

# Town of Oyster Bay New York



## Comprehensive Annual Financial Report

Year Ended December 31, 2014



**TOWN OF OYSTER BAY,**

**NEW YORK**

Comprehensive Annual Financial Report  
Year Ended December 31, 2014

Prepared by:  
The Office of the Comptroller  
**Robert J. McEvoy**  
*Comptroller*

**TOWN OF OYSTER BAY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2014  
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**INTRODUCTORY  
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### TOWN BEACHES AND PARKS

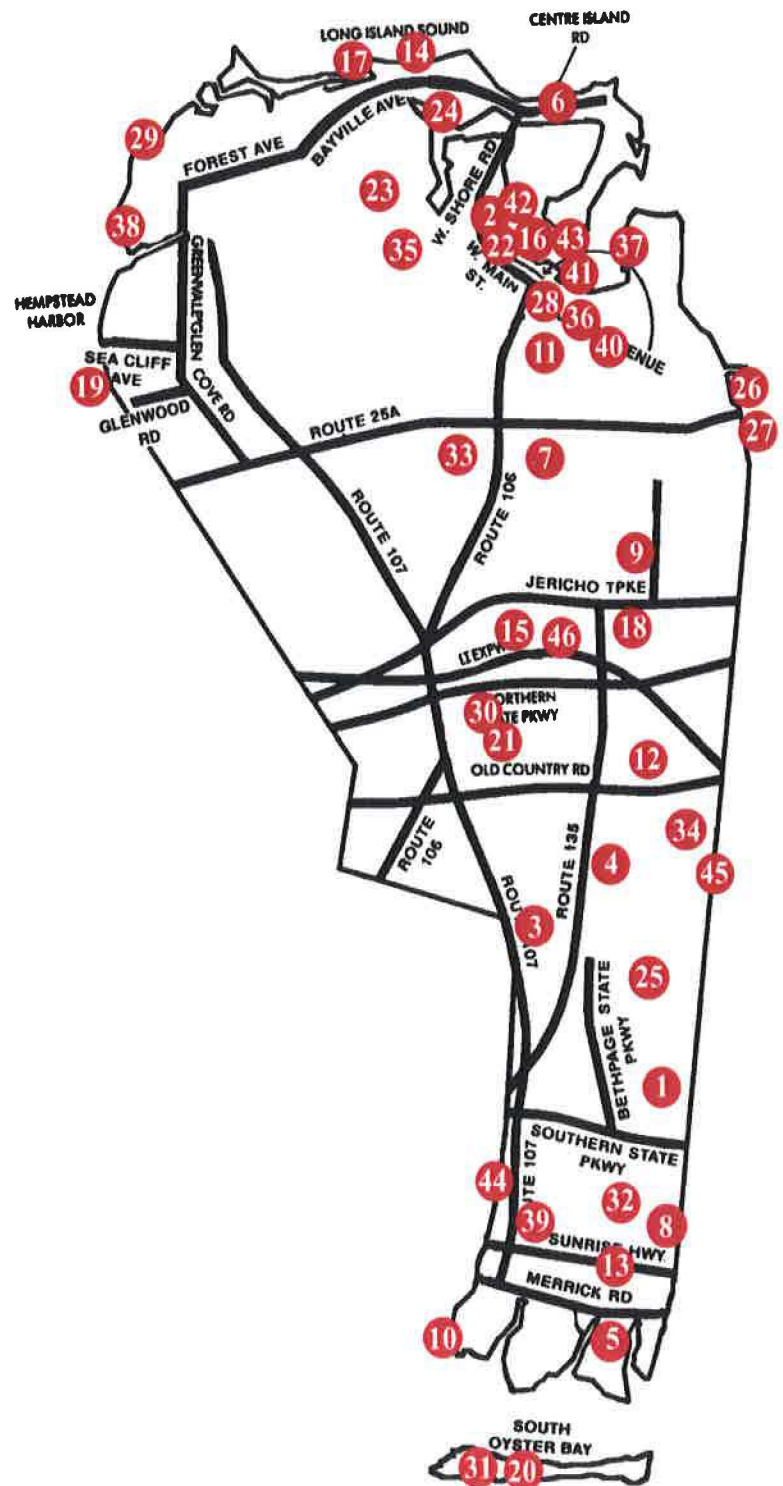
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3. Bethpage Community Park
4. Borella Field
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**TOWN OF OYSTER BAY, NEW YORK**

**PRINCIPAL OFFICIALS**

December 31, 2014

**TOWN BOARD:**

**SUPERVISOR**

**JOHN VENDITTO**

**COUNCILMAN**

**JOSEPH G. PINTO**

**COUNCILMAN**

**JOSEPH D. MUSCARELLA**

**COUNCILWOMAN**

**REBECCA M. ALESIA**

**COUNCILMAN**

**ANTHONY D. MACAGNONE**

**COUNCILMAN**

**CHRIS J. COSCHIGNANO**

**COUNCILWOMAN**

**MICHELE JOHNSON**

**TOWN CLERK**

**JAMES ALTADONNA, Jr.**

**RECEIVER OF TAXES**

**JAMES J. STEFANICH**

**TOWN ATTORNEY**

**LEONARD GENOVA**

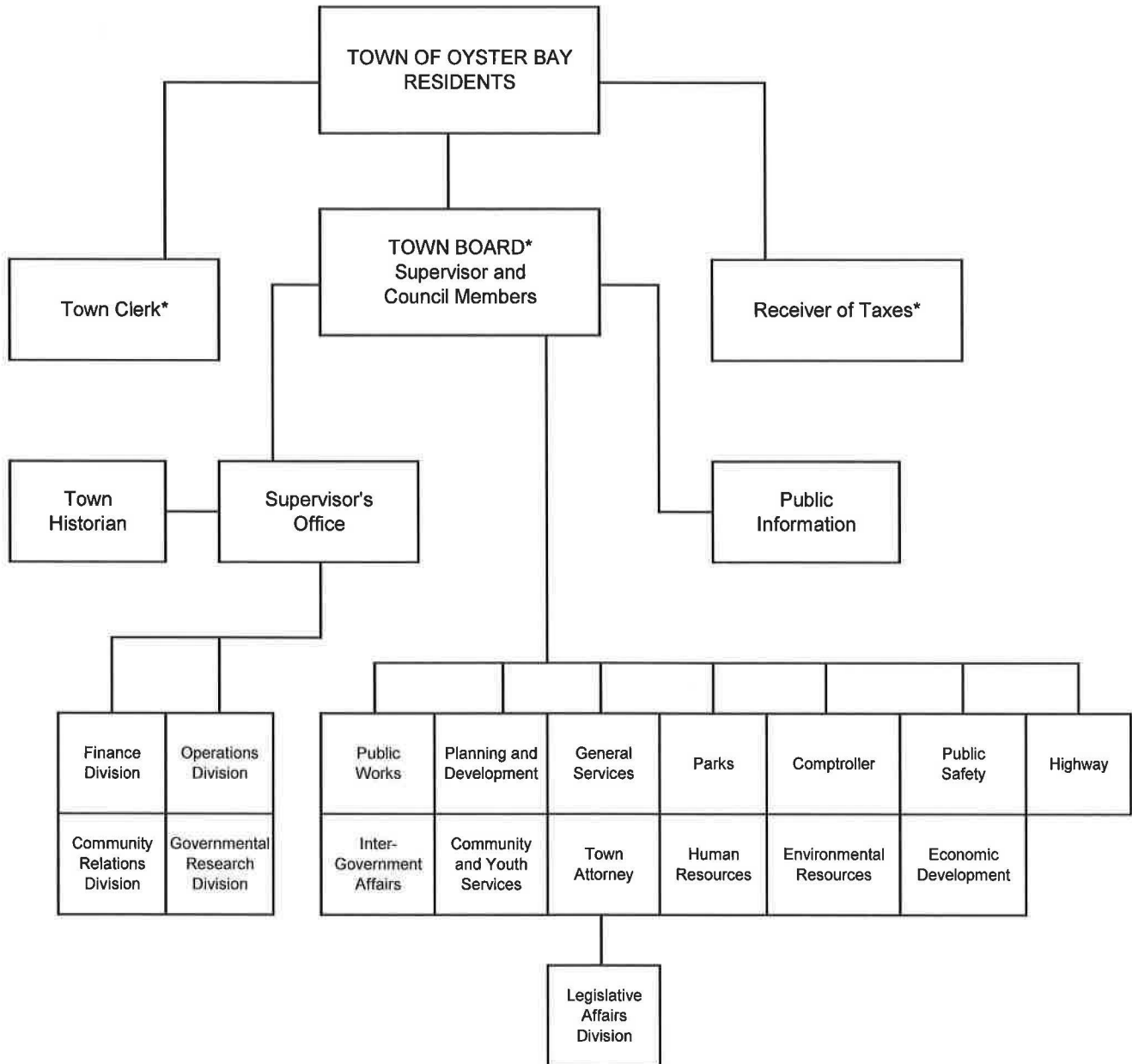
**COMPTROLLER**

**ROBERT J. McEVOY**

# TOWN OF OYSTER BAY, NEW YORK

## ORGANIZATIONAL CHART

December 31, 2014



\* Elected by Town of Oyster Bay voters.



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Town of Oyster Bay**

**Robert J. McEvoy**  
Comptroller

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**Leonard G. Kunzig**  
Deputy Comptroller

**Christine M. Wiss**  
Deputy Comptroller

April 12, 2016

Honorable Members of the Town Board and Citizens of the Town of Oyster Bay:

The Comprehensive Annual Financial Report of the Town of Oyster Bay, New York (the "Town") for the year ended December 31, 2014, prepared by the Office of the Comptroller, is submitted herewith. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation including all disclosures rests with the Town. I believe the data is presented in a manner designed to set forth fairly the financial position and results of operations of the Town as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain a reasonable understanding of the Town's financial affairs have been included.

The Comptroller is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for preparation of financial statements in conformity with U.S. generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgment by Town management.

The accounting firm Albrecht, Viggiano, Zureck & Company, P.C. was selected by the Town's Board to prepare the Town's 2014 Comprehensive Annual Financial Report. The accounting firm Cullen & Danowski, LLP was selected by the Town's Board to perform an independent audit of the Town's financial statements as of December 31, 2014, and for its year then ended. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

This report includes funds of various departments, agencies and other organizational units, which are considered part of the Town of Oyster Bay financial reporting entity. Criteria for determining the reporting entity and presentation of the related financial data are established by the Governmental Accounting Standards Board. The criteria include legal standing and financial accountability. Note 1 of the Notes to the Financial Statements provides detail on the financial reporting entity. A brief summary of the nature of significant nonmajor component units and their relationship to the Town of Oyster Bay are also provided in the Notes to the Financial Statements. The financial reporting entity includes eleven nonmajor component units: eight Commissioner-operated water districts, two Commissioner-operated sanitation districts and one Commissioner-operated sewer district. Although these nonmajor component units are legally separate entities, Towns are required to include their financial reporting. These nonmajor component units are presented discretely in a separate column in the basic financial statements to differentiate them from the Town's financial operations.

The Management Discussion and Analysis (MD&A), located in the financial section following the independent auditors' report, provides an introduction, overview, and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

The Town is required to undergo an annual "single audit" in conformity with the provisions of the Federal Single Audit Act Amendments of 1996 and the United States Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Information related to this "single audit", including the Schedule of Expenditures of Federal Awards, findings and recommendations, and the independent auditors' reports on the internal control structure and compliance with applicable laws and regulations are not presented in this report, but rather are routinely presented as a separate report.

## HISTORY

"On June 4th, I anchored in a commodious haven on the north of Long Island. We found fine oysters there, from which the Dutch call it Oyster Bay." -Diary of David deVries, Voyager, 1639

The Town of Oyster Bay enjoys a rich and well-documented history. The first known European to sail past Long Island's south shore was Giovanni de Verrazano in 1524. David deVries was the first to record the name of Oyster Bay for the beautiful harbor on the Town's north shore in 1639. Long Island was first claimed by the Dutch as part of their province of New Netherland. In 1639, they purchased from the Native Americans a tract, which, on the east, included the present Town land. In 1648, Robert Williams of Hempstead bought from the Native Americans a large parcel of land, which is represented today by Hicksville and adjacent parts of Jericho, Plainview, Syosset and Woodbury.

Five years later, the Native American Chief Mohannes sold the land in the northern portion of Oyster Bay, extending on Long Island south to a point near Hicksville, to New Englanders Samuel Mayo, Peter Wright and William Leverich. Several other colonists joined in this first purchase and settled on the land.

In founding the Town, the New Englanders were seeking new opportunities on Long Island just east of the boundary established between the English and the Dutch. In 1667, three years after the English won New Netherland, the Town of Oyster Bay, inclusive of land to the "South Sea" (Great South Bay), was granted a patent by the English Governor, Sir Edmund Andros.

After the defeat of the American Army at the Battle of Long Island in August 1776, Oyster Bay fell under British occupation. The Revolutionary War found Long Island strongly loyalist. British troops used Raynham Hall as their headquarters, the Hall being the home of patriot Samuel Townsend and currently a museum. Raynham Hall today, reveals life from the American Revolution in the 1770s through Oyster Bay's affluent Victorian period in the 1870s and the beginning of the Gold Coast. Purchased by prominent community member, Samuel Townsend, the house was home to a total of three generations of this family. It is famous for housing the Queens Rangers, a loyalist regiment commanded by Lt. Col. John Graves Simcoe, during the Revolution. Added to the historic period room displays are stories of family haunts and the intrigue of General Washington's Culper Spy Ring. In fact, it was Robert Townsend (Culper Jr.) who gathered information leading to the capture of Major Andre and thwarted Benedict Arnold's plot to surrender West Point to the British. Despite the fact that he was arrested early in the war for his support of the patriots, his son, Robert remained active as an undercover agent for General Washington using the code name, "Culper, Jr.". With the aid of his sister, Sally, he reportedly secured information that led to the exposure of Benedict Arnold's plot to defect to the British and turn over West Point to their control.

After the Revolution, Oyster Bay continued primarily as an agricultural area through the nineteenth century. It did not come into national prominence again until the presidency of Theodore Roosevelt, an Oyster Bay resident whose home, Sagamore Hill, served as the "summer White House" from 1902 to 1908. This huge Victorian mansion, with its original furnishings, was dedicated as a national shrine during the administration of President Eisenhower. It has since been completely restored and is open to the public. Built in 1884-85, Sagamore Hill was the last permanent home of Theodore Roosevelt. The estate is named after the old Sagamore Mohannes, who as Chief of his little tribe, "signed away his rights to the land". The house is a 23 room Victorian structure of frame and brick. Among the Large Hall and other rooms on the first floor is the spacious North Room, added in 1905. This spectacular room measures 30 by 40 feet and is built of Philippine and American woods: mahogany, black walnut, swamp cypress, and hazel. Filled with hunting trophies, books, paintings, flags, and furniture, the room vividly reflects the spirit of Theodore Roosevelt. The 37-acre National Environmental Study Area includes a forest, tidal salt marsh, and bay beach. A guided nature walk explores the conservation efforts of Theodore Roosevelt, but is only available on summer weekends, if staffing permits. This area is accessible by tour only. The area includes the Theodore Roosevelt burial site at Young's Cemetery. The Town is also responsible for the Theodore Roosevelt Memorial Park and Beach located in the hamlet of Oyster Bay.

With the advent of World Wars I and II, the Town's primarily agricultural economy began changing to an industrial and business oriented society, especially in the area of aeronautics. Farmlands gave way to business complexes, factories and new housing. Today, Oyster Bay enjoys a well-balanced blend of commercial, residential, and recreational development, leading to the Town's slogan that "Oyster Bay is a great place to live, work and play."

## GOVERNMENT

The Town of Oyster Bay is classified under the New York State Town Law as a suburban town. The Town, located in the easternmost section of Nassau County, has an area of 114.6 square miles. Located within the Town are 18 incorporated villages, three of which are partially located in neighboring towns. The villages all have their independent forms of government, but real property located therein is subject to taxation by the Town for certain Town purposes.

In addition, there are 14 independently governed school districts and eight fire districts, which rely upon their own taxing powers granted by the State to raise revenue. Eight of these school districts are entirely within the Town while parts of the other six districts are located in neighboring towns.

The chief executive officer of the Town is the Supervisor, who is elected for a term of two years and is eligible to succeed himself. The Supervisor is a member and the presiding officer of the Town Board. In addition to the Supervisor, there are six members of the Town Board who are elected for four-year terms. The terms are staggered so that every two years the Supervisor and three Council members are elected. There is no limit to the number of terms that may be served by members of the Town Board. Both the Supervisor and Council members are elected at large. The elected Town Clerk and Receiver of Taxes serve terms of two and four years, respectively, and may succeed themselves.

## BUDGET

Formal budgetary integration is employed during the year as a management control device for the General, certain Special Revenue and Debt Service Funds. The Town Board adopts the budget and establishes legal level of control of the budget at the object level of expenditures. The object level identifies expenditures by the article purchased or service obtained in order to carry out a function. Appropriations are adopted at the object level. All budgetary amendments and transfers of appropriation require Town Board approval. Appropriations for all governmental funds except the Capital Projects Fund and Special Grant Funds lapse at year end. The Capital Projects and Special Grant Funds are budgeted on a project or grant basis.

## ECONOMIC CONDITION AND OUTLOOK

The Town of Oyster Bay has continued to maintain a balanced atmosphere between corporate and residential citizens. The Town, through the Town Board and the Department of Planning and Development, has in concert with the citizens of Oyster Bay, developed procedures to make sure that any new development in the Town maintains Oyster Bay's balanced growth.

Small businesses as well as large corporations have a friend in Oyster Bay. Cablevision Systems has been in Oyster Bay since its beginnings and enjoys a long-term relationship with the Town.

The occupational outlook anticipates growth in professional, technical, clerical and service industries. Many high-tech companies have located in the area, attracted by a well-educated and highly skilled work force. The unemployment rate in the Town continues to be below average as compared to the rest of the Long Island Region and New York State due to the fact that many companies have remained within the Town. Economic conditions are such that these companies are surviving the current economic environment.

## MAJOR INITIATIVES

### Information Technology Standardization and Alignment Project

As the Information Technology effort continues to mature, the Information Technology Division (ITD) is transitioning a large portion of improvement efforts from infrastructure development to enterprise level business process and data quality improvements. With focus on the value of these functions, and the strides we continue to complete in the infrastructure space, the Town is positioned to make measured improvements in the quality, control, and effectiveness of the Town's information resource and various electronic and business process systems.

## MAJOR INITIATIVES (continued)

A critical infrastructure milestone, core enterprise network, was achieved during 2011 establishing primary data and communication network redundancy with improvements in network security, control and audit functions. Focusing on both redundancy and best practice security, risk mitigation strategies were also advanced. ITD continues to support considerable growth of the physical network by adding more outlying facilities into the core network and extending the benefits of communications, electronic business process, data authoring and quality management to remote operational units. ITD is in the process of upgrading its existing network security by implementing advanced firewall services that include cutting edge Intrusion Prevention Services and Advanced Malware Protection.

This will allow ITD to monitor security threats with a more advanced proactive approach to ensure the integrity of the Town's enterprise network. Similar advantages have been extended for the public's safety by integrating the Town's video security system and emergency call box systems into central control and monitoring system.

ITD has successfully implemented VMware virtualization over the past two years in the Town's main datacenter, completing the first phase of the move toward a fully realized Disaster Recovery and Business Continuity environment. The next phase will allow the town to leverage resources at the both the datacenters in THN and DPW which will maximize utilization, while minimizing failover of critical systems and services in the event of disaster or failure of either datacenter. This will allow ITD to fully utilize all the resources at both sites while still providing a Business Continuity plan for the Town as a whole.

Organizational transformation began to emerge in the actions and strategies of the Town's diverse operational units. ITD began working closely with seventy percent of the Town's departments that were interested in the benefits and values provided by modern business process improvement and reengineering strategies. Some current improvement projects include; the Receiver of Taxes receiving process, IT Support Desk, Marina Management, Street Lighting Management, the Comptroller's Office accounting and control, IT systems incident management, and the Town Attorney's case management system. ITD will continue to stress strong fundamental Information Technology methods and practices for data stewardship, measurable control, and value. These attributes will help lead the Town's organizational improvement efforts towards excellence in operational control and more importantly, an excellent resident experience.

### Geographic Information System (GIS)

In keeping with the Town's GIS agreements with Nassau County and qualifying consulting firms, all of the requests for geographic layers continue to be satisfied. The requests that have been received have ranged from small areas with only a few layers to large areas, some of which include the entire Town, and many other layers.

The Town's GIS Committee, has been extended to include representatives from the Environmental Resources and Intergovernmental Affairs departments of the Town. The GIS Committee currently has representatives from eleven departments within the Town. The GIS committee continues to discover GIS needs within the Town and new ways to more effectively provide solutions to those GIS needs. To support the increased use of GIS within the Town, Town employees who were formally trained on the use and operation of the Environmental Systems Research Institute (ESRI) software product suite have been providing mapping products and services to Town Departments on an as needed basis. The use of Town resources to complete these services has reduced the overall costs for GIS consulting services, while increasing the knowledge and expertise of the GIS within the Town. It is anticipated that additional GIS training services will be provided to both existing and new GIS users within the Town. This additional training will further extend the Town's ability to support GIS related service requests from within the Town and from external consultants and constituents.

The Town upgraded the GIS software environment to the latest release from ESRI and migrated data and software to a new server architecture which includes integration with the Town's current enterprise database environment. The Town extended its agreement with Nassau County to include GIS web service hosting. While the County has shared data with the Town for many years, the Town and County will work together using a similar technology platform to encourage shared services for enhanced GIS functionality. The most recent type of GIS functionality to be shared with the Town includes a set of web services that provide property details. This information is maintained at the County, on County servers, but it is extremely useful for many Town departments' day-to-day operations. As such, the County allowed the Town to create and deploy web services on County servers that make the data available to Town users via the Town GIS viewers. The information that is served via these web services includes property photos, scanned property record cards, the official tax map and recent sales data. The cooperation with the County will continue, and it is anticipated to grow even more in 2015.

## MAJOR INITIATIVES (continued)

As of 2014 all of the current GIS applications available to Town employees have been upgraded. On average, the Town logs onto the GIS viewers approximately 3,050 times each month. This equates to 150 users each day. As expected, this rate has increased steadily over the past year with the inclusion of the Parks department and Highway department GIS viewers. Many manual tasks continue to be replaced by the GIS viewers which has increased the operational efficiency of many departments within the Town.

### Energy Efficiency/Green Energy

As the global demand for energy continues to increase, energy conservation is becoming more important than ever. The Town of Oyster Bay is ahead of the curve and is instituting policies and programs to make not only the operations of Town facilities more energy efficient, but to promote energy conservation in the private sector. As part of a plan to make Town buildings more energy efficient, Energy Star rated air conditioning units are being installed along with thermal glass windows. Boilers are being converted from oil to natural gas, which provides an increase in efficiency of 94%. The Town has also made its buildings more energy friendly by installing an energy-efficient lighting system. Additionally, the Town is currently using solar ("green") power at one of its facilities and is exploring the use of "green" power on a larger scale.

The municipal fleet is a significant energy user, and the Town has taken steps to reduce energy consumption by incorporating alternative fuel, hybrid electric/diesel and electric vehicles into its fleet with more hybrids to be added in the coming year. The Town is also using re-refined motor oil in trucks and cars. Re-refined oil is used motor oil that undergoes an extensive re-refining process to remove contaminants to produce a good-as-new base oil. Less energy is required to produce a gallon of re-refined base stock than a base stock from crude oil.

Even golf carts are getting into the act. There are currently 10 electric powered golf carts in use at the Town golf course. This saves on the use of gas to power them. The carts are plugged in at night to recharge when energy costs and consumption is lowest.

Another way the Town is conserving energy is by installing new energy efficient street lighting. As the old street lighting fixtures come to the end of their life span, they are being replaced with the energy-saving fixtures. With 23,000 street lighting fixtures across the Town, it is helping reduce energy consumption and saving taxpayers money.

The Town made excellent use of a \$5,023,529 grant by constructing a compressed natural gas (CNG) fueling facility at its Department of Public Works complex in Syosset and by converting 44 heavy-duty sanitation trucks to CNG. In addition to the 44 trucks that were to be repowered under that grant, the Town was awarded another grant to convert five additional sanitation trucks to CNG bringing the total number of CNG-fueled sanitation trucks converted to 49. The trucks that operate on CNG currently reduce the Town's petroleum usage by an estimated 204,000 gallons per year, or 17,000 gallons a month, thereby reducing our dependence on foreign oil. The clean-burning CNG vehicles produce an average of 27 percent fewer greenhouse emission than comparable gasoline or diesel models. Additionally, it is estimated that a total of 67,130 pounds of identifiable pollutants will be reduced annually. The project also resulted in green jobs in vehicle and equipment manufacturing, station construction and ongoing vehicle and station operations.

In the private sector, the Town is now mandating that home builders comply with the guidelines of the New York Energy Star Labeled Homes Program. By requiring all one and two-family homes, as well as multi-family dwellings, to comply with Energy Star guidelines, homeowners will be buying a more affordable place to live by virtue of lower energy costs.

## PLANNING FOR THE FUTURE

Two of the most important functions of local government are planning and land use. These are the tools the Oyster Bay Town Board is using to ensure that Oyster Bay remains among the most desirable places to live. Town Supervisor John Venditto and his fellow Town Board members have been working on plans, enacting legislation, and taking whatever steps are necessary to ensure a bright future for the Town where environmental resources are protected and the delicate balance of residential and business development continues to flourish. Some of the plans, legislation and actions are as follows:

## PLANNING FOR THE FUTURE (continued)

### Aquifer Protection Overlay District

The protection of the underground aquifer, which serves as the Town's only source of drinking water, has always been a high priority for the Town of Oyster Bay. The Oyster Bay Town Board took a major step in protecting land within the Town's Special Groundwater Protection Area (SGPA) with the creation of an Aquifer Protection Overlay (APO) District and a special Recreation District (REC). The purpose of the APO District and the REC District is to provide further protection for properties located within the SGPA. Another important step in protecting the groundwater was the acquisition of the 26-acre Littauer property, now known as the Farm at Oyster Bay, which is in the SGPA and is now protected from any future development.

### Infrastructure Improvements

When people hear the word infrastructure, the first things that come to mind are usually roads, buildings and bridges. These are all infrastructure, but infrastructure encompasses so much more. From sports and recreational facilities to computer and energy systems, the Town has numerous types of infrastructure. Infrastructure projects make up a large part of the Town's budget. Every year, money is budgeted for a variety of projects to maintain, improve and expand the Town's infrastructure.

Some recently completed infrastructure projects include the Parking Facility and the Police Athletic League Athletic Center in Hicksville; totally refurbished ball fields and tennis courts in Haypath Park, Old Bethpage; a major renovation of Joseph J. Saladino Memorial Marina at Tobay; construction of an indoor ice skating rink and turf field in Bethpage, reconstruction of Jackson Avenue in Syosset, construction of a new athletic complex on a portion of the former Packard School in Plainedge, construction of a new building for the Town's pre-school program in Massapequa, expansion of the spray park and installation of a new miniature golf course at Tobay Beach, construction of a new multi-purpose turf field and refurbishment of existing ball fields at Theodore Roosevelt Memorial Park in Oyster Bay, and replacement of pea gravel with fibar at playgrounds across the Town. Work is also underway on new floating docks at John J. Burns Town Park, a new floating courtesy dock at Tappen Marina, renovation and expansion of the seawall at Ransom Beach in Bayville.

One of the areas of infrastructure not readily visible is the Town's computer system. The Town is constantly upgrading and modernizing our computer network to streamline tasks and better serve the public. One of the offices most recently involved in a major upgrade is the Receiver of Taxes Office. With the improvements to the system, tax office personnel will be able to access the most up-to-date information on property and answers residents' questions more quickly.

Keeping the Town's infrastructure strong is important for many reasons. Reliable infrastructure systems allow the Town to better serve its residents and to continue providing the high quality municipal services and facilities that are hallmarks of the Town of Oyster Bay. Investing in our infrastructure is an investment in a better future for everyone.

### Next Generation Housing

Affordable housing for first-time homebuyers is one of the critical needs on Long Island. With the creation of the "Next Generation" zone, which allows for 12 units to the acre of price controlled, owner-occupied townhouses with garages, the Town of Oyster Bay became the first municipality on Long Island to have a separate zoning classification for starting housing. To date, 76 units of next generation housing have been approved.

The Town of Oyster Bay spearheaded the formation of the Oyster Bay/Cold Spring Harbor Protection Committee, bringing together communities that border the watershed to develop an integrated management plan for this important marine resource.

## PLANNING FOR THE FUTURE (continued)

### Save Environmental Asset (SEA) Fund III

As is consistent with the first two SEA Funds, SEA Fund III has been used for the acquisition of environmentally sensitive lands and improvements to park and recreational facilities. The Oyster Bay Town Board recognizes that preserving the Town's suburban way of life also means preserving open space and maintaining a diverse and expansive parks system. The Town Board has made a strong commitment to responsible environmental stewardship and ensuring that present and future generations have the opportunity to live in a community with open space and outstanding recreational areas. This was the third such bond approved by voters, the first being in 2000 and the second in 2004. Under the first two SEA Funds, the Town acquired more than 100 acres of land, including the 26-acre Littauer estate, now known as the Farm at Oyster Bay, with a large expanse of woods with paths and ponds, and undertook a variety of park improvement projects, including new playing fields, two new community centers, new playgrounds, and refurbishing pools and basketball courts, to name a few.

### Storm Water Management Legislation

Land development activities and associated increases in land being covered with impervious surfaces such as buildings, sidewalks, roads, and parking lots often increase storm water runoff rates and volumes, flooding, erosion and sediment transport and placement. To address these issues, the Town Board approved amendments and additions to Town Code pertaining to storm water management, erosion and sediment control. These amendments establish storm water requirements and controls that will protect and safeguard the public and regulate development activities so they are compatible with natural functions of a given site, thereby mitigating the adverse effects of storm water runoff, erosion and sedimentation.

The Town has undertaken a number of projects to mitigate the negative impacts of storm water runoff on its waterways, and more are in the development stage. To help residents understand what storm water runoff pollution is and how they can help mitigate it, the Town developed a brochure entitled *A Resident's Guide to Understanding Storm Water Runoff Pollution*. The brochure provides an overview of the how and why of storm water runoff pollution and offers residents easy ways they can help avoid creating storm water runoff pollution.

### Tree Preservation Ordinance

In keeping with the Town's progressive approach in protecting trees, the Town was awarded its 26th consecutive "Tree City USA" award. Aside from their obvious aesthetic value, trees provide a number of tangible and intangible benefits to the suburban quality of life and are important considerations in planning and development. The Town of Oyster Bay was leading the way when it adopted a tree ordinance in 1973, becoming the first Town on Long Island to implement special legislation to protect its trees, and has made several revisions to the ordinance to better address the removal of trees, as well as the protection and enhancement of the Town's tree resources on private, as well as public property.

## FINANCIAL INFORMATION

### Internal Controls

Pursuant to Town Law §34, certain financial functions of the Town are the responsibility of the Comptroller. The Supervisor, however, is the chief fiscal officer of the Town. The Comptroller, who is responsible to the Town Board, also acts as accounting officer of the Town. The duties of the Comptroller include administration and direction and control of the following divisions: Audit and Control, Information Technology (IT), Payroll, Accounting and Accounts Payable.

To assist in meeting internal control objectives, the Town has elected to undertake an annual systemic, formalized review of departmental operations pursuant to the New York State Governmental Accountability, Audit and Internal Control Act of 1987. It has developed and maintained a system of administrative controls in accordance with objectives of the Act, established guidelines for evaluation of systems of internal accounting and administrative control, and undertaken annual reviews and reports. As a recipient of federal assistance, the Town also is responsible for ensuring that an adequate internal control structure is in place to be in compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by Comptroller personnel, as well as by the independent auditors engaged to conduct the annual "single audit" as required by law.

### FINANCIAL INFORMATION (continued)

In addition, the Town maintains controls in order to ensure compliance with the budgetary provisions embodied in the annual appropriated budgets approved by the Town Board. Activities of the General Fund, Town Outside Village Fund, Highway Fund, Debt Service Fund and Special Districts Funds including the Drainage District, Fire Protection Districts, Lighting District, Park Districts, Garbage Collection Districts, Solid Waste Disposal District, Public Parking District and Water Districts, with the exception of the Capital Projects and Special Grant Funds, are provided for in annual appropriated budgets.

Activities of the Special Grant Fund are provided in appropriated budgets, for the federally allowable life of use of funds, as individual grants are made available to the Town. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control at which expenditures cannot exceed the appropriated amount is exercised at the object level. The Town also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Appropriations, which have not been expended or encumbered, lapse at the end of the year. Encumbrances outstanding at year-end are recorded in order to reserve that portion of the applicable appropriation and may be expended in a subsequent budgetary period.

#### Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Comptroller's Office, Albrecht, Viggiano, Zureck & Company, P.C. and our independent auditors Cullen & Danowski, LLP. I appreciate the efforts of all who assisted and contributed to its preparation.

  
Robert J. McEvoy  
Comptroller

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**FINANCIAL  
SECTION**

## INDEPENDENT AUDITOR'S REPORT

Honorable Supervisor and Town Board  
Town of Oyster Bay  
Oyster Bay, New York

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented nonmajor component units, each major fund, and the aggregate remaining fund information of the Town of Oyster Bay, New York (Town), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of ten of the eleven nonmajor component units, Massapequa Water District, Plainview Water District, Hicksville Water District, Locust Valley Water District, Oyster Bay Water District, Jericho Water District, Bethpage Water District, Syosset Sanitation District, Oyster Bay Sewer District and Glenwood-Glenhead Garbage District which represent 87.5%, 87.9%, and 89.0%, respectively, of the assets, net position, and revenues of the aggregate discretely presented nonmajor component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those ten nonmajor component units, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the nonmajor component units presented discretely in these financial statements, Plainview Water District, Hicksville Water District, Locust Valley Water District, Oyster Bay Water District, Jericho Water District, South Farmingdale Water District, Syosset Sanitation District, Oyster Bay Sewer

District and Glenwood-Glenhead Garbage District were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Summary of Opinions***

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Aggregate Discretely Presented Nonmajor component Units	Unmodified
General Fund	Qualified
Highway Fund	Unmodified
Garbage Collection Districts Fund	Unmodified
Solid Waste Disposal Fund	Unmodified
Debt Service Fund	Unmodified
Capital Projects Fund	Unmodified
Other Governmental Funds	Unmodified
Fiduciary Funds	Unmodified

### ***Basis for Qualified Opinions on Governmental Activities and General Fund***

Management had chosen to recognize as revenue in 2013, the proceeds collected on a sale of land which has not closed. Accounting principles generally accepted in the United States of America require consummation of a sale in order to recognize revenue on the sale of property. If the proceeds had been recorded as a deposit as required by generally accepted accounting principles, the governmental activities and the general fund would have a liability in the amount of \$30,025,000. In the statement of net position, total net position (deficit) would increase from a deficit of \$269,500,693 to a deficit of \$299,525,693 and in the balance sheet the fund balance (deficit) of the general fund would be increased from \$17,507,165 to \$47,532,165.

### ***Qualified Opinions***

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinions on Governmental Activities and General Fund” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities and the General Fund of the Town of Oyster Bay, New York as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Unmodified Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate discretely presented nonmajor component units, each major fund other than the General Fund, and the aggregate remaining fund information of the Town of Oyster Bay, New York, as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Oyster Bay, New York's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2016, on our consideration of the Town of Oyster Bay, New York's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Oyster Bay, New York's internal control over financial reporting and compliance.

*Cullen & Danowski, LLP*

April 12, 2016

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Management's Discussion and Analysis**

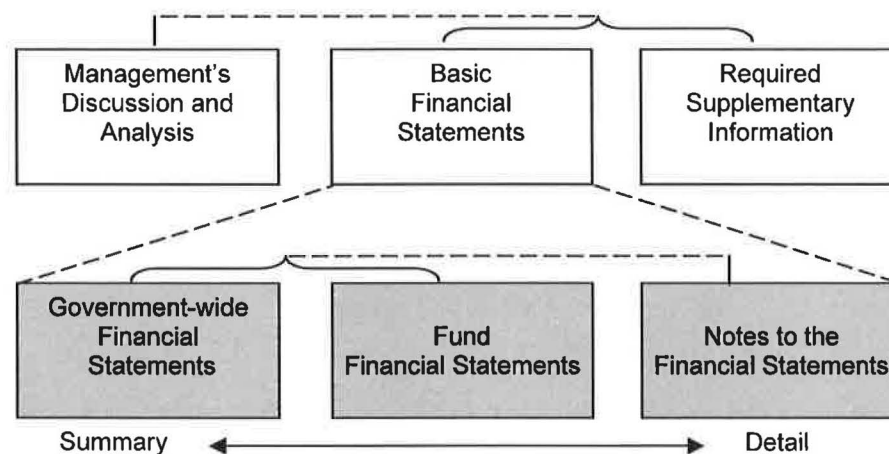
**TOWN OF OYSTER BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2014

As management of the Town of Oyster Bay (the "Town"), we offer readers of the financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2014. We encourage readers to consider the information presented here, in conjunction with additional information that we have furnished in our letter of transmittal of this report.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

**COMPONENTS OF  
THE ANNUAL FINANCIAL REPORT**



**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. The intent of the government-wide financial statements is to give the reader a long-term view of the Town's financial condition.

The Statement of Net Position presents financial information on all of the Town's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. This combines and consolidates the Town's current financial resources with capital assets and long-term obligations. The purpose of this statement is to give the reader an understanding of the Town's total net worth. Over time, increases or decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's buildings, roads, drainage and other assets to assess the overall health of the Town.

The Statement of Activities presents information showing how the Town's net position changed during the most recent year. Revenues and expenses are reported by activity to give the reader an understanding of how each of the Town's activities is being supported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods. This method is known as the accrual basis of accounting and is different from the modified accrual basis of accounting used in the Town's fund financial statements.

**TOWN OF OYSTER BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2014

**OVERVIEW OF THE FINANCIAL STATEMENTS** (continued)

**Government-wide Financial Statements** (continued)

The Town's government-wide financial statements include both the governmental activities of the Town itself (known as the primary government) and of its legally separate nonmajor component units for which the Town is financially accountable. Financial information for these nonmajor component units is reported separately (discretely presented) from the financial information presented for the primary government.

Governmental Activities

The Town's basic services are reported here, including: general government support; public safety; transportation; economic assistance and opportunity; culture and recreation and home and community services. Property taxes, local government assistance, mortgage taxes, franchise fees, fines, and state and federal grants finance these activities. The Town also charges fees to customers to help it cover the cost of certain services it provides.

Nonmajor Component Units

Nonmajor component units are legally separate organizations for which the Town is either financially accountable, or the nature and significance of their relationship with the Town is such that exclusion would cause the Town's financial statements to be misleading or incomplete. These entities are reported in a separate column in the government-wide statements. The Town includes eleven separate legal entities in its report (eight water districts, two sanitation districts, and one sewer district).

Information on separately issued financial statements is shown in Note 5 to the financial statements.

**Fund Financial Statements**

The fund financial statements focus on current available resources and are organized and operated on the basis of funds, each of which is defined as an accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restriction or limitations. The Town, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

The Town's activities are reported in governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the Town's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**TOWN OF OYSTER BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2014

**OVERVIEW OF THE FINANCIAL STATEMENTS** (continued)

**Fund Financial Statements** (continued)

Governmental Funds (continued)

The Town maintains fourteen (14) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the six (6) major funds. The General Fund, Highway Fund, Garbage Collection Districts Fund, Solid Waste Disposal District Fund, Debt Service Fund, and Capital Projects Fund are reported as major funds. Data from the eight (8) other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining and individual fund statements in the other supplementary information section in this report.

The Town adopts an annual appropriated budget for its General and Special Revenue Funds, except for the following funds: Capital Projects Fund and Special Grants Fund. A budgetary comparison schedule for the General Fund, Highway Fund, Garbage Collection Districts Fund, and Solid Waste Disposal District Fund can be found in the section labeled "Required Supplementary Information Other Than Management's Discussion and Analysis". The budgetary comparison schedule for the Debt Service Fund and all nonmajor governmental funds with the exception of the Special Grants Fund can be found in the section labeled "Other Supplementary Information".

Fiduciary Funds

All of the Town's fiduciary activities are reported in a separate Statement 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 is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements.

**Other Information**

In addition to the basic financial statements this report contains required supplementary information other than management's discussion and analysis and other supplementary information immediately following the notes to the financial statements.

**TOWN OF OYSTER BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2014

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$269,500,693 at the close of the most recent year.

Condensed Statement of Net Position  
Governmental Activities  
as of December 31, 2014 and 2013

	2014	2013
<b>Assets</b>		
Current and other assets	\$ 64,530,994	\$ 45,098,765
Capital assets	738,263,270	736,456,516
Total assets	<u>802,794,264</u>	<u>781,555,281</u>
Deferred Outflows of Resources	<u>6,744,672</u>	<u>3,579,319</u>
<b>Liabilities</b>		
Current and other liabilities	229,783,890	405,325,961
Long-term liabilities	848,805,251	609,173,643
Total liabilities	<u>1,078,589,141</u>	<u>1,014,499,604</u>
Deferred Inflows of Resources	<u>450,488</u>	<u>479,938</u>
<b>Net Position</b>		
Net investment in capital assets	39,210,064	32,343,595
Restricted	1,808,763	1,201,964
Unrestricted (deficit)	(310,519,520)	(263,390,501)
Total net position	<u>\$ (269,500,693)</u>	<u>\$ (229,844,942)</u>

Total assets and deferred outflows of resources of the Town as of December 31, 2014 were \$809,538,936, an increase of \$24,404,336 over the prior year. Total liabilities and deferred inflows of resources as of December 31, 2014 were \$1,079,039,629, an increase of \$64,060,087 over the prior year. This results in an overall net position deficit of \$269,500,693 as of December 31, 2014. Of the Town's net position balance \$39,210,064 reflects the Town's investment in capital assets (e.g., land, development rights, construction in progress, land rights, buildings, improvements other than buildings, machinery and equipment, software, roads, curbs, sidewalks, drainage systems and lighting systems); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens and 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 will not be used to liquidate these liabilities. The Town's net position balance also included \$1,808,763 that is restricted by statute or other specific purposes and \$310,519,520 that is an unrestricted deficit.

The deficit balance of unrestricted net position includes unfunded long-term liabilities. These long-term liabilities will be funded through future budgetary appropriations when they become payable in future periods. Included in these long-term liabilities are due to Employees' Retirement System in the amount of \$22,585,254, other postemployment benefits payable in the amount of \$167,364,523, compensated absences in the amount of \$23,201,265, claims and judgments payable in the amount of \$22,707,503, landfill closure and post-closure care costs in the amount of \$9,870,000 and other unfunded liabilities of \$13,513,833.

**TOWN OF OYSTER BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2014

**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (continued)

Our analysis below focuses on the changes in net position of the Town's governmental activities.

Changes in Net Position  
Governmental Activities  
for the years ended December 31, 2014 and 2013

	2014	2013
Program Revenues		
Charges for services	\$ 17,144,795	\$ 16,715,028
Operating grants and contributions	10,777,160	15,217,357
Capital grants and contributions	4,522,687	10,328,219
Total Program Revenues	<u>32,444,642</u>	<u>42,260,604</u>
General Revenues		
Real property taxes	198,080,058	182,180,760
Other real property tax items	3,678,417	3,390,556
Non-property tax items	5,112,339	4,863,692
Interest earnings	181,680	246,628
Local government assistance - unrestricted	13,942,484	14,680,867
State aid - unrestricted	10,327,711	11,883,093
Other	8,005,579	10,062,430
Total General Revenues	<u>239,328,268</u>	<u>227,308,026</u>
Total Revenues	<u>271,772,910</u>	<u>269,568,630</u>
Program Expenses		
General government support	40,547,641	36,575,649
Public safety	28,294,084	29,134,180
Transportation	63,795,473	68,083,600
Economic assistance and opportunity	4,192,597	4,035,988
Culture and recreation	63,468,829	71,386,725
Home and community services	86,904,193	93,926,958
Interest on debt	24,225,844	22,180,971
Total Expenses	<u>311,428,661</u>	<u>325,324,071</u>
Excess (Deficiency) Before Special Item	(39,655,751)	(55,755,441)
Special Item		
Proceeds from sale of land	-0-	30,025,000
Decrease in Net Position	(39,655,751)	(25,730,441)
Net Position at Beginning of Year	(229,844,942)	(203,417,967)
*Cumulative Effect of Change in Accounting Principle	-0-	(696,534)
Net Position at Beginning of Year, as Restated	(229,844,942)	(204,114,501)
Net Position at End of Year	<u>\$ (269,500,693)</u>	<u>\$ (229,844,942)</u>

\* The cumulative effect of applying Governmental Accounting Standards Board (GASB) Statement No. 65, "Items Previously Reported as Assets and Liabilities", is shown as an adjustment to the beginning net position of 2013 .

**TOWN OF OYSTER BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2014

**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (continued)

Net position, from all governmental activities, decreased by \$39,655,751 in the current year. Key elements of the governmental activities are:

- The current year decrease in net position is due in part to budgetary planning by the Town. Overall, the Town appropriated expenditures in excess of estimated revenues by \$34,620,886. The current year deficit was also due to an increase in the unfunded liability for other postemployment benefits in the amount of \$24,479,497, an increase in the liability for compensated absences in the amount of \$1,823,383 and an increase in the liability due to the Employees' Retirement System in the amount of \$2,461,314 offset by a decrease in claims and judgments payable in the amount of \$4,139,150.
- Total revenues were \$271,772,910 in 2014, an increase of \$2,204,280 from the prior year. General revenues were up overall by \$12,020,242, due to an increase in real property taxes in the current year by \$15,899,298; however this was offset by the recognition of proceeds from the sale of land in the prior year in the amount of \$30,025,000. Program revenues were also down from the prior year by \$9,815,962 due to decreases in operating and capital grants. Total program expenses were \$311,428,661 in 2014 a decrease of \$13,895,410 from the prior year.

**TOWN OF OYSTER BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2014

**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (continued)

The following chart illustrates the total and net cost of services by function for the Town's governmental funds.

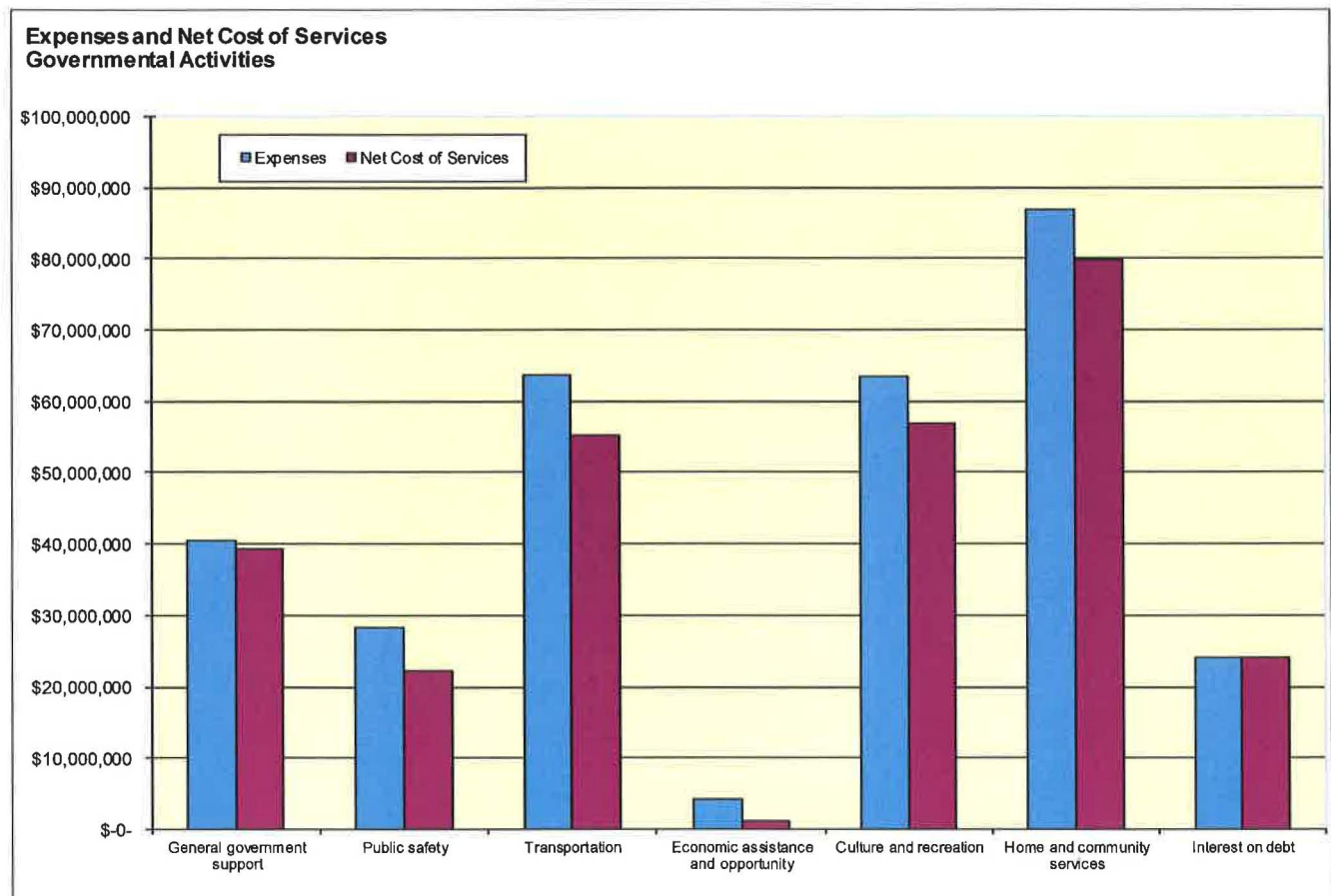
**Net Cost of Services**

**Governmental Activities**

for the years ended December 31, 2014 and 2013

	Total Cost of Services		Net Cost of Services	
	2014	2013	2014	2013
General government support	\$ 40,547,641	\$ 36,575,649	\$ 39,411,085	\$ 35,335,259
Public safety	28,294,084	29,134,180	22,188,183	22,779,712
Transportation	63,795,473	68,083,600	55,357,336	47,408,528
Economic assistance and opportunity	4,192,597	4,035,988	1,076,467	1,628,857
Culture and recreation	63,468,829	71,386,725	56,811,163	64,461,259
Home and community services	86,904,193	93,926,958	79,913,941	89,268,881
Interest on debt	24,225,844	22,180,971	24,225,844	22,180,971
	<u>\$ 311,428,661</u>	<u>\$ 325,324,071</u>	<u>\$ 278,984,019</u>	<u>\$ 283,063,467</u>

The total cost of all governmental activities this year was \$311,428,661. The net cost of these services after being subsidized by program revenues was \$278,984,019.



**TOWN OF OYSTER BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2014

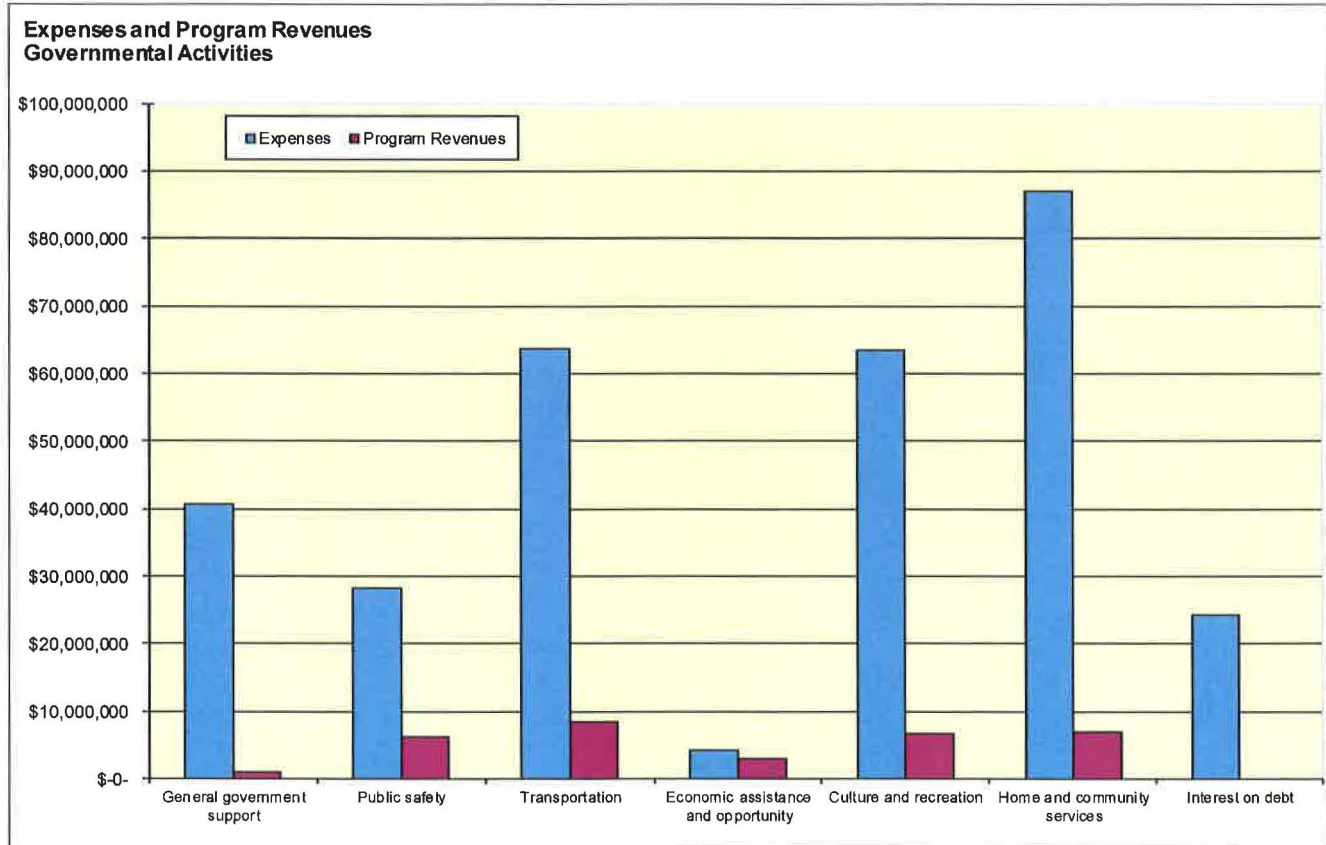
**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (continued)

The following chart illustrates the total costs of services and program revenues by function for the Town's governmental activities.

Total Cost of Services and Program Revenues  
Governmental Activities  
for the years ended December 31, 2014 and 2013

	Total Cost of Services		Program Revenues	
	2014	2013	2014	2013
General government support	\$ 40,547,641	\$ 36,575,649	\$ 1,136,556	\$ 1,240,390
Public safety	28,294,084	29,134,180	6,105,901	6,354,468
Transportation	63,795,473	68,083,600	8,438,137	20,675,072
Economic assistance and opportunity	4,192,597	4,035,988	3,116,130	2,407,131
Culture and recreation	63,468,829	71,386,725	6,657,666	6,925,466
Home and community services	86,904,193	93,926,958	6,990,252	4,658,077
Interest on debt	24,225,844	22,180,971		
	<u>\$ 311,428,661</u>	<u>\$ 325,324,071</u>	<u>\$ 32,444,642</u>	<u>\$ 42,260,604</u>

The total cost of all governmental activities this year was \$311,428,661. The cost of these services were subsidized by program revenues of \$32,444,642.



**TOWN OF OYSTER BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2014

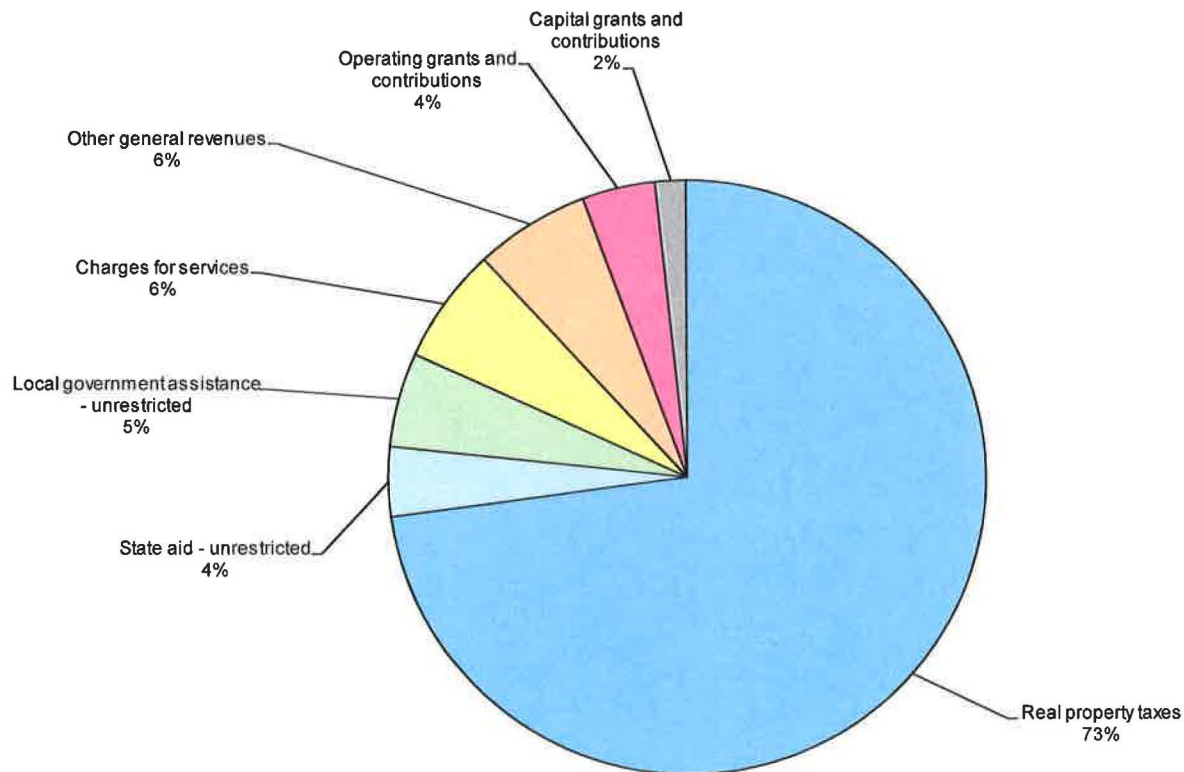
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

**Revenue by Source**

Governmental Activities

Year ended December 31, 2014

Real property taxes	\$ 198,080,058
State aid - unrestricted	10,327,711
Local government assistance - unrestricted	13,942,484
Charges for services	17,144,795
Other general revenues	16,978,015
Operating grants and contributions	10,777,160
Capital grants and contributions	4,522,687
	<hr/>
	\$ 271,772,910



**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

**Governmental Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, spendable fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

**TOWN OF OYSTER BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2014

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (continued)**

**Governmental Funds (continued)**

At December 31, 2014, the Town's governmental funds reported a total ending fund balance deficit of \$90,875,738, a reduction of \$209,504,053 from the prior year deficit, which includes \$774,176 of a change in application of an accounting principle. The category breakdown of fund balance is as follows:

- **Nonspendable fund balance** - \$33,979,752 (inherently non spendable) includes the portion of net resources that cannot be spent because they must be maintained intact.
- **Restricted fund balance** - \$1,660,875 (externally enforceable limitations on use) include amounts subject to limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.
- **Assigned fund balance** - \$24,732 (limitation resulting from intended use) consists of amounts where the intended use is established by the Town Board, but do not meet the criteria to be classified as restricted or committed.
- **Unassigned fund balance deficit** - \$126,541,097 (residual net resources) is the remaining total fund balance deficit in the General Fund, Garbage Collection Districts Fund, Solid Waste Disposal District Fund, Capital Projects Fund, Town Outside Village Fund and Public Parking District.

The change in total governmental fund balance was due largely to the recognition of financing sources for capital projects in the Capital Project Fund from issuance of debt. These financing sources in the Capital Projects Fund resulted from issuance of debt in the amount of \$264,175,000 and transfers from other funds in the amount of \$23,641,715. The General Fund and the Highway funds conversely reported increases to their fund balance deficit in the amounts of \$19,017,213 and \$8,720,044, respectively. These deficits in the General Fund and the Highway funds are in part due to the transfers to the Debt Service Fund. The Town began the year with an anticipated \$18,452,994 decrease resulting from the appropriation of fund balance for the 2014 budget in the governmental funds. During the year the Town appropriated an additional \$16,167,892 in fund balance to fund operations.

The changes in fund balance in the General Fund, Highway Fund, Garbage Collection Districts Fund, Solid Waste Disposal District Fund, Capital Projects Fund and Nonmajor Governmental Funds fund balance are explained in their respective paragraphs below.

In the General Fund, fund balance decreased by \$19,017,213 from a \$1,510,048 surplus to a \$17,507,165 deficit, which is due in part to the Town appropriating expenditures in the budget in excess of the respective estimated revenues, by designating unassigned fund balance from the prior year. Revenues, other financing sources and special items totaled \$109,699,028, a decrease of \$14,655,054 from the prior year, while expenditures and other financing uses totaled \$128,716,241, an increase of \$12,784,231 over the prior year. The decrease in revenue was mainly due to the recognition of proceeds from sale of real property of \$30,025,000 in 2013 offset by an increase in Nassau County local government assistance of \$13,942,484 in 2014, which was recorded in other funds in the prior year. The increase in expenditures and other financing uses was mainly due to the increase in transfer to the Debt Service Fund of \$8,667,754 to service long-term debt. Other expenditures and other financing uses overall were up an additional \$4,116,477 over the prior year.

In the Highway Fund, fund balance decreased by \$8,720,044 from a \$3,922,009 surplus to a \$4,798,035 deficit, which is due in part to the Town appropriating expenditures in the budget in excess of the respective estimated revenues, by designating unassigned fund balance from the prior year. Revenues totaled \$44,070,314, a decrease of \$4,744,516 from the prior year, while expenditures and other financing uses totaled \$52,790,358, an increase of \$3,790,439 over the prior year. The decrease in revenue was mainly due to a decrease in federal and state aid. The increase in expenditures and other financing uses was mainly due to the increase transfer to the Debt Service Fund of \$9,239,283 to service debt long-term debt. Other expenditures overall were down by \$5,448,844 from the prior year. This decrease in expenditures was due to a decrease in transportation expenditures of \$5,514,482.

**TOWN OF OYSTER BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2014

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (continued)**

**Governmental Funds (continued)**

In the Garbage Collection Districts Fund, the fund balance deficit was increased by \$138,929 from a \$7,656,482 deficit to a \$7,795,411 deficit. Revenues totaled \$46,716,524, an increase of \$392,975 from the prior year, while expenditures and other financing uses totaled \$46,855,453, an increase of \$3,192,560 over the prior year. Real property taxes increased over the prior year by \$11,555,782 and litigation recoveries increased by \$2,436,044. These increases were off set by the recognition of the Nassau County local government assistance of \$13,688,646 in this fund in the prior year. Overall however revenues were consistent with the prior year. The overall increase in expenditures and other financing uses was due to an increase in home and community services expenditures.

In the Solid Waste Disposal District Fund, fund balance deficit was increased by \$401,430 from a \$13,136,842 deficit to a \$13,538,272 deficit. Revenues totaled \$34,343,770, an increase of \$644,358 from the prior year, while expenditures and other financing uses totaled \$34,745,200, a decrease of \$241,420 from the prior year. The increase in revenue was mainly due to an increase in real property taxes of \$1,220,578, litigation settlement of \$863,956 offset by the recognition of the Nassau County local government assistance of \$992,221 in this fund in the prior year. The overall decrease in expenditures and other financing uses was mainly due to a decrease in home and community services expenditures.

In the Capital Projects Fund, the fund balance deficit was reduced by \$235,968,892, which includes a change in application of an accounting principle of \$774,176, from a \$286,912,860 deficit to a \$50,943,968 deficit. This was mainly due to the Town issuing general obligation bonds in the amount of \$264,175,000 which is recognized as a financing source in the current year. The remaining fund balance deficit results from differences in timing between project expenditures and the recognition of corresponding permanent financing sources. Since project expenditures are initially financed by the issuance of bond anticipation notes, and the proceeds of these short-term borrowings are recorded as fund liabilities rather than as other financing sources in accordance with GAAP, fund balance deficits occur. At December 31, 2014 the Town had \$84,620,000 of bond anticipation notes outstanding to finance capital projects which is down from the prior year balance by \$210,690,000. The deficit will be eliminated when long-term bonds payable are issued to redeem the bond anticipation notes payable.

The total Nonmajor Governmental Funds' fund balance surplus was increased by \$1,339,323. Revenues were \$69,442,122, an increase of \$4,512,452 from the prior year, while expenditures and other financing uses totaled \$68,102,799, an increase of \$4,573,020 from the prior year. The increase in revenue was mainly due to an increase in real property taxes of \$3,120,154, and an increase in federal and state aid of \$1,099,813. The overall increase in expenditures and other financing uses was due mainly to increases in transfers to other funds.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Town appropriated expenditures in the original General Fund budget in excess of estimated revenues in the amount of \$7,872,571, by designating unassigned fund balance from the prior year. Over the course of the year the Town Board revises the budget as needed so that expenditures do not exceed appropriations. In the General Fund, various transfers between appropriations were approved for this purpose. The budget was also revised as a result of encumbrances from the prior year. The final budget for expenditure and other financing uses was increased as well by the appropriation of additional unassigned fund balance by \$8,492,080. Please see the General Fund section for more details on the comparison of final budget to actual amounts.

**TOWN OF OYSTER BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2014

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of December 31, 2014 the Town had \$738,263,270, in net capital assets including land, development rights, construction in progress, land rights, buildings, improvements other than buildings, machinery and equipment, software, roads, curbs and sidewalks, drainage and street lighting. In addition, the Town has encumbered funds for commitments of capital expenses in the amount of \$5,843,149. The Town's nonmajor component units had \$194,259,033 in net capital assets including land, construction in progress, buildings, improvements other than buildings, machinery and equipment, software, water and sewer mains.

Capital Assets at December 31,

<u>Primary government</u>	2014	2013
Land	\$ 114,563,770	\$ 114,378,467
Development rights	1,306,296	1,306,296
Construction in progress	2,636,035	16,971,774
Land rights	9,296,520	8,697,634
Buildings	148,727,811	143,239,165
Improvements other than buildings	486,232,921	469,512,439
Machinery and equipment	96,077,823	96,039,312
Software	19,881,491	13,331,833
Infrastructure		
Roads, curbs and sidewalks	385,663,135	353,075,399
Drainage system	178,153,937	174,750,941
Lighting system	21,423,065	20,729,068
Total capital assets	1,463,962,804	1,412,032,328
Less: accumulated depreciation	725,699,534	675,575,812
Primary government - Total net capital assets	<u>\$ 738,263,270</u>	<u>\$ 736,456,516</u>

During 2014, the Town's capital assets were increased by \$1,806,754. The increase in capital assets included additions net of prior year construction in progress placed into service of \$54,393,416, offset by depreciation expense of \$52,585,787. In addition the Town removed fully depreciated roads, curbs and sidewalks and other aging assets of \$2,462,940, offset by the removal of \$2,462,065 of accumulated depreciation on those assets.

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

Capital Assets at December 31,

<u>Nonmajor component units</u>	2014	2013
Land	\$ 5,979,602	\$ 5,979,602
Construction in progress	36,283,030	41,648,554
Buildings	59,357,808	55,804,603
Improvements other than buildings	89,198,342	82,908,040
Machinery and equipment	39,487,928	38,318,209
Software	73,056	61,056
Infrastructure		
Water mains	80,761,038	69,295,983
Sewer system	1,517,692	1,287,791
Total capital assets	312,658,496	295,303,838
Less: accumulated depreciation	118,399,463	111,401,237
Component units - Total net capital assets	<u>\$ 194,259,033</u>	<u>\$ 183,902,601</u>

**TOWN OF OYSTER BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2014

**CAPITAL ASSET AND DEBT ADMINISTRATION** (continued)

**Capital Assets** (continued)

The capital program is a long range financing guide and not a definitive plan. Each appropriation must be authorized by Town Board resolution before its commencement. Each may be financed by issuance of general obligation bonds, which, at times, are preceded by issuance of bond anticipation notes for various periods of time depending on the probable usefulness of the purpose of the expenditure. The following sets forth a summary of the Town's capital program, as originally adopted for 2015 and the next five years.  
(dollars in thousands):

Equipment	2015	2016	2017	2018	2019	2020
General Fund	\$ 5,675	\$ 2,639	\$ 2,236	\$ 1,709	\$ 1,361	\$ 1,661
General - Part Town	1,120	25	25	25	25	25
Highway Fund	1,412					
Special Districts	3,328	2,461	2,513	1,716	3,148	2,362
Total Equipment	<u>\$ 11,535</u>	<u>\$ 5,125</u>	<u>\$ 4,774</u>	<u>\$ 3,450</u>	<u>\$ 4,534</u>	<u>\$ 4,048</u>
Improvements	2015	2016	2017	2018	2019	2020
General Fund	\$ 9,649	\$ 3,347	\$ 3,057	\$ 2,472	\$ 2,472	\$ 2,272
Highway Fund	28,825					
Special Districts	2,490	2,360	2,360	2,160	2,160	2,160
Total Improvements	<u>\$ 40,964</u>	<u>\$ 5,707</u>	<u>\$ 5,417</u>	<u>\$ 4,632</u>	<u>\$ 4,632</u>	<u>\$ 4,432</u>
Total Program	<u>\$ 52,499</u>	<u>\$ 10,832</u>	<u>\$ 10,191</u>	<u>\$ 8,082</u>	<u>\$ 9,166</u>	<u>\$ 8,480</u>

**Debt Administration**

The Town received a BBB rating with a negative outlook from Standard & Poor's Ratings Services for the year ended December 31, 2014.

At December 31, 2014, the Town had \$717,421,379 in long term general obligation bonds outstanding, of which \$649,403,502 was for general Town purposes. Also outstanding at year-end were bond anticipation notes in the amount of \$96,920,000 of which \$87,920,000 was for general Town purposes.

Debt Limit

The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven percent of the average full valuation of taxable real estate of the Town, and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service.

The constitutional method for determining full valuation is calculated by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Board of Equalization and Assessment. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five. Percentage of debt contracting power exhausted at December 31, 2014 was 18.16%.

Additional information on the Town's debt activity can be found in Note 3.D to the financial statements.

**TOWN OF OYSTER BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2014

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

**Property Tax**

Chapter 97 of the Laws of 2011 (the "Tax Cap Law") was enacted on June 24, 2011 and took effect for the 2012 budget year. The Tax Cap Law limits annual increases of the Town's overall real property tax to no more than the lesser of 2.00% or the rate of inflation. Certain increases to the tax levy are excluded from the limitations imposed by the Tax Cap Law including exclusions for certain expenditures for retirement system contributions and tort judgments payable by the Town. In addition, the Town Board may override the limitations if the Town Board enacts, by vote of at least sixty percent of the voting power of the Town Board, a local law to override such limit for the upcoming budget year. The Tax Cap Law does not provide exclusion for debt service on general obligations issued by the Town.

The Town has adopted a budget for 2015, which factors in inflation and other adjustments to revenues and expenses as well as prior year positive and negative fund balances. The 2015 budget includes an overall increase in real property tax revenue from the prior year of 8.83% for the Town's overall governmental activities. The Town Board, by majority vote, approved to override the limitations of the Tax Cap Law for the annual budget and real property tax levy for the 2015 calendar year.

**State Aid and Local Assistance**

The Town receives financial assistance from New York State and Nassau County. During 2014, financial assistance included state aid – mortgage tax \$8,645,289; state aid – per capita \$1,682,422 and County local government assistance of \$13,942,484. If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town may be affected by a delay in the payment of state aid. The State is not constitutionally obligated to maintain or continue state aid to the Town. The Town's 2015 budget included similar amounts for this financial assistance.

**Property Condemnation and Environmental Issues**

The Town is currently in litigation on certain matters which involve property condemnation and/or the remediation for the contamination by environmentally hazardous substances. These matters are at various stages of litigation and it is uncertain as to the outcome. Additional information on these matters can be found in Note 4.B to the financial statements.

**Operating Results for 2015**

The Town is still in the process of closing its books for 2015, but as of March 31, 2016, the Town has a solid indication of 2015 operating results. (Unaudited) No audit procedures have been applied to these projections.

Currently, the General Fund is projecting to have a relatively small operating deficit for the year. Total revenues came in as budgeted, but expenditures came in higher than budget in some lines, mostly in Debt Service, where the Town paid down principal aggressively.

The Town Outside Village Fund remained basically unchanged as revenues and expenditures were almost equal. The Highway Fund projects to have a deficit which will be offset by the cumulative results in the Special Districts Fund project surplus.

Clearly, the results of operations in 2015 are significantly improved in comparison to 2014. The Town looks to continue this upward trend in 2016.

**BASIC FINANCIAL  
STATEMENTS**

**TOWN OF OYSTER BAY**  
**GOVERNMENT-WIDE FINANCIAL STATEMENT**  
**STATEMENT OF NET POSITION**  
December 31, 2014

	Primary Governmental Activities	Nonmajor Component Units
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and investments	\$ 25,569,788	\$ 60,018,682
Accounts receivable, net of allowances \$424,959	4,270,028	8,824,281
Rehabilitation loan receivable	13,000	
State and federal aid receivables	13,484,994	2,544
Due from other governments	4,362,580	523,120
Due from primary government		6,970,611
Due from component units	5,120,233	
Other assets	245	700
Inventory of material and supplies	3,362,643	713,300
Prepaid items	71,832	1,122,356
Total Current Assets	<u>56,255,343</u>	<u>78,175,594</u>
<b>Non-Current Assets:</b>		
State and federal aid receivables, net of current portion	4,975,651	
Due from other governments, net of current portion	3,300,000	
Non-depreciable capital assets	118,506,101	42,262,632
Depreciable capital assets, net of depreciation	619,757,169	151,996,401
Total Non-Current Assets	<u>746,538,921</u>	<u>194,259,033</u>
<b>Total Assets</b>	<u>802,794,264</u>	<u>272,434,627</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charges on refundings, net of accumulated amortization	6,744,672	115,821
<b>Total Deferred Outflows of Resources</b>	<u>6,744,672</u>	<u>115,821</u>

(continued)

**TOWN OF OYSTER BAY**  
**GOVERNMENT-WIDE FINANCIAL STATEMENT**  
**STATEMENT OF NET POSITION**  
December 31, 2014

	Primary Governmental Activities	Nonmajor Component Units
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	30,245,018	5,902,158
Accrued liabilities	9,638,739	644,799
Accrued interest payable	9,958,794	414,663
Bond anticipation notes payable	87,920,000	9,000,000
Revenue anticipation note payable	10,000,000	
Tax anticipation notes payable	20,000,000	
Due to other governments	624,481	368,971
Due to primary government		5,120,233
Grant advances	46,711	
Collections in advance		14,139
Unearned income		275,186
Non-current liabilities due within one year:		
General obligation bonds payable	51,913,593	4,476,254
Due to Employees Retirement System	2,595,330	172,358
Compensated absences	1,160,063	195,027
Claims and judgments payable	4,889,494	
Estimated liability for landfill closure and postclosure care costs	780,000	
Retirement incentive payable	11,667	
Other debt		810,000
Total Current Liabilities	<u>229,783,890</u>	<u>27,393,788</u>
<b>Non-Current Liabilities:</b>		
General obligation bonds payable	612,489,926	64,091,707
Due to Employees Retirement System	19,989,924	
Other postemployment benefits payable	167,364,523	21,695,649
Compensated absences	22,041,202	3,874,044
Claims and judgments payable	17,818,009	
Estimated liability for landfill closure and postclosure care costs	9,090,000	
Retirement incentive payable	11,667	
Other debt		11,625,000
Total Non-Current Liabilities	<u>848,805,251</u>	<u>101,286,400</u>
<b>Total Liabilities</b>	<u>1,078,589,141</u>	<u>128,680,188</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Gain on refunding		35,774
Unearned revenue from real property taxes		56,201
Unearned revenue from real property tax items	450,488	78,125
<b>Total Deferred Inflows of Resources</b>	<u>450,488</u>	<u>170,100</u>
<b>NET POSITION</b>		
Net investment in capital assets	39,210,064	119,039,620
Restricted:		
Home and community services	368,603	28,684,217
Economic assistance and opportunity	286,940	
Debt service	1,153,220	
Unrestricted (deficit)	<u>(310,519,520)</u>	<u>(4,023,677)</u>
<b>Total Net Position</b>	<u>\$ (269,500,693)</u>	<u>\$ 143,700,160</u>

See notes to the financial statements

**TOWN OF OYSTER BAY**  
**GOVERNMENT-WIDE FINANCIAL STATEMENT**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2014

Function/Program	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Government Activities:				
General government support	\$ 40,547,641	\$ 1,136,556		
Public safety	28,294,084	6,024,901		\$ 81,000
Transportation	63,795,473	2,922,521	\$ 3,609,283	1,906,333
Economic assistance and opportunity	4,192,597		3,116,130	
Culture and recreation	63,468,829	6,230,650	36,042	390,974
Home and community services	86,904,193	830,167	4,015,705	2,144,380
Interest on debt	24,225,844			
Total Primary Government	\$ 311,428,661	\$ 17,144,795	\$ 10,777,160	\$ 4,522,687
NONMAJOR COMPONENT UNITS				
Home and community services	\$ 55,110,969	\$ 27,549,928	\$ 25,194	\$ -0-

**General Revenues**

Real property taxes  
Other real property tax items  
Non-property tax items  
Interest earnings  
Local government assistance - unrestricted  
State aid - unrestricted  
Other

Total General Revenues and Special Item

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

See notes to the financial statements.

Net (Expenses) Revenue and Change in Net Position			
	Primary Government		Nonmajor Component Units
\$	(39,411,085)		
	(22,188,183)		
	(55,357,336)		
	(1,076,467)		
	(56,811,163)		
	(79,913,941)		
	(24,225,844)		
\$	(278,984,019)		
		\$	(27,535,847)
\$	198,080,058	\$	22,849,313
	3,678,417		221,591
	5,112,339		
	181,680		222,731
	13,942,484		
	10,327,711		
	8,005,579		3,006,088
	239,328,268		26,299,723
	(39,655,751)		(1,236,124)
	(229,844,942)		144,936,284
\$	(269,500,693)	\$	143,700,160

**TOWN OF OYSTER BAY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2014

	MAJOR FUNDS		
	General	Highway	Garbage Collection Districts
<b>ASSETS</b>			
Cash and investments	\$ 58,472	\$ 200	
Accounts receivable, net of allowances for doubtful accounts of \$424,959	2,003,224	604,713	\$ 22,202
Rehabilitation loan receivable			
Due from other funds	10,005,383	2,191,608	
State and federal aid receivables	2,049,966	3,257,328	45,000
Due from other governments	4,008,115	126,755	2,456,395
Due from component units			
Other assets	245		
Inventory of material and supplies	1,832,208	772,024	
Prepaid items	71,832		
Total Assets	<u>\$ 20,029,445</u>	<u>\$ 6,952,628</u>	<u>\$ 2,523,597</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 9,143,462	\$ 842,224	\$ 2,708,879
Accrued liabilities	4,140,372	801,552	2,046,458
Bond anticipation notes payable			2,436,044
Revenue anticipation note payable	10,000,000		
Tax anticipation notes payable	10,000,000	10,000,000	
Due to other governments	624,481		
Due to other funds	3,562,508		3,127,627
Grant advances			
Total Liabilities	<u>37,470,823</u>	<u>11,643,776</u>	<u>10,319,008</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenue from real property tax items	65,787	106,887	
Unavailable rehabilitation loan			
Total Deferred Inflows of Resources	<u>65,787</u>	<u>106,887</u>	
<b>FUND BALANCES (DEFICIT)</b>			
Nonspendable	11,909,423	2,963,632	2,436,044
Restricted			
Assigned			
Unassigned	(29,416,588)	(7,761,667)	(10,231,455)
Total Fund Balances (Deficit)	<u>(17,507,165)</u>	<u>(4,798,035)</u>	<u>(7,795,411)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 20,029,445</u>	<u>\$ 6,952,628</u>	<u>\$ 2,523,597</u>

See notes to the financial statements.

Solid Waste Disposal	Debt Service	Capital Projects	Other Governmental Funds	Totals
	\$ 100,628	\$ 24,732,596	\$ 677,892	\$ 25,569,788
\$ 1,566,225			73,664	4,270,028
			13,000	13,000
	512,306	2,516,449	7,615,438	22,841,184
2,102,263		10,494,827	511,261	18,460,645
929,141		84,800	57,374	7,662,580
		5,120,233		5,120,233
				245
			758,411	3,362,643
				71,832
<u>\$ 4,597,629</u>	<u>\$ 612,934</u>	<u>\$ 42,948,905</u>	<u>\$ 9,707,040</u>	<u>\$ 87,372,178</u>
\$ 2,648,961		\$ 8,760,567	\$ 2,609,220	\$ 26,713,313
900,865			1,749,492	9,638,739
863,956		84,620,000		87,920,000
				10,000,000
				20,000,000
				624,481
13,686,796		512,306	1,951,947	22,841,184
			46,711	46,711
<u>18,100,578</u>		<u>93,892,873</u>	<u>6,357,370</u>	<u>177,784,428</u>
35,323			242,491	450,488
			13,000	13,000
<u>35,323</u>			<u>255,491</u>	<u>463,488</u>
863,956		7,492,100	8,314,597	33,979,752
	\$ 612,934		1,047,941	1,660,875
			24,732	24,732
<u>(14,402,228)</u>		<u>(58,436,068)</u>	<u>(6,293,091)</u>	<u>(126,541,097)</u>
<u>(13,538,272)</u>	<u>612,934</u>	<u>(50,943,968)</u>	<u>3,094,179</u>	<u>(90,875,738)</u>
<u>\$ 4,597,629</u>	<u>\$ 612,934</u>	<u>\$ 42,948,905</u>	<u>\$ 9,707,040</u>	<u>\$ 87,372,178</u>

**TOWN OF OYSTER BAY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
December 31, 2014

Total Fund Balances (Deficit) - Governmental Funds	\$ (90,875,738)
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Amounts reported for governmental activities in the  
Statement of Net Position are different because:

Capital assets less accumulated depreciation are  
included in the Statement of Net Position:

Capital assets - non-depreciable	118,506,101
Capital assets - depreciable	1,345,456,703
Accumulated depreciation	(725,699,534)

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows in the funds	13,000
--	--------

Long-term liabilities applicable to the Town's  
governmental activities are not due and payable  
in the current period and accordingly are not  
reported in the funds. However these liabilities  
are included in the Statement of Net Position:

General obligation bonds payable, inclusive of premiums	(664,403,519)
Due to Employees Retirement System	(22,585,254)
Other postemployment benefits payable	(167,364,523)
Compensated absences	(23,201,265)
Claims and judgments payable	(22,707,503)
Estimated liability for landfill closure and postclosure care costs	(9,870,000)
Retirement incentive payable	(23,334)

Deferred charges included in the Statement of Net Position	6,744,672
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Additional accounts payable included in the Statement of Net Position	(3,531,705)
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Interest payable applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported in the funds. However these liabilities are included in the Statement of Net Position.	(9,958,794)
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Net Position of Governmental Activities	<u>\$ (269,500,693)</u>
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See notes to the financial statements.

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**TOWN OF OYSTER BAY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
Year ended December 31, 2014

	MAJOR FUNDS		
	General	Highway	Garbage Collection Districts
<b>REVENUES</b>			
Real property taxes	\$ 37,828,074	\$ 38,426,773	\$ 43,928,750
Other real property tax items	1,783,524	462,629	305,731
Non-property tax items	5,112,339		
Departmental income	6,133,647	965,244	
Intergovernmental charges	13,954,197	13,138	
Use of money and property	659,048	1	
Licenses and permits	293,852	2,800	
Fines and forfeitures	1,027,489		
Sale of property and compensation for loss	61,899	18,373	
Miscellaneous local sources	2,315,408	600,073	2,437,043
Interfund revenues	29,949,479		
State aid	10,536,200	2,354,847	45,000
Federal aid	43,872	1,226,436	
<b>Total Revenues</b>	<b>109,699,028</b>	<b>44,070,314</b>	<b>46,716,524</b>
<b>EXPENDITURES</b>			
Current:			
General government support	39,286,409		
Public safety	5,159,442		
Transportation	769,683	19,638,628	
Economic assistance and opportunity	420,513		
Culture and recreation	17,328,790		
Home and community services	3,336,380		34,557,641
Employee benefits	24,641,069	5,384,033	9,853,524
Capital Outlay			
Debt Service:			
Principal			
Interest	4,617,300	3,084,556	222,914
Bond issuance costs			
Advanced refunding escrow			
<b>Total Expenditures</b>	<b>95,559,586</b>	<b>28,107,217</b>	<b>44,634,079</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>14,139,442</b>	<b>15,963,097</b>	<b>2,082,445</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in			
Transfers out	(33,156,655)	(24,683,141)	(2,221,374)
Issuance of debt			
Premiums on obligations			
Refunding bond issued			
Payment to refunded bond escrow agent			
<b>Total Other Financing Sources (Uses)</b>	<b>(33,156,655)</b>	<b>(24,683,141)</b>	<b>(2,221,374)</b>
<b>Net Change in Fund Balances</b>	<b>(19,017,213)</b>	<b>(8,720,044)</b>	<b>(138,929)</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>1,510,048</b>	<b>3,922,009</b>	<b>(7,656,482)</b>
Change in Application of Accounting Principle (See Note 6)			
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$ (17,507,165)</b>	<b>\$ (4,798,035)</b>	<b>\$ (7,795,411)</b>

See notes to the financial statements.

Solid Waste Disposal	Debt Service	Capital Projects	Other Governmental Funds	Totals
\$ 21,701,117			\$ 56,195,344	\$ 198,080,058
282,296			844,237	3,678,417
				5,112,339
8,263,295			7,616,343	22,978,529
6,542				13,973,877
	\$ 94,478		23,504	777,031
				296,652
				1,027,489
384,372			3,888	468,532
1,084,943	469,597	\$ 385,546	481,496	7,774,106
				29,949,479
1,167,666		3,321,944	72,000	17,497,657
1,453,539		815,197	4,205,310	7,744,354
34,343,770	564,075	4,522,687	69,442,122	309,358,520
	134,070			39,420,479
			15,435,590	20,595,032
			5,802,255	26,210,566
			2,945,985	3,366,498
			15,634,463	32,963,253
26,594,442			4,908,250	69,396,713
4,591,280			9,942,792	54,412,698
		57,144,686		57,144,686
	38,231,954			38,231,954
361,100	13,921,238		1,598,167	23,805,275
	355,604			355,604
	3,622,850			3,622,850
31,546,822	56,265,716	57,144,686	56,267,502	369,525,608
2,796,948	(55,701,641)	(52,621,999)	13,174,620	(60,167,088)
	51,459,845	23,641,715		75,101,560
(3,198,378)	(6,715)		(11,835,297)	(75,101,560)
		264,175,000		264,175,000
	8,649,587			8,649,587
	66,224,563			66,224,563
	(70,152,185)			(70,152,185)
(3,198,378)	56,175,095	287,816,715	(11,835,297)	268,896,965
(401,430)	473,454	235,194,716	1,339,323	208,729,877
(13,136,842)	139,480	(286,912,860)	1,754,856	(300,379,791)
		774,176		774,176
\$ (13,538,272)	\$ 612,934	\$ (50,943,968)	\$ 3,094,179	\$ (90,875,738)

**TOWN OF OYSTER BAY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
Year ended December 31, 2014

Net Change in Fund Balance \$ 208,729,877

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. The amount by which capital outlay exceeds depreciation expense in the current period is:

Capital outlay	54,393,416
Depreciation expense	(52,585,787)
Loss on dispositions	(875)

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:

Deferred charges	3,165,353
Accounts payable	542,471

Other assets not available to pay for current period expenditures and therefore, are deferred and amortized in the Statement of Activities. (7,664,172)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Issuance of debt	(330,399,563)
Repayment of bond principal	108,384,139
Due to Employees Retirement System	(2,461,314)
Other postemployment benefits payable	(24,479,497)
Compensated absences	(1,823,383)
Claims and judgments payable	4,139,150
Estimated liability for landfill closure and postclosure care costs	780,000
Retirement incentive payable	45,000
Accrued interest cost	(420,566)

Change in Net Position of Governmental Activities	\$ (39,655,751)
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See notes to the financial statements.

**TOWN OF OYSTER BAY**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
December 31, 2014

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 57,136,511
Total Assets	<u>\$ 57,136,511</u>
<b>LIABILITIES</b>	
Due to the Comptroller of the State of New York	\$ 30
Due to the Department of Environmental Conservation of the State of New York	599
Due to the Department of Health of the State of New York	1,868
Due to the Department of Agriculture and Markets of the State of New York	127
Due to school districts	47,087,169
Due to the Treasurer of Nassau County	176,269
Due to component units	6,970,611
Other agency liabilities	<u>2,899,838</u>
Total Liabilities	<u>\$ 57,136,511</u>

See notes to the financial statements.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Oyster Bay (the "Town"), which was established in 1653, is governed by Town Law and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations. The Town Board consists of the Supervisor who is elected for a term of two years and six council members who are elected for terms of four years. The Town Board appoints the Town Attorney, Comptroller and the Commissioner of Public Works whose terms are fixed by Town Law. The Town Clerk and Receiver of Taxes are elected and serve for two years and four years, respectively. The Director of Finance is appointed by the Supervisor. The Town Board appoints the following eleven Commissioners: Public Works, Community and Youth Services, General Services, Human Resources, Intergovernmental Affairs, Parks, Planning and Development, Environmental Resources, Public Safety, Highways, and Economic Development. The Commissioners serve at the discretion of the Town Board.

The Town provides a full range of municipal services, including public safety, transportation, home and community services, public works and road maintenance, recreation and parks, and general and administrative services.

The financial statements of the Town of Oyster Bay have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units, except for the accounting of the sale of land discussed in Note 1.E. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Town's accounting policies are described below.

**A. Reporting Entity**

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

The decision to include a potential component unit in the Town of Oyster Bay reporting entity is based on several criteria, including legal standing, financial accountability, dependency or the determination by management that it would be misleading to exclude the component unit. Based on the application of these criteria, the following is a summary of certain entities considered in determining the Town of Oyster Bay's reporting entity.

Certain special districts of the Town are separate legal entities and have separately elected boards of commissioners. These special districts provide water, sewer and sanitation services to residents and businesses within the districts. The special districts cannot issue bonded debt without the approval and the backing of the full faith and credit of the Town. Budgets and tax rates are approved by the Town. Tax levies of the special districts are collected by the Town Receiver of Taxes. As a result of this fiscal dependency, the Town is financially accountable for these special districts. Accordingly, these special districts have been determined to be nonmajor component units of the Town and are presented discretely in a separate column in the combined government-wide financial statements to emphasize that they are legally separate from the primary government. Condensed financial statements along with the addresses of the administrative office, for these nonmajor component units are presented in Note 5.

**B. Government-Wide and Fund Financial Statements**

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major and non-major funds).

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the Town as a whole, except fiduciary activities with separate columns for the primary governmental activities as well as the discretely presented nonmajor component units.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**B. Government-Wide and Fund Financials Statements** (continued)

Government-wide Financial Statements (continued)

In the government-wide Statement of Net Position, the Town's governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functional categories (general government support, public safety, transportation, economic assistance, culture and recreation and home and community services), which are otherwise supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants to produce the net cost of each program. Program revenues include (a) charges for services and (b) operating and capital grants and contributions that are directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function) are normally covered by general revenue (property, taxes, intergovernmental revenues, interest income, etc.).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Eliminations have been made to prevent distortion of the direct costs and program revenues reported. Sales and purchases of goods and services for a price approximating their external value are not eliminated between the funds in the government-wide financial statements.

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Fund Financial Statements

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds are presented by type in the fund financial statements. Certain funds of the Town are utilized to account for resources derived from and/or expenditures applicable to an area less than the entire town. In the fund financial statements the emphasis is on the major funds and nonmajor funds are summarized into a single column. Accordingly, the Town maintains the following fund types:

**Governmental Funds** - Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. Government funds are further classified as major and nonmajor funds.

The Town reports the following major governmental funds:

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

Special Revenue Funds - are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**B. Government-Wide and Fund Financials Statements** (continued)

Fund Financial Statements (continued)

**Governmental Funds** (continued)

Highway Fund - is a Special Revenue Fund used to account for maintenance and improvement of the Town's roadways and the cost of snow removal. The major sources of revenue are real property taxes and federal aid as a result of Super Storm Sandy cleanup costs.

Garbage Collection Districts - is a Special Revenue Fund used to account for sanitation services provided by garbage collection district #1 and #2. The major sources of revenue are real property taxes and intergovernmental charges.

Solid Waste Disposal District - is a Special Revenue Fund used to account for the solid waste disposal and recycling service of the Town. The major sources of revenue are real property taxes and departmental income.

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

Capital Projects Fund - is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Additionally, the Town accounts for and reports the following nonmajor funds:

Special Revenue Funds include the following:

Town Outside Village - is used to account for revenues and expenditures for certain services provided to the area of the Town located outside of incorporated villages.

Special Grant Fund - is used to account for Federal Aid for the Community Development Block Grant, Temporary Assistance for Needy Families, Workforce Investment Act Programs and other federal grant programs.

Special District Funds - are used to account for taxes or other revenues, which are raised or received to provide special services to areas that encompass less than the whole Town. The Special District Funds consist of a number of separate districts, which are administered by the Town Board as follows:

Drainage District

Fire Protection Districts:

Bayville

East Norwich

Glenwood - Glen Head

Northeast Farmingdale

Greenvale

Oyster Bay

Plainview

Lighting District

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**B. Government-Wide and Fund Financials Statements** (continued)

Fund Financial Statements (continued)

Special District Funds (continued)

Park Districts:

Bethpage  
Glenwood - Glen Head  
Hempstead-Oyster Bay  
Community Hall  
and Swimming Pool  
Hicksville  
Jericho

Locust Valley  
Massapequa  
Nassau Shores  
Oyster Bay  
Plainview - Old Bethpage  
South Farmingdale  
Syosset

Public Parking District

Water District:

Northeast Farmingdale

**Fiduciary Funds** - Fiduciary Funds are used to account for assets held by the Town in a trustee or custodial capacity.

Agency Fund - is for money (and/or property) received and held in the capacity of trustee, custodian or agent. The Town's fiduciary funds include agency funds as follows:

Town Agency Funds – accounts for consolidated payroll, amounts due to component units and other agency liabilities.

Town Clerk Agency Funds – accounts for amounts due to other governments for license and permit fees.

Town Receiver of Taxes Agency Funds – accounts for amounts due to other governments for general and school taxes collected.

**Discretely Presented Nonmajor Component Units**

Certain special districts that have separately elected boards and provide water, sewer, and sanitation services to residents and businesses within their districts. These districts, which follow government fund accounting principles and are accounted for as discretely presented nonmajor component units, are as follows:

Bethpage Water District  
Jericho Water District  
Massapequa Water District  
Plainview Water District  
Oyster Bay Sewer District  
Syosset Sanitation District

Hicksville Water District  
Locust Valley Water District  
Oyster Bay Water District  
South Farmingdale Water District  
Glenwood - Glenhead Garbage District

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Measurement focus refers to what is being measured whereas the basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation** (continued)

In the government-wide statements, governmental activities are presented using the economic resources measurement focus and are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the funds statements, governmental funds use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (measurable and available to finance current operations). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered available if they are collectable within 60 days after the year end. The Town generally considers all other revenues available if they are collectable within 120 days after the year end. Revenues susceptible to accrual include Nassau County local assistance at year end on behalf of the Town, franchise fees, and charges for services, intergovernmental revenues and operating transfers. In certain unusual circumstances this application of the Town's normal availability period for a given revenue source might distort revenue trends from one year to the next. In such unusual circumstances, revenues maybe considered available if received beyond 120 days, however to the extent the revenue remains uncollected after one year, the Town would classify the fund balance as nonspendable.

Permits, fees, and other similar revenues are not susceptible to accrual because generally they are not measurable until they are received in cash. In those instances where expenditures are the prime factor in determining eligibility for state and federal grants, revenues are recognized when the expenditure is incurred. In the Capital Projects Fund, long-term debt is recognized as revenue upon receipt of the proceeds. Expenditures are recorded on the accrual basis except that (a) expenditures for prepaid expenses are recognized when incurred; (b) principal and interest on indebtedness are recognized as expenditures when due; (c) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as expenditures when paid.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' governmental column, reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and the change in net position.

**D. Assets, Liabilities and Net Position or Fund Equity**

**1. Receivables**

Receivables include amounts due from Federal, State, and other governments or entities for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred.

**2. Prepaid Items**

Prepaid items in the government-wide statements represent a portion of a multiple year maintenance contract and nonmajor component unit retirement benefits that will benefit a future period.

**3. Inventory - Materials and Supplies**

Inventory in the General and Special Revenue Funds is valued at cost, using weighted average cost method. Inventory in these funds is accounted for under the consumption method.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. Assets, Liabilities and Net Position or Fund Equity** (continued)

**4. Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation and amortization on all assets is provided on the straight-line basis over the following estimated useful lives:

Land rights	10-15 years
Buildings	40 years
Improvements other than buildings	20 years
Machinery and equipment	8-10 years
Software	5-10 years
Infrastructure:	
Roads, curbs and sidewalks	20 years
Drainage system	20 years
Street lighting	20 years

Infrastructure assets, consisting of certain improvements other than buildings including roads, curbs, sidewalks, drainage system, street lighting, water mains and sewer system are capitalized along with other capital assets.

See nonmajor component units' audited financial statements for specific component unit policy information.

In the fund financial statements capital assets are recorded as capital outlay expenditures in the governmental fund upon acquisition.

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the balance sheet or statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of fund equity or net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. In this category, the Town reports deferred charges on refundings that will be recognized in a future period in the government-wide statement of net position.

In addition to liabilities, the balance sheet or statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, represents an acquisition of fund equity or net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. In this category, the Town reports unearned revenue from real property tax items and an unavailable rehabilitation loan. The unearned revenue from real property tax items will be recognized as revenues in the period that the amounts are levied or imposed in both the governmental funds and the government-wide statements. The unavailable rehabilitation loan is deferred and will be recognized in the governmental funds as an inflow of resources in the period that the amounts become available.

**6. Premiums of Debt Issuance**

Premiums related to the issuance of long-term debt are amortized on a straight-line basis over the life of the issue and are presented as part of the general obligations in the non-current liabilities.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. Assets, Liabilities and Net Position or Fund Equity** (continued)

**7. Long-Term Obligations**

The liabilities for long-term obligations consisting of general obligation bonds payable, due to Employees' Retirement System, other postemployment benefits payable, compensated absences, claims and judgments payable, estimated liability for landfill closure and post closure costs, retirement incentive payable, and other debt are recognized in the government-wide financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of applicable bond premium or discount.

In the fund statements, long-term obligations are not reported as liabilities. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. 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 actual debt proceeds received, are reported as debt service expenditures.

**8. Interfund Transactions**

Interfund transactions, exclusive of interfund services provided and used, have been eliminated from the government-wide financial statements. In the funds statements interfund transactions include:

**a) Interfund Revenues**

Interfund revenues in the General Fund represent amounts charged for services or facilities provided by the General Fund and charging the cost to the other funds. The amounts paid by the fund receiving the benefits of the service or facilities are reflected as an expenditure of that fund. The interfund revenue recorded in the General Fund is substantially an administrative charge which allocates 55% of the expenditures for the Town Board, Executive, Comptroller, Receiver of Taxes, Town Clerk, Town Attorney, Human Resources, General Services and Public Safety Departments to other funds for services rendered.

**b) Transfers**

Transfers represent payments to the Debt Service and Capital Projects Funds from the other funds for their appropriate share of the debt service or capital project costs.

**9. Real Property Tax Assessment and Collection Procedures**

In Nassau County, the assessment and lien of real property for taxation is done by the County Department of Assessment. The County assessment rolls are used for the levy of real property taxes by the town and the school districts, as well as by the County and by Special Districts of the County and the town. The Town of Oyster Bay Receiver of Taxes collects all real property taxes for the Town, Nassau County, Town Special Districts and School Districts. Real property taxes become a lien on January 1st for general taxes and October 1st for school taxes.

Town and County taxes are levied on January 1, and are due in two installments, 50% on January 1 and 50% on July 1, payable without penalty to February 10 and August 10, respectively. Penalties are imposed thereafter at the rate of 1% per month from January 1 and July 1 until August 31, after which taxes are payable to the County Treasurer. The Town retains the total amount of Town, Highway and Town Special Districts levies from the amount collected, and forwards the balance collected to the County which assumes collection responsibility. The Town and Town's Special Districts therefore realize annually the 100% collection of real property taxes.

Accounts receivable includes restored taxes from prior tax rolls received within 60 days of year-end.

School District property taxes are levied on October 1, and are also payable in two installments; however, a separate tax bill is sent out for school tax purposes. School property taxes are due in two installments, 50% on October 1 and 50% on April 1 payable without penalty to November 10 and May 10, respectively. The County is also responsible for uncollected school taxes.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. Assets, Liabilities and Net Position or Fund Equity** (continued)

**10. Other Postemployment Benefits**

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town.

Health care benefits in accordance with New York State Health Insurance Rules and Regulations (administered by the New York State Department of Civil Service), are provided through the New York State Empire Plan (the "Empire Plan") whose premiums are based on the benefits paid throughout the State during the year.

The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. The Town's union contracts and ordinances require that it provide its eligible enrollees with the Empire Plan benefit coverage, or if another provider is utilized, the equivalent coverage. Under the provisions of the Empire Plan, premiums are adjusted on a prospective basis for any losses experienced by the Empire Plan. The Town has the option to terminate its participation in the Empire Plan at any time without liability for its respective share of any previously incurred loss. The liability for these other postemployment benefits payable is recorded as a non-current liability in the government-wide statements.

**11. Compensated Absences**

The liability for vested or accumulated vacation or sick leave (compensated absences) is recorded as current and non-current obligations in the government-wide statements. The current portion of this debt is estimated based on historical trends. Compensated absence liability and expense are reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

The amount that is expected to be liquidated with expendable available financial resources is reported as expenditures and a liability in the fund statement of the respective fund that will pay it.

**12. Net Position and Fund Equity Classifications**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a) Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Accounts payable in the Capital Projects Fund are capital related debt and are used in the calculation of net investment in capital assets.
- b) Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources; they are 1) nonspendable, 2) restricted 3) committed, 4) assigned, or 5) unassigned.

- a) Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form (i.e. prepaid items or inventories), or (b) will not convert to cash within the current period (i.e. long term receivables and financial assets held for resale), or (c) legally or contractually required to be maintained intact (i.e. the principal of a permanent fund).

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. Assets, Liabilities and Net Position or Fund Equity** (continued)

**12. Net Position And Fund Equity Classifications** (continued)

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- b) Restricted fund balance reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- c) Committed fund balance reflects amounts that can only be used for specific purposes by a government using its highest and most binding level of decision making authority. The Town's highest decision making authority is the Town Board, who by adoption of a Town ordinance prior to year end, can commit fund balance. Those committed amounts cannot be used for any other purpose unless the Town Board removes or changes the specified use by taking the same type of action imposing the commitment.
- d) Assigned fund balance reflects the amounts constrained by the Town's "intent" to be used for specific purposes, but are neither restricted nor committed. The Town Board has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
- e) Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, and then unrestricted resources – committed, assigned and unassigned - in order as needed.

**13. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purpose, is employed in the governmental funds. Encumbrances are reported as restrictions, commitments, or assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

**14. Use Of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**15. New Pronouncements**

The Town has adopted all of the current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. During the year ended December 31, 2014, the Town adopted:

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*.

GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, Liabilities and Net Position or Fund Equity (continued)**

**15. New Pronouncements (continued)**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 69 "*Governmental Combinations and Disposals of Governmental Operations*." The statement establishes accounting and financial reporting standards related to governmental combinations and disposals of governmental operations. As used in this Statement, the term government combination includes a variety of transactions referred to as mergers, acquisitions, and transfer of operations. This Statement had no effect on the Town's financial statements.

The Governmental Accounting Standards Board (GASB) has issued Statement No 70 "*Accounting and Reporting for Nonexchange Financial Guarantees*." The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement had no effect on the Town's financial statements.

**16. Subsequent Events**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date of the financial statements.

**E. Accounting for Sale of Land**

In August 2013, the Town executed an agreement for the sale of a parcel of Town land with a total purchase price of \$32,500,000. Upon the execution of this agreement, the Town received a \$2,500,000 deposit payment and a \$27,525,000 installment payment, which were recorded as revenue in the General Fund. Upon closing of this land sale, the Town will receive the balance in the amount of \$2,475,000 and transfer title to the buyer. Although generally accepted accounting principles require that the revenue from the sale of land be recorded at the time that the seller has received the full sale price and that all conditions necessary for closing have been met, the Town has chosen to recognize revenue for the deposit and installment payment as revenue as the agreement is non-revocable.

At December 31, 2014, the Town had not yet closed on the land sale and title for the land has not transferred to the buyer. Accordingly, if the deposit payment and installment payment had been recorded under the deposit method in conformity with generally accepted accounting principles, total fund balance in the General Fund would be decreased by \$30,025,000 and total liabilities would be increased respectively. In addition, the net position on the Statement of Net Position would be decreased by the same amount.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

- a) On or before September 20th, each department, officer or district submits to the Budget Officer and to the Comptroller a detailed estimate of the budget known as "departmental estimates" for the amount of revenue to be received and expenditures to be made for the ensuing year.
- b) On or before September 30th, the Budget Officer files with the Town Clerk and the Comptroller and presents to the Town Board a tentative budget for the ensuing year.
- c) On or before October 5th, the Town Board reviews the tentative budget and files with the Town Clerk a preliminary budget.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)**

**A. Budgetary Information (continued)**

- d) The Town Board conducts a public hearing on the preliminary budget and on or before November 20th; the Town Board meets to adopt the budget now known as the "annual budget".
- e) Formal budgetary integration is employed during the year as a management control device for the General, certain Special Revenue and Debt Service Funds. The Town Board adopts the budget and establishes legal level of control of the budget at the object level of expenditures. The object level identifies expenditures by the article purchased or service obtained in order to carry out a function. Appropriations are adopted at the object level. All budgetary amendments and transfers of appropriation require Town Board approval. Appropriations for all governmental funds except the Capital Projects Fund lapse at year end.

In order to show the full legal level of budgetary compliance for the General and certain Special Revenue Funds, detailed individual statements of revenues, expenditures and changes in fund balances - budget and actual, are presented in a separate budget report.

- f) Budgets for the General, Debt Service, and Special Revenue Funds exclusive of the Special Grant Fund, are legally adopted for each year. The budgets are adopted on a basis of accounting consistent with GAAP, except that appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior years. In the event that actual revenues received exceed budgeted amounts, additional budgetary appropriations are made. The Capital Projects and Special Grant Funds are budgeted on a project or grant basis.
- g) In June 2011, New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which includes a 2.00% property tax cap for municipalities, however there are permitted exceptions and adjustments that can increase the property tax cap percentage. Beginning in 2012 and lasting through at least June 15, 2016, no local government is authorized to increase its property tax levy by more than the calculated property tax cap; however local governments can exceed the property tax cap limit by a 60% vote of the governing body and annually adopting a local law.

The 2014 budget included an overall increase in real property tax revenue from the prior year of 8.76% for the Town's overall governmental activities. The Town Board, by majority vote, approved to override the limitations of the Tax Cap Law for the annual budget and real property tax levy for the 2014 calendar year.

**B. Excess of Expenditures Over Appropriations**

For the year ended December 31, 2014 expenditures exceeded appropriations in the General Fund and Garbage Collection Districts by \$2,675,299 and \$114,982, respectively.

**C. Fund Balance (Deficit)**

The fund balance section of the balance sheets of the governmental funds focus on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. The components of fund balance include the following items, as needed: 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)**

**C. Fund Balance (Deficit) (continued)**

The following table provides the detail regarding fund balance categories and classifications for the governmental funds which show components of nonspendable fund balances, as well as the purposes for restricted, and assigned fund balance. The unassigned fund balance is also shown.

	General Fund	Highway Fund	Garbage Collection Districts Fund	Solid Waste Disposal Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total
<b>Fund Balances:</b>								
<b>Nonspendable:</b>								
Long-term receivables	\$ 10,005,383	\$ 2,191,608	\$ 2,436,044	\$ 863,956		\$ 7,492,100	\$ 7,556,186	\$ 30,545,277
Inventory	1,832,208	772,024					758,411	3,362,643
Prepaid items	71,832							71,832
<b>Total Nonspendable</b>	<b>11,909,423</b>	<b>2,963,632</b>	<b>2,436,044</b>	<b>863,956</b>	<b>\$ -0-</b>	<b>7,492,100</b>	<b>8,314,597</b>	<b>33,979,752</b>
<b>Restricted for:</b>								
Debt service					612,934		540,286	1,153,220
Grantor restrictions							507,655	507,655
<b>Total Restricted</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>612,934</b>	<b>-0-</b>	<b>1,047,941</b>	<b>1,660,875</b>
<b>Assigned to:</b>								
Special revenue funds								
Water districts							24,732	24,732
<b>Total Assigned</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>24,732</b>	<b>24,732</b>
<b>Unassigned, reported in</b>								
General fund	(29,416,588)							(29,416,588)
Special revenue funds		(7,761,667)	(10,231,455)	(14,402,228)			(6,293,091)	(38,688,441)
Capital Projects fund						(58,436,068)		(58,436,068)
<b>Total Unassigned</b>	<b>(29,416,588)</b>	<b>(7,761,667)</b>	<b>(10,231,455)</b>	<b>(14,402,228)</b>	<b>-0-</b>	<b>(58,436,068)</b>	<b>(6,293,091)</b>	<b>(126,541,097)</b>
<b>Total Fund Balances (Deficits)</b>	<b>\$ (17,507,165)</b>	<b>\$ (4,798,035)</b>	<b>\$ (7,795,411)</b>	<b>\$ (13,538,272)</b>	<b>\$ 612,934</b>	<b>\$ (50,943,968)</b>	<b>\$ 3,094,179</b>	<b>\$ (90,875,738)</b>

**D. Deficit Fund Equity**

Individual funds with total fund deficits as of December 31, 2014 were as follows:

	Total Fund Balance (Deficit)
General Fund	\$ (17,507,165)
Highway Fund	(4,798,035)
Garbage Collection District	(7,795,411)
Solid Waste Disposal District	(13,538,272)
Capital Projects Fund	(50,943,968)
Public Parking District	(2,049,632)

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)**

**D. Deficit Fund Equity (continued)**

The General Fund's deficit resulted due in part to budgetary planning by the Town. Overall, the Town originally appropriated expenditures in excess of estimated revenues by \$7,872,571. The deficit was also due to lower than anticipated revenues and higher than anticipated expenditures and other financing uses. The lower than anticipated revenues of \$2,540,316 was mainly due to lower than anticipated departmental income and mortgage recording tax. The higher than anticipated expenditures and other financing uses of \$8,604,326 was mainly due to higher than anticipated other general government support, town attorney costs and debt interest costs offset by lower than anticipated transfers out. The Town anticipates eliminating this deficit through reductions in expenditures combined with increases to program revenue, allowing for increases in property taxes where necessary.

The Highway Fund's deficit resulted due in part to budgetary planning by the Town. Overall, the Town originally appropriated expenditures in excess of estimated revenues by \$9,735,122. The deficit was also due to higher than anticipated expenditures and other financing uses offset by higher than anticipated revenues. The higher than anticipated revenues of \$3,981,778 was due mainly to unanticipated emergency disaster assistance. The higher than anticipated expenditures and other financing uses of \$2,966,700 was due to higher than anticipated debt interest and transfer out costs. The Town anticipates eliminating this deficit through reductions in expenditures combined with increases to program revenue, allowing for increases in property taxes where necessary.

The Garbage Collection District carried forward a deficit of \$7,656,482 from the prior year. The increase in the deficit was the result of higher than originally expected expenditures and other financing uses offset by higher than originally expected revenues. The higher than anticipated revenues of \$2,569,792, was mainly due to more than anticipated payment in lieu of taxes and litigation recovery. The higher than anticipated expenditures and other financing uses of \$2,708,721, was mainly due to higher than anticipated expenditures for sanitation costs, due to the inclusion of the Verizon settlement cost. The Town anticipates eliminating this deficit through reductions in expenditures combined with increases to program revenue, allowing for increases in property taxes where necessary.

The Solid Waste Disposal District carried forward a deficit of \$13,136,842 from the prior year. The increase in the deficit was the result of higher than originally expected expenditures offset by higher than originally expected revenues. The higher than anticipated revenues of \$941,362, was mainly due to litigation recovery, collection of emergency disaster assistance, state aid, and miscellaneous local sources that were in excess of the amounts expected offset by lower than anticipated departmental income. The higher than anticipated expenditures of \$1,381,463, was mainly due to higher than anticipated expenditures for sanitation costs, recycling costs, and debt interest. The Town anticipates eliminating this deficit through reductions in expenditures combined with increases to program revenue, allowing for increases in property taxes where necessary.

The Capital Projects Fund carried forward a deficit of \$286,912,860 from the prior year. In the current year, the Capital Projects Fund's deficit decreased as a result of the Town issuing long-term general obligation bonds. The Capital Projects Fund's remaining deficit resulted from differences in timing between project expenditures and the recognition of additional permanent financing sources. Since project expenditures are initially financed by the issuance of bond anticipation notes, and the proceeds of these short-term borrowings are recorded as fund liabilities rather than as other financing sources in accordance with GAAP, fund balance deficits occur. These deficits will be eliminated when additional long-term bonds payable are issued to redeem the bond anticipation notes payable.

The Public Parking District's carried forward a deficit of \$678,622 from the prior year. The increase in the deficit was due to the higher than originally expected expenditures and other financing uses. The higher than anticipated expenditures and other financing uses of \$1,404,011, was mainly due to higher than originally anticipated expenditures for debt interest and transfer to capital projects fund offset partially by lower than anticipated expenditures for transportation costs and transfers to the Debt Service Fund. The Town anticipates eliminating this deficit through reductions in expenditures combined with increases to program revenue, allowing for increases in property taxes where necessary.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**3. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

Cash consists of funds deposited in demand accounts, time deposit accounts and certificates of deposit with maturities of less than three months.

The Town's investments are governed by a formal investment policy. The Town's monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Town is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies and investments made by the Cooperative Liquid Asset Security System (CLASS).

CLASS is a cooperative investment plan consisting of U.S. Treasury Obligations and repurchase agreements relating to treasury obligations. Investments are stated at cost, which approximates market. CLASS was established as a cooperative investment arrangement organized under the CLASS Municipal Cooperation Agreement made pursuant to New York General Municipal Law, Article 3A and 5-G. CLASS is rated AAAM by Standard and Poor's Rating Services.

Cash and investments of the Primary government consist of the following:

	Governmental Funds	Fiduciary Funds		
		Town Agency	Town Clerk	Receiver of Taxes
Cash in Banks:				
Demand Deposits	\$ 18,450,118	\$ 9,271,866	\$ 35,017	\$ 47,829,028
Money Market	7,111,435			
Total Cash in Banks	<u>25,561,553</u>	<u>9,271,866</u>	<u>35,017</u>	<u>47,829,028</u>
Cash on Hand:				
Petty Cash	8,235			600
	<u>\$ 25,569,788</u>	<u>\$ 9,271,866</u>	<u>\$ 35,017</u>	<u>\$ 47,829,628</u>

It is the Town's policy to require collateral held in the name of the Town for demand deposits, money market deposits and certificates of deposit for all deposits not covered by the Federal Deposit Insurance Corporation. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

**Custodial Credit Risk – Deposits / Investments**— Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits, or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exists when, in the event of the failure of the counterparty, a government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

Deposits are to be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

- Uncollateralized
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent but not in the Town's name

At December 31, 2014, the Town's bank deposit balances were \$84,134,165. Of these balances, \$3,680,901 was covered by the Federal Deposit Insurance Corporation, \$7,158,508 was covered by an irrevocable stand-by letter of credit issued by the Federal Home Loan Bank, which was held by the pledging financial institution in the Town's name, \$28,123,144 was covered by collateral held by the Town's agent, a third-party financial institution, in the Town's name, \$44,995,954 was collateralized with securities held by the pledging financial institution, or its trust, in the name of the Town, and was undercollateralized by \$175,658.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**3. DETAILED NOTES ON ALL FUNDS** (continued)

**A. Cash and Investments** (continued)

As of December 31, 2014, the Town of Oyster Bay did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

At December 31, 2014, the Town's nonmajor component units bank deposit balances were \$51,439,113. Of these balances, \$6,154,984 was covered by Federal Deposit Insurance Corporation, \$22,646,613 was covered by collateral held by the nonmajor component unit's agent, a third-party financial institution, in the nonmajor component unit's name, \$22,637,516 was collateralized with securities held by the pledging financial institution, or its trust, in the name of the nonmajor component unit.

In addition, the Town's nonmajor component units had investments, consisting of U.S. Treasury obligations, government bonds and repurchase agreements relating to Treasury obligations totaling \$4,629,309.

**B. Interfund Receivables, Payables and Transfers**

Interfund receivable and payable balances for the Town at December 31, 2014 represent temporary borrowings, reimbursement of program, operating and capital expenditures, as well as, premiums, interest earnings, and accrued interest which are intended to service debt in the future. These amounts will be reimbursed subsequent to year end and are stated as follows:

Interfund transfer balances for the Town at December 31, 2014 represent primarily the payment of general obligation bonds and bond anticipation notes principal and interest and are stated as follows:

	Amount Receivable	Amount Payable
Major Funds:		
General Fund - Townwide	\$ 10,005,383	\$ 3,562,508
Highway Fund	2,191,608	
Garbage Collection Districts		3,127,627
Solid Waste Disposal District		13,686,796
Debt Service	512,306	
Capital Projects Fund	2,516,449	512,306
Total Major Funds	<u>15,225,746</u>	<u>20,889,237</u>
Nonmajor Funds:		
Town Outside Village Fund	1,845,209	
Special Grants Fund	147,888	59,252
Drainage District	1,491,392	
Park Districts	2,215,616	200
Fire Protection Districts	759,894	
Lighting District	1,155,439	
Public Parking District		1,892,495
Total Nonmajor Funds	<u>7,615,438</u>	<u>1,951,947</u>
Total	<u>\$ 22,841,184</u>	<u>\$ 22,841,184</u>

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**3. DETAILED NOTES ON ALL FUNDS** (continued)

**B. Interfund Receivables, Payables and Transfers** (continued)

Interfund transfer balances for the Town at December 31, 2014 represent primarily the payment of general obligation bonds and bond anticipation notes principal and interest and are stated as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Major Funds:</b>		
General Fund - Townwide		\$ 33,156,655
Highway Fund		24,683,141
Garbage Collection Districts		2,221,374
Solid Waste Disposal District		3,198,378
Debt Service Fund	\$ 51,459,845	6,715
Capital Projects Fund	23,641,715	
Total Major Funds	<u>75,101,560</u>	<u>63,266,263</u>
<b>Nonmajor Funds:</b>		
Town Outside Village Fund		582,645
Drainage District		1,861,122
Park Districts		4,764,589
Lighting District		367,486
Public Parking District		4,259,455
Total Nonmajor Funds	<u>-0-</u>	<u>11,835,297</u>
Total	<u>\$ 75,101,560</u>	<u>\$ 75,101,560</u>

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**C. Capital Assets**

	Balance 1/1/14	Additions	Deletions	Balance 12/31/14
<b>Primary government</b>				
Capital assets not being depreciated				
Land	\$ 114,378,467	\$ 185,303		\$ 114,563,770
Development rights	1,306,296			1,306,296
Construction in progress	16,971,774	3,050,353	\$ 17,386,092	2,636,035
Total capital assets not being depreciated	132,656,537	3,235,656	17,386,092	118,506,101
Depreciable capital assets				
Land rights	8,697,634	598,886		9,296,520
Buildings	143,239,165	5,488,646		148,727,811
Improvements other than buildings	469,512,439	16,720,482		486,232,921
Machinery and equipment	96,039,312	2,501,451	2,462,940	96,077,823
Software	13,331,833	6,549,658		19,881,491
Infrastructure				
Roads, curbs and sidewalks	353,075,399	32,587,736		385,663,135
Drainage system	174,750,941	3,402,996		178,153,937
Lighting system	20,729,068	693,997		21,423,065
Total depreciable capital assets	1,279,375,791	68,543,852	2,462,940	1,345,456,703
Less accumulated depreciation				
Land rights	2,504,438	686,505		3,190,943
Buildings	34,406,089	3,694,096		38,100,185
Improvements other than buildings	252,926,340	17,089,693		270,016,033
Machinery and equipment	61,824,633	8,020,426	2,462,065	67,382,994
Software	3,460,186	2,228,466		5,688,652
Infrastructure				
Roads, curbs and sidewalks	135,956,464	19,283,155		155,239,619
Drainage system	168,211,334	1,262,540		169,473,874
Lighting system	16,286,328	320,906		16,607,234
Total accumulated depreciation	\$ 675,575,812	\$ 52,585,787	\$ 2,462,065	725,699,534
Total net depreciable capital assets				619,757,169
Total net capital assets				<u>\$ 738,263,270</u>

Depreciation expense was charged to governmental functions as follows:

General government support	\$ 6,190,655
Public safety	428,337
Transportation	23,926,640
Economic assistance and opportunity	(4,276)
Culture and recreation	16,059,629
Home and community services	5,984,802
Total governmental activities depreciation expense	<u>\$ 52,585,787</u>

The Town of Oyster Bay evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Town's policy is to record an impairment loss in the period when the Town determines that the carrying amount of the asset will not be recoverable. At December 31, 2014, the Town has not recorded any such impairment losses.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**C. Capital Assets (continued)**

<b>Discretely presented component units</b>	Balance 1/1/14	Additions	Deletions	Balance 12/31/14
Capital assets not being depreciated				
Land	\$ 5,979,602			\$ 5,979,602
Construction in progress	41,648,554	11,348,692	\$ 16,714,216	36,283,030
Total capital assets not being depreciated	47,628,156	11,348,692	16,714,216	42,262,632
Depreciable capital assets				
Buildings	55,804,603	3,553,205		59,357,808
Improvements other than buildings	82,908,040	6,295,452	5,150	89,198,342
Machinery and equipment	38,318,209	1,349,736	180,017	39,487,928
Software	61,056	12,000		73,056
Infrastructure				
Water mains	69,295,983	11,465,055		80,761,038
Sewer system	1,287,791	229,901		1,517,692
Total depreciable capital assets	247,675,682	22,905,349	185,167	270,395,864
Less accumulated depreciation				
Buildings	17,125,384	1,406,651		18,532,035
Improvements other than buildings	28,265,186	2,650,240	5,150	30,910,276
Machinery and equipment	25,133,502	1,802,304	45,024	26,890,782
Software	48,960	7,567		56,527
Infrastructure				
Water mains	39,999,548	1,156,495		41,156,043
Sewer system	828,657	25,143		853,800
Total accumulated depreciation	\$ 111,401,237	\$ 7,048,400	\$ 50,174	118,399,463
Total net depreciable capital assets				151,996,401
Total net capital assets				\$ 194,259,033

Depreciation expense was charged to discretely presented component units as follows:

Home and community services	\$ 7,048,400
Total discretely presented component unit depreciation expense	\$ 7,048,400

**D. Indebtedness**

Short-term Debt

**Bond Anticipation Notes (BANs)** – Bond anticipation notes (BANs) are used as a temporary means of financing capital expenditures in the Capital Projects Fund. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12 month period thereafter. Liabilities for BANs are generally accounted for in the Capital Projects Fund. BANs are expected to be paid from the proceeds of future bond issues after renewal of these notes. These BANs bear interest rates ranging from .55% to 1.50% and were due at various dates through 2015, and were renewed at maturity.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**D. Indebtedness (continued)**

Short-term Debt (continued)

These notes are summarized by purpose as follows:

	Balance 1/1/14	Issued	Redeemed	Balance 12/31/14
<b>Primary Government:</b>				
Garbage Collection Districts		\$ 2,436,044		\$ 2,436,044
Solid Waste Disposal		863,956		863,956
<b>Capital Projects Fund:</b>				
General Fund - Townwide	\$ 153,231,567	\$ 25,745,025	\$ 145,731,567	\$ 33,245,025
Highway Fund	83,575,389	43,914,828	83,575,389	43,914,828
Garbage Collection Districts	3,824,253	830,844	3,824,253	830,844
Solid Waste Disposal District	10,326,554	2,537,012	10,326,554	2,537,012
Town Outside Village Fund	1,859,000	1,374,117	1,859,000	1,374,117
Drainage District	626,449	17,033	626,449	17,033
Park Districts	15,387,826	2,134,315	15,387,826	2,134,315
Lighting District	733,011	166,229	733,011	166,229
Public Parking District	25,745,951	400,597	25,745,951	400,597
Total Capital Projects Fund	295,310,000	77,120,000	287,810,000	84,620,000
Total Primary Government	295,310,000	80,420,000	287,810,000	87,920,000
<b>Component Units:</b>				
Massapequa Water District	2,100,000		2,100,000	
Plainview Water District	13,790,000		13,790,000	
Locust Valley Water District	4,020,000	2,000,000	4,020,000	2,000,000
Oyster Bay Water District	1,400,000		1,400,000	
Jericho Water District	6,810,000		6,810,000	
So. Farmingdale Water District	7,800,000		7,800,000	
Bethpage Water District	11,920,000	7,000,000	11,920,000	7,000,000
Total Component Units	47,840,000	9,000,000	47,840,000	9,000,000
Total Bond Anticipation Notes	\$ 343,150,000	\$ 89,420,000	\$ 335,650,000	\$ 96,920,000

**Revenue Anticipation Notes (RANs)** – The Garbage Collection Districts note was issued as a temporary means of financing a cash flow deficit for 2013. This RAN had interest rates ranging from 0.299% to 1.50% and was redeemed on March 28, 2014 from local sources revenue. The General Fund note was issued as a temporary means of financing a cash flow deficit for 2014. This RAN, with an interest rate of 1.00% was redeemed on March 27, 2015 from local sources revenue collected.

These notes are summarized as follows:

	Balance 1/1/14	Issued	Redeemed	Balance 12/31/14
<b>Primary Government:</b>				
General Fund - Townwide		\$ 10,000,000		\$ 10,000,000
Garbage Collection Districts	\$ 10,000,000		\$ 10,000,000	
Total Revenue Anticipation Notes	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**D. Indebtedness (continued)**

Short-term Debt (continued)

**Tax Anticipation Notes (TANs)** – These notes were issued in anticipation of a cash flow deficit in the General and Highway Funds for 2014. The TANs, with interest rates ranging from 0.23% to 1.00%, were redeemed on March 27, 2015 from ad valorem taxes.

	Balance 1/1/14	Issued	Redeemed	Balance 12/31/14
<b>Primary Government:</b>				
General Fund - Townwide		\$ 10,000,000		\$ 10,000,000
Highway Fund		10,000,000		10,000,000
<b>Total Budget Notes</b>	<b>\$ -0-</b>	<b>\$ 20,000,000</b>	<b>\$ -0-</b>	<b>\$ 20,000,000</b>

Long-term Debt

Summary of changes in long-term debt transactions for the year ended December 31, 2014 is as follows:

	Balance 1/1/14	Increases	Reductions	Balance 12/31/14	Non-current liabilities due within one year	Non-current liabilities
<b>Primary Government:</b>						
General obligation bonds payable	\$ 427,388,078	\$ 330,399,563	\$ 108,384,139	\$ 649,403,502	\$ 50,506,321	\$ 598,897,181
Plus premiums on issuance	7,335,845	8,649,587	985,415	15,000,017	1,407,272	13,592,745
Total general obligation bonds	434,723,923	339,049,150	109,369,554	664,403,519	51,913,593	612,489,926
Due to Employees' Retirement System	20,123,940	4,525,561	2,064,247	22,585,254	2,595,330	19,989,924
Other postemployment benefits payable	142,885,026	34,481,596	10,002,099	167,364,523		167,364,523
Compensated absences	21,377,882	2,949,541	1,126,158	23,201,265	1,160,063	22,041,202
Claims and judgments payable	26,846,653	991,926	5,131,076	22,707,503	4,889,494	17,818,009
Estimated liability for landfill closure and post-closure care costs	10,650,000		780,000	9,870,000	780,000	9,090,000
Retirement incentive payable	68,334	35,000	80,000	23,334	11,667	11,667
Other debt						
<b>Total non-current liabilities</b>	<b>\$ 656,675,758</b>	<b>\$ 382,032,774</b>	<b>\$ 128,553,134</b>	<b>\$ 910,155,398</b>	<b>\$ 61,350,147</b>	<b>\$ 848,805,251</b>
<b>Component Units:</b>						
General obligation bonds payable	\$ 24,033,301	\$ 49,446,572	\$ 5,461,996	\$ 68,017,877	\$ 4,450,058	\$ 63,567,819
Plus premiums on issuance		550,084		550,084	26,196	523,888
Total general obligation bonds	24,033,301	49,996,656	5,461,996	68,567,961	4,476,254	64,091,707
Due to Employees' Retirement System	332,693		160,335	172,358	172,358	
Other postemployment benefits payable	18,669,399	4,668,165	1,641,915	21,695,649		21,695,649
Compensated absences	3,993,702	499,433	424,064	4,069,071	195,027	3,874,044
Other debt	13,232,760		797,760	12,435,000	810,000	11,625,000
<b>Total non-current liabilities</b>	<b>\$ 60,261,855</b>	<b>\$ 55,164,254</b>	<b>\$ 8,486,070</b>	<b>\$ 106,940,039</b>	<b>\$ 5,653,639</b>	<b>\$ 101,286,400</b>

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**D. Indebtedness (continued)**

Long-term Debt (continued)

**General Obligation Bonds** - The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are backed by the full faith and credit of the Town, bear interest at various rates from 0.263% to 6.90% and have maturity dates in 2014 through 2043. The original amount borrowed for debt currently outstanding, excluding defeased debt is \$890,055,832.

A summary of these bonds by purpose is as follows:

	Balance 1/1/14	Issued	Redeemed	Balance 12/31/14
<b>Primary Government:</b>				
General Fund - Townwide	\$ 175,328,610	\$ 163,654,303	\$ 47,912,610	\$ 291,070,303
Highway Fund	152,031,830	102,684,469	39,941,315	214,774,984
Garbage Collection Districts	15,169,939	5,403,163	3,407,877	17,165,225
Solid Waste Disposal District	12,901,555	10,131,756	2,511,909	20,521,402
Town Outside Village Fund	1,527,106	1,562,507	522,941	2,566,672
Drainage District	6,969,181	1,631,588	3,055,426	5,545,343
Park Districts	30,063,629	18,057,554	6,737,402	41,383,781
Lighting District	2,370,501	1,469,217	962,577	2,877,141
Public Parking District	31,025,727	25,805,006	3,332,082	53,498,651
Total Primary Government	<u>427,388,078</u>	<u>330,399,563</u>	<u>108,384,139</u>	<u>649,403,502</u>
<b>Component Units:</b>				
Massapequa Water District	3,333,634	2,590,189	892,510	5,031,313
Plainview Water District	6,512,875	13,761,597	1,057,050	19,217,422
Locust Valley Water District	540,000	3,870,000	33,000	4,377,000
Oyster Bay Water District	2,500,538	1,542,837	465,706	3,577,669
Jericho Water District		6,620,000		6,620,000
So. Farmingdale Water District	6,027,985	7,700,000	436,065	13,291,920
Bethpage Water District	1,390,200	11,470,000	140,600	12,719,600
Oyster Bay Sewer District	3,728,069	2,190,814	2,735,930	3,182,953
Total Component Units	<u>24,033,301</u>	<u>49,745,437</u>	<u>5,760,861</u>	<u>68,017,877</u>
Total General Obligation Bonds	<u>\$ 451,421,379</u>	<u>\$ 380,145,000</u>	<u>\$ 114,145,000</u>	<u>\$ 717,421,379</u>

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**D. Indebtedness (continued)**

Long-term Debt (continued)

**General Obligation Bonds (continued)**

Future principal and interest payments to maturity for the primary government is as follows:

	Principal	Interest	Total Principal and Interest
For years ending December 31, 2015	50,506,321	24,308,915	74,815,236
2016	53,513,713	20,708,270	74,221,983
2017	54,683,196	19,007,204	73,690,400
2018	53,768,458	17,221,166	70,989,624
2019	51,526,952	15,480,942	67,007,894
2020 - 2024	219,669,011	52,883,532	272,552,543
2025 - 2029	143,838,851	16,787,004	160,625,855
2030 - 2034	20,717,000	1,387,819	22,104,819
2035 - 2039	625,000	103,121	728,121
2040 - 2043	555,000	26,812	581,812
Totals	<u>\$ 649,403,502</u>	<u>\$ 167,914,785</u>	<u>\$ 817,318,287</u>

Future principal and interest payments to maturity for the component units is as follows:

	Principal	Interest	Total Principal and Interest
For years ending December 31, 2015	\$ 4,450,058	\$ 2,601,405	\$ 7,051,463
2016	4,791,287	2,264,224	7,055,511
2017	4,641,804	2,099,970	6,741,774
2018	4,526,542	1,938,365	6,464,907
2019	4,263,048	1,782,653	6,045,701
2020 - 2024	21,480,989	6,656,724	28,137,713
2025 - 2029	18,806,149	2,885,653	21,691,802
2030 - 2034	5,058,000	305,400	5,363,400
Totals	<u>\$ 68,017,877</u>	<u>\$ 20,534,394</u>	<u>\$ 88,552,271</u>

**Advance Refunding of Bonds** - On April 2, 2014, the Town issued \$69,430,000 in Public Improvement Refunding Bonds with interest rates ranging from 2.00% to 5.00% and annual maturities through January 15, 2028. Of the \$69,430,000 issued, \$66,224,562 was for the refunding of general Town debt and \$3,205,438 was for the refunding of component unit debt.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**D. Indebtedness (continued)**

Long-term Debt (continued)

**General Obligation Bonds (continued)**

The net proceeds of \$77,347,032 (the par amount of the bonds plus a premium of \$8,289,900 less Underwriter's fees, insurance and other issuance costs of \$372,868) were used to advance refund \$1,060,000 of outstanding 1997 Public Improvement Serial Bonds, Series B with interest rates of 5.000%, \$3,170,000 of outstanding 2004 Public Improvement Serial Bonds, Series C with interest rates of 5.000%, \$42,140,000 of outstanding 2006 Public Improvement Serial Bonds with interest rates of 4.250%, and \$27,185,000 of outstanding 2007 Public Improvement Serial Bonds with interest rates ranging from 4.000% to 4.125%. Of the \$77,347,032 of net proceeds, \$73,775,035 was related to general Town purposes and \$3,571,997 was related to component units.

The net proceeds were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refundable bonds are considered to be defeased, and the related liability for the bonds has been removed from the non-current governmental liabilities portion of the statement of net assets.

The advance refunding was done in order to reduce debt payments in the short-term. The refunding decreased total debt service payments by \$4,087,095 of which \$3,895,047 related to the Town and \$192,048 related to component units. The overall transaction resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$3,577,970 for the Town and its component units.

**Retirement Incentive Payable** – Starting in 2012, the Town offered employees meeting specific criteria an incentive to retire from active employment. As part of the agreement, employees had the option to receive the retirement incentive payment over a three year period. The Town paid \$68,333 of the retirement incentive in 2012 and 2013 and \$80,000 in 2014. The remaining portion of the retirement incentive of \$23,334 will be paid in 2015 (\$11,667) and 2016 (11,667).

**Other Long-Term Liabilities** - Liabilities for claims and judgments payable and landfill closure and post-closure care costs are liquidated through future budgetary appropriations in the General Fund. The liabilities for compensated absences, other postemployment benefits payable, due to Employees' Retirement System and retirement incentive payable are liquidated through future budgetary appropriations in the funds that gave rise to the liability.

Nonmajor Component Unit Debt

One of the Town's nonmajor component units have issued serial bonds guaranteed by other governments to finance improvements to that district. The outstanding serial bonds of \$12,435,000 have been included under the caption "Other debt" because the Town does not bear any responsibility with respect to this debt in its repayment.

Defeasance of Debt

In prior years, the Town of Oyster Bay defeased certain general obligation bonds by placing the proceeds of new bonds 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, 2014, \$69,377,000 of these bonds outstanding are considered defeased, of which \$66,250,197 was for general Town purposes.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**E. Retirement System**

Plan Description

The Town of Oyster Bay participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer defined benefit pension plan. The System provides retirement benefits as well as death and disability benefits.

Obligation of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds.

A publicly available annual report containing financial statements and required supplemental information for the Employees' Retirement System may be obtained by writing to the New York State Retirement System, Governor Smith State Building, Albany, NY 12244.

Funding Policy

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System on or after July 27, 1976, and who have less than ten years of membership or credited service with a retirement system under the provisions of article nineteen of the NYSRSSL. These employees are required to contribute 3% of their salary. Employees who joined the system after January 1, 2010 and before April 1, 2012 are required to contribute 3% of their salary for their entire career. Employees who joined the system on or after April 1, 2012 are required to contribute between 3% and 6% depending upon their salary for their entire career. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Town is required to contribute at an actuarially determined rate. The actual contributions were equal to the actuarially required amounts and also include additional contributions to fund various early retirement incentives made available to the Town employees. The credits and miscellaneous adjustments represent modifications made by the ERS for prior years contributions.

The required contributions paid by the Primary government, for the current year and two preceding years were:

	Annual Required Contribution	Retirement Incentive Installment	Chapter 57 Amortization Adjustment	Credits and Miscellaneous Adjustments	Total Payment
2014	\$ 17,713,824	\$ 1,414,984	\$ (4,898,263)	\$ (904,680)	\$ 13,325,865
2013	16,653,827	1,414,983	(6,444,139)	1,020,331	12,645,002
2012	13,272,768	1,414,982	(3,703,672)	(488,933)	10,495,145

The Town's contribution to the system was 100% of the contributions required each year.

Pursuant to Chapter 57 of the Laws of 2010, the New York State Legislature authorized local governments to amortize a portion of their retirement bill for 10 years. This law requires participating governments to make payments on a current basis, while amortizing existing unpaid amounts relating to the New York State and Local Employees' Retirement System's fiscal years when the local employer opts to participate in the program. The Town's total cost related to the 2011 fiscal year was \$3,703,672 and will be billed and paid over ten years beginning with 2013 and will include interest at 3.75%. During 2014 the Town paid \$323,779 toward this program and has a remaining liability at December 31, 2014 of \$3,067,817.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**E. Retirement System (continued)**

Funding Policy (continued)

In addition, pursuant to Chapter 57 of the Laws of 2010, the Town's total cost related to the 2012 fiscal year was \$6,895,103 and will be billed and paid over ten years beginning in 2014 and will include interest at 3.00%. During 2014, the Town paid \$601,463 toward this program and has a remaining liability at December 31, 2014 of \$6,293,640.

Pursuant to Chapter 57 of the Laws of 2013, the New York State Legislature authorized local governments to amortize a portion of their retirement bill for 12 years. This law requires participating governments to make payments on a current basis, while amortizing existing unpaid amounts relating to the New York State and Local Employees' Retirement System's fiscal years when the local employer opts to participate in the program. The Town's total unpaid liability related to the 2013 fiscal year is \$6,157,543. The cost of the program is billed and paid over twelve years beginning in 2015 and will include interest at 3.76%.

Pursuant to Chapter 57 of the Laws of 2013, the New York State Legislature authorized local governments to amortize a portion of their retirement bill for 12 years. This law requires participating governments to make payments on a current basis, while amortizing existing unpaid amounts relating to New York State and Local Employees' Retirement System's fiscal years when the local employer opts to participate in the program. The Town's total unpaid liability related to the 2014 fiscal year is \$4,525,561. The cost of the program is billed and paid over twelve years beginning in 2016 and will include interest at 3.50%.

Pursuant to Chapter 105 of the Laws of 2010, the New York State Legislature authorized local governments to make available a retirement incentive program with total costs to the Town of \$6,154,219 in 2010. The cost of the program is billed and paid over five years beginning with 2012 and will include interest at 7.5%. During 2014, the Town paid \$1,139,005 toward this program and has a remaining liability at December 31, 2014 of \$2,540,693.

Future principal and interest payments to maturity for the Chapter 57 amortizations and the retirement incentives are as follows:

	Principal	Interest	Total Principal and Interest
For years ending December 31, 2015	\$ 2,595,330	\$ 725,928	\$ 3,321,258
2016	3,043,895	745,686	3,789,581
2017	1,786,901	587,698	2,374,599
2018	1,848,225	526,374	2,374,599
2019	1,911,671	462,928	2,374,599
2020 - 2024	8,862,657	1,300,094	10,162,751
2025 - 2027	2,536,575	162,386	2,698,961
Totals	<u>\$ 22,585,254</u>	<u>\$ 4,511,094</u>	<u>\$ 27,096,348</u>

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**F. Other Postemployment Benefits (Obligations for Health Insurance)**

In the government-wide financial statements, the cost of other postemployment benefits (OPEB), like the cost of pension benefits, generally should be associated with the period in which the cost occurs, rather than in the future years when it will be paid. The Town recognizes the costs of other postemployment benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years and commenced with the 2007 liability.

Plan Description

The Town, as a single-employer defined benefit OPEB plan, per its contract with employees, will pay the full premium costs for medical (currently provided by Empire Core Plan plus Enhancement or H.I.P.) insurance coverage at retirement, provided the employee retired after December 31, 1974 and had been employed with the Town for at least five consecutive years and the retiree is at least 55 years of age. The Town will also pay the full premium costs for dental (currently provided by CIGNA Healthcare) and optical (currently provided by CSEA Employee Benefit Fund) insurance coverage at retirement for employees who retired after January 1, 2006 and had been employed with the Town for at least five consecutive years and the retiree is at least 55 years of age. This contract will be renegotiated at various times in the future. The retiree is also eligible for full Medicare reimbursement in the amount of \$1,259 per year. Healthcare benefits for non-union employees are similar to those of union employees. Upon death of a retiree who retired after January 1, 2006 and before January 1, 2010, the Town will continue health insurance for a period of three years and dental insurance for a period of three months after the death of the retiree for the non-remarried spouse and dependents of the employee. Upon death of a retiree who retired after January 1, 2010, the Town will continue health insurance for a period of five years and dental insurance for a period of three months after the death of the retiree for the non-remarried spouse and dependents of the employee.

Plan Description

The number of participants updated for the year ended December 31, 2014 is as follows:

Active employees	1,157
Retired employees	806
Total	<u>1,963</u>

There have been no significant changes in the number of employees or the type of coverage since that date.

The Town, as administrator of the plan, does not issue a separate report.

Funding Policy

The Town currently pays for other postemployment benefits on a pay-as-you-go basis.

Annual Other Postemployment Benefit Cost

For the year ended December 31, 2014, the Town's annual other postemployment benefits cost (expenses) was \$34,481,596. Considering the annual expense as well as the payment of current health insurance premiums, which totaled \$10,002,099 for retirees and their beneficiaries, the result was an increase in the other postemployment benefits liability of \$24,479,497 for the year ended December 31, 2014. The Town's nonmajor component unit's annual other postemployment benefits cost (expenses) were \$4,668,165. Considering the annual expense as well as the payment of current health insurance premiums, which totaled \$1,641,915 for retirees and their beneficiaries, the result was an increase in the other postemployment benefits liability of \$3,026,250 for the year ended December 31, 2014.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**F. Other Postemployment Benefits (Obligations for Health Insurance) (continued)**

Annual Other Postemployment Benefit Cost (continued)

	<u>Benefit Obligations and Normal Cost</u>				
	<u>Medical Plan</u>	<u>Medicare Part B</u>	<u>Dental Plan</u>	<u>Vision Plan</u>	<u>Total</u>
Retired employees	\$ 141,349,798	\$ 30,140,368	\$ 10,943,440	\$ 2,793,599	\$ 185,227,205
Active employees	172,863,156	30,552,912	18,081,526	4,857,554	226,355,148
Unfunded actuarial accrued liability (UAAL)	<u>\$ 314,212,954</u>	<u>\$ 60,693,280</u>	<u>\$ 29,024,966</u>	<u>\$ 7,651,153</u>	<u>\$ 411,582,353</u>

The Town's annual other postemployment benefit cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Town's other postemployment benefits liability:

	<u>Level Percentage of Projected Pay Amortization</u> <u>Calculation of ARC under the Entry Age Method</u>				
	<u>Medical Plan</u>	<u>Medicare Part B</u>	<u>Dental Plan</u>	<u>Vision Plan</u>	<u>Total</u>
Normal cost	\$ 11,285,564	\$ 2,084,901	\$ 1,197,880	\$ 329,694	\$ 14,898,039
Amortization of unfunded actuarial liability (UAAL) over 30 years	15,179,175	2,949,964	1,378,981	361,563	19,869,683
Interest	859,675	179,070	91,447	24,820	1,155,012
Annual required contribution (ARC)	27,324,414	5,213,935	2,668,308	716,077	35,922,734
Interest on net OPEB obligation	4,121,022	924,248	470,660	131,511	5,647,441
Adjustment to ARC	(5,172,642)	(1,160,102)	(590,765)	(165,070)	(7,088,579)
OPEB Cost	26,272,794	4,978,081	2,548,203	682,518	34,481,596
Less: Contribution for year ended December 31, 2014	8,263,343	1,044,809	589,414	104,533	10,002,099
Increase in other postemployment benefits liability	18,009,451	3,933,272	1,958,789	577,985	24,479,497
Other postemployment benefits liability at December 31, 2013	104,826,735	23,084,768	11,622,743	3,350,780	142,885,026
Other postemployment benefits liability at December 31, 2014	<u>\$ 122,836,186</u>	<u>\$ 27,018,040</u>	<u>\$ 13,581,532</u>	<u>\$ 3,928,765</u>	<u>\$ 167,364,523</u>
Percent of annual OPEB cost contributed	31.45%	20.99%	23.13%	15.32%	29.01%

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**F. Other Postemployment Benefits (Obligations for Health Insurance) (continued)**

Funded Status and Funding Progress

The percentage contributed for the current year and the preceding two years were:

	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2014	\$ 34,481,596	29.01%	\$ 167,364,523
2013	33,019,605	30.08%	142,885,026
2012	32,772,944	27.57%	119,798,664

The funded status of the plan as of January 1, 2014, projected for the year ended December 31, 2014 is as follows:

	Actuarial Accrued Liability (AAL)	Actuarial Value of Plan Assets	Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Town	\$ 411,582,353	\$ -0-	\$ 411,582,353	0.00%	\$ 93,592,829	439.76%
Component Units	54,521,621	-0-	54,521,621	0.00%	10,612,274	513.76%

The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial Methods and Assumptions

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of future events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term liability in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the January 1, 2013 actuarial valuation, the liabilities were computed using the entry age normal method and level percentage of projected payroll of active plan members on a open basis. The actuarial assumptions utilized a 4.0% interest rate, a 2.5% inflation rate and a 2.5% payroll growth rate. The valuation assumes a 5.0% to 7.0% healthcare cost trend increase for the year ended 2014 and reduced decrements to a rate of 5.0% after five years.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Compensated Absences**

Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave, subject to certain limitations.

Estimated vacation, sick leave and compensatory absences accumulated by governmental fund type employees have been recorded in the statement of net position. Payment of vacation time and sick leave is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation, sick leave and compensatory absences when such payments become due. As of December 31, 2014, the value of the accumulated vacation time and sick leave was \$23,201,265 for the primary government. The liability for compensated absences for the nonmajor component units amounted to \$4,069,071.

**4. COMMITMENTS AND CONTINGENCIES**

**A. Risk Management**

In common with other municipalities, the Town receives numerous notices of claims. The Town is self-insured for the first \$1,000,000 per occurrence and carries excess liability insurance coverage of \$10,000,000 per occurrence with a \$10,000,000 annual aggregate and is self-insured for claims under this coverage.

The Town is self-insured for property protection on the first \$50,000, except for earthquake and flood which are on the first \$100,000 and additionally for flood 1% of the total insurable value per location of loss arising out of a named storm with a minimum of \$100,000 per loss. The Town has insurance protection coverage of up to \$100,000,000 for any one loss and annual aggregate, except for flood and earthquake, which have limits of \$5,000,000 for any one loss and annual aggregate and \$2,500,000 for any one loss and annual aggregate, respectively. Flood insurance protection is excluded in FEMA designated zones.

The Town is self-insured for workers' compensation insurance and disability insurance. Estimated benefits to be paid are appropriated in the various operating funds of the Town. The actuarially determined workers' compensation liability is reported without a discount when it is probable that a loss has occurred and that the amount of that loss can be reasonably estimated. The result of the process is not an exact amount as it depends on many complex factors such as inflation. The estimate of the claims liability includes amounts for incremental claim adjustments which includes attorney, consulting and other fees. The Town is also self-insured for unemployment benefits paid.

Although the eventual outcome of these claims for workers' compensation and general liability cannot presently be determined, the Town has estimated unsettled claims and litigation to be \$22,707,503, which is included in the claims and judgments payable liability in the government-wide financial statements. The Town is of the opinion that the ultimate settlement of the outstanding claims will not result in a material adverse effect on the Town's financial position.

There were no settlements in excess of insurance coverage over the last three years.

The Town's workers compensation liability is based on an actuarial analysis and the Town's general liability reserves are estimated based on consultations with legal counsel and past experience with similar claims. The Town has not purchased any annuity contracts with regard to its workers' compensation or general liability claims.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**4. COMMITMENTS AND CONTINGENCIES (continued)**

**A. Risk Management (continued)**

The schedule below presents the changes in claims liabilities for the past two years for workers' compensation and general liability and includes an estimate of claims that have been incurred but not yet reported.

	Workers' Compensation		General Liability	
	2014	2013	2014	2013
Unpaid claims and claim adjustment expenditures at the beginning of year	\$ 23,453,534	\$ 7,457,965	\$ 3,393,119	\$ 4,635,994
Incurred claims and claim adjustment Expenditures:				
Provision for insured events of the current year and increases or decreases in provision for insured events of prior years	(116,643)	19,241,562	1,108,569	890,434
Total incurred claims and claim adjustment expenditures	(116,643)	19,241,562	1,108,569	890,434
Payments:				
Claims expenditures attributable to insured events of the current and prior years	3,248,368	3,245,993	1,882,708	2,133,309
Total payments	3,248,368	3,245,993	1,882,708	2,133,309
Total unpaid claims and claim adjustment expenditures at the end of the year	\$ 20,088,523	\$ 23,453,534	\$ 2,618,980	\$ 3,393,119

**B. Property Condemnation And Environmental Issues**

The Town has acquired title to approximately 14 acres through a condemnation proceeding of which the United States Environmental Protection Agency (EPA) conducted remediation of environmentally hazardous substances at the subject property. The property will eventually be converted to a public park. In May 2007, under the EPA's jurisdiction, a group made up of prior owners of the property commenced the soil remediation process at the site, which was completed in 2009. The Town has already made payments to the EPA for the remediation and payments to the former property owners as payment on the condemnation. However, additional payments may be required to the property owner and/or EPA contingent upon the value/purchase price of the property. The Town and the former property owners proceeded to trial on the valuation of the property, which the Town would be required to pay to the prior owners. After the trial, the court determined the value of the property to be approximately \$20,000,000. The Town disagrees with the Court's decision and has filed a Notice of Appeal.

The Town has recently acquired title to a second parcel of land of approximately 7.5 acres abutting the 14 acres, discussed above. The Town has made a payment of \$4,500,000 to the former owners. It is the Town's belief that the Court will value the property at \$6,500,000, however, it is uncertain what amounts of additional payments will be required by the Town.

In another matter, the Town is currently engaged in litigation against the former owner of certain property donated to the Town for use as park land. Due to the apparent environmental concerns to the residents regarding the park, the Town has chosen to take a proactive stance, and remediated the environmental concerns to the park in the summer of 2007. The Town's position is that the former owner is the cause of the environmental problems and has commenced litigation to recover the cost of this remediation. The former owner has counterclaims against the Town claiming the Town contributed to the contamination. Outside counsel has assessed that the Town can be found up to 30% contributorily liable on the theory that the Town has knowledge of the environmental hazards. It is uncertain what, if any recovery will be received or additional amounts paid by the Town.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**4. COMMITMENTS AND CONTINGENCIES (continued)**

**B. Property Condemnation And Environmental Issues (continued)**

The Town also is currently undertaking an investigation at the direction of the New York State Department of Environmental Conservation (NYSDEC) with regard to Freon in groundwater and soil vapors in the area around the park. Additional costs may be incurred by the Town if the NYSDEC determines that any remedial action is necessary based on the findings of the investigation.

The Town has recorded additional accounts payable in the amount of \$3,300,000 in the government-wide financial statements for the property condemnation and environmental issues discussed above.

**C. Litigation**

Garbage Tax Litigation

As of December 31, 2014, the Town paid a settlement from Garbage Collection Districts and the Solid Waste Disposal Fund to Verizon New York, Inc. which will be reimbursed from Nassau County under the relevant provisions of the Nassau County Administrative Code, collectively known as the "County Guarantee". This settlement amounted to \$3,300,000 for which all final Town required payments have been made, and there is no remaining liability on the balance sheet of these funds. In addition, based on the recovery anticipated under the "County Guarantee" cited above, the Town recorded a due from other governments of \$2,436,044 and \$863,956, respectively, on the balance sheets of the Garbage Collection Districts and Solid Waste Disposal Fund. The Town considers these receivables to be long-term, and accordingly has presented it as nonspendable fund balance.

For several years, there has been litigation involving the taxation of property owned by Keyspan and Verizon by various garbage/sanitation districts. In short, the courts found that taxation to be improper, as Keyspan's infrastructure and Verizon's telephone poles did not generate garbage, and should have therefore been exempt from the garbage taxation. The Courts have held that the Town was obligated to first compensate Keyspan and Verizon for the amounts paid by them, but that the County, pursuant to the County Guaranty provision of the County Charter, must then compensate the Town.

In January 2016, the Town paid Keyspan a total of \$21,400,000, representing the amount that Keyspan paid in garbage tax. Likewise, in December, 2014, the Town paid Verizon a total of \$3,300,000 to Verizon. In third party actions against the County, the Town secured judgments against the County for the amounts paid by the Town to Keyspan and Verizon.

Separate and apart from the above two Keyspan and Verizon cases, there are an additional three plenary actions brought by the Town directly against the County involving Verizon payments. Relative to these actions, the Town paid Verizon \$3,015,480 in February, 2006; \$5,374,979 in June, 2008; and a separate \$4,005,910 also in June, 2008. There are also another three pending actions against the Town by New York Water, Sea Cliff Water and MCI, which under the present legal authority will require the Town to pay those utilities approximately \$1,200,000, collectively.

Nassau County continues to litigate the matters, despite decisions from the Appellate Division and the Court of Appeals, and despite third party judgments having been entered in the Town's favor against the County. Among other arguments raised in their post-appeal motions to vacate the judgments, the County argues that the reimbursement under the County Guaranty provision constitutes an unconstitutional gift of taxpayer money and that the original proceeding was improperly commenced. Given the lack of apparent willingness on the part of the County to compensate the Town for the aforesaid amounts paid to the utilities, the Town served restraining notices upon the Town Receiver on or about February 18, 2016 to restrain the County's portion of real estate taxes collected by the Receiver in order to secure the money due and owing to the Town under the garbage tax litigation.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**4. COMMITMENTS AND CONTINGENCIES (continued)**

**C. Litigation (continued)**

Garbage Tax Litigation (continued)

Most recent, the Town and County of Nassau have been negotiating a settlement of the matters. It appears that the parties have settled for the amount of \$26,700,000 in consideration of the Town releasing the County of Nassau for all the above mentioned claims and payments. The County of Nassau will make payment to the Town in two equal installments: the first payment within thirty days of the execution of the settlement documents and the second payment on or before March 31, 2017.

Town Concessionaire Litigation

The Town is aware of the potential for litigation regarding certain purported amendments to agreements with a Town concessionaire. On September 8, 2015, the United States Attorney for the Eastern District of New York indicted this Town concessionaire alleging that the Town concessionaire provided payments and other things of value to a Town employee in exchange for assistance in obtaining guaranteed bank loans totaling approximately \$20,000,000, according to the indictment. The Nassau County District Attorney, on August 25, 2015, and the Securities and Exchange Commission, on October 20, 2015, requested information from the Town concerning these allegations as well as certain of the Town's public disclosures including official statements. The Town has provided and is continuing to provide documents in response to these inquiries. The Town is cooperating with all law enforcement inquiries regarding these allegations.

It is the Town's position that the purported amendments are unenforceable for various reasons. For example, the purported amendments never had Town Board authorization, which is required by State law in order to create a binding Town contract. Moreover, the purported amendments were not entered into through normal Town protocols and procedures. Neither the Town's regular outside counsel nor senior officials recall being informed of, or let alone consulted on, the purported amendments at the time they were ostensibly negotiated or executed. The purported amendments also were not maintained in the official files of concession agreements maintained by the Town Clerk. Furthermore, the terms of the purported amendments, even if authorized through normal Town Board action and Town protocols, would have amounted to the Town providing financial guarantees to the concessionaire, which is not permissible under the New York State Constitution. For these reasons, and others, the Town therefore believes that the purported amendments create no financial obligation for the Town. However, in the event such guarantees are enforceable they still are not expected to have a material adverse impact on the Town's finances, based on the amount of the guarantee as compared to the total outstanding debt and overall budget of the Town.

As to previous amendments with the concessionaire that were properly authorized by the Town Board, the Town may be required to make a payment to the concessionaire if the Town exercised its right to terminate the Golf Course/The Woodlands Catering Hall Agreement.

**D. Landfill Closure and Post-Closure Care Costs**

State and federal laws and regulations require the Town to place a final cover on its landfill sites and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. The Syosset Landfill stopped receiving waste in 1975 and the Old Bethpage Landfill stopped receiving waste in 1986. Based on monitoring by the EPA, post-closure care costs for the Syosset Landfill were estimated to continue until 2033. If the EPA determines the landfill to be remediated before 2033, the liability for post-closure care costs will be reduced. Likewise, if the EPA determines that additional post-closure care costs are needed, the liability may increase. In 1994, the Old Bethpage Landfill was determined to have to continue post-closure care maintenance and monitoring until 2024. Accordingly, as of December 31, 2014 the Town has recorded a liability of \$9,870,000, which represents the provision to be made in future budgets for unfunded closure and post-closure landfill costs. Actual costs may vary due to inflation or deflation, changes in technology, or changes in regulations or applicable laws.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**4. COMMITMENTS AND CONTINGENCIES (continued)**

**E. Construction and Other Capital Acquisition Commitments**

Construction in progress, commitments for equipment purchases and other capital acquisition commitments amounting to \$5,843,149 have been recorded as encumbrances in the Capital Projects Fund. It is anticipated that these projects will be paid for by the issuance of general obligation bonds.

**F. Lease Commitments and Leased Assets**

The Town leases office and storage space under an operating lease which commenced in July 2012 and expires in June 2016. The lease amount for the current year is \$6,595 per month inclusive of a \$405 heating charge. The Town is responsible for increases in taxes over the base lease year as well as all utilities and repairs. Rental expenditures on this lease for the year ended December 31, 2014 totaled \$79,048.

The Town also leases additional storage space under an operating lease which commenced in June 2010 and expires in April 2020. The lease amount for the current year is \$31,105 per month. The monthly payment includes a proportionate share of real estate taxes as well as a proportionate share of all common area maintenance charges. Rental expenditures on this lease for the year ended December 31, 2014 totaled \$381,519.

Minimum annual commitments under the operating leases described above are as follows:

For years ending December 31, 2015	\$	457,491
2016		423,994
2017		389,563
2018		396,008
2019		402,645
2020		<u>134,960</u>
	\$	<u>2,204,661</u>

**G. Oyster Bay Fire Protection Area Length of Service Award Program (LOSAP)**

The Town's financial statements are for the year ended December 31, 2014. The information contained in this note is projected for the plan year ending June 30, 2015 based on information for the plan year ended on June 30, 2014, which is the most recent plan year for which complete information is available.

The Town sponsors a defined contribution Length of Service Award Program for the active volunteer firefighters of the Oyster Bay Fire Protection Area. The program took effect on July 1, 1991. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town is approximately a 55.00% sponsor of the program for the Oyster Bay Fire Protection Area and contributed \$167,865 during 2014.

Program Description

**Participation, vesting and service credit**

Active volunteer firefighters who have reached the age of 17 are eligible to participate in the program upon joining the fire company. Participants acquire a nonforfeitable right to a service award after being credited with 5 years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is age 62, and completion of 1 year of plan participation. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**4. COMMITMENTS AND CONTINGENCIES (continued)**

**G. Oyster Bay Fire Protection Area Length of Service Award Program (LOSAP) (continued)**

Program Description (continued)

**Participation, vesting and service credit (continued)**

Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for 5 years of firefighting service rendered prior to the establishment of the program.

**Benefits**

A participant's benefit under the program is the amount resulting from the contributions made by the sponsors on behalf of the participant, plus interest and/or other earnings resulting from the investment of the contributions, less necessary administrative costs, forfeitures and losses resulting from the investment of contributions. Contributions in the amount of \$20 per month are made on behalf of each participant who is credited with a year of firefighting service. The maximum number of years of firefighting service for which a participant may receive a contribution is forty years. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandatory disability and death benefits.

Fiduciary Investment and Control

Service credit is determined by the sponsoring board, based on certified information from the fire companies having members who participate in the program. Each fire company must maintain all required records on forms prescribed by the sponsoring board. The sponsoring board has retained and designated Glatfelter VFIS Specialty Benefits to assist in the administration of the program. The designated program administrator's functions include calculating the amount to be contributed at the end of each year based upon the criteria set forth in the Plan Document. Disbursements for the payment of benefits or administrative expenses must be approved by the sponsoring board and delivered to the custodian through a payment schedule.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The trust agreement is dated July 1, 1991, and the trustee is the sponsoring board.

Authority to invest program assets is vested in the sponsoring board. Subject to restrictions in the plan document, program assets are invested in accordance with a statutory "prudent person" rule. The plan document restricts the sponsoring board from investing in securities or obligations issued by the Town, other than a de minimis amount held in common investment vehicles in which the Trustee invests. The sponsoring board is required to retain an actuary to determine the amount of the sponsoring board's contributions to the plan. The actuary retained by the sponsoring board for this purpose is Glatfelter VFIS Specialty Benefits. Portions of the following information are derived from a report prepared by the actuary dated September 19, 2014.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**4. COMMITMENTS AND CONTINGENCIES (continued)**

**G. Oyster Bay Fire Protection Area Length of Service Award Program (LOSAP) (continued)**

Program Financial Condition

**Assets and Liabilities**

Actuarial present value of benefits at June 30, 2014		\$ 5,008,519
Assets Available for Benefits		
	<u>% of total</u>	
Annuity contracts	100.00%	\$ 1,795,868
Less: Liabilities		<u>-0-</u>
Total Net Assets Available for Benefits		<u>\$ 1,795,868</u>
Unfunded Liability for Prior Service		<u>\$ -0-</u>

**Prior Service Costs**

There are no prior service costs being amortized.

**Receipts and Disbursements**

Plan Net Assets, July 1, 2013 \$ 1,915,308

Changes during the year:

Plan contributions	\$ 293,515
Changes in fair market value of investments	77,598
Plan benefit withdrawals	(469,521)
Premiums	(16,423)
Administrative and Other Fees/Charges	<u>(4,609)</u>
Plan Net Assets, June 30, 2014	<u>\$ 1,795,868</u>

**Contributions**

Amount of sponsoring board's required contribution:	\$ 276,479
Amount of sponsoring board's actual contribution:	\$ 293,515

**Administration Fees**

Fees paid to designated Plan administrator / actuary:	\$ 4,609
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**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**4. COMMITMENTS AND CONTINGENCIES (continued)**

**G. Oyster Bay Fire Protection Area Length of Service Award Program (LOSAP) (continued)**

Funding Methodology and Actuarial Assumptions

**Normal Costs**

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is the entry age normal frozen initial liability method. The assumptions used by the actuary to determine the sponsor's contribution and the actuarial present value of benefits are:

Assumed rate of return on investment      4.75%

Mortality Tables used for

Withdrawal	None
Disability	None
Retirement	1984 Unisex Pensioners
Death (Actives)	1984 Unisex Pensioners
Death (Inactive)	1984 Unisex Pensioners

The Town is also a sponsor of the Roslyn Fire Department LOSAP Plan and contributed approximately \$1,500 in 2014. Additionally, the Town is in the process of determining joint sponsorship for East Norwich Fire Department and anticipates the sponsorship amount to be approximately 25.0%.

**5. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS**

The following represents condensed financial statements for the discretely presented nonmajor component units as of and for the year ended December 31, 2014:

Condensed Statement of Net Position:

	Current Assets	Due from Primary Government	Capital Assets Net of Depreciation	Deferred Outflows of Resources	Current Liabilities	Due to Primary Government	Other Long-Term Liabilities	Deferred Inflows of Resources	Net Investment in Capital Assets	Restricted	Unrestricted (Deficit)
Massapequa Water District	\$ 4,542,310	\$ 22,460	\$ 15,114,394		\$ 807,034	\$ 395,785	\$ 7,850,047	\$ 35,774	\$ 10,047,306	\$ 1,273,538	\$ (730,320)
Plainview Water District	5,579,505	24,803	31,171,479		2,607,595	178,514	20,956,511		11,954,057	1,945,230	(866,120)
Hicksville Water District	25,449,174	67,731	27,237,309		2,686,219		15,544,058	56,201	20,141,324	12,374,841	1,951,571
Locust Valley Water District	1,223,159	1,118,875	11,369,926		2,544,020	1,693,773	5,574,172		11,369,926	1,597,899	(9,067,830)
Oyster Bay Water District	2,117,659	171,607	9,926,813		528,904		4,499,698		6,515,182	996,505	(322,210)
Jericho Water District	11,651,006	527,843	24,538,368		1,826,834	141,815	10,618,474		18,299,442	3,407,795	2,422,857
South Farmingdale Water District	8,146,098	2,267,740	23,713,595		1,292,920		15,493,023		12,689,748	2,751,545	1,900,197
Bethpage Water District	9,306,125	2,615,967	37,809,676		9,171,394	2,710,346	14,101,564		18,090,076	4,336,864	1,321,524
Syosset Sanitation District	758,296										758,296
Oyster Bay Sewer District	1,948,766	47,783	13,377,473	\$ 115,821	704,983		6,648,853		9,932,559		(1,796,552)
Glenwood-Glenhead Garbage District	482,885	105,802			105,652			78,125			404,910
	<u>\$ 71,204,983</u>	<u>\$ 6,970,611</u>	<u>\$ 194,259,033</u>	<u>\$ 115,821</u>	<u>\$ 22,273,555</u>	<u>\$ 5,120,233</u>	<u>\$ 101,286,400</u>	<u>\$ 170,100</u>	<u>\$ 119,039,620</u>	<u>\$ 28,684,217</u>	<u>\$ (4,023,677)</u>

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**5. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS (continued)**

Condensed Statement of Activities:

	Program				General Revenue			Net Position	
	Operating								
	Charges for	Grants and	Net (Expense)	Property			Change	1/1/14	12/31/14
	Expenses	Services	Contributions	Revenue	Tax	Other			
Massapequa Water District	\$ 5,611,108	\$ 3,695,513		\$ (1,915,595)	\$ 2,045,000	\$ 238,165	\$ 367,570	\$ 10,222,954	\$ 10,590,524
Plainview Water District	7,803,253	4,007,666		(3,795,587)	3,503,669	77,393	(214,525)	13,247,692	13,033,167
Hicksville Water District	7,139,286	2,813,861		(4,325,425)	4,656,264	615,068	945,907	33,521,829	34,467,736
Locust Valley Water District	2,451,427	1,565,414		(886,013)	475,105	278,594	(132,314)	4,032,309	3,899,995
Oyster Bay Water District	2,347,191	930,967		(1,416,224)	882,182	502,525	(31,517)	7,220,994	7,189,477
Jericho Water District	9,958,146	8,234,850	\$ 25,194	(1,698,102)	1,183,953	339,072	(175,077)	24,305,171	24,130,094
South Farmingdale Water District	6,825,032	3,721,048		(3,103,984)	1,889,040	331,578	(883,366)	18,224,856	17,341,490
Bethpage Water District	6,401,134	2,083,331		(4,317,803)	3,205,490	1,050,595	(61,718)	23,810,182	23,748,464
Syosset Sanitation District	575,341			(575,341)	569,519	356	(5,466)	763,762	758,296
Oyster Bay Sewer District	4,704,861	497,278		(4,207,583)	3,481,727	16,706	(709,150)	8,845,157	8,136,007
Glenwood-Glenhead Garbage Distr	1,294,190			(1,294,190)	957,364	358	(336,468)	741,378	404,910
	\$ 55,110,969	\$ 27,549,928	\$ 25,194	\$ (27,535,847)	\$ 22,849,313	\$ 3,450,410	\$ (1,236,124)	\$ 144,936,284	\$ 143,700,160

Complete financial statements of the individual nonmajor component units can be obtained from their respective administrative offices:

Massapequa Water District  
84 Grand Avenue  
Massapequa, N.Y. 11758

Plainview Water District  
10 Manetto Hill Road  
Plainview, N.Y. 11803

Hicksville Water District  
4 Dean Street  
Hicksville, N.Y. 11802

Locust Valley Water District  
Buckram Road  
Locust Valley, N.Y. 11560

Oyster Bay Water District  
45 Audrey Avenue  
Oyster Bay, N.Y. 11771

Jericho Water District  
125 Convent Road  
Syosset, N.Y. 11791

South Farmingdale Water District  
40 Langdon Road  
Farmingdale, N.Y. 11735

Bethpage Water District  
25 Adams Avenue  
Bethpage, N.Y. 11714

Syosset Sanitation District  
P.O. Box 14  
Syosset, N.Y. 11791

Oyster Bay Sewer District  
15 Bay Avenue  
Oyster Bay, N.Y. 11771

Glenwood - Glenhead Garbage District  
P.O. Box 181  
Glenwood Landing, N.Y. 11547

**6. EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE ON CURRENT-PERIOD FINANCIAL STATEMENTS**

**Governmental Fund Statements**

In October 2014, the New York State Office of the State Comptroller issued an Accounting Bulletin with regard to the accounting for retained percentages. According to the State, retained percentages should not be expensed at the time that the invoice is paid, but rather, when the retainage is paid. As a result, the Town revised its accounting effective with the financial statements for the year ended December 31, 2014.

The effect of this change in accounting principle on the governmental funds was an increase to beginning Capital Projects Fund fund balance of \$774,176 representing the accumulated retainage liability to vendors prior to 2014.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**7. SUBSEQUENT EVENTS**

**Debt Issuance**

In February 2015, the Town issued \$85,465,000 of bond anticipation notes bearing interest rates ranging from 1.25% to 1.50%, which matured on February 5, 2016.

In May 2015, the Town issued \$11,000,000 of revenue anticipation notes at an interest rate of 1.5% and \$19,000,000 of tax anticipation notes at an interest rate of 1.50% both matured March 25, 2016.

In July 2015, the Town issued \$72,200,000 of bond anticipation notes at interest rates ranging from 0.95% to 2.00%, which mature July 8, 2016.

In December 2015, the Town renewed \$3,300,000 of bond anticipation notes at an interest rate of 2.00%, which mature on July 8, 2016.

In February 2016, the Town issued \$121,775,000 of bond anticipation notes with interest rates ranging from 2.75% to 3.25%, which mature on February 3, 2017. Of these bond anticipation notes, \$22,700,000 were considered federally taxable and were used to fund litigation settlements.

**8. NEW PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has issued the following Statements:

Statement No. 68 "*Accounting and Financial Reporting for Pensions*"—an amendment of GASB Statement No. 27 of which the primary objective is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2014.

Statement No. 71 "*Pension Transition for Contributions Made Subsequent to the Measurement date – an amendment of GASB Statement No. 68*" of which the objective is to address an issue regarding application of the transition provisions of Statement No. 68, "*Accounting and Financial Reporting for Pensions*." The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement should be applied simultaneously with the provision of Statement No. 68.

Statement No. 72 "*Fair Value Measurement and Application*" includes requirements that will enhance the comparability of financial statements among governments by requiring the measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015.

Statement No. 73 "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB 68 - and amendments to Certain Provisions of GASB 67 and 68*" the objective is to clarify the existing guidance as well as establishes new requirements for pensions not covered by Statement No. 67 and No. 68. The requirements of this Statement are effective for fiscal years beginning after June 15, 2015 - except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016

Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", which outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017.

**TOWN OF OYSTER BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**8. NEW PRONOUNCEMENTS** (continued)

Statement No. 76, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*," the objective of which is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively.

The Town is currently evaluating the impact of the above pronouncements.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Schedules of Revenues, Expenditures, and Changes in Fund  
Balances – Budget and Actual Major Governmental Funds and  
Schedules

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The budgets are adopted on a basis of accounting consistent with GAAP. In the event that actual revenues received exceed budgeted amounts, additional budgetary appropriations are made. The Capital Projects and Special Grant Funds are budgeted on a project or grant basis. In order to show the full legal level of budgetary compliance for the General and certain Special Revenue Funds, detailed individual statements of revenues, expenditures and changes in fund balances - budget and actual, are presented in a separate budget report.

**TOWN OF OYSTER BAY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
Year ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 37,680,296	\$ 37,680,296	\$ 37,828,074	\$ 147,778
Total Real Property Taxes	37,680,296	37,680,296	37,828,074	147,778
<b>OTHER REAL PROPERTY TAX ITEMS</b>				
Payment in lieu of taxes	199,749	199,749	271,344	71,595
Interest and penalty on taxes	1,500,000	1,500,000	1,512,180	12,180
Total Other Real Property Tax Items	1,699,749	1,699,749	1,783,524	83,775
<b>NON-PROPERTY TAX ITEMS</b>				
Franchises - cable TV	4,800,000	4,800,000	5,112,339	312,339
Total Non-Property Tax Items	4,800,000	4,800,000	5,112,339	312,339
<b>DEPARTMENTAL INCOME</b>				
Town clerk fees	600,000	600,000	493,900	(106,100)
Attorney fees	15,000	15,000	10,906	(4,094)
Other general departmental income	15,000	15,000	6,579	(8,421)
Tax collector fees	65,000	65,000	21,780	(43,220)
Public pound charge dog fees	15,000	15,000	21,512	6,512
Recreation fees	350,000	350,000	409,890	59,890
Community service fees	620,000	620,000	457,899	(162,101)
Recreational concessions	280,000	280,000	512,590	232,590
Beach, pool, golf fees	4,800,000	4,800,000	3,274,355	(1,525,645)
Boat basin fees	200,000	200,000	183,306	(16,694)
Dock storage leases	750,000	750,000	659,517	(90,483)
Incineration and disposal charges	81,413	81,413	81,413	
Total Departmental Income	7,791,413	7,791,413	6,133,647	(1,657,766)
<b>INTERGOVERNMENTAL CHARGES</b>				
Dog pound facilities, other governments	700	700	659	(41)
Services other governments	7,000	7,000	11,054	4,054
Nassau County local government assistance	15,000,000	15,000,000	13,942,484	(1,057,516)
Total Intergovernmental Charges	15,007,700	15,007,700	13,954,197	(1,053,503)
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	60,000	60,000	63,700	3,700
Rental of real property	450,000	575,000	591,353	16,353
Commissions	3,800	3,800	3,995	195
Total Use of Money and Property	513,800	638,800	659,048	20,248

(continued)

**TOWN OF OYSTER BAY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>LICENSES AND PERMITS</b>				
Games of chance	200	200	630	430
Bingo licenses	1,400	1,400	353	(1,047)
Dog license fund apportionment	21,000	21,000	15,169	(5,831)
Road opening permits	150,000	150,000	277,700	127,700
Total Licenses and Permits	172,600	172,600	293,852	121,252
<b>FINES AND FORFEITURES</b>				
Court fines	750,000	750,000	1,026,484	276,484
Fines and penalties - dog cases	600	600	1,005	405
Total Fines and Forfeitures	750,600	750,600	1,027,489	276,889
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>				
Sale of scrap and excess material	6,000	6,000	1,033	(4,967)
Sale of surplus equipment	30,000	30,000	48,418	18,418
Sale of real property			1,600	1,600
Insurance recoveries	309,192	309,192	3,759	(305,433)
Other compensation for loss	35,000	35,000	7,089	(27,911)
Total Sale of Property and Compensation for Loss	380,192	380,192	61,899	(318,293)
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Refund of prior year expenditures	570,000	581,153	1,461,267	880,114
Premiums on obligations			59,895	59,895
Gifts and donations	1,000	1,000		(1,000)
Miscellaneous revenue	729,000	729,000	794,246	65,246
Miscellaneous Local Sources	1,300,000	1,311,153	2,315,408	1,004,255
<b>INTERFUND REVENUES</b>	30,206,979	30,206,979	29,949,479	(257,500)
<b>STATE AID</b>				
Mental health	130,000	130,000	151,467	21,467
Per capita	1,700,000	1,700,000	1,682,422	(17,578)
Mortgage tax	10,000,000	10,000,000	8,645,289	(1,354,711)
Emergency disaster assistance			33,100	33,100
Youth program	101,015	101,015	10,042	(90,973)
Other	5,000	5,000	13,880	8,880
Total State Aid	11,936,015	11,936,015	10,536,200	(1,399,815)
<b>FEDERAL AID</b>				
Other			43,872	43,872
Total Federal Aid			43,872	43,872
Total Revenue	\$ 112,239,344	\$ 112,375,497	\$ 109,699,028	\$ (2,676,469)

(continued)

**TOWN OF OYSTER BAY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Original Budget	Final Budget	Actual	Encum- brances	Variance Positive (Negative)
<b>EXPENDITURES</b>					
<b>CURRENT:</b>					
<b>GENERAL GOVERNMENT SUPPORT</b>					
Town board	\$ 1,861,041	\$ 2,022,384	\$ 2,017,528		\$ 4,856
Executive	1,151,736	1,151,736	1,137,941	\$ 8,875	4,920
Comptroller	6,608,745	5,847,612	6,387,473	909	(540,770)
Receiver of taxes	1,245,006	1,270,857	1,427,371		(156,514)
Town clerk	1,165,538	1,299,607	1,260,247		39,360
Town attorney	2,383,982	3,320,186	3,424,922	2,761	(107,497)
Human resources	1,017,111	1,027,111	966,750		60,361
Public works	1,148,867	1,464,080	1,455,672		8,408
General services	7,283,531	7,267,579	7,136,324	709	130,546
Central vehicle maintenance	8,817,377	9,469,982	8,993,582	2,696	473,704
Other general government support	1,624,907	3,986,369	3,813,650		172,719
Unallocated insurance and payment for losses	1,488,120	1,500,620	1,264,949		235,671
<b>Total General Government Support</b>	<b>35,795,961</b>	<b>39,628,123</b>	<b>39,286,409</b>	<b>15,950</b>	<b>325,764</b>
<b>PUBLIC SAFETY</b>					
Public safety	4,170,441	4,179,770	4,080,347		99,423
Animal shelter	1,120,695	1,129,335	1,079,095		50,240
<b>Total Public Safety</b>	<b>5,291,136</b>	<b>5,309,105</b>	<b>5,159,442</b>		<b>149,663</b>
<b>TRANSPORTATION</b>					
Superintendent of highways	823,680	823,680	769,683		53,997
<b>Total Transportation</b>	<b>823,680</b>	<b>823,680</b>	<b>769,683</b>		<b>53,997</b>
<b>ECONOMIC ASSISTANCE AND OPPORTUNITY</b>					
Publicity	55,000	65,000	61,034		3,966
Economic development	363,361	396,883	359,479	1,777	35,627
<b>Economic Assistance And Opportunity</b>	<b>418,361</b>	<b>461,883</b>	<b>420,513</b>	<b>1,777</b>	<b>39,593</b>
<b>CULTURE AND RECREATION</b>					
Community and youth services	5,348,845	5,719,567	5,349,307	5,010	365,250
Parks, recreation, beaches	11,090,358	11,802,220	11,979,483		(177,263)
<b>Total Culture and Recreation</b>	<b>16,439,203</b>	<b>17,521,787</b>	<b>17,328,790</b>	<b>5,010</b>	<b>187,987</b>
<b>HOME AND COMMUNITY SERVICES</b>					
Intergovernmental affairs	883,262	1,599,560	1,387,222		212,338
Housing authority	14,500	19,750	19,750		
Environmental control	1,993,985	1,940,669	1,929,408		11,261
<b>Total Home and Community Services</b>	<b>2,891,747</b>	<b>3,559,979</b>	<b>3,336,380</b>		<b>223,599</b>

(continued)

**TOWN OF OYSTER BAY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Original Budget	Final Budget	Actual	Encum- brances	Variance Positive (Negative)
<b>EMPLOYEE BENEFITS</b>					
State Employee Retirement System	5,544,704	5,713,238	5,713,238		
Social security	3,029,785	3,261,773	3,261,773		
Workers' compensation	942,451	1,054,458	1,082,604		(28,146)
Disability benefits	16,500	16,500			16,500
Unemployment benefits	102,000	89,916	31,567		58,349
Hospital, medical and dental	13,298,267	13,451,147	14,551,887		(1,100,740)
<b>Total Employee Benefits</b>	<b>22,933,707</b>	<b>23,587,032</b>	<b>24,641,069</b>		<b>(1,054,037)</b>
<b>Total Current</b>	<b>84,593,795</b>	<b>90,891,589</b>	<b>90,942,286</b>	<b>22,737</b>	<b>(73,434)</b>
<b>DEBT SERVICE</b>					
Debt interest:					
Bond anticipation notes		4,620,626	4,617,300		3,326
<b>Total Debt Service</b>		<b>4,620,626</b>	<b>4,617,300</b>		<b>3,326</b>
<b>Total Expenditures</b>	<b>84,593,795</b>	<b>95,512,215</b>	<b>95,559,586</b>	<b>22,737</b>	<b>(70,108)</b>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>	<b>27,645,549</b>	<b>16,863,282</b>	<b>14,139,442</b>	<b>(22,737)</b>	<b>(2,746,577)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out:					
Debt service fund	(35,518,120)	(20,410,113)	(20,405,345)		4,768
Capital projects fund		(12,817,820)	(12,751,310)		66,510
<b>Total Other Financing Sources (Uses)</b>	<b>(35,518,120)</b>	<b>(33,227,933)</b>	<b>(33,156,655)</b>		<b>71,278</b>
<b>Net Change in Fund Balance</b>	<b>\$ (7,872,571)</b>	<b>\$(16,364,651)</b>	<b>(19,017,213)</b>	<b>\$ (22,737)</b>	<b>\$ (2,675,299)</b>
<b>Fund Balance at Beginning of Year</b>			<b>1,510,048</b>		
<b>Fund Balance (Deficit) at End of Year</b>			<b>\$(17,507,165)</b>		

**TOWN OF OYSTER BAY**  
**HIGHWAY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
Year ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 38,426,036	\$ 38,426,036	\$ 38,426,773	\$ 737
Total Real Property Taxes	38,426,036	38,426,036	38,426,773	737
<b>OTHER REAL PROPERTY TAX ITEMS</b>				
Payment in lieu of taxes	400,000	400,000	462,629	62,629
Total Other Real Property Tax Items	400,000	400,000	462,629	62,629
<b>DEPARTMENTAL INCOME</b>				
Road restoration fee	45,000	45,000	32,678	(12,322)
Public safety cleanup	195,000	195,000	42,968	(152,032)
Public safety sidewalk repair	1,000,000	1,000,000	889,598	(110,402)
Total Departmental Income	1,240,000	1,240,000	965,244	(274,756)
<b>INTERGOVERNMENTAL CHARGES</b>				
Services other governments	10,000	10,000	13,138	3,138
Total Intergovernmental Charges	10,000	10,000	13,138	3,138
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	6,000	6,000		(6,000)
Rental of real property			1	1
Total Use of Money and Property	6,000	6,000	1	(5,999)
<b>LICENSES AND PERMITS</b>				
Road opening permits			2,800	2,800
Total Licenses and Permits			2,800	2,800
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>				
Other compensation for loss			18,373	18,373
Total Sale of Property and Compensation for Loss			18,373	18,373
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Refund of prior year expenditures	6,500	6,500	568,953	562,453
Premium on obligations			30,495	30,495
Miscellaneous revenue			625	625
Total Miscellaneous Local Sources	6,500	6,500	600,073	593,573
<b>STATE AID</b>				
Emergency disaster assistance			2,354,847	2,354,847
Total State Aid			2,354,847	2,354,847
<b>FEDERAL AID</b>				
Emergency disaster assistance		1,600,000	1,226,436	(373,564)
Total Federal Aid		1,600,000	1,226,436	(373,564)
Total Revenues	40,088,536	41,688,536	44,070,314	2,381,778

(continued)

**TOWN OF OYSTER BAY**  
**HIGHWAY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Original Budget	Final Budget	Actual	Encum- brances	Variance Positive (Negative)
<b>EXPENDITURES</b>					
<b>CURRENT:</b>					
<b>TRANSPORTATION</b>					
Maintenance of streets	13,835,185	15,401,103	14,138,392	9,371	1,253,340
Machinery	2,816,149	2,816,149	2,810,638	5,476	35
Snow removal	2,054,983	3,041,903	2,689,598		352,305
<b>Total Transportation</b>	<b>18,706,317</b>	<b>21,259,155</b>	<b>19,638,628</b>	<b>14,847</b>	<b>1,605,680</b>
<b>EMPLOYEE BENEFITS</b>					
State Employee Retirement System	1,248,488	1,248,488	1,247,114		1,374
Social security	715,504	715,504	620,469		95,035
Workers' compensation	479,782	479,782	263,391		216,391
Disability benefits	2,500	2,500			2,500
Hospital, medical and dental	4,506,083	4,506,083	3,253,059		1,253,024
<b>Total Employee Benefits</b>	<b>6,952,357</b>	<b>6,952,357</b>	<b>5,384,033</b>		<b>1,568,324</b>
<b>Total Current</b>	<b>25,658,674</b>	<b>28,211,512</b>	<b>25,022,661</b>	<b>14,847</b>	<b>3,174,004</b>
<b>DEBT SERVICE:</b>					
Debt interest:					
Bond anticipation notes		3,084,556	3,084,556		
<b>Total Debt Service</b>		<b>3,084,556</b>	<b>3,084,556</b>		
<b>Total Expenditures</b>	<b>25,658,674</b>	<b>31,296,068</b>	<b>28,107,217</b>	<b>14,847</b>	<b>3,174,004</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>14,429,862</b>	<b>10,392,468</b>	<b>15,963,097</b>	<b>(14,847)</b>	<b>5,555,782</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out:					
Debt service fund	(24,164,984)	(18,801,167)	(18,522,882)		278,285
Capital projects fund		(6,160,259)	(6,160,259)		
<b>Total Other Financing Sources (Uses)</b>	<b>(24,164,984)</b>	<b>(24,961,426)</b>	<b>(24,683,141)</b>		<b>278,285</b>
<b>Net Change in Fund Balance</b>	<b>\$ (9,735,122)</b>	<b>\$(14,568,958)</b>	<b>(8,720,044)</b>	<b>\$ (14,847)</b>	<b>\$ 5,834,067</b>
<b>Fund Balance at Beginning of Year</b>			<b>3,922,009</b>		
<b>Fund Balance (Deficit) at End of Year</b>			<b>\$ (4,798,035)</b>		

**TOWN OF OYSTER BAY**  
**GARBAGE COLLECTION DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
Year ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 43,928,750	\$ 43,928,750	\$ 43,928,750	
Total Real Property Taxes	43,928,750	43,928,750	43,928,750	
<b>OTHER REAL PROPERTY TAX ITEMS</b>				
Payment in lieu of taxes	200,000	200,000	305,731	\$ 105,731
Total Other Real Property Tax Items	200,000	200,000	305,731	105,731
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	17,982	17,982		(17,982)
Total Use of Money and Property	17,982	17,982		(17,982)
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Premiums on obligations			799	799
Litigation recovery		2,436,044	2,436,044	
Miscellaneous revenue			200	200
Total Miscellaneous Local Sources		2,436,044	2,437,043	999
<b>STATE AID</b>				
Emergency disaster assistance			45,000	45,000
Total State Aid			45,000	45,000
Total Revenues	44,146,732	46,582,776	46,716,524	133,748

(continued)

**TOWN OF OYSTER BAY**  
**GARBAGE COLLECTION DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>HOME AND COMMUNITY SERVICES</b>				
Sanitation	32,307,475	34,744,730	34,557,641	187,089
Total Home and Community Services	32,307,475	34,744,730	34,557,641	187,089
<b>EMPLOYEE BENEFITS</b>				
State Employee Retirement System	2,214,969	2,228,758	2,228,758	
Social security	1,210,323	1,210,323	1,174,158	36,165
Workers' compensation	1,255,473	1,255,473	1,497,035	(241,562)
Unemployment benefits	6,000	6,000		6,000
Disability benefits	3,200	3,200		3,200
Hospital, medical and dental	4,703,264	4,711,313	4,953,573	(242,260)
Total Employee Benefits	9,393,229	9,415,067	9,853,524	(438,457)
Total Current	41,700,704	44,159,797	44,411,165	(251,368)
<b>DEBT SERVICE:</b>				
Debt interest:				
Bond anticipation notes		158,944	158,944	
Revenue anticipation note		63,970	63,970	
Total Debt Service		222,914	222,914	
Total Expenditures	41,700,704	44,382,711	44,634,079	(251,368)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	2,446,028	2,200,065	2,082,445	(117,620)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out:				
Debt service fund	(2,446,028)	(1,749,354)	(1,746,716)	2,638
Capital projects fund		(474,658)	(474,658)	
Total Other Financing Sources (Uses)	(2,446,028)	(2,224,012)	(2,221,374)	2,638
<b>Net Change in Fund Balance</b>	<u>\$ -0-</u>	<u>\$ (23,947)</u>	<u>(138,929)</u>	<u>\$ (114,982)</u>
<b>Fund Balance (Deficit) at Beginning of Year</b>			<u>(7,656,482)</u>	
<b>Fund Balance (Deficit) at End of Year</b>			<u><u>\$ (7,795,411)</u></u>	

**TOWN OF OYSTER BAY**  
**SOLID WASTE DISPOSAL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 21,700,155	\$ 21,700,155	\$ 21,701,117	\$ 962
Total Real Property Taxes	21,700,155	21,700,155	21,701,117	962
<b>OTHER REAL PROPERTY TAX ITEMS</b>				
Payment in lieu of taxes	200,000	200,000	282,296	82,296
Total Other Real Property Tax Items	200,000	200,000	282,296	82,296
<b>DEPARTMENTAL INCOME</b>				
Refuse and garbage charges	10,350,000	10,350,000	8,263,295	(2,086,705)
Total Departmental Income	10,350,000	10,350,000	8,263,295	(2,086,705)
<b>INTERGOVERNMENTAL CHARGES</b>				
Refuse and garbage charges - other governments			6,542	6,542
Total Intergovernmental Charges			6,542	6,542
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	12,253	12,253		(12,253)
Total Use of Money and Property	12,253	12,253		(12,253)
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>				
Sale of recyclable material	440,000	440,000	384,372	(55,628)
Total Sale of Property and Compensation for Loss	440,000	440,000	384,372	(55,628)
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Refund of prior year expenditures			220,704	220,704
Premiums on obligations			283	283
Litigation recovery		863,956	863,956	
Total Miscellaneous Local Sources		863,956	1,084,943	220,987
<b>STATE AID</b>				
Emergency disaster assistance			368,000	368,000
Other	700,000	700,000	799,666	99,666
Total State Aid	700,000	700,000	1,167,666	467,666
<b>FEDERAL AID</b>				
Emergency disaster assistance			1,443,539	1,443,539
Other			10,000	10,000
Total Federal Aid			1,453,539	1,453,539
Total Revenues	33,402,408	34,266,364	34,343,770	77,406

(continued)

**TOWN OF OYSTER BAY**  
**SOLID WASTE DISPOSAL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>HOME AND COMMUNITY SERVICES</b>				
Sanitation	17,559,873	18,432,191	17,858,650	573,541
Recycling	8,631,326	8,772,289	8,735,792	36,497
Total Home and Community Services	26,191,199	27,204,480	26,594,442	610,038
<b>EMPLOYEE BENEFITS</b>				
State Employee Retirement System	1,151,427	1,151,427	1,036,116	115,311
Social security	629,173	629,173	600,967	28,206
Workers' compensation	352,498	352,498	536,605	(184,107)
Unemployment benefits	9,000	9,000		9,000
Disability benefits	6,300	6,300		6,300
Hospital, medical and dental	1,825,762	1,868,069	2,417,592	(549,523)
Total Employee Benefits	3,974,160	4,016,467	4,591,280	(574,813)
Total Current	30,165,359	31,220,947	31,185,722	35,225
<b>DEBT SERVICE:</b>				
Debt interest:				
Bond anticipation notes		361,100	361,100	
Total Debt Service		361,100	361,100	
Total Expenditures	30,165,359	31,582,047	31,546,822	35,225
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	3,237,049	2,684,317	2,796,948	112,631
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out:				
Debt service fund	(3,237,049)	(1,652,445)	(1,652,445)	
Capital projects fund		(1,545,933)	(1,545,933)	
Total Other Financing Sources (Uses)	(3,237,049)	(3,198,378)	(3,198,378)	0
<b>Net Change in Fund Balance</b>	<u>\$ -0-</u>	<u>\$ (514,061)</u>	<u>(401,430)</u>	<u>\$ 112,631</u>
<b>Fund Balance (Deficit) at Beginning of Year</b>			<u>(13,136,842)</u>	
<b>Fund Balance (Deficit) at End of Year</b>			<u><u>\$(13,538,272)</u></u>	

**TOWN OF OYSTER BAY**  
**SCHEDULE OF FUNDING PROGRESS**  
**FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)**  
**December 31, 2014**

Actuarial Valuation Date January 1,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
2013*	\$ -0-	\$ 411,582,353	\$ 411,582,353	0.00%	\$ 93,592,829	439.76%
2013	\$ -0-	\$ 391,370,351	\$ 391,370,351	0.00%	\$ 89,519,572	437.19%
2011**	\$ -0-	\$ 379,849,782	\$ 379,849,782	0.00%	\$ 104,827,203	362.36%
2011	\$ -0-	\$ 359,114,413	\$ 359,114,413	0.00%	\$ 96,905,559	370.58%
2009***	\$ -0-	\$ 328,057,295	\$ 328,057,295	0.00%	\$ 101,894,535	321.96%
2009	\$ -0-	\$ 311,297,473	\$ 311,297,473	0.00%	\$ 97,425,295	319.52%
2007	\$ -0-	\$ 272,669,707	\$ 272,669,707	0.00%	\$ 83,658,200	325.93%

\* Projected for the year ended December 31, 2014.

\*\* Projected for the year ended December 31, 2012.

\*\*\* Projected for the year ended December 31, 2010.

**OTHER SUPPLEMENTARY INFORMATION**

Combining and Individual Fund Statements of Revenues,  
Expenditures, and Changes in Fund Balances – Budget and  
Actual  
Nonmajor Governmental Special Revenue Funds and  
Schedules

**TOWN OF OYSTER BAY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2014

	Special Revenue Funds			
	Town Outside Village	Special Grants	Drainage District	Park Districts
<b>ASSETS</b>				
Cash and investments	\$ 250	\$ 456,728		\$ 88,768
Accounts receivable, net of allowances for doubtful accounts of \$15,284	11,348		\$ 10,939	43,279
Rehabilitation loan receivable		13,000		
Due from other funds	1,845,209	147,888	1,491,392	2,215,616
State and federal aid receivables		439,261	18,000	26,000
Due from other governments	8,586		4,358	24,272
Inventory of material and supplies				
<b>Total Assets</b>	<b>\$ 1,865,393</b>	<b>\$ 1,056,877</b>	<b>\$ 1,524,689</b>	<b>\$ 2,397,935</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 894,518	\$ 219,431	\$ 87,326	\$ 798,408
Accrued liabilities	551,497	62,940	98,446	844,796
Due to other funds		59,252		200
Grant advances		46,711		
<b>Total Liabilities</b>	<b>1,446,015</b>	<b>388,334</b>	<b>185,772</b>	<b>1,643,404</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue from real property tax items	22,913		21,684	78,824
Unavailable rehabilitation loan		13,000		
<b>Total Deferred Inflows of Resources</b>	<b>22,913</b>	<b>13,000</b>	<b>21,684</b>	<b>78,824</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	1,845,209	147,888	1,491,392	2,156,364
Restricted		507,655		
Assigned				
Unassigned	(1,448,744)		(174,159)	(1,480,657)
<b>Total Fund Balances (Deficits)</b>	<b>396,465</b>	<b>655,543</b>	<b>1,317,233</b>	<b>675,707</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>	<b>\$ 1,865,393</b>	<b>\$ 1,056,877</b>	<b>\$ 1,524,689</b>	<b>\$ 2,397,935</b>

Fire Protection Districts	Lighting District	Public Parking District	Water Districts	Total Non-Major Funds
\$ 107,264	\$ 100	\$ 50	\$ 24,732	\$ 677,892
	4,647	3,451		73,664
				13,000
759,894	1,155,439			7,615,438
	12,000	16,000		511,261
609	14,455	5,094		57,374
	758,411			758,411
<u>\$ 867,767</u>	<u>\$ 1,945,052</u>	<u>\$ 24,595</u>	<u>\$ 24,732</u>	<u>\$ 9,707,040</u>
\$ 187,155	\$ 347,200	\$ 75,182		\$ 2,609,220
	110,645	81,168		1,749,492
		1,892,495		1,951,947
				46,711
<u>187,155</u>	<u>457,845</u>	<u>2,048,845</u>		<u>6,357,370</u>
73,640	20,048	25,382		242,491
				13,000
<u>73,640</u>	<u>20,048</u>	<u>25,382</u>		<u>255,491</u>
759,894	1,913,850			8,314,597
		540,286		1,047,941
			\$ 24,732	24,732
<u>(152,922)</u>	<u>(446,691)</u>	<u>(2,589,918)</u>		<u>(6,293,091)</u>
<u>606,972</u>	<u>1,467,159</u>	<u>(2,049,632)</u>	<u>24,732</u>	<u>3,094,179</u>
<u>\$ 867,767</u>	<u>\$ 1,945,052</u>	<u>\$ 24,595</u>	<u>\$ 24,732</u>	<u>\$ 9,707,040</u>

**TOWN OF OYSTER BAY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
Year ended December 31, 2014

	Special Revenue Funds			
	Town Outside Village	Special Grants	Drainage District	Park Districts
<b>REVENUES</b>				
Real property taxes	\$ 8,239,733		\$ 5,135,114	\$ 24,222,147
Other real property tax items	90,143		118,734	359,240
Departmental income	6,198,139			733,090
Use of money and property	5,611		4,635	6,912
Sale of property and compensation for loss				2,755
Miscellaneous local sources	163,176	\$ 189,678		60,787
State aid			18,000	26,000
Federal aid		4,205,310		
<b>Total Revenues</b>	<b>14,696,802</b>	<b>4,394,988</b>	<b>5,276,483</b>	<b>25,410,931</b>
<b>EXPENDITURES</b>				
Current:				
Public safety	7,606,354			
Transportation				
Economic assistance and opportunity		2,945,985		
Culture and recreation				15,634,463
Home and community services	1,649,527	1,293,704	1,960,029	
Employee benefits	2,871,057	21,954	852,132	4,507,611
Debt Service:				
Interest	55,726		15,183	608,218
<b>Total Expenditures</b>	<b>12,182,664</b>	<b>4,261,643</b>	<b>2,827,344</b>	<b>20,750,292</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>2,514,138</b>	<b>133,345</b>	<b>2,449,139</b>	<b>4,660,639</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(582,645)		(1,861,122)	(4,764,589)
<b>Total Other Financing Sources (Uses)</b>	<b>(582,645)</b>		<b>(1,861,122)</b>	<b>(4,764,589)</b>
<b>Net Change in Fund Balances</b>	<b>1,931,493</b>	<b>133,345</b>	<b>588,017</b>	<b>(103,950)</b>
<b>Fund Balances (Deficits) at Beginning of Year</b>	<b>(1,535,028)</b>	<b>522,198</b>	<b>729,216</b>	<b>779,657</b>
<b>Fund Balances (Deficits) at End of Year</b>	<b>\$ 396,465</b>	<b>\$ 655,543</b>	<b>\$ 1,317,233</b>	<b>\$ 675,707</b>

Fire Protection Districts	Lighting District	Public Parking District	Water Districts	Total Non-Major Funds
\$ 7,836,133	\$ 4,749,308	\$ 6,012,909		\$ 56,195,344
115,249	73,491	87,380		844,237
		680,124	\$ 4,990	7,616,343
2,935	3,327		84	23,504
	1,133			3,888
580	67,064	211		481,496
	12,000	16,000		72,000
				4,205,310
7,954,897	4,906,323	6,796,624	5,074	69,442,122
7,829,236				15,435,590
	3,763,867	2,038,388		5,802,255
				2,945,985
				15,634,463
			4,990	4,908,250
	709,927	980,111		9,942,792
	29,360	889,680		1,598,167
7,829,236	4,503,154	3,908,179	4,990	56,267,502
125,661	403,169	2,888,445	84	13,174,620
	(367,486)	(4,259,455)		(11,835,297)
	(367,486)	(4,259,455)		(11,835,297)
125,661	35,683	(1,371,010)	84	1,339,323
481,311	1,431,476	(678,622)	24,648	1,754,856
\$ 606,972	\$ 1,467,159	\$ (2,049,632)	\$ 24,732	\$ 3,094,179

**TOWN OF OYSTER BAY**  
**TOWN OUTSIDE VILLAGE**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 8,239,574	\$ 8,239,574	\$ 8,239,733	\$ 159
Total Real Property Taxes	8,239,574	8,239,574	8,239,733	159
<b>OTHER REAL PROPERTY TAX ITEMS</b>				
Payment in lieu of taxes	38,520	38,520	90,143	51,623
Total Other Real Property Tax Items	38,520	38,520	90,143	51,623
<b>DEPARTMENTAL INCOME</b>				
Building fees	4,570,000	5,070,000	5,943,589	873,589
Zoning board fees	200,000	200,000	243,300	43,300
Planning fees	6,000	6,000	11,250	5,250
Total Departmental Income	4,776,000	5,276,000	6,198,139	922,139
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	1,265	1,265	5,611	4,346
Total Use of Money and Property	1,265	1,265	5,611	4,346
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Refund of prior year expenditures	25,000	25,000	147,594	122,594
Photo processing fee	17,000	17,000	15,444	(1,556)
Miscellaneous revenue			138	138
Total Miscellaneous Local Sources	42,000	42,000	163,176	121,176
Total Revenues	13,097,359	13,597,359	14,696,802	1,099,443

(continued)

**TOWN OF OYSTER BAY**  
**TOWN OUTSIDE VILLAGE**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>PUBLIC SAFETY</b>				
Building	7,281,480	7,769,684	7,244,527	525,157
Animal warden services	361,827	361,827	361,827	
Total Public Safety	7,643,307	8,131,511	7,606,354	525,157
<b>CULTURE AND RECREATION</b>				
Memorial day assistance	5,000	5,000		5,000
Total Culture and Recreation	5,000	5,000		5,000
<b>HOME AND COMMUNITY SERVICES</b>				
Board of appeals	367,883	379,654	374,696	4,958
Planning and development - staff	1,374,370	1,374,370	1,274,831	99,539
Total Home and Community Services	1,742,253	1,754,024	1,649,527	104,497
<b>EMPLOYEE BENEFITS</b>				
State Employee Retirement System	798,136	798,136	731,331	66,805
Social security	436,123	438,427	417,889	20,538
Workers' compensation	84,603	84,603	120,054	(35,451)
Disability benefits	2,300	2,300		2,300
Unemployment benefits	4,000	4,000		4,000
Hospital, medical and dental	1,794,922	1,794,922	1,601,783	193,139
Total Employee Benefits	3,120,084	3,122,388	2,871,057	251,331
Total Current	12,510,644	13,012,923	12,126,938	885,985
<b>DEBT SERVICE:</b>				
Debt interest:				
Bond anticipation notes		55,726	55,726	
Total Debt Service		55,726	55,726	
Total Expenditures	12,510,644	13,068,649	12,182,664	885,985
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	586,715	528,710	2,514,138	1,985,428
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out:				
Debt service fund	(586,715)	(203,905)	(203,905)	
Capital projects fund		(378,740)	(378,740)	
Total Other Financing Sources (Uses)	(586,715)	(582,645)	(582,645)	
<b>Net Change in Fund Balance</b>	<u>\$ -0-</u>	<u>\$ (53,935)</u>	1,931,493	<u>\$ 1,985,428</u>
<b>Fund Balance (Deficit) at Beginning of Year</b>			(1,535,028)	
<b>Fund Balance at End of Year</b>			<u>\$ 396,465</u>	

**TOWN OF OYSTER BAY**  
**DRAINAGE DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 5,135,026	\$ 5,135,026	\$ 5,135,114	\$ 88
Total Real Property Taxes	5,135,026	5,135,026	5,135,114	88
<b>OTHER REAL PROPERTY TAX ITEMS</b>				
Payment in lieu of taxes	128,996	128,996	118,734	(10,262)
Total Other Real Property Tax Items	128,996	128,996	118,734	(10,262)
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	2,000	2,000	4,635	2,635
Total Use of Money and Property	2,000	2,000	4,635	2,635
<b>STATE AID</b>				
Emergency disaster assistance			18,000	18,000
Total State Aid			18,000	18,000
Total Revenues	5,266,022	5,266,022	5,276,483	10,461

(continued)

**TOWN OF OYSTER BAY**  
**DRAINAGE DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Original Budget	Final Budget	Actual	Encum- brances	Variance Positive (Negative)
<b>EXPENDITURES</b>					
<b>CURRENT:</b>					
<b>HOME AND COMMUNITY SERVICES</b>					
Drainage	2,216,019	2,216,019	1,960,029	8,565	247,425
<b>Total Home and Community Services</b>	<b>2,216,019</b>	<b>2,216,019</b>	<b>1,960,029</b>	<b>8,565</b>	<b>247,425</b>
<b>EMPLOYEE BENEFITS</b>					
State Employee Retirement System	172,906	172,906	132,893		40,013
Social security	94,481	94,481	81,149		13,332
Disability benefits	500	500			500
Workers' compensation	62,194	62,194	53,479		8,715
Hospital, medical and dental	695,380	698,687	584,611		114,076
Unemployment insurance	1,000	1,000			1,000
<b>Total Employee Benefits</b>	<b>1,026,461</b>	<b>1,029,768</b>	<b>852,132</b>		<b>177,636</b>
<b>Total Current</b>	<b>3,242,480</b>	<b>3,245,787</b>	<b>2,812,161</b>	<b>8,565</b>	<b>425,061</b>
<b>DEBT SERVICE:</b>					
Debt interest:					
Bond anticipation notes		15,183	15,183		
<b>Total Debt Service</b>		<b>15,183</b>	<b>15,183</b>		
<b>Total Expenditures</b>	<b>3,242,480</b>	<b>3,260,970</b>	<b>2,827,344</b>	<b>8,565</b>	<b>425,061</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>2,023,542</b>	<b>2,005,052</b>	<b>2,449,139</b>	<b>(8,565)</b>	<b>435,522</b>
<b>OTHER FINANCING (USES)</b>					
Transfers out:					
Debt service fund	(2,023,542)	(1,938,089)	(1,794,160)		143,929
Capital projects fund		(66,963)	(66,962)		1
<b>Total Other Financing (Uses)</b>	<b>(2,023,542)</b>	<b>(2,005,052)</b>	<b>(1,861,122)</b>		<b>143,930</b>
<b>Net Change in Fund Balance</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>588,017</b>	<b>\$ (8,565)</b>	<b>\$ 579,452</b>
<b>Fund Balance at Beginning of Year</b>			<b>729,216</b>		
<b>Fund Balance at End of Year</b>			<b>\$ 1,317,233</b>		

**TOWN OF OYSTER BAY**  
**PARK DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
Year ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 24,221,786	\$ 24,221,786	\$ 24,222,147	\$ 361
Total Real Property Taxes	24,221,786	24,221,786	24,222,147	361
<b>OTHER REAL PROPERTY TAX ITEMS</b>				
Payment in lieu of taxes	302,623	323,106	359,240	36,134
Total Other Real Property Tax Items	302,623	323,106	359,240	36,134
<b>DEPARTMENTAL INCOME</b>				
Recreational concessions	24,000	24,000	30,800	6,800
Special recreational facility charge	915,000	915,000	702,290	(212,710)
Total Departmental Income	939,000	939,000	733,090	(205,910)
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	34	9,252	6,910	(2,342)
Rental of real property			2	2
Total Use of Money and Property	34	9,252	6,912	(2,340)
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>				
Other compensation for loss			2,755	2,755
Total Sale of Property and Compensation for Loss			2,755	2,755
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Refund of prior year expenditures			60,777	60,777
Miscellaneous revenue			10	10
Total Miscellaneous Local Sources			60,787	60,787
<b>STATE AID</b>				
Emergency disaster assistance			26,000	26,000
Total State Aid			26,000	26,000
Total Revenues	25,463,443	25,493,144	25,410,931	(82,213)

(continued)

**TOWN OF OYSTER BAY**  
**PARK DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>CULTURE AND RECREATION</b>				
Parks, pools and rinks	15,906,707	16,064,062	15,634,463	429,599
Total Culture and Recreation	15,906,707	16,064,062	15,634,463	429,599
<b>EMPLOYEE BENEFITS</b>				
State Employee Retirement System	1,126,540	1,126,540	1,088,796	37,744
Social security	668,359	668,410	652,831	15,579
Workers' compensation	296,067	296,067	215,733	80,334
Disability benefits	5,500	5,500		5,500
Unemployment benefits	2,000	2,000		2,000
Hospital, medical and dental	2,919,082	2,894,082	2,550,251	343,831
Total Employee Benefits	5,017,548	4,992,599	4,507,611	484,988
Total Current	20,924,255	21,056,661	20,142,074	914,587
<b>DEBT SERVICE:</b>				
Debt interest:				
Bond anticipation notes		608,218	608,218	
Total Debt Service		608,218	608,218	
Total Expenditures	20,924,255	21,664,879	20,750,292	914,587
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	4,539,188	3,828,265	4,660,639	832,374
<b>OTHER FINANCING (USES)</b>				
Transfers out:				
Debt service fund	(5,010,973)	(3,835,992)	(3,818,314)	17,678
Capital projects fund		(946,275)	(946,275)	
Total Other Financing (Uses)	(5,010,973)	(4,782,267)	(4,764,589)	17,678
<b>Net Change in Fund Balance</b>	<u>\$ (471,785)</u>	<u>\$ (954,002)</u>	<u>(103,950)</u>	<u>\$ 850,052</u>
<b>Fund Balance at Beginning of Year</b>			779,657	
<b>Fund Balance at End of Year</b>			<u>\$ 675,707</u>	

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**TOWN OF OYSTER BAY**  
**FIRE PROTECTION DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 7,835,886	\$ 7,835,886	\$ 7,836,133	\$ 247
Total Real Property Taxes	7,835,886	7,835,886	7,836,133	247
<b>OTHER REAL PROPERTY TAX ITEMS</b>				
Payment in lieu of taxes	30,000	30,000	115,249	85,249
Total Other Real Property Tax Items	30,000	30,000	115,249	85,249
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings			2,935	2,935
Total Use of Money and Property			2,935	2,935
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Refund of prior year expenditures			580	580
Total Miscellaneous Local Sources			580	580
Total Revenues	7,865,886	7,865,886	7,954,897	89,011
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>PUBLIC SAFETY</b>				
Fire protection	8,042,016	8,042,016	7,829,236	212,780
Total Public Safety	8,042,016	8,042,016	7,829,236	212,780
Total Expenditures	8,042,016	8,042,016	7,829,236	212,780
<b>Net Change in Fund Balance</b>	<u>\$ (176,130)</u>	<u>\$ (176,130)</u>	125,661	<u>\$ 301,791</u>
<b>Fund Balance at Beginning of Year</b>			481,311	
Fund Balance at End of Year			<u>\$ 606,972</u>	

**TOWN OF OYSTER BAY**  
**LIGHTING DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	<u>\$ 4,749,243</u>	<u>\$ 4,749,243</u>	<u>\$ 4,749,308</u>	<u>\$ 65</u>
Total Real Property Taxes	<u>4,749,243</u>	<u>4,749,243</u>	<u>4,749,308</u>	<u>65</u>
<b>OTHER REAL PROPERTY TAX ITEMS</b>				
Payment in lieu of taxes	<u>100,000</u>	<u>100,000</u>	<u>73,491</u>	<u>(26,509)</u>
Total Other Real Property Tax Items	<u>100,000</u>	<u>100,000</u>	<u>73,491</u>	<u>(26,509)</u>
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	<u>2,000</u>	<u>2,000</u>	<u>3,327</u>	<u>1,327</u>
Total Use of Money and Property	<u>2,000</u>	<u>2,000</u>	<u>3,327</u>	<u>1,327</u>
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>				
Insurance recoveries	<u>10,000</u>	<u>10,000</u>		<u>(10,000)</u>
Other compensation for loss			<u>1,133</u>	<u>1,133</u>
Total Sale of Property and Compensation for Loss	<u>10,000</u>	<u>10,000</u>	<u>1,133</u>	<u>(8,867)</u>
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Refund of prior year expenditures			<u>67,064</u>	<u>67,064</u>
Total Miscellaneous Local Sources			<u>67,064</u>	<u>67,064</u>
<b>STATE AID</b>				
Emergency disaster assistance			<u>12,000</u>	<u>12,000</u>
Total State Aid			<u>12,000</u>	<u>12,000</u>
Total Revenues	<u>4,861,243</u>	<u>4,861,243</u>	<u>4,906,323</u>	<u>45,080</u>

(continued)

**TOWN OF OYSTER BAY**  
**LIGHTING DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>TRANSPORTATION</b>				
Lighting	3,787,462	3,981,514	3,763,867	217,647
Total Transportation	3,787,462	3,981,514	3,763,867	217,647
<b>EMPLOYEE BENEFITS</b>				
State Employee Retirement System	161,962	171,478	171,478	
Social security	88,501	91,226	91,226	
Disability benefits	200	200		200
Workers' compensation	49,060	49,060	41,473	7,587
Hospital, medical and dental	570,389	571,159	405,750	165,409
Unemployment benefits	2,000	2,000		2,000
Total Employee Benefits	872,112	885,123	709,927	175,196
Total Current	4,659,574	4,866,637	4,473,794	392,843
<b>DEBT SERVICE:</b>				
Debt interest:				
Bond anticipation notes		29,360	29,360	
Total Debt Service		29,360	29,360	
Total Expenditures	4,659,574	4,895,997	4,503,154	392,843
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	201,669	(34,754)	403,169	437,923
<b>OTHER FINANCING (USES)</b>				
Transfers out:				
Debt service fund	(399,055)	(291,005)	(289,566)	1,439
Capital projects fund		(77,920)	(77,920)	
Total Other Financing (Uses)	(399,055)	(368,925)	(367,486)	1,439
<b>Net Change in Fund Balance</b>	<u>\$ (197,386)</u>	<u>\$ (403,679)</u>	35,683	<u>\$ 439,362</u>
<b>Fund Balance at Beginning of Year</b>			1,431,476	
<b>Fund Balance at End of Year</b>			<u>\$ 1,467,159</u>	

**TOWN OF OYSTER BAY**  
**PUBLIC PARKING DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 6,012,819	\$ 6,012,819	\$ 6,012,909	\$ 90
Total Real Property Taxes	6,012,819	6,012,819	6,012,909	90
<b>OTHER REAL PROPERTY TAX ITEMS</b>				
Payment in lieu of taxes	70,137	70,137	87,380	17,243
Total Other Real Property Tax Items	70,137	70,137	87,380	17,243
<b>DEPARTMENTAL INCOME</b>				
Parking permits	650,000	650,000	650,740	740
Parking meter fees	30,000	30,000	29,384	(616)
Total Departmental Income	680,000	680,000	680,124	124
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	667	667		(667)
Total Use of Money and Property	667	667		(667)
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Refund of prior year expenditures			211	211
Total Miscellaneous Local Sources			211	211
<b>STATE AID</b>				
Emergency disaster assistance			16,000	16,000
Total State Aid			16,000	16,000
Total Revenues	6,763,623	6,763,623	6,796,624	33,001

(continued)

**TOWN OF OYSTER BAY**  
**PUBLIC PARKING DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year ended December 31, 2014**

	Original Budget	Final Budget	Actual	Encumbrances	Variance Positive (Negative)
<b>EXPENDITURES</b>					
<b>CURRENT:</b>					
<b>TRANSPORTATION</b>					
Parking	2,192,740	2,188,036	2,038,388	1,060	148,588
Total Transportation	2,192,740	2,188,036	2,038,388	1,060	148,588
<b>EMPLOYEE BENEFITS</b>					
State Employee Retirement System	118,066	122,770	122,770		
Social security	64,514	64,514	60,141		4,373
Workers compensation	77,842	77,842	260,844		(183,002)
Disability benefits	1,000	1,000			1,000
Unemployment benefits	1,000	1,000			1,000
Hospital, medical and dental	654,365	660,452	536,356		124,096
Total Employee Benefits	916,787	927,578	980,111		(52,533)
Total Current	3,109,527	3,115,614	3,018,499	1,060	96,055
<b>DEBT SERVICE:</b>					
Debt interest:					
Bond anticipation notes		889,680	889,680		
Total Debt Service		889,680	889,680		
Total Expenditures	3,109,527	4,005,294	3,908,179	1,060	96,055
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	3,654,096	2,758,329	2,888,445	(1,060)	129,056
<b>OTHER FINANCING (USES)</b>					
Transfers out:					
Debt service fund	(3,654,096)	(3,086,908)	(3,026,512)		60,396
Capital projects fund		(1,232,944)	(1,232,943)		1
Total Other Financing (Uses)	(3,654,096)	(4,319,852)	(4,259,455)		60,397
<b>Net Change in Fund Balance</b>	<u>\$ -0-</u>	<u>\$ (1,561,523)</u>	<u>(1,371,010)</u>	<u>\$ (1,060)</u>	<u>\$ 189,453</u>
<b>Fund Balance (Deficit) at Beginning of Year</b>			<u>(678,622)</u>		
<b>Fund Balance (Deficit) at End of Year</b>			<u><u>\$ (2,049,632)</u></u>		

**TOWN OF OYSTER BAY**  
**WATER DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
Year ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
DEPARTMENTAL INCOME				
Water rental arrears		\$ 4,990	\$ 4,990	
Total Departmental Income		4,990	4,990	
USE OF MONEY AND PROPERTY				
Interest and earnings			84	\$ 84
Total Use of Money and Property			84	84
Total Revenues		4,990	5,074	84
<b>EXPENDITURES</b>				
CURRENT:				
HOME AND COMMUNITY SERVICES				
Water		4,990	4,990	
Total Home and Community Services		4,990	4,990	
Total Expenditures		4,990	4,990	
Net Change in Fund Balance	\$ -0-	\$ -0-	84	\$ 84
Fund Balance at Beginning of Year			24,648	
Fund Balance at End of Year			\$ 24,732	

**TOWN OF OYSTER BAY**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
Year ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	\$ 200,000	\$ 200,000	\$ 94,478	\$ (105,522)
Total Use of Money and Property	200,000	200,000	94,478	(105,522)
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Premiums on bond anticipation notes			469,597	469,597
Total Miscellaneous Local Sources			469,597	469,597
Total Revenues	200,000	200,000	564,075	364,075
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT SUPPORT</b>				
Fiscal agent fees	90,000	135,000	134,070	930
Total General Government Support	90,000	135,000	134,070	930
Total Current	90,000	135,000	134,070	930
<b>DEBT SERVICE:</b>				
Debt principal - serial bonds	60,292,095	60,314,949	38,231,954	22,082,995
Debt interest - serial bonds	23,858,467	23,835,613	13,921,238	9,914,375
Bond issuance costs			355,604	(355,604)
Advanced refunding escrow			3,622,850	(3,622,850)
Total Debt Service	84,150,562	84,150,562	56,131,646	28,018,916
Total Expenditures	84,240,562	84,285,562	56,265,716	28,019,846
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(84,040,562)	(84,085,562)	(55,701,641)	28,383,921
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
Other funds	77,040,562	77,040,562	51,459,845	(25,580,717)
Premiums on obligations	7,000,000	7,045,000	8,649,587	1,604,587
Refunding bond issued			66,224,563	66,224,563
Payment to refunded bond escrow agent			(70,152,185)	(70,152,185)
Transfers out:				
Capital projects fund			(6,715)	(6,715)
Total Other Financing Sources (Uses)	84,040,562	84,085,562	56,175,095	(27,910,467)
<b>Net Change in Fund Balance</b>	\$ -0-	\$ -0-	473,454	\$ 473,454
<b>Fund Balance at Beginning of Year</b>			139,480	
<b>Fund Balance at End of Year</b>			\$ 612,934	

**TOWN OF OYSTER BAY**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**December 31, 2014**

	Town Agency Fund	Town Clerk Agency Fund	Town Receiver of Taxes Agency Fund	Total Agency Funds
<b>ASSETS</b>				
Cash	\$ 9,271,866	\$ 35,017	\$ 47,829,628	\$ 57,136,511
Total Assets	<u>\$ 9,271,866</u>	<u>\$ 35,017</u>	<u>\$ 47,829,628</u>	<u>\$ 57,136,511</u>
<b>LIABILITIES</b>				
Due to the Comptroller of the State of New York		\$ 30		\$ 30
Due to the Department of Environmental Conservation of the State of New York		599		599
Due to the Department of Health of the State of New York		1,868		1,868
Due to the Department of Agriculture and Markets of the State of New York		127		127
Due to school districts			\$ 47,087,169	47,087,169
Due to the Treasurer of Nassau County			176,269	176,269
Due to component units	\$ 6,970,611			6,970,611
Other agency liabilities	2,301,255	32,393	566,190	2,899,838
Total Liabilities	<u>\$ 9,271,866</u>	<u>\$ 35,017</u>	<u>\$ 47,829,628</u>	<u>\$ 57,136,511</u>

**TOWN OF OYSTER BAY**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES**  
**Year ended December 31, 2014**

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
<b>ASSETS</b>				
<b>Town Agency Funds</b>				
Cash	\$ 9,178,064	\$ 215,065,252	\$ 214,971,450	\$ 9,271,866
Total Assets - Town Agency Funds	9,178,064	215,065,252	214,971,450	9,271,866
<b>Town Clerk Agency Funds</b>				
Cash	31,503	621,023	617,509	35,017
Total Assets - Town Clerk Agency Funds	31,503	621,023	617,509	35,017
<b>Town Receiver of Taxes Agency Funds</b>				
Cash	53,511,877	1,535,094,787	1,540,777,036	47,829,628
Taxes Agency Funds	53,511,877	1,535,094,787	1,540,777,036	47,829,628
Total Assets	\$ 62,721,444	\$ 1,750,781,062	\$ 1,756,365,995	\$ 57,136,511
<b>LIABILITIES</b>				
<b>Town Agency Funds</b>				
Consolidated payroll		\$ 89,692,006	\$ 89,692,006	
Due to component units	\$ 6,949,411	74,021,037	73,999,837	\$ 6,970,611
Other agency liabilities	2,228,653	51,352,209	51,279,607	2,301,255
Total Liabilities - Town Agency Funds	9,178,064	215,065,252	214,971,450	9,271,866
<b>Town Clerk Agency Funds</b>				
Due to the Comptroller of the State of New York	45	1,474	1,489	30
Due to the Department of Environmental Conservation of the State of New York	401	29,812	29,614	599
Due to the Department of Health of the State of New York	1,147	27,338	26,617	1,868
Due to the Department of Agriculture and Markets of the State of New York	90	2,261	2,224	127
Other agency liabilities	29,820	560,138	557,565	32,393
Total Liabilities - Town Clerk Agency Funds	31,503	621,023	617,509	35,017
<b>Town Receiver of Taxes Agency Funds</b>				
Due to school districts	52,679,390	1,022,677,945	1,028,270,166	47,087,169
Due to the Treasurer of Nassau County	176,191	224,586,797	224,586,719	176,269
Other agency liabilities	656,296	287,830,045	287,920,151	566,190
Total Liabilities - Town Receiver of Taxes Agency Funds	53,511,877	1,535,094,787	1,540,777,036	47,829,628
Total Liabilities	\$ 62,721,444	\$ 1,750,781,062	\$ 1,756,365,995	\$ 57,136,511

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**DISCRETELY PRESENTED NONMAJOR  
COMPONENT UNITS**

The nonmajor component units of the Town provide water, sewer and sanitation services to residents and businesses within the districts. These districts are organized under New York State Town Law and have separately elected boards. Long-term debt, backed by the full faith and credit of the Town, and other matters result in an interdependency with the Town.

**TOWN OF OYSTER BAY**  
**DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS**  
**COMBINING STATEMENT OF NET POSITION**  
December 31, 2014

	Massapequa Water District	Plainview Water District	Hicksville Water District	Locust Valley Water District	Oyster Bay Water District
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and investments	\$ 2,212,397	\$ 4,237,175	\$24,542,214	\$ 555,590	\$ 1,792,935
Accounts receivable, net of allowance for doubtful accounts	2,256,235	888,819	651,268	414,633	252,607
State and federal aid receivables					
Due from other governments		112,572	142,604	2,634	
Due from primary government	22,460	24,803	67,731	1,118,875	171,607
Other assets					
Inventory of materials and supplies		140,202	6,413	95,151	47,627
Prepaid items	73,678	200,737	106,675	155,151	24,490
Total Current Assets	4,564,770	5,604,308	25,516,905	2,342,034	2,289,266
<b>Non-Current Assets:</b>					
Non-depreciable capital assets	4,976,163	318,392	10,463,475	1,953,014	168,590
Depreciable capital assets, net of depreciation	10,138,231	30,853,087	16,773,834	9,416,912	9,758,223
Total Non-Current Assets	15,114,394	31,171,479	27,237,309	11,369,926	9,926,813
<b>Total Assets</b>	<b>19,679,164</b>	<b>36,775,787</b>	<b>52,754,214</b>	<b>13,711,960</b>	<b>12,216,079</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charges on refundings, net of accumulated amortization					
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts payable	86,179	779,177	1,724,200	242,020	147,531
Accrued liabilities	43,242	192,301	60,527		
Accrued interest payable	63,388	304,933			
Bond anticipation notes payable				2,000,000	
Due to other governments	34,017	10,930			
Due to primary government	395,785	178,514		1,693,773	
Collections in advance			5,175		8,964
Unearned income	133,106			96,000	
Non-current liabilities due within one year					
General obligation bonds payable	410,983	1,320,254		206,000	338,515
Due to Employee Retirement System			86,317		22,111
Compensated absences	36,119				9,783
Other debt			810,000		
Total Current Liabilities	1,202,819	2,786,109	2,686,219	4,237,793	526,904
<b>Non-Current Liabilities:</b>					
General obligation bonds payable	4,620,330	17,897,168		4,459,123	3,239,154
Other postemployment benefits payable	2,930,993	2,722,542	3,306,688	833,837	1,074,663
Compensated absences	298,724	336,801	612,370	281,212	185,881
Other debt			11,625,000		
Total Non-Current Liabilities	7,850,047	20,956,511	15,544,058	5,574,172	4,499,698
<b>Total Liabilities</b>	<b>9,052,866</b>	<b>23,742,620</b>	<b>18,230,277</b>	<b>9,811,965</b>	<b>5,026,602</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unearned revenue:					
Real property taxes			56,201		
Real property tax items					
Gain on defeasance	35,774				
<b>Total Deferred Inflows of Resources</b>	<b>35,774</b>		<b>56,201</b>		
<b>NET POSITION</b>					
Net investment in capital assets	10,047,306	11,954,057	20,141,324	11,369,926	6,515,182
Restricted	1,273,538	1,945,230	12,374,841	1,597,899	996,505
Unrestricted (deficit)	(730,320)	(866,120)	1,951,571	(9,067,830)	(322,210)
<b>Total Net Position</b>	<b>\$10,590,524</b>	<b>\$13,033,167</b>	<b>\$34,467,736</b>	<b>\$ 3,899,995</b>	<b>\$ 7,189,477</b>

Jericho Water District	South Farmingdale Water District	Bethpage Water District	Syosset Sanitation District	Oyster Bay Sewer District	Glenwood- Glenhead Garbage District	Totals
\$ 8,909,971	\$ 6,844,490	\$ 7,852,720	\$ 758,171	\$ 1,830,834	\$ 482,185	\$ 60,018,682
2,307,041	1,160,407	893,271				8,824,281
2,544						2,544
		265,185	125			523,120
527,843	2,267,740	2,615,967		47,783	105,802	6,970,611
					700	700
200,699	15,548	207,660				713,300
230,751	125,653	87,289		117,932		1,122,356
12,178,849	10,413,838	11,922,092	758,296	1,996,549	588,687	78,175,594
1,117,911	373,509	22,846,216		45,362		42,262,632
23,420,457	23,340,086	14,963,460		13,332,111		151,996,401
24,538,368	23,713,595	37,809,676		13,377,473		194,259,033
36,717,217	34,127,433	49,731,768	758,296	15,374,022	588,687	272,434,627
				115,821		115,821
1,373,952	448,267	860,480		134,700	105,652	5,902,158
109,798		238,931				644,799
				46,342		414,663
		7,000,000				9,000,000
		324,024				368,971
141,815		2,710,346				5,120,233
						14,139
		46,080				275,186
298,000	808,644	658,600		435,258		4,476,254
				63,930		172,358
45,084	36,009	43,279		24,753		195,027
						810,000
1,968,649	1,292,920	11,881,740		704,983	105,652	27,393,788
6,322,000	12,483,276	12,061,000		3,009,656		64,091,707
3,478,464	2,325,572	1,853,991		3,168,899		21,695,649
818,010	684,175	186,573		470,298		3,874,044
						11,625,000
10,618,474	15,493,023	14,101,564		6,648,853		101,286,400
12,587,123	16,785,943	25,983,304		7,353,836	105,652	128,680,188
						56,201
					78,125	78,125
						35,774
					78,125	170,100
18,299,442	12,689,748	18,090,076		9,932,559		119,039,620
3,407,795	2,751,545	4,336,864				28,684,217
2,422,857	1,900,197	1,321,524	758,296	(1,796,552)	404,910	(4,023,677)
\$24,130,094	\$17,341,490	\$23,748,464	\$ 758,296	\$ 8,136,007	\$ 404,910	\$143,700,160

**TOWN OF OYSTER BAY**  
**DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS**  
**COMBINING STATEMENT OF ACTIVITIES**  
**Year ended December 31, 2014**

	Massapequa Water District	Plainview Water District	Hicksville Water District	Locust Valley Water District	Oyster Bay Water District
<b>EXPENSES</b>					
Current:					
Home and community services	\$ 5,611,108	\$ 7,803,253	\$ 7,139,286	\$ 2,451,427	\$ 2,347,191
Total Expenses	5,611,108	7,803,253	7,139,286	2,451,427	2,347,191
<b>PROGRAM REVENUES</b>					
Charges for services	3,695,513	4,007,666	2,813,861	1,565,414	930,967
Operating grants and contributions					
Total Program Revenues	3,695,513	4,007,666	2,813,861	1,565,414	930,967
Net Expenses	(1,915,595)	(3,795,587)	(4,325,425)	(886,013)	(1,416,224)
<b>GENERAL REVENUES</b>					
Real property taxes	2,045,000	3,503,669	4,656,264	475,105	882,182
Other real property tax items		33,071	79,786		33,069
Use of money and property - interest and earnings	3,956	14,166	126,995	8,554	1,062
Sales of property and compensation for loss		30,099	32,505		
Miscellaneous local sources	234,209	57	375,782	270,040	468,394
Total General Revenues	2,283,165	3,581,062	5,271,332	753,699	1,384,707
Changes in Net Position	367,570	(214,525)	945,907	(132,314)	(31,517)
Net Position at Beginning of Year	10,222,954	13,247,692	33,521,829	4,032,309	7,220,994
Net Position at End of Year	\$10,590,524	\$13,033,167	\$34,467,736	\$ 3,899,995	\$ 7,189,477

Jericho Water District	South Farmingdale Water District	Bethpage Water District	Syosset Sanitation District	Oyster Bay Sewer District	Glenwood- Glenhead Garbage District	Totals
\$ 9,958,146	\$ 6,825,032	\$ 6,401,134	\$ 575,341	\$ 4,704,861	\$ 1,294,190	\$ 55,110,969
9,958,146	6,825,032	6,401,134	575,341	4,704,861	1,294,190	55,110,969
8,234,850 25,194	3,721,048	2,083,331		497,278		27,549,928 25,194
8,260,044	3,721,048	2,083,331	-0-	497,278	-0-	27,575,122
(1,698,102)	(3,103,984)	(4,317,803)	(575,341)	(4,207,583)	(1,294,190)	(27,535,847)
1,183,953	1,889,040	3,205,490 75,665	569,519	3,481,727	957,364	22,849,313 221,591
9,365	15,015	40,180	356	2,724	358	222,731
257,839 71,868	23,647 292,916	46,938 887,812		8,581 5,401		399,609 2,606,479
1,523,025	2,220,618	4,256,085	569,875	3,498,433	957,722	26,299,723
(175,077)	(883,366)	(61,718)	(5,466)	(709,150)	(336,468)	(1,236,124)
24,305,171	18,224,856	23,810,182	763,762	8,845,157	741,378	144,936,284
\$ 24,130,094	\$ 17,341,490	\$ 23,748,464	\$ 758,296	\$ 8,136,007	\$ 404,910	\$ 143,700,160

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## STATISTICAL SECTION

This comprehensive statistical data for the Town includes, in some cases, statistical information for the villages, school districts, and special districts, which are not part of the Town reporting entity. It is intended to provide readers of this report with a broader and more complete understanding of the Town and its financial affairs than is possible from the financial statements and schedules included in the Financial Section. Many tables in this section cover several years for comparison purposes, and may present data from outside of the Town's accounting records. This part of the Town of Oyster Bay'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 says about the government's overall financial health.

### Page

#### **Financial Trends**

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

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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.

135-140

#### **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.

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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 government's financial activities take place.

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#### **Operating Information**

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

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**TOWN OF OYSTER BAY**  
**NET POSITION BY COMPONENT**  
**LAST TEN YEARS**  
(accrual basis of accounting)

<u>Year Ended December 31,</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Primary government					
Governmental activities					
Net position					
Net investment					
in capital assets	\$ 39,210,064	\$ 32,343,595	\$ 26,762,896	\$ 24,260,496	\$ 24,709,247
Restricted	1,808,763	1,201,964	1,276,840	2,026,619	659,882
Unrestricted (deficit)	<u>(310,519,520)</u>	<u>(263,390,501)</u>	<u>(231,457,703)</u>	<u>(176,918,159)</u>	<u>(142,604,599)</u>
Total primary government					
net position	<u><u>\$ (269,500,693)</u></u>	<u><u>\$ (229,844,942)</u></u>	<u><u>\$ (203,417,967)</u></u>	<u><u>\$ (150,631,044)</u></u>	<u><u>\$ (117,235,470)</u></u>

Source: Office of the Comptroller and the audited financial statements of the Town of Oyster Bay.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 29,999,229	\$ 39,411,317	\$ 43,046,627	\$ 43,111,426	\$ 46,061,429
4,077,987	4,695,733	6,784,573	4,782,128	3,278,908
<u>(101,048,213)</u>	<u>(76,760,000)</u>	<u>(55,802,910)</u>	<u>(30,386,111)</u>	<u>(27,401,040)</u>
<u>\$ (66,970,997)</u>	<u>\$ (32,652,950)</u>	<u>\$ (5,971,710)</u>	<u>\$ 17,507,443</u>	<u>\$ 21,939,297</u>

**TOWN OF OYSTER BAY**  
**CHANGES IN NET POSITION**  
**LAST TEN YEARS**  
(accrual basis of accounting)

Year Ended December 31,	2014	2013	2012	2011
<b>Expenses</b>				
Governmental activities:				
General government support	\$ 40,547,641	\$ 36,575,649	\$ 32,796,871	\$ 23,979,446
Public safety	28,294,084	29,134,180	27,821,478	26,314,669
Transportation	63,795,473	68,083,600	71,035,386	56,829,279
Economic assistance and opportunity	4,192,597	4,035,988	4,039,287	3,952,952
Culture and recreation	63,468,829	71,386,725	70,617,267	67,279,441
Home and community service	86,904,193	93,926,958	85,793,941	85,314,148
Interest on debt	24,225,844	22,180,971	21,318,102	18,275,637
Total governmental activities expenses	<u>311,428,661</u>	<u>325,324,071</u>	<u>313,422,332</u>	<u>281,945,572</u>
Total primary government expenses	<u>\$ 311,428,661</u>	<u>\$ 325,324,071</u>	<u>\$ 313,422,332</u>	<u>\$ 281,945,572</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government support	\$ 1,136,556	\$ 1,229,235	\$ 1,003,364	\$ 984,923
Public safety	6,024,901	6,354,468	4,564,537	4,067,938
Transportation	2,922,521	2,029,540	2,285,793	1,768,986
Culture and recreation	6,230,650	6,307,093	6,586,215	6,002,337
Home and community service	830,167	794,692	899,181	581,858
Operating grants and contributions	10,777,160	15,217,357	18,126,195	8,156,683
Capital grants and contributions	4,522,687	10,328,219	5,666,110	10,661,138
Total governmental activities program revenues	<u>32,444,642</u>	<u>42,260,604</u>	<u>39,131,395</u>	<u>32,223,863</u>
Total primary government program revenues	<u>\$ 32,444,642</u>	<u>\$ 42,260,604</u>	<u>\$ 39,131,395</u>	<u>\$ 32,223,863</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	<u>\$ (278,984,019)</u>	<u>\$ (283,063,467)</u>	<u>\$ (274,290,937)</u>	<u>\$ (249,721,709)</u>
Total primary government net expense	<u>\$ (278,984,019)</u>	<u>\$ (283,063,467)</u>	<u>\$ (274,290,937)</u>	<u>\$ (249,721,709)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Real property taxes	\$ 198,080,058	\$ 182,180,760	\$ 175,579,664	\$ 175,265,000
Other real property tax items	3,678,417	3,390,556	3,197,633	3,128,447
Non-property tax items	5,112,339	4,863,692	4,696,524	4,617,396
Interest earnings	181,680	246,628	147,906	283,646
Local government assistance - unrestricted	13,942,484	14,680,867	13,733,876	13,144,675
State aid - unrestricted	10,327,711	11,883,093	11,184,538	10,201,720
Other	8,005,579	10,062,430	12,963,873	9,685,251
Special item		30,025,000		
Total primary government government general revenues/other	<u>239,328,268</u>	<u>257,333,026</u>	<u>221,504,014</u>	<u>216,326,135</u>
Total primary government	<u>\$ 239,328,268</u>	<u>\$ 257,333,026</u>	<u>\$ 221,504,014</u>	<u>\$ 216,326,135</u>
<b>Change in Net Position</b>				
Governmental activities	<u>\$ (39,655,751)</u>	<u>\$ (25,730,441)</u>	<u>\$ (52,786,923)</u>	<u>\$ (33,395,574)</u>
Total primary government	<u>\$ (39,655,751)</u>	<u>\$ (25,730,441)</u>	<u>\$ (52,786,923)</u>	<u>\$ (33,395,574)</u>

Source: Office of the Comptroller and the audited financial statements of the Town of Oyster Bay.

2010	2009	2008	2007	2006	2005
\$ 32,283,214	\$ 30,938,595	\$ 29,280,974	\$ 27,452,248	\$ 28,377,683	\$ 27,287,549
24,145,307	22,853,502	22,823,530	20,140,332	15,534,907	12,872,109
51,102,059	48,780,746	42,706,899	43,848,773	38,223,618	34,494,917
5,214,244	4,671,721	4,079,454	4,720,246	3,296,258	3,777,967
66,858,706	56,125,780	48,896,676	46,014,635	33,411,370	29,356,108
85,680,187	81,279,479	83,861,818	79,888,664	72,443,102	70,424,188
14,948,060	13,940,075	14,877,375	13,813,969	12,695,405	10,863,419
<u>280,231,777</u>	<u>258,589,898</u>	<u>246,526,726</u>	<u>235,878,867</u>	<u>203,982,343</u>	<u>189,076,257</u>
<u>\$ 280,231,777</u>	<u>\$ 258,589,898</u>	<u>\$ 246,526,726</u>	<u>\$ 235,878,867</u>	<u>\$ 203,982,343</u>	<u>\$ 189,076,257</u>
\$ 1,038,276	\$ 877,821	\$ 877,878	\$ 894,824	\$ 1,027,286	\$ 919,208
4,271,347	4,439,212	5,943,056	5,732,243	5,339,164	4,834,739
2,017,458	1,878,588	1,850,408	1,057,918	1,544,386	1,499,325
6,122,679	5,586,432	4,617,488	4,418,814	4,413,872	4,228,419
692,256	819,174	2,539,520	1,172,034	3,070,951	1,449,312
7,838,502	8,155,922	4,879,810	5,981,451	4,384,088	4,814,588
3,815,966	1,465,316	3,435,216	3,653,824	1,658,101	1,321,048
<u>25,796,484</u>	<u>23,222,465</u>	<u>24,143,376</u>	<u>22,911,108</u>	<u>21,437,848</u>	<u>19,066,639</u>
<u>\$ 25,796,484</u>	<u>\$ 23,222,465</u>	<u>\$ 24,143,376</u>	<u>\$ 22,911,108</u>	<u>\$ 21,437,848</u>	<u>\$ 19,066,639</u>
<u>\$ (254,435,293)</u>	<u>\$ (235,367,433)</u>	<u>\$ (222,383,350)</u>	<u>\$ (212,967,759)</u>	<u>\$ (182,544,495)</u>	<u>\$ (170,009,618)</u>
<u>\$ (254,435,293)</u>	<u>\$ (235,367,433)</u>	<u>\$ (222,383,350)</u>	<u>\$ (212,967,759)</u>	<u>\$ (182,544,495)</u>	<u>\$ (170,009,618)</u>
\$ 166,258,122	\$ 166,273,638	\$ 154,966,262	\$ 141,561,626	\$ 131,326,025	\$ 123,308,923
2,821,830	2,244,124	2,085,320	2,811,308	1,813,354	1,783,960
4,437,509	4,038,122	3,738,181	3,584,094	3,048,430	3,010,801
389,697	831,303	2,319,018	3,975,611	3,414,443	2,270,613
13,331,035	12,465,539	13,903,412	13,341,427	12,841,012	12,969,569
10,762,780	11,800,490	13,655,882	21,770,758	22,907,937	24,175,253
6,169,847	3,396,170	5,034,035	2,443,782	2,761,440	2,099,665
<u>204,170,820</u>	<u>201,049,386</u>	<u>195,702,110</u>	<u>189,488,606</u>	<u>178,112,641</u>	<u>169,618,784</u>
<u>\$ 204,170,820</u>	<u>\$ 201,049,386</u>	<u>\$ 195,702,110</u>	<u>\$ 189,488,606</u>	<u>\$ 178,112,641</u>	<u>\$ 169,618,784</u>
<u>\$ (50,264,473)</u>	<u>\$ (34,318,047)</u>	<u>\$ (26,681,240)</u>	<u>\$ (23,479,153)</u>	<u>\$ (4,431,854)</u>	<u>\$ (390,834)</u>
<u>\$ (50,264,473)</u>	<u>\$ (34,318,047)</u>	<u>\$ (26,681,240)</u>	<u>\$ (23,479,153)</u>	<u>\$ (4,431,854)</u>	<u>\$ (390,834)</u>

**TOWN OF OYSTER BAY**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
(modified accrual basis of accounting)

Year Ended December 31,	2014	2013	2012	2011 <sup>(1)</sup>	2010
General Fund					
Reserved					\$ 1,708,530
Unreserved					374,746
Nonspendable	\$ 11,909,423	\$ 4,678,333	\$ 3,387,516	\$ 4,292,202	
Unassigned	(29,416,588)	(3,168,285)	(10,299,540)	(5,422,383)	
Total General Fund	<u>\$ (17,507,165)</u>	<u>\$ 1,510,048</u>	<u>\$ (6,912,024)</u>	<u>\$ (1,130,181)</u>	<u>\$ 2,083,276</u>
All other governmental funds					
Reserved					\$ 33,306,988
Unreserved, reported in:					
Special Revenue Funds					6,665,244
Capital Projects Fund					(281,933,862)
Nonspendable	\$ 22,070,329	\$ 1,734,984	\$ 1,721,425	\$ 1,635,674	
Restricted	1,660,875	1,201,964	1,276,840	2,026,619	
Assigned	24,732	5,633,333	6,680,117	14,100,368	
Unassigned	(97,124,509)	(310,460,120)	(366,641,459)	(298,511,328)	
Total all other governmental funds	<u>\$ (73,368,573)</u>	<u>\$ (301,889,839)</u>	<u>\$ (356,963,077)</u>	<u>\$ (280,748,667)</u>	<u>\$ (241,961,630)</u>

Source: Office of the Comptroller and the audited financial statements of the Town of Oyster Bay.

Note: <sup>(1)</sup> Components of fund balance reclassified in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

2009	2008	2007	2006	2005
\$ 1,919,359 6,279,485	\$ 1,700,529 11,645,425	\$ 1,644,976 14,671,147	\$ 1,742,746 19,617,161	\$ 1,310,170 20,312,356
<u>\$ 8,198,844</u>	<u>\$ 13,345,954</u>	<u>\$ 16,316,123</u>	<u>\$ 21,359,907</u>	<u>\$ 21,622,526</u>
\$ 75,490,973 7,444,464 (336,440,020)	\$ 58,854,255 13,839,236 (231,148,619)	\$ 36,328,089 5,590,942 (133,639,662)	\$ 31,552,078 4,100,548 (115,787,954)	\$ 21,194,339 3,424,234 (128,129,004)
<u>\$ (253,504,583)</u>	<u>\$ (158,455,128)</u>	<u>\$ (91,720,631)</u>	<u>\$ (80,135,328)</u>	<u>\$ (103,510,431)</u>

**TOWN OF OYSTER BAY**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
(modified accrual basis of accounting)

Year Ended December 31,	2014	2013	2012	2011	2010
<b>Revenues</b>					
Real property taxes	\$ 198,080,058	\$ 182,180,760	\$ 175,579,664	\$ 175,265,001	\$ 166,258,122
Other real property tax items	3,678,417	3,390,556	3,197,633	3,128,447	2,821,830
Non-property tax items	5,112,339	4,863,692	4,696,524	4,617,396	4,437,509
Departmental income	22,978,529	23,120,124	22,079,123	20,406,328	20,966,195
Intergovernmental charges	13,973,877	14,718,216	13,942,518	13,176,813	13,365,710
Use of money and property	777,031	824,353	603,056	735,241	894,246
License and permits	296,652	205,178	174,475	149,865	119,629
Fines and forfeitures	1,027,489	666,753	746,224	454,077	513,879
Sale of property and compensation for loss	468,532	905,960	1,606,331	333,447	396,953
Miscellaneous and local sources	7,774,106	9,770,228	1,803,732	5,105,926	3,530,852
Interfund revenues	29,949,479	28,423,597	29,876,012	29,160,183	26,942,095
State aid	17,497,657	14,987,030	13,608,089	13,732,037	14,549,881
Federal aid	7,744,354	22,354,741	21,139,005	12,200,790	7,362,931
<b>Total revenues</b>	<b>309,358,520</b>	<b>306,411,188</b>	<b>289,052,386</b>	<b>278,465,551</b>	<b>262,159,832</b>
<b>Expenditures</b>					
<b>Current:</b>					
General government support	39,420,479	37,984,142	39,712,264	34,125,789	36,650,794
Public safety	20,595,032	19,778,269	20,167,997	19,295,277	18,433,319
Transportation	26,210,566	31,523,700	36,926,372	25,912,405	24,496,655
Economic assistance and opportunity	3,366,498	2,812,692	3,184,421	3,200,016	4,121,859
Culture and recreation	32,963,253	32,362,259	35,638,463	35,039,970	33,278,647
Home and community service	69,396,713	66,628,449	68,441,125	67,054,880	69,766,398
Employee benefits	54,412,698	53,452,014	51,210,979	46,923,714	42,116,903
Capital outlay	57,144,686	84,324,592	78,651,835	114,031,571	123,578,275
<b>Debt Service:</b>					
Principal	38,231,954	30,680,747	31,355,462	25,975,875	20,526,759
Interest	23,805,275	21,958,366	20,754,691	16,402,710	13,086,920
Bond issuance costs	355,604			233,966	
Advanced refunding escrow	3,622,850			2,731,641	
<b>Total expenditures</b>	<b>369,525,608</b>	<b>381,505,230</b>	<b>386,043,609</b>	<b>390,927,814</b>	<b>386,056,529</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(60,167,088)</b>	<b>(75,094,042)</b>	<b>(96,991,223)</b>	<b>(112,462,263)</b>	<b>(123,896,697)</b>
<b>Other financing sources (uses)</b>					
Transfers in	75,101,560	55,504,247	52,917,281	42,553,991	42,092,659
Transfers out	(75,101,560)	(55,504,247)	(52,917,281)	(42,553,991)	(42,092,659)
Issuance of debt	264,175,000	107,056,379	7,500,000	61,575,000	125,449,000
Premiums on obligations	8,649,587	1,507,973	7,494,970	8,915,009	3,875,082
Refunding bond issued	66,224,563			32,514,467	
Payment to refunded bond escrow agent	(70,152,185)			(32,542,707)	
<b>financing sources (uses)</b>	<b>268,896,965</b>	<b>108,564,352</b>	<b>14,994,970</b>	<b>70,461,769</b>	<b>129,324,082</b>
<b>Special item</b>		<b>30,025,000</b>			
<b>Net change in fund balances</b>	<b>\$ 208,729,877</b>	<b>\$ 63,495,310</b>	<b>\$ (81,996,253)</b>	<b>\$ (42,000,494)</b>	<b>\$ 5,427,385</b>
Debt service as a percentage of noncapital expenditures	20.84%	17.57%	16.94%	16.37%	12.83%

Source: Office of the Comptroller and the audited financial statements of the Town of Oyster Bay.

2009	2008	2007	2006	2005
\$ 166,273,638	\$ 154,966,262	\$ 141,561,626	\$ 131,326,025	\$ 123,308,923
2,244,124	2,085,320	2,811,308	1,813,354	1,783,960
4,038,122	3,738,181	3,584,094	3,048,430	3,010,801
21,915,754	23,640,211	22,720,584	24,603,121	22,266,020
12,884,581	14,266,470	13,675,191	13,103,282	13,199,409
1,208,674	2,706,212	4,349,291	4,005,643	2,696,926
119,429	211,967	149,806	139,944	122,712
527,531	293,488	275,606	301,220	346,826
419,791	867,677	916,559	801,351	683,120
3,253,042	4,093,979	2,018,414	2,236,624	2,383,468
24,410,321	21,594,481	20,257,890	18,651,183	15,683,447
16,686,465	15,854,956	26,229,932	25,038,625	25,790,398
4,735,263	6,115,952	5,176,101	3,836,502	4,520,492
258,716,735	250,435,156	243,726,402	228,905,304	215,796,502
35,459,470	33,993,375	30,691,664	27,209,517	25,782,339
17,459,466	17,158,885	14,922,227	12,964,921	10,955,667
24,814,537	21,431,751	21,841,905	21,958,988	19,181,462
3,828,861	3,359,651	3,897,085	2,730,482	3,284,222
31,438,530	27,106,969	24,903,758	23,622,658	22,821,411
67,781,406	74,303,619	66,152,574	65,012,028	59,566,813
41,419,904	37,671,690	38,960,749	36,224,777	33,876,288
101,778,497	86,452,980	85,957,746	51,890,093	49,549,275
22,756,967	21,881,062	21,007,985	19,350,939	20,569,298
14,445,618	16,287,762	12,555,008	11,176,588	10,005,141
273,907				
1,790,652				
363,247,815	339,647,744	320,890,701	272,140,991	255,591,916
(104,531,080)	(89,212,588)	(77,164,299)	(43,235,687)	(39,795,414)
40,597,795	33,556,976	38,517,501	33,981,160	36,251,675
(40,597,795)	(33,556,976)	(38,517,501)	(33,981,160)	(36,251,675)
	18,224,433	59,550,000	65,610,000	
5,591,215	1,283,489	985,212	738,171	
39,074,300				
(40,331,000)				
4,334,515	19,507,922	60,535,212	66,348,171	
\$ (100,196,565)	\$ (69,704,666)	\$ (16,629,087)	\$ 23,112,484	\$ (39,795,414)
14.78%	15.17%	14.26%	13.76%	14.82%

**TOWN OF OYSTER BAY**  
**ASSESSED VALUE, STATE EQUALIZATION RATE, AND ESTIMATED FULL VALUE OF REAL PROPERTY**  
**LAST TEN YEARS**

Year Ended December 31,	Class One		Class Two		Class Three		Class Four		Total Net Assessed Value	
	Residential Property		Condo and Co-Op Property		Utility and Special Franchise		Commercial Property			
2014	\$	106,471,145	\$	3,315,141	\$	8,008,677	\$	45,555,762	\$	163,350,725
2013		109,989,707		3,330,881		7,965,140		46,547,801		167,833,529
2012		119,349,935		3,404,383		8,335,694		50,709,884		181,799,896
2011		124,558,277		3,587,770		8,063,217		58,814,856		195,024,120
2010		144,899,065		3,605,084		7,655,995		58,128,433		214,288,577
2009		145,410,757		3,134,057		6,973,758		55,900,961		211,419,533
2008		139,713,171		2,932,594		6,027,208		51,871,415		200,544,388
2007		131,590,763		2,743,279		5,693,347		48,435,541		188,462,930
2006		225,567,183		2,697,079		4,939,664		47,197,060		280,400,986
2005		364,135,751		2,659,027		4,882,323		47,239,027		418,916,128

Source: Town of Oyster Bay Annual Budget Report.

Total Direct Tax Rate	State Equalization Rate	Full Valuation	Assessed Value as a Percentage of Full Value
4.69	0.30%	\$ 54,450,241,667	0.30%
4.41	0.31%	54,139,848,065	0.31%
3.93	0.31%	58,645,127,742	0.31%
3.77	0.32%	60,945,037,500	0.32%
3.48	0.34%	63,026,052,059	0.34%
3.42	0.33%	64,066,525,152	0.33%
3.19	0.31%	64,691,738,065	0.31%
2.95	0.29%	64,987,217,241	0.29%
1.88	0.29%	96,689,995,172	0.29%
1.99	0.50%	83,783,225,600	0.50%

**TOWN OF OYSTER BAY**  
**PROPERTY TAX RATES, DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN YEARS**

Town Direct Rates					
Years Ended December 31,	Full Valuation	State Equalization Rate <sup>3</sup>	Total Net Assessed Value	Tax Levy For Town <sup>1</sup>	Total Town Direct Tax Rate <sup>1,2</sup>
2014	\$ 54,450,241,667	0.30%	\$ 163,350,725	\$ 255,141,730	4.69
2013	54,139,848,065	0.31%	167,833,529	238,793,854	4.41
2012	58,645,127,742	0.31%	181,799,896	230,699,358	3.93
2011	60,945,037,500	0.32%	195,024,120	229,899,564	3.77
2010	63,026,052,059	0.34%	214,288,577	219,045,576	3.48
2009	64,066,525,152	0.33%	211,419,533	219,357,222	3.42
2008	64,691,738,065	0.31%	200,544,388	206,512,925	3.19
2007	64,987,217,241	0.29%	188,462,930	191,419,715	2.95
2006	96,689,995,172	0.29%	280,400,986	181,310,611	1.88
2005	83,783,225,600	0.50%	418,916,128	167,057,512	1.99

Source: Receiver of Taxes - General and School Tax Warrants.

<sup>1</sup> Total tax levy, as well as the total direct rate for Town includes all Town controlled funds, Discretely Presented Component Units, Fire Hydrant, Rental District, Fire Districts, Incorporated Villages and Library Districts.

<sup>2</sup> Per \$1,000 of full valuation.

<sup>3</sup> 2006 rate increases are due to decreases in assessed valuations by Nassau County.

Overlapping Rates

County Tax Levy For Town	Total County Direct Rate <sup>2</sup>	School Levy	Total School Direct Rate <sup>2</sup>	Total Direct & Overlapping Rates
\$ 264,940,834	4.87	\$ 1,032,048,220	18.95	28.51
265,051,828	4.90	1,001,983,368	18.51	27.82
263,271,178	4.49	974,916,136	16.62	25.04
262,419,092	4.31	945,235,477	15.51	23.59
260,456,163	4.13	933,444,160	14.81	22.42
261,479,836	4.08	906,670,726	14.15	21.65
250,074,671	3.87	856,038,872	13.23	20.29
252,167,909	3.88	807,139,720	12.42	19.25
251,140,046	2.60	759,251,800	7.85	12.33
246,576,497	2.94	655,967,265	7.83	12.76

**TOWN OF OYSTER BAY**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

2014

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percent of Total Assessed Valuation
1	Long Island Power Authority	Public Utility - Public Franchise	\$ 4,754,487	2.91%
2	Keyspan Gas East	Public Utility - Public Franchise	4,206,545	2.58%
3	CLK-HP Various Properties	Office Buildings	1,702,990	1.04%
4	Verizon	Public Utility - Public Franchise	1,475,709	0.90%
5	Sunrise Mall Associates & Hudson Resources	Shopping Mall	1,054,281	0.65%
6	Broadway Mall (CGA Broadway Partners, LLC)	Shopping Mall	1,000,000	0.61%
7	Jericho Quads Associates	Office Buildings	846,826	0.52%
8	One-Two Jericho Plaza Owner, LLC	Office Buildings	732,208	0.45%
9	Northrop Grumman Corp. & Related Companies	Office Buildings	589,467	0.36%
10	TreeCo. Centers Limited Partnership	Office Buildings	401,930	0.25%
Total			<u>\$ 16,764,443</u>	<u>(a) 10.27%</u>

(a) Represents 10.27% of the total taxable assessed valuation of the Town for 2014.

2005

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percent of Total Assessed Valuation
1	Long Island Lighting Company	Public Utility	\$ 2,283,285	0.55%
2	Northrop-Grumman Corp. & Related Companies	Engineering & Advanced Develo	1,612,138	0.38%
3	Industrial & Research Associates	Office Buildings	1,284,355	0.31%
4	Verizon	Public Utility	1,122,090	0.27%
5	Keyspan Energy	Public Utility	1,106,677	0.26%
6	Jericho Quads	Office Buildings	1,065,418	0.25%
7	Broadway Mall	Shopping Mall	1,051,797	0.25%
8	Long Island Power Authority	Public Utility	1,012,862	0.24%
9	Sunrise Mall Associates & Hudson Resources	Shopping Mall	950,279	0.23%
10	Nassau County IDA (Cablevision)	IDA (Communication)	601,307	0.14%
Total			<u>\$ 12,090,208</u>	<u>(b) 2.88%</u>

(b) Represents 2.88% of the total taxable assessed valuation of the Town for 2005.

Source: Town of Oyster Bay Official Statements.

**TOWN OF OYSTER BAY**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN YEARS**

Year Ended December 31,	Tax Levy For Town <sup>(a)</sup>	Amount Collected <sup>(b)</sup>	Percent Collected
2014	255,141,730	255,141,730	100.00%
2013	238,793,854	238,793,854	100.00%
2012	230,699,358	230,699,358	100.00%
2011	229,899,564	229,899,564	100.00%
2010	219,045,576	219,045,576	100.00%
2009	219,357,222	219,357,222	100.00%
2008	206,512,925	206,512,925	100.00%
2007	191,419,715	191,419,715	100.00%
2006	181,310,611	181,310,611	100.00%
2005	167,057,512	167,057,512	100.00%

Source: Receiver of Taxes - General Tax Levy.

<sup>(a)</sup> Total tax levy for Town includes all Town controlled funds, Discretely Presented Component Units, Fire Hydrant Rental District, Fire Districts, Incorporated Villages and Library Districts.

<sup>(b)</sup> During year of levy.

**TOWN OF OYSTER BAY**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN YEARS**

Year Ended	Governmental Activities General Obligation Bonds	Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
2014	\$ 664,403,519	\$ 664,403,519	0.68%	2,258
2013	434,723,923	434,723,923	0.46%	1,468
2012	357,319,045	357,319,045	0.39%	1,215
2011	374,867,908	374,867,908	0.43%	1,284
2010	339,297,023	339,297,023	0.40%	1,157
2009	234,374,782	234,374,782	0.23%	773
2008	258,388,449	258,388,449	0.26%	854
2007	262,045,078	262,045,078	0.31%	870
2006	223,503,063	223,503,063	0.27%	743
2005	177,244,002	177,244,002	0.24%	590

Source: Details regarding the outstanding debt can be found in the notes to the financial statements.

Notes: As of December 31, 2014, the Town had \$87,920,000 in short-term bond anticipation notes, which are not presented in this schedule.

As of December 31, 2014, the Town had \$10,000,000 in short-term revenue anticipation notes, which are not presented in this schedule.

As of December 31, 2014, the Town had \$20,000,000 in short-term tax anticipation notes, which are not presented in this schedule.

Beginning with the year ended 2012, the amount reported for general obligation bonds is inclusive of premiums on general obligation bonds. Prior to 2012, the amount reported relates solely to general obligation bonds.

<sup>1</sup> See the schedule of Demographic and Economic Statistics for personal income and population.

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**TOWN OF OYSTER BAY**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN YEARS**

Year Ended	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Full Taxable Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
2014	\$ 664,403,519	\$ 612,934	\$ 663,790,585	1.22%	2,255
2013	434,723,923	139,480	434,584,443	0.74%	1,468
2012	357,319,045	222,550	357,096,495	0.61%	1,215
2011	374,867,908	864,721	374,003,187	0.61%	1,281
2010	339,297,023	100,628	339,196,395	0.54%	1,157
2009	234,374,782	3,530,798	230,843,984	0.36%	761
2008	258,388,449	4,089,788	254,298,661	0.39%	840
2007	262,045,078	6,266,490	255,778,588	0.39%	849
2006	223,503,063	4,333,257	219,169,806	0.23%	729
2005	177,244,002	2,978,827	174,265,175	0.21%	580

Source: Details regarding outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See the Schedule of Assessed Value, Equalization Rate and Estimated Full Value of Real Property for property value data.

<sup>2</sup> Population data can be found in the Schedule of Demographic and Economic Statistics.

Note: Beginning with the year ended 2012, the amount reported for general obligation bonds is inclusive of premiums on general obligation bonds. Prior to 2012, the amount reported relates solely to general obligation bonds.

**TOWN OF OYSTER BAY**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
December 31, 2014

<u>Jurisdiction</u>	<u>Net Long-Term Debt</u>	<u>Percentage Applicable to the Town of Oyster Bay</u>	<u>Town of Oyster Bay Share of Debt (1)</u>
Direct:			
Town of Oyster Bay	\$ 664,403,519	100.00%	\$ 664,403,519
Total Direct Debt	664,403,519		664,403,519
Overlapping:			
Nassau County	4,002,697,386	26.09%	1,044,303,748
School Districts	28,780,082	100.00%	28,780,082
Fire Districts	9,055,436	100.00%	9,055,436
Water Districts	64,834,924	100.00%	64,834,924
Sewer District	3,182,953	100.00%	3,182,953
Incorporated Villages	52,465,982	100.00%	52,465,982
Total Overlapping Debt	4,161,016,763		1,202,623,125
Total Direct and Overlapping Debt	\$ 4,825,420,282		\$ 1,867,026,644

Source: Town of Oyster Bay Official Statement.

Note: The taxpayers share of overlapping debt is based upon the amount of the Town's equalized property values taken as a percentage of each separate units' total values.

(1) Only the Town portion of school districts and villages that lie partially in other towns has been considered.

**TOWN OF OYSTER BAY**  
**DEBT LIMIT MARGIN INFORMATION**  
December 31, 2014

Years Ended December 31,	Assessed Valuation	State Equalization Rate	Full Valuation
2014	\$ 163,350,725	0.30%	\$ 54,450,241,667
2013	167,833,529	0.31%	54,139,848,065
2012	181,799,896	0.31%	58,645,127,742
2011	195,024,120	0.32%	60,945,037,500
2010	214,288,577	0.34%	63,026,052,059
Total Five Year Full Valuation			<u>\$ 291,206,307,033</u>
Five Year Average Full Valuation of Taxable Real Property			<u>58,241,261,407</u>
Debt Limit - 7% of Five Year Average Full Valuation			<u>4,076,888,298</u>
Inclusions:			
Outstanding Bonds			717,421,379
Bond Anticipation Notes			<u>96,920,000</u>
Total Inclusions			<u>814,341,379</u>
Exclusions:			
Water Bonds			64,834,924
Water Bond Anticipation Notes			<u>9,000,000</u>
Total Exclusions			<u>73,834,924</u>
Total Net Indebtedness Subject to the Debt Limit			<u>740,506,455</u>
Net Debt Contracting Margin			<u>3,336,381,843</u>
Percent of Debt Limit Exhausted			18.16%

Last Ten Years

Year	Constitutional Debt Limit	Outstanding Indebtedness December 31	Less: Exclusions	Indebtedness Subject to Debt Limit	Net Debt Contracting Margin	Percent of Net Debt Contracting Margin Available
2014	\$ 4,076,888,298	\$ 814,341,379	\$ 73,834,924	\$ 740,506,455	\$ 3,336,381,843	81.84%
2013	4,211,516,267	794,571,379	68,145,232	726,426,147	3,485,090,120	82.75%
2012	4,359,242,727	802,628,958	62,588,477	740,040,481	3,619,202,246	83.02%
2011	4,448,031,980	724,175,945	48,693,585	675,482,360	3,772,549,620	84.81%
2010	4,526,990,068	659,294,000	31,357,617	627,936,383	3,899,053,685	86.13%
2009	4,341,939,581	521,340,800	25,166,102	496,174,698	3,845,764,883	88.57%
2008	3,996,543,411	451,486,933	24,870,785	426,616,148	3,569,927,263	89.33%
2007	3,700,867,994	407,005,000	26,297,261	380,707,739	3,320,160,255	89.71%
2006	3,306,525,278	333,670,000	24,717,437	308,952,563	2,997,572,715	90.66%
2005	2,987,238,099	329,005,000	25,307,498	303,697,502	2,683,540,597	89.83%

Source: Office of the Comptroller and the Official Statements of the Town of Oyster Bay.

**TOWN OF OYSTER BAY**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN YEARS**

Years Ended December 31,	Population <sup>1</sup>	Personal Income <sup>2</sup> (in millions)	Per Capita Income <sup>2,7</sup>	Median Age <sup>3,7</sup>	Unem- ployment Rate <sup>2,4</sup>	Year-Round Households Estimate <sup>4,7</sup>	Average Household Size Estimate <sup>4,7</sup>	Population Density Per Square Mile <sup>4,6,7</sup>	Public School Enrollment <sup>5</sup>
2014	294,307	\$ 98,096	\$ 50,770	44.4	4.50%	99,159	2.95	2,853	45,330
2013	296,108	95,475	44,704	42.9	5.50%	98,210	2.96	2,836	46,057
2012	293,990	91,120	47,757	44.9	6.50%	100,094	2.89	2,816	46,455
2011	292,033	87,992	45,529	42.6	6.40%	93,579	2.93	2,826	46,981
2010	293,214	83,985	45,607	42.8	6.80%	99,419	2.89	2,808	47,700
2009	303,285	101,648	44,606	39.8	6.50%	101,018	2.95	2,916	47,898
2008	302,589	100,146	35,895	40.0	4.40%	99,873	2.93	2,816	48,108
2007	301,273	85,217	62,981	42.8	3.50%	96,879	3.02	2,871	48,219
2006	300,786	81,756	44,757	41.8	3.60%	100,539	2.93	2,881	48,517
2005	300,616	73,161	43,135	39.4	3.80%	100,595	2.93	2,879	48,096

Sources:

- <sup>1</sup> Bureau of the Census / Long Island Regional Planning Board / Long Island Population Survey.
- <sup>2</sup> Bureau of Economic Analysis. Figures are for Nassau County. TOB figures not available.
- <sup>3</sup> State Department of Commerce
- <sup>4</sup> Long Island Business News - Doing Business on Long Island / LILCO Survey / Long Island Population Survey.
- <sup>5</sup> NYSED.gov
- <sup>6</sup> Wikipedia - Oyster Bay
- <sup>7</sup> U.S. Census Bureau

**TOWN OF OYSTER BAY**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

2014

Rank	Name	Type of Business	Number of Employees
1	Cablevision Systems Corporation	Entertainment / Communications	A
2	Government Employees Insurance Company	Insurance Agents / Brokers	A
3	N.C. Association for Help of Retarded Children	Job Training & Vocational Rehab. Services	A
4	National Grid / LIPA	Public Utility	A
5	Northrop Grumman	Aerospace Industries (Mfrs)	A
6	New York Institute of Technology	Professional Schools	A
7	St. Francis Hospital	General Medical & Surgical Hospital	A
8	Commercial Building Maintenance Corp.	Cleaning Services - Industrial	B
9	Darby Group Co., Inc.	Dental Equipment & Supplies - Wholesale	B
10	Plainview Hospital	Hospitals	B

2004

Rank	Name	Type of Business	Number of Employees
1	Cablevision Systems	Entertainment / Telecommunications	A
2	Keyspan Corp.	Utility Distribution	A
3	St. Francis Hospital	General Medical & Surgical Hospital	A
4	N.C. Association for Help of Retarded Children	Rehabilitation & Training Services	A
5	Northrop Grumman Systems Corp.	Engineering & Technology	A
6	Pall/Pall Int'l. Corporation	Surgical Appliance & Supplies	A
7	Interpool Temporary Personnel	Help Supply Services	A
8	The Robert Plan Corp.	Insurance Products & Services	B
9	Slomins, Inc.	Heating Oi/Sec. Sys./Air Conditioning	B
10	Lackmann Culinary Services	Contract Food Service	B

Source: Town of Oyster Bay Official Statements.

Note: Percentage of total Town employment is not available.

Code

- A More than 1,500 employees
- B 1,000 to 1,499 employees
- C 500 to 999 employees

**TOWN OF OYSTER BAY**  
**FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN YEARS**

Full-time Equivalent Employees as of December 31										
Function	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General government support	258	256	253	274	257	298	276	299	303	297
Public safety	126	118	116	125	119	124	133	115	109	78
Transportation	151	152	160	176	164	174	203	185	190	193
Economic assistance and opportunity	14	11	11	11	12	12	11	10	11	11
Culture and recreation	293	280	287	303	277	269	248	232	231	223
Home and community services	343	350	344	361	356	376	358	346	357	357
Total	<u>1,185</u>	<u>1,167</u>	<u>1,171</u>	<u>1,250</u>	<u>1,185</u>	<u>1,253</u>	<u>1,229</u>	<u>1,187</u>	<u>1,201</u>	<u>1,159</u>

Source: Office of the Comptroller of the Town of Oyster Bay.

**TOWN OF OYSTER BAY**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN YEARS**

Year Ended December 31,	2014	2013	2012	2011	2010
<b>Function</b>					
<b>General Government Support</b>					
<b>Public Safety</b>					
Building					
Residential building permits issued	4,739	4,838	3,935	4,018	3,783
Commercial building permits issued	866	1,062	795	921	293
Public Safety					
Animals received	805	783	826	804	747
Animals adopted	258	354	233	327	200
Animals redeemed	130	127	172	127	116
Town Clerk					
Permits issued <sup>1</sup>	27,446	6,050	29,592	8,272	29,384
Fire					
Number of fire protection districts	7	7	7	7	7
Number of calls answered	7,503	8,926	7,822	18,240	17,498
<b>Transportation</b>					
Parking Meters					
Number of parking meters	275	275	275	305	305
Collections per month	2	2	2	2	2
Highways and Streets					
Street resurfacing (miles)	7	11	14	18	4
Number of trees planted	794	1,566	1,080	419	1,996
Number of trees removed	801	2,808	2,695	3,396	1,558
<b>Economic Assistance and Opportunity</b>					
<b>Culture and Recreation</b>					
Beach permits issued	39,795	45,262	48,316	50,974	55,987
Registration for adult programs	766	709	238	400	339
Registration for summer programs	1,685	1,975	2,150	2,300	2,650
<b>Home and Community Services</b>					
Sanitation					
Refuse collected (tons/day)	588	1,259	1,293	633	565
Recyclables collected (tons/day)	208	195	178	190	208

Source: Various departments of the Town of Oyster Bay.

<sup>1</sup> Resident parking permits contained in this total are issued every two years.

2009	2008	2007	2006	2005
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1,756	2,579	2,227	2,039	2,380
52	230	263	209	216

847	1,056	1,162	1,192	1,121
276	282	344	350	288
143	155	197	174	169

6,882	26,802	6,868	25,715	6,216
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7	7	7	7	7
19,232	19,171	19,253	19,094	19,054

305	302	271	271	271
2	2	1	1	1

10	18	33	68	76
293	1,964	2,040	1,661	1,643
3,135	2,410	2,319	2,000	1,942

49,947	45,777	44,389	39,852	42,960
142	217	229	259	223
2,500	2,200	141	234	234

650	666	778	841	856
208	124	138	210	231

**TOWN OF OYSTER BAY**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN YEARS**

Year Ended December 31,	2014	2013	2012	2011	2010
<b>Function</b>					
<b>General Government Support</b>					
Municipal buildings	3	3	3	3	3
Central vehicle maintenance					
Vehicles maintained	700	700	700	700	687
<b>Transportation</b>					
Highways and streets					
Streets (miles)	781	781	781	781	781
Streetlights <sup>1</sup>	20,927	23,000	25,000	25,000	25,000
Parking fields	54	54	54	54	54
<b>Culture and Recreation</b>					
Parks acreage	600	600	600	600	600
Beaches	9	9	9	9	9
Marinas	3	3	3	3	3
Boat basin slips	554	554	554	554	554
Swimming pools	5	5	5	5	5
Golf courses	1	1	1	1	1
Tennis courts	28	28	28	28	28
Community centers	11	11	11	11	11
<b>Home and Community Service</b>					
Sanitation					
Collection trucks	64	64	50	50	50

Source: Various departments of the Town of Oyster Bay.

<sup>1</sup> 2003 - 2005 numbers are an estimate from the Town of Oyster Bay Department of Public Works Division of Lighting.

N/A Information was not available for these years.

2009	2008	2007	2006	2005
3	3	3	3	3
729	729	707	707	N/A
780	780	732	732	732
20,703	20,652	20,551	20,451	20,351
54	54	40	40	40
600	600	600	600	600
9	9	9	9	9
3	3	3	3	3
554	554	554	554	554
5	5	5	5	5
1	1	1	1	1
28	28	28	28	28
10	10	10	10	10
50	50	50	50	50