockland Economic Development Corporation and the New York State Department of Labor

Note: Based upon estimated Town employment of 25,100 in 2009. Data used for 2000 was based off 1999 information, with estimated Town employment of 26,500. Data for 2000 was not available.

TOWN OF ORANGETOWN, NEW YORK

TOWN GOVERNMENT EMPLOYEES BY FUNCTION
LAST SEVEN FISCAL YEARS

Function	Full-time Equivalent Employees as of December 31,			
	2003	2004	2005	2006
General Government	52	45	48	48
Public Safety	118	119	116	112
Culture and Recreation	25	28	26	27
Transportation	57	57	57	58
Home and Community Services	37	37	39	40
Total	289	286	286	285

Source: Town's Finance Department

Note: Data presented for only seven years so as to coincide with the periods presented in the statistical section for the Town's government-wide financial statements.

<u>2007</u>	<u>2008</u>	<u>2009</u>
51	52	52
117	117	117
26	25	25
58	58	58
<u>41</u>	<u>40</u>	<u>40</u>
<u>293</u>	<u>292</u>	<u>292</u>

TOWN OF ORANGETOWN, NEW YORK

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2000	2001	2002	2003
General Government Support:				
Town Clerk:				
Marriage licenses	501	596	496	440
Death certificates	920	821	1,041	810
Assessor:				
Enhanced STAR applications	2,199	2,144	2,127	2,124
Basic Star applications	7,941	8,141	8,363	8,633
Tax parcels	15,825	15,855	15,875	15,933
Public Safety:				
Building Activity:				
Building permits issued	810	795	932	949
Estimated cost of construction (1)	54,577,079	45,047,726	72,037,183	49,153,880
New 1 and 2 family dwellings	70	34	43	34
Police:				
Physical arrests	760	793	632	611
Calls for service	29,970	37,330	38,805	40,793
Parking violations	1,398	1,554	1,875	1,260
Traffic violations	4,135	6,063	6,834	6,164
Driving under the influence cases	133	107	61	58
Drug violations	141	109	38	45
Burglary / breaking and entry	116	134	137	77
Total criminal offenses	3,077	2,999	2,803	2,444
Culture and Recreation:				
Recreation:				
Blue Hill golf course rounds	NA	NA	70,694	66,761
Broadacres golf course rounds (2)	NA	NA	NA	NA
Resident golf permits	NA	NA	2,585	2,533
Transportation:				
Total roads resurfaced (%)	NA	NA	14%	10%

Note: "NA" indicates data not available.

Sources: Various Town departments

(1) 2006 and 2007 estimated cost of construction reflects large multi-family senior housing complexes.

(2) The Town began operating Broadacres Golf Course in 2004.

2004	2005	2006	2007	2008	2009
527	522	565	477	406	425
876	986	929	872	916	972
2,169	2,181	2,098	2,050	2,061	2,029
8,819	8,981	9,409	9,420	9,620	9,732
15,943	15,955	16,021	16,154	16,288	16,304
900	865	891	738	871	767
54,177,679	60,634,797	494,866,086	435,470,761	55,864,530	29,799,418
37	37	39	20	20	16
590	518	597	515	432	708
41,204	40,176	44,319	48,258	55,349	44,996
1,368	1,170	853	954	1,189	705
5,939	6,051	6,611	7,327	6,611	7,552
114	55	64	81	72	44
83	56	78	114	125	141
72	98	69	44	50	49
2,459	2,287	2,265	2,276	2,410	2,249
66,131	62,122	65,304	61,804	62,924	59,887
15,300	16,905	19,367	18,510	19,366	20,859
2,610	2,566	2,474	2,499	2,353	2,507
8%	10%	12%	10%	10%	12%

TOWN OF ORANGETOWN, NEW YORK

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2000	2001	2002	2003
General Government Support:				
Number of general government buildings	1	1	1	1
Public Safety:				
Number of police stations	3	3	3	3
Number of building inspection offices	1	1	1	1
Transportation:				
Town roads maintained (miles)	NA	NA	140	140
State roads maintained (miles)	NA	NA	40	40
County roads maintained (miles)	NA	NA	42	42
Number of traffic lights	29	29	29	29
Number of parking meters	440	440	440	440
Culture and Recreation:				
Number of history museums	1	1	1	1
Number of parks	23	23	23	23
Acres of parks	665	665	665	665
Number of golf courses	1	1	1	1
Playgrounds	6	6	6	6
Baseball / Softball	10	10	10	10
Multi-use fields	6	6	6	6
Basketball courts	6	6	6	6
Rail trails	1	1	1	1
Tennis courts	12	12	12	12
Home and Community Services:				
Number of sewer pumping stations	42	42	42	42
Miles of sanitary sewers	200	200	200	200

Source: Various Town departments

2004	2005	2006	2007	2008	2009
1	1	1	1	1	1
3	3	3	3	3	3
1	1	2	2	2	2
143	143	143	143	145	145
45	45	45	45	45	45
16	16	16	16	16	16
29	29	29	30	30	30
440	413	413	413	413	413
1	1	2	2	2	2
24	24	24	24	24	24
881	881	881	881	881	881
2	2	2	2	2	2
6	6	6	6	6	6
10	10	10	10	16	16
6	6	6	6	12	12
6	6	6	6	6	6
1	1	1	1	1	1
15	15	15	15	15	15
44	44	44	48	48	48
200	200	200	200	200	200

APPENDIX A3

FORM OF BOND COUNSEL OPINIONS

September 29, 2010

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

TOWN OF ORANGETOWN, ROCKLAND COUNTY, NEW YORK
\$9,995,000 PUBLIC IMPROVEMENT (SERIAL) BONDS, 2010

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$9,995,000 Public Improvement (Serial) Bonds, 2010 (the "Obligations"), of the Town of Orangetown, County of Rockland, State of New York (the "Obligor"), dated September 29, 2010, 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 centum (_____%) per annum as to bonds maturing in each of the years 20__ to 20__, both inclusive, and at the rate of _____ per centum (_____%) per annum as to bonds maturing in each of the years 20__ to 20__, both inclusive, payable on March 15, 2011 and semi-annually thereafter on September 15 and March 15, and maturing in the amount of \$_____ on September 15, 2011, and \$_____ on September 15 in each of the years 20__ to 20__, both inclusive.

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
- (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.

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,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

/es

September 29, 2010

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

Re: Town of Orangetown, Rockland County, New York
\$1,200,000 Bond Anticipation Notes, 2010 (Renewals)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$1,200,000 Bond Anticipation Notes, 2010 (Renewals) (the "Obligation"), of the Town of Orangetown, Rockland County, New York (the "Obligor"), dated September 29, 2010, numbered ___, of the denomination of \$1,200,000, bearing interest at the rate of _____% per annum, payable at maturity, and maturing September 29, 2011.

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 Obligation, including the form of the Obligation. 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 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 Obligation 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 Obligation 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 Obligation.

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 Obligation) 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 Obligation 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 Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation 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 Obligation 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 revenues or moneys of the Obligor legally available will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation 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 Obligation, 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,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

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